**As filed with the Securities and Exchange Commission on December 9, 2024.**

**File No. 001-42395**

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# AMENDMENT NO. 1
# TO
# FORM 10

**GENERAL FORM FOR REGISTRATION OF SECURITIES**
**Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934**

# Twin Hospitality Group Inc.
**(Exact name of Registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **99-1232362**<br>**(I.R.S. Employer Identification No.)** |
| **5151 Belt Line Road, Suite 1200**<br>**Dallas, Texas**<br>**(Address of principal executive offices)** | **75254**<br>**(Zip Code)** |

**(972) 941-3150**
**(Registrant's telephone number, including area code)**

***With copies to:***

| | |
|---|---|
| **Twin Hospitality Group Inc.**<br>**5151 Belt Line Road, Suite 1200**<br>**Dallas, Texas 75254**<br>**Tel: (972) 941-3150**<br>**Attn: Clay C. Mingus,**<br>**Chief Legal Officer** | **Greenberg Traurig, LLP**<br>**1840 Century Park East, Suite 1900**<br>**Los Angeles, California 90067**<br>**Tel: (310) 586-7700**<br>**Fax: (310) 586-7800**<br>**Attn: Mark J. Kelson, Esq.**<br>**William Wong, Esq.** |

**Securities to be registered pursuant to Section 12(b) of the Act:**

| Title of each class to be so registered | Name of each exchange on which each class is to be registered |
|---|---|
| **Class A Common Stock, par value $0.0001 per share** | **The Nasdaq Stock Market LLC** |

**Securities to be registered pursuant to Section 12(g) of the Act: None.**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Twin Hospitality Group Inc.**
**Information Required in Registration Statement**
**Cross-Reference Sheet Between the Information Statement and Items of Form 10**

This Registration Statement on Form 10 incorporates by reference information contained in our Information Statement filed as Exhibit 99.1 to this Form 10.

**Item 1. Business.**

The information required by this item is contained under the sections of the Information Statement entitled "Summary of our Company and our Business", "Risk Factors", "Reorganization", "The Spin-Off", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Business", "Certain Relationships and Related Person Transactions", and "Where You Can Find More Information", which sections are incorporated herein by reference.

**Item 1A. Risk Factors.**

The information required by this item is contained under the sections of the Information Statement entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors", which sections are incorporated herein by reference.

**Item 2. Financial Information.**

The information required by this item is contained under the sections of the Information Statement entitled "Summary Historical Consolidated and Pro Forma Condensed Combined Financial Information and Other Data", "Capitalization", "Unaudited Pro Forma Condensed Combined Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Financial Statements", and the financial statements referenced therein, which sections and financial statements are incorporated herein by reference.

**Item 3. Properties.**

The information required by this item is contained under the section of the Information Statement entitled "Business—Properties", which section is incorporated herein by reference.

**Item 4. Security Ownership of Certain Beneficial Owners and Management.**

The information required by this item is contained under the section of the Information Statement entitled "Security Ownership of Certain Beneficial Owners and Management", which section is incorporated herein by reference.

**Item 5. Directors and Executive Officers.**

The information required by this item is contained under the section of the Information Statement entitled "Management", which section is incorporated herein by reference.

**Item 6. Executive Compensation.**

The information required by this item is contained under the section of the Information Statement entitled "Executive and Director Compensation", which section is incorporated herein by reference.

**Item 7. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item is contained under the sections of the Information Statement entitled "Risk Factors", "Reorganization", "The Spin-Off", "Management" and "Certain Relationships and Related Person Transactions", which sections are incorporated herein by reference.

**Item 8. Legal Proceedings.**

The information required by this item is contained under the section of the Information Statement entitled "Business—Legal Proceedings", which section is incorporated herein by reference.

**Item 9. Market Price of, and Dividends on, the Registrant's Common Equity and Related Stockholder Matters.**

The information required by this item is contained under the sections of the Information Statement entitled "Questions and Answers Regarding the Spin-Off", "The Spin-Off", "Dividend Policy", "Capitalization", "Material U.S. Federal Income Tax Consequences of the Spin-Off", and "Description of Capital Stock", which sections are incorporated herein by reference.

**Item 10. Recent Sales of Unregistered Securities.**

The information required by this item is contained under the section of the Information Statement entitled "Description of Capital Stock—Recent Sales of Unregistered Securities", which section is incorporated herein by reference.

**Item 11. Description of Registrant's Securities to Be Registered.**

The information required by this item is contained under the sections of the Information Statement entitled "Questions and Answers Regarding the Spin-Off", "The Spin-Off", "Dividend Policy", and "Description of Capital Stock", which sections are incorporated herein by reference.

**Item 12. Indemnification of Directors and Officers.**

The information required by this item is contained under the section of the Information Statement entitled "Description of Capital Stock—Limitations on Liability and Indemnification of Directors and Officers", which section is incorporated herein by reference.

**Item 13. Financial Statements and Supplementary Data.**

The information required by this item is contained under the sections of the Information Statement entitled "Summary Historical Consolidated and Pro Forma Condensed Combined Financial Information and Other Data", "Unaudited Pro Forma Condensed Combined Financial Statements" and "Index to Financial Statements", and the financial statements referenced therein, which sections and financial statements are incorporated herein by reference.

**Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

The information required by this item is contained under the section of the Information Statement entitled "Change in Accountants", which section is incorporated herein by reference.

**Item 15. Financial Statements and Exhibits.**

(a) Financial Statements

The information required by this item is contained under the sections of the Information Statement entitled "Summary Historical Consolidated and Pro Forma Condensed Combined Financial Information and Other Data", "Unaudited Pro Forma Condensed Combined Financial Statements" and "Index to Financial Statements", and the financial statements referenced therein, which sections and financial statements are incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

| Exhibit Number | Exhibit Description |
|---|---|
| 3.1* | Amended and Restated Certificate of Incorporation of Twin Hospitality Group Inc. |
| 3.2* | Amended and Restated Bylaws of Twin Hospitality Group Inc. |
| 4.1 | Form of Warrant Agreement |
| 10.1* | Master Separation and Distribution Agreement, dated as of , 2024, between FAT Brands Inc. and Twin Hospitality Group Inc. |
| 10.2* | Tax Matters Agreement, dated as of , 2024, between FAT Brands Inc. and Twin Hospitality Group Inc. |
| 10.3†* | Twin Hospitality Group Inc. 2024 Incentive Compensation Plan |
| 10.4†* | Form of Stock Option Agreement |
| 10.5† | Twin Hospitality Group Inc. Management Equity Plan |
| 10.6† | Form of Award Agreement |
| 10.7 | Form of Indemnification Agreement between Twin Hospitality Group Inc. and each of its directors and officers |
| 10.8 | Base Indenture, dated as of November 21, 2024, by and between Twin Hospitality I, LLC, as issuer, and UMB Bank, N.A., as trustee and securities intermediary |
| 10.9 | Series 2024-1 Supplement to Base Indenture, dated as of November 21, 2024, by and between Twin Hospitality I, LLC, as issuer, and UMB Bank, N.A., as trustee and securities intermediary |
| 10.10 | Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among the Guarantors party thereto (consisting of the subsidiaries of Twin Hospitality Group Inc.) in favor of UMB Bank, National Association, as trustee |
| 10.11 | Management Agreement, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, as issuer, the other Securitization Entities party thereto from time to time, Twin Hospitality Group Inc., as manager, and UMB Bank, N.A., as trustee |
| 10.12 | Limited Guaranty, dated as of November 21, 2024, between Twin Hospitality Group Inc., as guarantor, and UMB Bank, N.A., as trustee |
| 16.1** | Letter from Macias Gini & O'Connell LLP regarding change in certifying accountant |
| 16.2** | Letter from CohnReznick LLP regarding change in certifying accountant |
| 21.1** | Subsidiaries of Twin Hospitality Group Inc. |
| 99.1 | Preliminary Information Statement of Twin Hospitality Group Inc., subject to completion, dated December 9, 2024 |

* To be provided by amendment.

** Previously filed as part of the initial filing of this registration statement (previously filed with the SEC on November 1, 2024).

† Management contract or compensatory plan or arrangement.

**SIGNATURE**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Registration Statement on Form 10 to be signed on its behalf by the undersigned, thereunto duly authorized.

**Twin Hospitality Group Inc.**

By: */s/ Joseph Hummel*
Name: Joseph Hummel
Title: Chief Executive Officer

Dated: December 9, 2024

**Exhibit 4.1**

**THIS WARRANT (AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF) ARE SUBJECT TO A MANDATORY LOCKUP PERIOD AS PROVIDED IN THIS WARRANT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NEITHER THIS WARRANT NOR THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT AS PROVIDED IN THIS WARRANT AND IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS.**

**TWIN HOSPITALITY GROUP INC.**

**WARRANT AGREEMENT**
**(Class A Common Stock)**

THIS WARRANT TO PURCHASE CLASS A COMMON STOCK (the "**Warrant**"), dated [_____], 2024 (the "**Issue Date**"), certifies that, for value received, [_____] (the "**Holder**") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, to subscribe for and purchase from Twin Hospitality Group Inc., a Delaware corporation (the "**Company**"), [_____] shares of Class A Common Stock, par value $0.0001 per share (the "**Common Stock**"), of the Company (the "**Warrant Shares**").

This Warrant is one of a series of warrants (the "**Indenture Warrants**") being issued pursuant to the transactions contemplated by that certain Base Indenture, dated as of the date hereof (the "**Base Indenture**"), by and between Twin Hospitality I, LLC and UMB Bank, N.A., as trustee and securities intermediary, and the Series 2024-1 Supplement, dated as of the date hereof, between the Company and UMB Bank, N.A., as trustee. Capitalized terms used herein and not otherwise expressly defined herein shall have the meanings assigned to such terms in the Base Indenture.

**Section 1**. **Definitions**. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this **Section 1**:

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"**Commission**" means the United States Securities and Exchange Commission.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exercise Price**" shall initially be $0.01 per Warrant Share, and may be adjusted from time to time after the date hereof as provided herein.

"**Governmental Authority**" means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"**Law**" means any federal, state, local, municipal, foreign or other law, statute, legislation, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, writ, injunction, order or consent that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

**"Lockup Period"** shall mean a period commencing on the Issue Date and ending on the date on which the Company has used at least $75,000,000 of aggregate Qualified Equity Offering Proceeds to prepay the Outstanding Principal Amount of the Series 2024-1 Notes.

"**Person**" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Trading Day**" means a day on which the Trading Market on which the shares of Common Stock are listed is generally open for trading.

"**Trading Market**" means any of the following markets or exchanges on which the Common Stock and the Class A Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange (or any successors to any of the foregoing), or any other "national securities exchange" designated as such from time to time by the Commission.

"**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of Common Stock so reported, or (c) in all other cases, the fair market value of the Common Stock as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

**Section 2**. **Exercise**.

(a) This Warrant shall be exercisable, in whole or in part, during the period commencing on October 25, 2025 and ending at 5:00 p.m. New York City time on the five (5) year anniversary of the Issue Date (the "**Exercise Period**"). This Warrant may be exercised, in whole or in part, by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise Form annexed hereto. Within one (1) Trading Day following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in **Section 2(b)** below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within five (5) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within two (2) Trading Days of receipt of such notice.

(b) **Cashless Exercise**. This Warrant may be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive the number of Warrant Shares equal to the quotient (if such quotient would be a positive number) obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to **Section 2(a)** hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to **Section 2(a)** hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to **Section 2(a)** hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to **Section 2(a)** hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a "cashless exercise," the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised, and the holding period of the Warrants being exercised may be tacked on to the holding period of the Warrant Shares. The Company agrees not to take any position contrary to the foregoing sentence.

(c) **Mechanics of Exercise**.

(i) **Delivery of Warrant Shares Upon Exercise**. If this Warrant is exercised after termination of the Lockup Period and (A) there is then an effective registration statement permitting the issuance of the Warrant Shares to, or resale of the Warrant Shares by, Holder, or (B) the Warrant Shares are (x) eligible for resale by the Holder pursuant to Rule 144 at the time of sale of such Warrant Shares or (y) eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, then the Company shall cause the Warrant Shares purchased hereunder to be transmitted by its transfer agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system. In all other circumstances in which a Warrant is exercised, the Warrant Shares shall be delivered in book entry form, registered in the Company's stock register in the name of the Holder, and bearing appropriate "stop transfer" legends prohibiting transfer or sale of the Warrant Shares until after termination of the Lockup Period and in compliance with the Securities Act and other applicable securities laws. The Company shall, at the request of Holder, promptly deliver all the necessary documentation to cause the transfer agent to the Company to promptly remove all restrictive legends from any of the Warrant Shares pursuant to the foregoing, and promptly deliver or cause its legal counsel to promptly deliver to the transfer agent to the Company the necessary legal opinions or instruction letters required by the transfer agent to the Company, if any, to promptly effectuate the foregoing.

(ii) **Delivery of New Warrants Upon Exercise**. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) **No Fractional Shares or Scrip**. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(iv) **Charges, Taxes and Expenses**. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all transfer agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(d) **Holder's Exercise Limitations**. The Holder may notify the Company in writing in the event that it elects to be subject to the provisions contained in this **Section 2(d)**, however, the Holder shall not be subject to this **Section 2(d)** unless it makes such election. If such election is made by the Holder, the Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to **Section 2** or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Class A Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Class A Common Stock issuable upon conversion of the outstanding Common Stock immediately after the exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Class A Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Class A Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this **Section 2(d)**, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this **Section 2(d)** applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this **Section 2(d)**, in determining the number of outstanding shares of Class A Common Stock, a Holder may rely on the number of outstanding shares of Class A Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Class A Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Class A Common Stock then outstanding. In any case, the number of outstanding shares of Class A Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Class A Common Stock was reported. The "**Beneficial Ownership Limitation**" shall be **4.99%** or **9.8%** (or such other amount as the Holder may specify) of the number of shares of the Class A Common Stock outstanding immediately after giving effect to the issuance of shares of Class A Common Stock issuable upon conversion of the outstanding Common Stock immediately after the exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this **Section 2(d)**. Any increase in the Beneficial Ownership Limitation will not be effective until the 61$^{st}$ day after such notice is delivered to the Company.

**Section 3**. **Certain Adjustments**.

(a) **Stock Dividends and Splits**. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Class A Common Stock or any other equity or equity equivalent securities payable in shares of Class A Common Stock (which, for avoidance of doubt, shall not include any shares of Class A Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Class A Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Class A Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Class A Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Class A Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Class A Common Stock outstanding immediately after such event, and the number of securities issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this **Section 3(a)** shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) **Rights Offerings**. In addition to any adjustments pursuant to **Section 3(a)** above, if at any time the Company grants, issues or sells any Common Stock equivalents or rights to purchase stock, warrants or securities or other property pro rata to all (or substantially all) of the record holders of any class of shares of Common Stock ("**Purchase Rights**"), then Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which Holder would have acquired if Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record date is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issuance or sale of such Purchase Rights; provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in Holder exceeding the Beneficial Ownership Limitation, then Holder shall not be entitled to participate in such Purchase Right to such extent and such Purchase Right shall be held in abeyance for Holder until such time, if ever, as its right thereto would not result in Holder exceeding the Beneficial Ownership Limitation.

(c) **Fundamental Transaction**. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which all holders of Class A Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Class A Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Class A Common Stock or any compulsory share exchange pursuant to which all outstanding shares of Class A Common Stock are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Class A Common Stock (not including any shares of Class A Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Security that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in **Section 2(d)** on the exercise of this Warrant), the number of shares of Class A Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and such amount of cash or any other consideration (collectively, the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Class A Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (assuming conversion of the outstanding Common Stock and without regard to any limitation in **Section 2(d)** on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Class A Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.

(d) **Calculations**. All calculations under this **Section 3** shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this **Section 3**, the number of shares of Class A Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Class A Common Stock (excluding treasury shares, if any) issued and outstanding.

(e) **Notice to Holder**. Whenever the Exercise Price or the number of shares of Class A Common Stock issuable upon exercise of a Warrant is adjusted pursuant to any provision of this Warrant, the Company shall promptly notify the Holder in writing setting forth such adjustments setting forth a statement of the facts requiring such adjustment.

**Section 4**. **Transfer of Warrant**.

(a) **Transferability**. Subject to any applicable securities laws and **Section 4(d)**, this Warrant, the Warrant Shares, and any rights hereunder may only be transferred, in whole or in part, following the termination of the Lockup Period. Following the Lockup Period, transfer of the Warrant may be effected by delivery of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto, duly executed by the Holder. Upon such surrender, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment (subject to minimum denominations of 100,000 shares), and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant in full.

(b) **New Warrants**. At any time following the termination of the Lockup Period, this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued (subject to minimum denominations of 100,000 shares), signed by the Holder or its agent or attorney. Subject to compliance with **Section 4(a)**, as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) **Representation by the Holder**. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

(d) **Lockup Period.** Notwithstanding anything to the contrary herein, none of this Warrant, the Warrant Shares, or any interest herein may be transferred, assigned, encumbered or otherwise disposed of prior to the termination of the Lockup Period, and any attempted transfer in violation of the foregoing shall be void ab initio; provided, that during the Lockup Period a Holder may sell, assign, transfer, pledge or dispose of all or any portion of a Warrant or any Warrant Shares to an Affiliate of the Holder, provided further that such Affiliate agrees in writing to be bound by the transfer and other restrictions contained in this Warrant.

**Section 5. Registration Rights.**

(a) **Re-Sale Registration**.

(i) *Grant of Right*. No later than October 1, 2025 (the "**Filing Date**"), the Company shall file with the Commission (at the Company's sole cost and expense) a registration statement on Form S-3 (or, of Form S-3 is not then available, Form S-1) or such other form of registration statement as is then available registering the resale of the Warrant Shares issuable upon exercise of the Warrants (a "**Registration Statement**" (which term, for the avoidance of doubt, shall include any registration statement filed pursuant to this **Section 5**)), and the Company shall use its commercially reasonable efforts to cause such Registration Statement to be declared effective as soon as practicable after the filing thereof, but no later than the expiration of the Lockup Period. The Company agrees that the Company will use its reasonable best efforts to, at its expense, cause such Registration Statement or another registration statement (which may be a "shelf registration statement") to remain effective with respect to Holder, keep any qualification, exemption or compliance under state securities laws which the Company determines to obtain continuously effective with respect to Holder, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of (i) the date on which all of the Warrant Shares shall have been sold, or (ii) on the first date on which Holder can sell all of its Warrant Shares (or shares received in exchange therefor) under Rule 144 of the Securities Act without limitation as to the manner of sale, the amount of such securities that may be sold and without the requirement for the Company to be in compliance with the current public information required under Rule 144.

(ii) *Terms*. The Company shall bear all fees and expenses attendant to the registration of the Warrant Shares pursuant to **Section 5(a)(i)**, but the holders of Registrable Securities shall pay any and all underwriting commissions and the expenses of any legal counsel selected by such holders to represent them in connection with the sale of the Registrable Securities. The Company agrees to use its reasonable best efforts to cause the filing required herein to become effective promptly and to qualify or register the Registrable Securities in such States as are reasonably requested by the Holder; provided, however, that in no event shall the Company be required to register the Registrable Securities in a State in which such registration would cause: (i) the Company to be obligated to register or license to do business in such State or submit to general service of process in such State, or (ii) the principal shareholders of the Company to be obligated to escrow their shares of capital stock of the Company. The Company shall be entitled to delay the filing or postpone the effectiveness of the Registration Statement, and from time to time to require Holder not to sell under the Registration Statement or to suspend the effectiveness thereof, if (A) the Company's board of directors reasonably determines that in order for the Registration Statement not to contain a material misstatement or omission, an amendment thereto would be needed, (B) the negotiation or consummation of a transaction by the Company or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event the Company's board of directors reasonably believes would require additional disclosure by the Company in the Registration Statement of material information that the Company has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of the Company's board of directors to cause the Registration Statement to fail to comply with applicable disclosure requirements or (C) in the reasonable judgment of the Company's board of directors, such filing or effectiveness or use of such Registration Statement would be seriously detrimental to the Company (such circumstance, a "**Suspension Event**"); *provided, however,* that the Company may not delay or suspend the Registration Statement for more than 60 consecutive calendar days or for more than 120 calendar days in any 360 day period. Upon receipt of any written notice from the Company (which notice shall not contain any material non-public information regarding the Company) of the happening of any Suspension Event during the period that the Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, Holder agrees that (1) it will immediately discontinue offers and sales of the Warrant Shares under the Registration Statement (excluding, for the avoidance of doubt, sales conducted pursuant to Rule 144) until Holder receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatements or omissions referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (2) it will maintain the confidentiality of any information included in such written notice delivered by the Company unless otherwise required by Law or subpoena.

(iii) The Company shall promptly advise Holder: (A) when a Registration Statement or any amendment thereto has been filed with the Commission and when such Registration Statement or any post-effective amendment thereto has become effective; (B) of any request by the Commission for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information; (C) of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose; (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Warrant Shares included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and (E) subject to the provisions in this Warrant, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading. Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising Holder of such events, provide Holder with any material, nonpublic information regarding the Company other than to the extent that providing notice to Holder of the occurrence of the events listed in (A) through (E) above constitutes material, nonpublic information regarding the Company or subjects the Holder to any duty of confidentiality. The Company shall use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement if such order should be issued. Except for such times as the Company is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement as contemplated by this Warrant, the Company shall use its reasonable best efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Warrant Shares included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) **Piggy-Back Registration**.

(i) *Grant of Right*. In addition to the registration rights described in **Section 5(a)**, at any time following the termination of the Lockup Period, if any of the shares issuable upon exercise of the Indenture Warrants cannot be sold by the holders thereof without volume or manner-of-sale restrictions pursuant to Rule 144 or pursuant to an effective registration statement Holder shall have the right to include the Warrant Shares as part of any other registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145(a) promulgated under the Securities Act or pursuant to Form S-8 or any equivalent form); provided, however, that if, solely in connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of Shares which may be included in the Registration Statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such Registration Statement only such limited portion of the Registrable Securities with respect to which the Holder requested inclusion hereunder as the underwriter shall reasonably permit. Any exclusion of Registrable Securities shall be made pro rata among all Holders seeking to include Registrable Securities in proportion to the number of Registrable Securities sought to be included by such Holders; provided, however, that the Company shall not exclude any Registrable Securities unless the Company has first excluded all outstanding securities, the holders of which are not entitled to inclusion of such securities in such Registration Statement or are not entitled to pro rata inclusion with the Registrable Securities.

(ii) *Terms*. The Company shall bear all fees and expenses attendant to registering the Warrant Shares pursuant to **Section 5(b)(i)** hereof, but Holder shall pay any and all underwriting commissions and the expenses of any legal counsel selected by Holder to represent it in connection with the sale of the Registrable Securities. In the event of such a proposed registration, the Company shall furnish Holder with not less than thirty (30) days written notice prior to the proposed date of filing of such Registration Statement.

(c) **Indemnification**.

(i) The Company agrees to indemnify and hold harmless, to the extent permitted by Law, the Holder, its directors, and officers, employees, and agents, and each Person who controls the Holder (within the meaning of the Securities Act or the Exchange Act) and each Affiliate of the Holder (within the meaning of Rule 405 under the Securities Act), to the extent the Holder is a seller under the Registration Statement, from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances in which they were made) not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by or on behalf of the Holder expressly for use therein.

(ii) The Holder agrees, in connection with any Registration Statement under which the Holder is a seller, severally and not jointly with any other Holder, to indemnify and hold harmless the Company, its Affiliates and its and its Affiliates' directors, officers, employees and agents, and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) resulting from any untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances in which they were made) not misleading, but only to the extent that such untrue statement or omission is contained (or not contained, in the case of an omission) in any information or affidavit so furnished by or on behalf of the Holder expressly for use therein. In no event shall the liability of the Holder be greater in amount than the dollar amount of the net proceeds received by the Holder upon the sale of the Warrant Shares giving rise to such indemnification obligation.

(iii) Any Person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent. An indemnifying party who elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(iv) The indemnification provided for under this Warrant shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, Affiliate or controlling Person of such indemnified party and shall survive the transfer of the Warrant or Warrant Shares.

(v) If the indemnification provided under this **Section 5(c)** from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made (or not made, in the case of an omission) by, or relates to information supplied (or not supplied, in the case of an omission) by or on behalf of, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the other limitations set forth in this **Section 5**, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this **Section 5** from any Person who was not guilty of such fraudulent misrepresentation. Any contribution pursuant to this **Section 5** by any seller of Warrant Shares shall be limited in amount to the amount of net proceeds received by such seller from the sale of such Warrant Shares pursuant to the Registration Statement. Notwithstanding anything to the contrary herein, in no event will any party be liable for consequential, special, exemplary or punitive damages in connection with this Warrant.

**Section 6**. **Miscellaneous**.

(a) **No Rights as Stockholder Until Exercise**. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof.

(b) **Loss, Theft, Destruction or Mutilation of Warrant**. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

(c) **Saturdays, Sundays, Holidays, etc**. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then such action may be taken or such right may be exercised on the next succeeding Trading Day.

(d) **Authorized Shares**. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(e) **Governing Law; Jurisdiction**. This Warrant and all claims arising out of or based upon this Warrant or relating to the subject matter hereof shall be governed by and construed in accordance with the domestic substantive laws of the State of New York without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. Any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Warrant or relating to the subject matter hereof shall be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York and the state courts sitting in the State of New York, County of New York.

(f) **Notices**. Any notice, request or other document required or permitted to be given or delivered to the Holder shall be in writing and be deemed to have been duly given (i) when delivered in person, (ii) three Business Days after being sent, if sent by registered or certified mail return receipt requested, postage prepaid, (iii) one Business Day after being sent, if sent by FedEx or other nationally recognized overnight delivery service, or (iv) when delivered by email with electronic confirmation of delivery, in each case, addressed to the intended recipient at its address specified below or to such electronic mail address or address as subsequently modified by written notice given in accordance with this **Section 6(f)**.

**If to the Company:**

Twin Hospitality Group Inc.
5151 Belt Line Road, Suite 1200
Dallas, Texas 75254
Attention: Chief Legal Officer
Email: legal@tprest.com
Phone: 310.319.1850

**If to Holder:**

[ADDRESS]
[ADDRESS]
Attention: _____
Email: _____
Phone: _____

(g) **Successors and Assigns**. Subject to applicable securities laws and the transfer restrictions in this Warrant, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(h) **Amendment**. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Majority Holders, except that no such modification or amendment may increase the Exercise Price, shorten the Exercise Period or decrease the number of Warrant Shares of this Warrant without the written consent of the Holder of this Warrant.

(i) **Severability**. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(j) **Headings**. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(k) **Listing**. The Company shall use its best efforts to cause all Warrant Shares to be listed on each securities exchange or automated quotation system on which the Class A Common Stock has been listed.

**********

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant to be duly executed as of the Issue Date.

**TWIN HOSPITALITY GROUP INC.**

By: _____
Name: Joseph Hummel
Title: Chief Executive Officer

[Signature Pages Continue]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant to be duly executed as of the Issue Date.

**[HOLDER]**

By: _____
Name:
Title:

**NOTICE OF EXERCISE**

TO: TWIN HOSPITALITY GROUP INC.

(1) The undersigned hereby elects to purchase _____ shares of Class A Common Stock of Twin Hospitality Group Inc. pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(b), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(b).

(3) Please register and issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

_____

_____

_____

(4) **Accredited Investor**. If the Warrant is being exercised via cash exercise, the undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

*Signature of Authorized Signatory of Investing Entity*: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

**ASSIGNMENT FORM**

(*To assign the foregoing warrant, execute this form and supply required information. Do not use this form to exercise the warrant.*)

FOR VALUE RECEIVED, [____] all of or [_____] shares of Common Stock of the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

_____ whose address is:

_____.

_____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

**Exhibit 10.5**

**TWIN HOSPITALITY GROUP INC.**
**MANAGEMENT EQUITY PLAN**

**TWIN HOSPITALITY GROUP INC.**
**MANAGEMENT EQUITY PLAN**

Contents

**TWIN HOSPITALITY GROUP INC.**
**MANAGEMENT EQUITY PLAN**

1. **Purpose.** The purpose of this Twin Hospitality Group Inc. Management Equity Plan, as may be amended from time to time (this "Plan"), is to assist the Company and its Related Entities in motivating, retaining, and rewarding high-quality executives and other key service providers to the Company or its Related Entities in connection with the spin-off of the Company from FAT Brands Inc. as a standalone publicly-traded company. This Plan is intended to provide one-time RSU grants to select executives and key service providers to align their interests with the interests of the Company's shareholders.

2. **Definitions.** For purposes of this Plan, the following terms are defined as set forth below, in addition to such terms defined elsewhere in this Plan.

(a) "Award" means a grant of RSUs to a Participant under this Plan.

(b) "Award Agreement" means a written agreement in a form substantially similar to the form attached hereto as Exhibit A documenting the Award. To the extent the Committee approves an Award Agreement that includes terms that differ from the Plan, the terms of the Award Agreement shall control.

(c) "Beneficiary" means the person, persons, trust or trusts that have been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under this Plan upon such Participant's death or to which Awards or other rights are transferred if and to the extent permitted under Section 5(b)(iii). If, upon a Participant's death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means the Participant's estate.

(d) "Beneficial Owner" and "Beneficial Ownership" have the respective meanings ascribed to such terms in Rule 13d-3 under the Exchange Act and any successor to such Rule.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" has the equivalent meaning or the same meaning as "cause" or "for cause" set forth in any employment, consulting, or other agreement for the performance of services between the Participant and the Company or a Related Entity or, in the absence of any such agreement or any such definition in such agreement, such term means (i) the failure by the Participant to perform, in a reasonable manner, his or her duties as assigned by the Company or a Related Entity, (ii) any violation or breach by the Participant of his or her employment, consulting or other similar agreement with the Company or a Related Entity, if any, (iii) any violation or breach by the Participant of any non-competition, non-solicitation, non-disclosure and/or other similar agreement with the Company or a Related Entity, (iv) any act by the Participant of dishonesty or bad faith with respect to the Company or a Related Entity, (v) use of alcohol, drugs or other similar substances in a manner that adversely affects the Participant's work performance, or (vi) the commission by the Participant of any act, misdemeanor, or crime reflecting unfavorably upon the Participant or the Company or any Related Entity. The good faith determination by the Committee of whether the Participant's Continuous Service was terminated by the Company for "Cause" shall be final and binding for all purposes hereunder.

(g) "Change in Control" means a Change in Control as defined in the Twin Hospitality Group, Inc. 2024 Incentive Compensation Plan, as amended from time to time.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(i) "Committee" means a committee of the Board designated and authorized by the Board to administer this Plan; *provided*, *however*, that, if the Board fails to designate and authorize such a committee, or if there are no longer any members on the committee so designated by the Board, or for any other reason determined by the Board, then the Board shall serve as the Committee. While it is intended that the Committee shall consist of at least two directors, each of whom shall be (i) a "non-employee director" within the meaning of Rule 16b-3 (or any successor rule) under the Exchange Act, unless administration of this Plan by "non-employee directors" is not then required in order for exemptions under Rule 16b-3 to apply to transactions under this Plan, and (ii) "Independent", the failure of the Committee to be so comprised shall not invalidate any Award that otherwise satisfies the terms of this Plan.

(j) "Company" means Twin Hospitality Group Inc., a Delaware corporation, and any successor thereto.

(k) "Consultant" means any consultant or advisor who, directly or indirectly, provides services to the Company or any Related Entity, so long as (i) such person renders bona fide services that are not in connection with the offer and sale of the Company's securities in a capital-raising transaction, (ii) such person does not directly or indirectly promote or maintain a market for the Company's securities, and (iii) the identity of such person would not preclude the Company from offering or selling securities to such person pursuant to this Plan in reliance upon either the exemption from registration provided by Rule 701 under the Securities Act, or, if the Company is required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act, registration under the Securities Act pursuant to a Registration Statement on Form S-8.

(l) "Continuous Service" means the uninterrupted provision of services to the Company or any Related Entity in any capacity of Employee, Director, Consultant, or other service provider. Continuous Service shall not be considered to be interrupted in the case of (i) any approved leave of absence, subject to the terms of Section 2(p) hereof, (ii) transfers among the Company, any Related Entities, or any successor entities, in any capacity of Employee, Director, Consultant or other service provider, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director, Consultant or other service provider (except as otherwise provided in the Award Agreement). For clarity, for purposes of this Plan, military leave, statutory maternity or paternity leave, or sick leave shall be deemed Continuous Service, unless determined otherwise by the Committee.

(m) "Director" means a member of the Board or the board of directors of any Related Entity.

(n) "Dividend Equivalent" means a right, granted to a Participant to receive cash equal in value to dividends paid with respect the number of Shares then subject to an Award. Dividend Equivalents shall cease to apply with respect to Shares subject to an Award once such Shares have been issued.

(o) "Effective Date" means the effective date of this Plan, which shall be the Offering Date.

(p) "Eligible Person" means each Director, Employee, Consultant, and other person who provides services to the Company or any Related Entity. An Employee on leave of absence may, in the discretion of the Committee, be considered as still in the employ of the Company or a Related Entity for purposes of eligibility for participation in this Plan.

(q) "Employee" means any person, including an officer or Director, who is an employee of the Company or any Related Entity, or is a prospective employee of the Company or any Related Entity (conditioned upon and effective not earlier than, such person becoming an employee of the Company or any Related Entity). The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, including the rules thereunder and successor provisions and rules thereto.

(s) "Fair Market Value" means the fair market value of Shares, Awards or other property on the date as of which the value is being determined, as determined by the Committee, or under procedures established by the Committee, subject to the following:

(i) If, on such date, the Shares are listed on a national securities exchange or market system, the Fair Market Value of a Share shall be the closing price of a Share (or the mean of the closing bid and asked prices of a Share if the Shares are so quoted instead) as quoted on the applicable exchange or system, as reported in The Wall Street Journal or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Share has traded on such exchange or system, the date on which the Fair Market Value shall be established shall be the last day on which the Share was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Board, in its discretion.

(ii) If, on such date, the Shares are not listed on a national securities exchange or market system, but is traded on an over-the-counter market, the Fair Market Value of a Share shall be the average of the closing bid and asked prices for Shares, or, if there are no closing bid and asked prices, the last closing price, in such over-the-counter market for the last preceding date on which there was a sale of such Shares in such market.

(iii) If, on such date, the Shares are not listed on a national securities exchange or market system, and are not traded on an over-the-counter market, the Fair Market Value of a Share shall be as determined by the Committee or the Board in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse.

(t) "FAT Brands" means FAT Brands Inc., a Delaware corporation, and any successor thereto.

(u) "Independent", when referring to either members of the Board or members of the Committee, shall have the same meaning as used in the rules of the Listing Market.

(v) "Listing Market" means the primary national securities exchange on which the securities of the Company are listed for trading, and if not listed for trading, the Nasdaq Stock Market.

(w) "Offering Date" means the date that the Form 10 (File No. 001-42395), filed by the Company with the SEC on or about November 1, 2024, or any amendment thereto is declared effective by the SEC.

(x) "Parent" means any corporation (other than the Company), whether now or hereafter existing, in an unbroken chain of corporations ending with the Company, if each of the corporations in the chain (other than the Company) owns stock possessing 50% or more of the combined voting power of all classes of stock in one of the other corporations in the chain.

(y) "Participant" means a person who has been granted an Award which remains outstanding, including a person who is no longer an Eligible Person.

(z) "Person" has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, and shall include a "group" as defined in Section 13(d) thereof.

(aa) "Related Entity" means any Parent or Subsidiary, or any business, corporation, partnership, limited liability company or other entity designated by the Committee in which the Company, a Parent or a Subsidiary holds a substantial ownership interest, directly or indirectly, and with respect to which the Company may offer or sell securities pursuant to this Plan in reliance upon either the exemption from registration provided by Rule 701 under the Securities Act, or, if the Company is required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act, registration under the Securities Act pursuant to a Registration Statement on Form S-8.

(bb) "Restricted Stock Unit" or "RSU" means a right to receive Shares at the end of a specified deferral period.

(cc) "Rule 16b-3" means Rule 16b-3, as from time to time in effect and applicable to this Plan and Participants, promulgated by the SEC under Section 16 of the Exchange Act or any successor to such Rule.

(dd) "SEC" means the United States Securities and Exchange Commission.

(ee) "Securities Act" means the Securities Act of 1933, as amended from time to time, including the rules thereunder and successor provisions and rules thereto.

(ff) "Shares" means shares of Class A Common Stock, par value $0.0001 per share, of the Company, and such other securities as may be substituted (or resubstituted) for Shares pursuant to Section 6(b).

(gg) "Subsidiary" means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or in which the Company has the right to receive 50% or more of the distribution of profits or 50% or more of the assets on liquidation or dissolution.

(hh) "Substitute Awards" means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, Awards previously granted by an entity (i) which becomes a Related Entity after the date hereof, or (ii) with which the Company or any Related Entity combines.

3. **Administration**

(a) **Authority of the Committee**. This Plan shall be administered by the Committee except to the extent (and subject to the limitations imposed by Section 3(b)) the Board elects to administer this Plan, in which case this Plan shall be administered by only those members of the Board who are Independent members of the Board, in which case references herein to the "Committee" shall be deemed to include references to the Independent members of the Board. The Committee shall have full and final authority, subject to and consistent with the provisions of this Plan, to select Eligible Persons to become Participants, grant Awards, determine the number of Shares subject to, and other terms and conditions of, and all other matters relating to, Awards, prescribe Award Agreements (which need not be identical for each Participant) and rules and regulations for the administration of this Plan, construe and interpret this Plan and Award Agreements and correct defects, supply omissions or reconcile inconsistencies therein, and to make all other decisions and determinations as the Committee may deem necessary or advisable for the administration of this Plan. In exercising any discretion granted to the Committee under this Plan or pursuant to any Award, the Committee shall not be required to follow past practices, act in a manner consistent with past practices, or treat any Eligible Person or Participant in a manner consistent with the treatment of any other Eligible Persons or Participants. Decisions of the Committee shall be final, conclusive and binding on all persons or entities, including the Company, any Related Entity or any Participant or Beneficiary, or any transferee under Section 5(b)(iii) or any other person claiming rights from or through any of the foregoing persons or entities.

(b) **Manner of Exercise of Committee Authority**. The Committee, and not the Board, shall exercise sole and exclusive discretion (i) on any matter relating to a Participant then subject to Section 16 of the Exchange Act with respect to the Company to the extent necessary in order that transactions by such Participant shall be exempt under Rule 16b-3 under the Exchange Act, and (ii) with respect to any Award to an Independent Director. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to members of the Board, the Chief Executive Officer of the Company or other officers or managers of the Company or any Related Entity, or committees thereof, the authority, subject to such terms and limitations as the Committee shall determine, to perform such functions, including administrative functions as the Committee may determine to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3(d)(1) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Company. The Committee may appoint agents to assist it in administering this Plan, including, without limitation, appointing one or more members of the Company's management, with the power or authority otherwise granted to the Committee under this Plan, with respect to a number of Shares reserved and available for delivery under this Plan, subject to the terms and limitations of such power or authority as determined by the Committee in its sole and absolute discretion. In no event, however, may an agent appointed by the Committee to assist it in administering this Plan be permitted to grant Awards to, or exercise any discretion with respect to any and all other matters relating to Awards previously granted to, such agent appointed by the Committee to assist it in administering this Plan.

(c) **Limitation of Liability**. The Committee and the Board, and each member thereof, shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or Employee, the Company's independent auditors, Consultants or any other agents assisting in the administration of this Plan. Members of the Committee and the Board, and any officer or Employee acting at the direction or on behalf of the Committee or the Board, shall not be personally liable for any action or determination taken or made in good faith with respect to this Plan, and shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.

4. **Shares Subject to Plan**

(a) **Limitation on Overall Number of Shares Available for Delivery Under Plan**. Subject to adjustment as provided in Section 6(b), the total number of Shares reserved and available for delivery under this Plan shall be 4,742,346 shares (the "Share Pool"). The Shares reserved for issuance may be issued from authorized and unissued Shares of the Company, or Shares held by the Company as treasury stock. The Share Pool shall be depleted by the number of Shares subject to an Award at the time the Award is granted. Because the purpose of the Plan is to provide one-time Awards in connection with the Company's spin-off from FAT Brands, if all or any portion of an Award is forfeited, then the forfeited Shares shall not be added back to the Share Pool but rather shall be issued to FAT Brands as fully-paid Shares immediately following any such forfeiture. FAT Brands is an intended third-party beneficiary of this Section 4(a).

(b) **Application of Limitation to Grants of Awards**. No Award may be granted if the number of Shares to be delivered in connection with such Award exceeds the number of Shares remaining available in the Share Pool.

5. **Award Terms**

(a) **General**. Awards may be granted on the terms and conditions set forth in this Section 5. In addition, the Committee may impose on any Award, at the date of grant or thereafter (subject to Section 6(d)), such additional terms and conditions, not inconsistent with the provisions of this Plan, as the Committee shall determine. Except as otherwise expressly provided herein, the Committee shall retain full power and discretion to accelerate, waive, or modify, at any time, any term or condition of an Award. Except in cases in which the Committee is authorized to require other forms of consideration under this Plan, or to the extent other forms of consideration must be paid to satisfy the requirements of Delaware law, no consideration other than services may be required for the grant of any Award.

(b) **Award Terms**. All Awards made hereunder shall be subject to the following terms and conditions:

(i) **Vesting**. A Participant's Award shall vest at such time and subject to such conditions as are set forth in the Award Agreement for such Participant.

(ii) **Settlement.** The Shares subject to the vested RSUs will be issued to the Participant in the amounts and on the settlement dates as set forth in the Award Agreement for such Participant.

(iii) **Transferability**. An Award may not be sold, transferred, pledged, hypothecated, margined, assigned or otherwise encumbered by the Participant or any Beneficiary, other than by will or the laws of descent and distribution or to a Beneficiary upon the death of a Participant.

(iv) **Dividend Equivalents.** Unless otherwise set forth in an Award Agreement, each Award shall automatically include Dividend Equivalents, which shall be accumulated and paid in cash at the same time the related RSU is settled. Unless otherwise determined by the Committee, Shares distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to the same risk of forfeiture as the Restricted Stock Unit with respect to which such Shares or other property have been distributed, and shall be distributed to the Participant at the same time as the related Restricted Stock Units are settled.

(v) **Execution.** Each Award Agreement shall either be (a) in writing in a form approved by the Committee and executed by the Company by an officer duly authorized to act on its behalf, or (b) an electronic notice in a form approved by the Committee and recorded by the Company (or its designee) in an electronic recordkeeping system used for the purpose of tracking Awards as the Committee may provide; in each case and if required by the Committee, the Award Agreement shall be executed or otherwise electronically accepted by the recipient of the Award in such form and manner as the Committee may require. The Committee may authorize any officer of the Company to execute any or all Award Agreements on behalf of the Company.

(c) **Exemptions from Section 16(b) Liability.** It is the intent of the Company that the grant of any Awards to or other transaction by a Participant who is subject to Section 16 of the Exchange Act shall be exempt from Section 16 of the Exchange Act pursuant to an applicable exemption (except for transactions acknowledged in writing to be non-exempt by such Participant). Accordingly, if any provision of this Plan or any Award Agreement does not comply with the requirements of Rule 16b-3 then applicable to any such transaction, such provision shall be construed or deemed amended to the extent necessary to conform to the applicable requirements of Rule 16b-3 so that such Participant shall avoid liability under Section 16(b) of the Exchange Act.

(d) **Code Section 409A**.

(i) The Award Agreement for any Award that the Committee reasonably determines to constitute a "nonqualified deferred compensation plan" under Section 409A of the Code (a "Section 409A Plan"), and the provisions of the Section 409A Plan applicable to that Award, shall be construed in a manner consistent with the applicable requirements of Section 409A of the Code, and the Committee, in its sole discretion and without the consent of any Participant, may amend any Award Agreement (and the provisions of this Plan applicable thereto) if and to the extent that the Committee determines that such amendment is necessary or appropriate to comply with the requirements of Section 409A of the Code.

(ii) If any Award constitutes a Section 409A Plan, then the Award shall be subject to the following additional requirements, if and to the extent required to comply with Section 409A of the Code, the time or schedule for any payment of the deferred compensation may not be accelerated or further deferred, except to the extent provided in applicable Treasury Regulations or other applicable guidance issued by the Internal Revenue Service. The limitations set forth herein shall be applied in such manner (and only to the extent) as shall be necessary to comply with any requirements of Section 409A of the Code that are applicable to the Award.

(iii) Notwithstanding the foregoing, or any provision of this Plan or any Award Agreement, the Company does not make any representation to any Participant or Beneficiary that any Awards made pursuant to this Plan are exempt from, or satisfy, the requirements of, Section 409A of the Code, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any Beneficiary for any tax, additional tax, interest or penalties that the Participant or any Beneficiary may incur in the event that any provision of this Plan, or any Award Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A of the Code.

6. **General Provisions**

(a) **Compliance with Legal and Other Requirements**. The Company may, to the extent deemed necessary or advisable by the Committee, but subject to the requirements of Code Section 409A, postpone the issuance or delivery of Shares or payment of other benefits under any Award until completion of such registration or qualification of such Shares or other required action under any federal or state law, rule or regulation, listing or other required action with respect to the Listing Market, or compliance with any other obligation of the Company, as the Committee, may consider appropriate, and may require any Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of Shares or payment of other benefits in compliance with applicable laws, rules, and regulations, listing requirements, or other obligations.

(b) **Adjustments; Change in Control.**

(i) **Adjustments to Awards**. In the event that any extraordinary dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event occurs after the Offering Date that affects the Shares and/or such other securities of the Company or any other issuer, then the Committee shall, in such manner if and as it may deem appropriate and equitable, substitute, or exchange the number and kind of Shares subject to or deliverable with respect to outstanding Awards or amend any aspect of any Award that the Committee determines to be appropriate in order to prevent the reduction or enlargement of benefits under any Award, *provided* such amendment otherwise complies with this Plan.

(ii) **Adjustments in Case of Certain Transactions; Change in Control**. In the event that, following the Offering Date, a merger, consolidation or other reorganization occurs in which the Company does not survive, or any Change in Control occurs, any outstanding Awards may be dealt with in accordance with any of the following approaches, without the requirement of obtaining any consent or agreement of a Participant as such, as determined by the agreement effectuating the transaction or, if and to the extent not so determined, as determined by the Committee: (A) the continuation of the outstanding Awards by the Company, if the Company is a surviving entity; (B) the assumption or substitution for, as those terms are defined below, the outstanding Awards by the surviving entity or its parent or subsidiary; (C) full vesting of the outstanding Awards; (D) replacement of such Awards with other rights or property selected by the Committee; or (E) settlement of the value of the vested portion of the outstanding Awards in cash or cash equivalents or other property, followed by cancellation of the vested and unvested portions of such Awards; in each case in a manner that complies with Code Section 409A, if applicable. For the purposes of this Plan, an Award shall be considered assumed or substituted for if following the applicable transaction the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the applicable transaction, on substantially the same vesting and other terms and conditions as were applicable to the Award immediately prior to the applicable transaction, the consideration (whether stock, cash or other securities or property) received in the applicable transaction by holders of Shares for each Share held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); *provided*, *however*, that, if such consideration received in the applicable transaction is not solely common stock of the successor company or its parent or subsidiary, the Committee may, with the consent of the successor company or its parent or subsidiary, provide that the consideration to be received upon the settlement of an Award for each Share subject thereto, will be solely common stock of the successor company or its parent or subsidiary substantially equal in fair market value to the per share consideration received by holders of Shares in the applicable transaction. The determination of such substantial equality of value of consideration shall be made by the Committee in its sole discretion and its determination shall be conclusive and binding.

(iii) **Other Adjustments**. The Committee or the Board is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, any Related Entity or any business unit, or the financial statements of the Company or any Related Entity, or in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations or business conditions or in view of the Committee's assessment of the business strategy of the Company, any Related Entity or business unit thereof, performance of comparable organizations, economic and business conditions, personal performance of a Participant, and any other circumstances deemed relevant.

(c) **Taxes**. The Company and any Related Entity are authorized to withhold from any Award granted, any payment relating to an Award under this Plan, including from a distribution of Shares, or any payroll or other payment to a Participant, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award (including the vesting of an Award), and to take such other action as the Committee may deem advisable to enable the Company or any Related Entity and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Shares or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations, either on a mandatory or elective basis, as determined in the discretion of the Committee. The amount of withholding tax paid with respect to an Award by the withholding of Shares otherwise deliverable pursuant to the Award or by delivering Shares already owned shall not exceed the maximum statutory withholding required with respect to that Award (or such other limit as the Committee shall impose, including without limitation, any limit imposed to avoid or limit any financial accounting expense relating to the Award).

(d) **Changes to this Plan and Awards**. The Board may amend, alter, suspend, discontinue or terminate this Plan, or the Committee's authority to grant Awards under this Plan, without the consent of stockholders or Participants, except that any amendment or alteration to this Plan shall be subject to the approval of the Company's stockholders not later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation (including, without limitation, Rule 16b-3) or the rules of the Listing Market, and the Board may otherwise, in its discretion, determine to submit other such changes to this Plan to stockholders for approval; *provided* that, except as otherwise permitted by this Plan or an Award Agreement, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under the terms of any previously granted and outstanding Award. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award Agreement relating thereto, except as otherwise provided in this Plan; *provided* that, except as otherwise permitted by this Plan or Award Agreement, without the consent of an affected Participant, no such Committee or the Board action may materially and adversely affect the rights of such Participant under terms of such Award.

(e) **Clawback of Benefits**.

(i) The Company may (A) cause the cancellation of any Award, (B) require reimbursement of any Award by a Participant or Beneficiary, and (C) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a "Clawback Policy"). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with any Clawback Policy. By accepting an Award, a Participant is also agreeing to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Participant's Award Agreements may be unilaterally amended by the Company, without the Participant's consent, to the extent that the Company in its discretion determines to be necessary or appropriate to comply with any Clawback Policy.

(ii) If the Participant, without the consent of the Company, while employed by or providing services to the Company or any Related Entity or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise engages in activity that is in conflict with or adverse to the interest of the Company or any Related Entity, as determined by the Committee in its sole discretion, then (A) any outstanding, vested or unvested, earned or unearned portion of the Award may, at the Committee's discretion, be canceled, and (B) the Committee, in its discretion, may require the Participant or other person to whom any payment has been made or Shares or other property have been transferred in connection with the Award to forfeit and pay over to the Company, on demand, all or any portion of an Award (including any gains).

(f) **Limitation on Rights Conferred Under Plan.** Neither this Plan nor any action taken hereunder or under any Award shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or a Related Entity; (ii) interfering in any way with the right of the Company or a Related Entity to terminate any Eligible Person's or Participant's Continuous Service at any time; (iii) giving an Eligible Person or Participant any claim to be granted any Award under this Plan or to be treated uniformly with other Participants and Employees; or (iv) conferring on a Participant any of the rights of a stockholder of the Company or any Related Entity including, without limitation, any right to receive dividends or distributions, any right to vote or act by written consent, any right to attend meetings of stockholders or any right to receive any information concerning the Company's or any Related Entity's business, financial condition, results of operation or prospects, unless and until such time as the Participant is duly issued Shares on the stock books of the Company or any Related Entity in accordance with the terms of an Award. None of the Company, its officers or its directors shall have any fiduciary obligation to the Participant with respect to any Awards unless and until the Participant is duly issued Shares pursuant to the Award on the stock books of the Company in accordance with the terms of an Award. Neither the Company, nor any Related Entity, nor any of their respective officers, directors, representatives or agents is granting any rights under this Plan to the Participant whatsoever, oral or written, express or implied, other than those rights expressly set forth in this Plan or the Award Agreement.

(g) **Unfunded Status of Awards; Creation of Trusts**. This Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant or obligation to deliver Shares pursuant to an Award, nothing contained in this Plan or any Award Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company or Related Entity that issues the Award; *provided* that the Committee may authorize the creation of trusts and deposit therein cash, Shares, other Awards or other property, or make other arrangements to meet the obligations of the Company or Related Entity under this Plan. Such trusts or other arrangements shall be consistent with the "unfunded" status of this Plan unless the Committee otherwise determines with the consent of each affected Participant. The trustee of such trusts may be authorized to dispose of trust assets and reinvest the proceeds in alternative investments, subject to such terms and conditions as the Committee may specify and in accordance with applicable law.

(h) **Nonexclusivity of this Plan**. Neither the adoption of this Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.

(i) **Fractional Shares**. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award; rather, the Fair Market Value of such fractional Share shall be paid in cash on the date that the fractional Share would have otherwise been issued.

(j) **Governing Law**. Except as otherwise provided in any Award Agreement, the validity, construction and effect of this Plan, any rules and regulations under this Plan, and any Award Agreement shall be determined in accordance with the laws of the State of Delaware, in each case, without giving effect to principles of conflict of laws, and applicable federal law.

(k) **Jurisdiction**. By accepting an Award, each Participant irrevocably and unconditionally (i) consents to submit to the exclusive jurisdiction of the courts of the State of Delaware and of the United States of America, in each case located in the State of Delaware, for any action arising out of or relating to this Plan (and agrees not to commence any litigation relating to this Plan except in such courts), and (ii) further agrees that service of any process, summons, notice or document by U.S. registered mail to the address of such Participant contained in the records of the Company shall be effective service of process for any litigation brought against such Participant it in any such court.

(l) **Foreign Laws**. The Committee shall have the authority to adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of foreign countries in which the Company or its Related Entities may operate to assure the viability of the benefits from Awards granted to Participants performing services in such countries and to meet the objectives of this Plan.

(m) **Plan Effective Date; Termination of Plan**. This Plan shall become effective on the Effective Date. This Plan shall terminate at the earliest of (a) such time as no Awards remain outstanding, or (b) termination of this Plan by the Board. Awards outstanding upon termination of this Plan shall remain in effect until they have been settled or forfeited in accordance with their terms.

(n) **Construction and Interpretation**. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender. Headings of Articles and Sections are inserted for convenience and reference and constitute no part of this Plan.

(o) **Severability**. If any provision of this Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

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**Exhibit 10.6**

**TWIN HOSPITALITY GROUP INC.**

**MANAGEMENT EQUITY PLAN**

**AWARD AGREEMENT**

[ *Name of Participant* ]:

You have been granted an award of Restricted Stock Units (an "Award") under the Twin Hospitality Group Inc. Management Equity Plan (as it may be amended from time to time, the "Plan"), effective as of the Grant Date, on the terms and conditions set forth below. Capitalized terms used in this Award Agreement shall have the meanings given in the Plan.

This Award is subject to the terms and conditions of the Plan, which are incorporated herein by reference.

| | |
|---|---|
| Grant Date: | _____ |
| Number of Restricted Share Units (RSUs): | _____ |
| Vesting: | The RSUs shall vest as follows, subject to your remaining in Continuous Service until the applicable vesting date:<br>● Twenty-five percent (25%) will vest on the date that is 6 months after the Offering Date;<br>● Another twenty-five percent (25%) will vest on January 2, 2026;<br>● Another twenty-five percent (25%) will vest on January 2, 2027; and<br>● The final twenty-five percent (25%) will vest on January 2, 2028.<br>Any portion of the RSUs that are not vested on the date of your termination of Continuous Service for any reason will be forfeited, unless otherwise determined by the Committee.<br>Notwithstanding the foregoing, if the Company terminates your Continuous Service for Cause, then this Award, whether or not vested, shall be forfeited immediately upon such termination. |
| Settlement: | The Shares subject to the vested RSUs will be issued to you as soon as practicable (not to exceed thirty (30) days) following the applicable vesting date; provided you have timely executed (and not revoked) a general release of claims in favor of the Company and its affiliates in the form provided by the Company, if so required by the Committee. |
| Shareholder Rights: | You will not be deemed for any purpose to be a shareholder of the Company with respect to any of the RSUs unless and until Shares are issued hereunder. |

| | |
|---|---|
| Cancellation of FAT Brands options: | In consideration of the granting to you of this Award, you agree that any stock options or other awards previously issued to you under the FAT Brands Inc. 2017 Omnibus Equity Incentive Plan are hereby cancelled in their entirety and surrendered as of the date hereof. FAT Brands Inc. is an intended third-party beneficiary of this paragraph. |
| Miscellaneous: | ● As a condition of the granting of this Award, you agree, for yourself and your Beneficiary, legal representatives or guardians, that the Committee is authorized to interpret this Award Agreement and the Plan, and that any such interpretation or any other determination made by the Committee pursuant to this Award or the Plan shall be final, binding, and conclusive.<br>● This Award Agreement and the Plan may be amended as described in the Plan.<br>● The RSUs granted in this Award constitute a mere promise by the Company to issue Shares (and, if applicable, pay Dividend Equivalents in cash) to you in the future if the requirements for such issuance are satisfied. With respect to the Shares issuable or cash payable hereunder, you will have the status of a general creditor of the Company. |

**TWIN HOSPITALITY GROUP INC.**

Signature: _____

Name: _____

Title: _____

**PARTICIPANT**

**BY SIGNING BELOW, YOU ACKNOWLEDGE YOU HAVE RECEIVED A COPY OF THE PLAN AND AWARD AGREEMENT AND AGREE TO THEIR TERMS.**

Signature: _____
Participant

**PLEASE RETURN ONE SIGNED COPY TO _____ WITHIN 30 DAYS OF YOUR RECEIPT OF THIS AWARD AGREEMENT.**

**RETAIN THE SECOND COPY FOR YOUR FILES.**

**TWIN HOSPITALITY GROUP INC.**

**MANAGEMENT EQUITY PLAN**

**BENEFICIARY DESIGNATION FORM**

*Please complete all blanks and print clearly.*

Name of Participant: _____

I hereby designate the following individual or trust to be my beneficiary for purposes of the Plan. If an individual is named, and such individual does not survive me, or if the trust named below does not exist at the time of my death, then the amounts due under the Plan shall be paid to my estate. If an individual is named below and survives me, but does not survive to receive any payment due to him or her under the Plan, then the amounts due under the Plan shall be paid to the beneficiary's estate.

Name of Beneficiary: _____

If trust is named, Name of Current Trustee: _____

Last 4 Digits of Beneficiary's Social Security Number or Trust Tax ID: XX- XXX - _____

Current Address of Beneficiary/Trustee: _____

_____

_____

You may revoke this Beneficiary Designation at any time by completing a new Beneficiary Designation Form and returning it to the individual named below. The last designation on file with the Company prior to your death will be given effect. An incomplete or illegible form, however, will not be given effect.

This Beneficiary Designation Form may not be an effective waiver of any marital property right that your spouse (at the time of your death) may have to amounts due under the Plan. Please consult with your personal legal advisor about how to obtain a waiver of marital property rights, if any.

By: _____
Signature of Participant

Date: _____

**PLEASE RETURN A SIGNED COPY TO _____.**

**Exhibit 10.7**

**FORM OF INDEMNIFICATION AGREEMENT**

This Indemnification Agreement (this "Agreement"), dated as of **[ ]**, 20**[ ]**, is made by and between Twin Hospitality Group Inc., a Delaware corporation (the "Company"), and **[ ]** (the "Indemnitee").

WHEREAS, the Indemnitee is a director and/or officer of the Company, or the Company expects the Indemnitee to join the Company as a director and/or officer;

WHEREAS, both the Company and the Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies;

WHEREAS, the board of directors of the Company (the "Board") has determined that enhancing the ability of the Company to retain and attract as directors and officers the most capable persons is in the best interests of the Company and that the Company therefore should seek to assure such persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide the Indemnitee with substantial protection against personal liability, in order to procure the Indemnitee's service as a director and/or officer of the Company and to enhance the Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's Certificate of Incorporation or Bylaws (each as may be amended from time to time, together, the "Constituent Documents"), any change in the composition of the Board, or any Change in Control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined below) to, the Indemnitee as set forth in this Agreement and to the extent insurance is maintained for the continued coverage of the Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the foregoing and the Indemnitee's agreement to provide services to the Company, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Beneficial Owner" has the meaning given to the term "beneficial owner" in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(b) "Change in Control" means the occurrence after the date of this Agreement of any of the following events:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 50% or more of the Company's then outstanding Voting Securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

(ii) the consummation of a reorganization, merger or consolidation, unless immediately following such reorganization, merger or consolidation, all of the Beneficial Owners of the Voting Securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding Voting Securities of the entity resulting from such transaction;

(iii) during any period of two consecutive years, not including any period prior to the execution of this Agreement, individuals who at the beginning of such period constituted the Board (including for this purpose any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets;

*provided*, *however*, that a distribution (or series of distributions) by FAT Brands Inc. to its stockholders of shares of common stock of the Company, on a pro rata basis, shall not be deemed to be a Change in Control.

(c) "Claim" means:

(i) any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state, or other law; or

(ii) any inquiry, hearing, or investigation that the Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(d) "Delaware Court" has the meaning ascribed to it in Section 9(e) hereof.

(e) "Disinterested Director" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by the Indemnitee.

(f) "Expenses" means any and all expenses, including attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any Claim. Expenses shall also include (i) Expenses incurred in connection with any appeal resulting from any Claim, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 5 hereof only, Expenses incurred by the Indemnitee in connection with the interpretation, enforcement or defense of the Indemnitee's rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by the Indemnitee or the amount of judgments or fines against the Indemnitee.

(g) "Expense Advance" means any payment of Expenses advanced to the Indemnitee by the Company pursuant to Section 4 or Section 5 hereof.

(h) "Indemnifiable Event" means any event or occurrence, whether occurring before, on or after the date of this Agreement, related to the fact that the Indemnitee is or was a director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise (collectively with the Company, "Enterprise") or by reason of an action or inaction by the Indemnitee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(i) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past three years has performed, services for either: (i) the Company or the Indemnitee (other than in connection with matters concerning the Indemnitee under this Agreement or of other indemnitees under similar agreements) or (ii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement.

(j) "Losses" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), ERISA excise taxes, amounts paid or payable in settlement, including any interest, assessments, any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Agreement, and all other charges paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any Claim.

(k) "Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity, or other entity, and includes the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act.

(l) "Standard of Conduct Determination" has the meaning ascribed to it in Section 9(b) hereof.

(m) "Voting Securities" means any securities of the Company that vote generally in the election of directors.

2. Services to the Company. The Indemnitee agrees to serve (or continue to serve as applicable) as a director and/or officer of the Company for so long as the Indemnitee is duly elected or appointed or until the Indemnitee tenders his or her resignation or is no longer serving in such capacity. This Agreement shall not be deemed an employment agreement between the Company (or any of its subsidiaries or Enterprise) and the Indemnitee. The Indemnitee specifically acknowledges that his or her employment with or service to the Company or any of its subsidiaries or Enterprise is at will and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment agreement between the Indemnitee and the Company (or any of its subsidiaries or Enterprise), other applicable formal severance policies duly adopted by the Board or, with respect to service as a director and/or officer of the Company, by the Company's Constituent Documents or Delaware law. This Agreement shall continue in force after the Indemnitee has ceased to serve as a director and/or officer of the Company or, at the request of the Company, of any of its subsidiaries or Enterprise, as provided in Section 12 hereof.

3. Indemnification. Subject to Sections 9 and 10 hereof, the Company shall indemnify the Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses if the Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely a witness.

4. Advancement of Expenses. The Indemnitee shall have the right to advancement by the Company, prior to the final disposition of any Claim by final adjudication to which there are no further rights of appeal, of any and all Expenses actually and reasonably paid or incurred by the Indemnitee in connection with any Claim arising out of an Indemnifiable Event. The Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within 60 days after any request by the Indemnitee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of the Indemnitee, (b) advance to the Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse the Indemnitee for such Expenses. In connection with any request for Expense Advances, the Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. In connection with any request for Expense Advances, the Indemnitee shall execute and deliver to the Company an undertaking (which shall be accepted without reference to the Indemnitee's ability to repay the Expense Advances) to repay any amounts paid, advanced, or reimbursed by the Company for such Expenses to the extent that it is ultimately determined, following the final disposition of such Claim, that the Indemnitee is not entitled to indemnification hereunder. The Indemnitee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

5. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by the Indemnitee, shall advance to the Indemnitee subject to and in accordance with Section 4 hereof, any Expenses actually and reasonably paid or incurred by the Indemnitee in connection with any action or proceeding by the Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Claims relating to Indemnifiable Events, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether the Indemnitee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be. The Indemnitee shall be required to reimburse the Company in the event that a final judicial determination is made that such action brought by the Indemnitee was frivolous or not made in good faith.

6. Partial Indemnity. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled.

7. Notification and Defense of Claims.

(a) Notification of Claims. The Indemnitee shall notify the Company in writing as soon as practicable of any Claim which could relate to an Indemnifiable Event or for which the Indemnitee could seek Expense Advances, including a brief description (based upon information then available to the Indemnitee) of the nature of, and the facts underlying, such Claim. The failure by the Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder, unless the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure/except that the Company shall not be liable to indemnify the Indemnitee under this Agreement with respect to any judicial award in a Claim related to an Indemnifiable Event if the Company was not given a reasonable and timely opportunity to participate at its expense in the defense of such action. If at the time of the receipt of such notice, the Company has directors' and officers' liability insurance in effect under which coverage for Claims related to Indemnifiable Events is potentially available, the Company shall give prompt written notice to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to the Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Claim, in each case substantially concurrently with the delivery or receipt thereof by the Company.

(b) Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of any such Claim, the Company shall not be liable to the Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by the Indemnitee in connection with the Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. The Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at the Indemnitee's own expense; *provided*, *however*, that if (i) the Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) the Indemnitee has reasonably determined that there may be a conflict of interest between the Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, the Indemnitee's employment of its own counsel has been approved by the Independent Counsel, or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then the Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

8. Procedure upon Application for Indemnification. In order to obtain indemnification pursuant to this Agreement, the Indemnitee shall submit to the Company a written request therefor, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification following the final disposition of the Claim; provided, that documentation and information need not be so provided to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Indemnification shall be made insofar as the Company determines the Indemnitee is entitled to indemnification in accordance with Section 9 hereof.

9. Determination of Right to Indemnification.

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that the Indemnitee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, the Indemnitee shall be indemnified against all Losses relating to such Claim in accordance with Section 3 hereof to the fullest extent allowable by law, and no Standard of Conduct Determination shall be required.

(ii) To the extent that the Indemnitee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness, and not as a party, the Indemnitee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 9(a) above are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether the Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of the Indemnitee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "Standard of Conduct Determination") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to the Indemnitee; and

(ii) if a Change in Control shall have occurred, (A) if the Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to the Indemnitee.

The Company shall indemnify and hold harmless the Indemnitee against and, if requested by the Indemnitee, shall reimburse the Indemnitee for, or advance to the Indemnitee, within 60 days of such request, any and all Expenses incurred by the Indemnitee in cooperating with the person or persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination. The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 9(b) above to be made as promptly as practicable. If the person or persons designated to make the Standard of Conduct Determination under Section 9(b) shall not have made a determination within 30 days after the later of (i) receipt by the Company of a written request from the Indemnitee for indemnification pursuant to Section 8 hereof (the date of such receipt being the "Notification Date"), and (ii) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then the Indemnitee shall be deemed to have satisfied the applicable standard of conduct; *provided*, that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of the Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) the Indemnitee shall be entitled to indemnification pursuant to Section 9(a) above;

(ii) no Standard Conduct Determination is legally required as a condition to indemnification of the Indemnitee hereunder; or

(iii) the Indemnitee has been determined or deemed pursuant to Section 9(b) or Section 9(c) above to have satisfied the Standard of Conduct Determination,

then the Company shall pay to the Indemnitee, within five days after the later of (A) the Notification Date, or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 9(b)(i) above, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to the Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 9(b)(ii), the Independent Counsel shall be selected by the Indemnitee, and the Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, the Indemnitee or the Company, as applicable, may, within five days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel", and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 9(e) to make the Standard of Conduct Determination shall have been selected within 20 days after the Company gives its initial notice pursuant to the first sentence of this Section 9(e), or the Indemnitee gives its initial notice pursuant to the second sentence of this Section 9(e), as the case may be, either the Company or the Indemnitee may petition the Court of Chancery of the State of Delaware ("Delaware Court") to resolve any objection which shall have been made by the Company or the Indemnitee to the other's selection of Independent Counsel and/or to appoint as Independent Counsel a person to be selected by the Court or such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 9(b) above.

(f) Presumptions and Defenses.

(i) The Indemnitee's Entitlement to Indemnification. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that the Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that the Indemnitee is not so entitled. Any Standard of Conduct Determination that is adverse to the Indemnitee may be challenged by the Indemnitee in the Delaware Court. No determination by the Company (including by its directors or any Independent Counsel) that the Indemnitee has not satisfied any applicable standard of conduct may be used as a defense to any legal proceedings brought by the Indemnitee to secure indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that the Indemnitee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, the Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if the Indemnitee's actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports or statements furnished to the Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters the Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, employee, or agent of the Company shall not be imputed to the Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that the Indemnitee did not meet any applicable standard of conduct or have any particular belief, or that indemnification hereunder is otherwise not permitted.

(iv) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by the Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition) that it is not permissible under applicable law for the Company to indemnify the Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that the Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

(v) Resolution of Claims. The Company acknowledges that a settlement or other disposition short of final judgment may be successful on the merits or otherwise for purposes of Section 9(a)(i) above if it permits a party to avoid expense, delay, distraction, disruption, and uncertainty. In the event that any Claim relating to an Indemnifiable Event to which the Indemnitee is a party is resolved in any manner other than by adverse judgment against the Indemnitee (including, without limitation, settlement of such action, claim or proceeding without payment of money or other consideration) it shall be presumed that the Indemnitee has been successful on the merits or otherwise for purposes of Section 9(a)(i). The Company shall have the burden of proof to overcome this presumption.

10. Exclusions from Indemnification. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to the Indemnitee for Expenses or Losses with respect to proceedings initiated by the Indemnitee, including any proceedings against the Company or its directors, officers, employees, or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 5 hereof (unless a court of competent jurisdiction determines that each of the material assertions made by the Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings.

(b) indemnify the Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law.

(c) indemnify the Indemnitee for the disgorgement of profits arising from the purchase or sale by the Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute.

(d) indemnify or advance funds to the Indemnitee for the Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by the Indemnitee or payment of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") in connection with an accounting restatement of the Company or the payment to the Company of profits arising from the purchase or sale by the Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

11. Settlement of Claims. The Company shall not be liable to the Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; *provided*, *however*, that if a Change in Control has occurred, the Company shall be liable for indemnification of the Indemnitee for amounts paid in settlement if an Independent Counsel has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on the Indemnitee without the Indemnitee's prior written consent.

12. Duration. All agreements and obligations of the Company contained herein shall continue during the period that the Indemnitee is a director and/or officer of the Company (or is serving at the request of the Company as a director, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (i) so long as the Indemnitee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto), and (ii) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by the Indemnitee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

13. Non-Exclusivity. The rights of the Indemnitee hereunder will be in addition to any other rights the Indemnitee may have under the Constituent Documents, the General Corporation Law of the State of Delaware, any other contract or otherwise (collectively, "Other Indemnity Provisions"); *provided*, *however*, that (a) to the extent that the Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, the Indemnitee will be deemed to have such greater right hereunder, and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, the Indemnitee will be deemed to have such greater right hereunder.

14. Liability Insurance. For the duration of the Indemnitee's service as a director and/or officer of the Company, and thereafter for so long as the Indemnitee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to continue to maintain in effect policies of directors' and officers' liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. In all policies of directors' and officers' liability insurance maintained by the Company, the Indemnitee shall be named as an insured in such a manner as to provide the Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company's directors, if the Indemnitee is a director, or of the Company's officers, if the Indemnitee is an officer (and not a director) by such policy. Upon request, the Company will provide to the Indemnitee copies of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements, and other related materials.

15. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to the Indemnitee in respect of any Losses to the extent the Indemnitee has otherwise received payment under any insurance policy, the Constituent Documents, Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

16. Subrogation. In the event of payment to the Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee. The Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

17. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

18. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substances satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

19. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any portion thereof) are held by a court of competent jurisdiction to be invalid, illegal, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

20. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

(a) if to the Indemnitee, to the address set forth on the signature page hereto.

(b) if to the Company, to:

Twin Hospitality Group Inc.
5151 Belt Line Road, Suite 1200
Dallas, Texas 75254
Attention: Chief Legal Officer

Notice of change of address shall be effective only when given in accordance with this Section 20. All notices complying with this Section shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

21. Governing Law and Forum. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to its principles of conflicts of laws. The Company and the Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, and (d) waive, and agree not to plead or make, any claim that the Delaware Court lacks venue or that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

22. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original, but all of which together shall constitute one and the same Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Twin Hospitality Group Inc.

By: _____
Name:
Title

INDEMNITEE

_____
Name:
Address:

**Exhibit 10.8**

TWIN HOSPITALITY I, LLC,
as Issuer

and

UMB BANK, N.A.,
as Trustee and Securities Intermediary

# BASE INDENTURE

Dated as of November 21, 2024

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BASE INDENTURE, dated as of November 21, 2024, by and among Twin Hospitality I, LLC (f/k/a Fat Brands Twin Peaks I, LLC), a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as trustee (in such capacity, the "Trustee"), and as securities intermediary.

W I T N E S S E T H:

WHEREAS, the Issuer has duly authorized the execution and delivery of this Base Indenture (as may be amended, modified or supplemented from time to time, the "Base Indenture") and the issuance of a series of asset-backed notes (the "Notes") under this Base Indenture, as provided in this Base Indenture and in Supplements hereto; and

WHEREAS, all things necessary to make this Base Indenture a legal, valid and binding agreement of the Issuer, in accordance with its terms, have been done, and the Issuer proposes to do all the things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Trustee hereunder and duly issued by the Issuer, the legal, valid and binding obligations of the Issuer as hereinafter provided;

NOW, THEREFORE, for and in consideration of the premises and the receipt of the Notes by the Noteholders, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Noteholders (in accordance with the priorities set forth herein and in any Series Supplement), as follows:

## ARTICLE I

## DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

Capitalized terms used herein (including the preamble and the recitals hereto) and not otherwise defined herein shall have the meanings assigned to such terms in the Base Indenture Definitions List attached hereto as Annex A (the "Base Indenture Definitions List"), as such Base Indenture Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof.

Section 1.2 Cross-References.

Unless otherwise specified, references in the Indenture and in each other Transaction Document to any Article or Section are references to such Article or Section of the Indenture or such other Transaction Document, as the case may be, and, unless otherwise specified, references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

Section 1.3 Accounting and Financial Determinations; No Duplication.

(a) All accounting terms not specifically or completely defined in the Indenture or the Transaction Documents shall be construed in conformity with GAAP.

(b) Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any accounting computation is required to be made, for the purpose of the Indenture or any other Transaction Document, such determination or calculation shall be made, to the extent applicable and except as otherwise specified in the Indenture or such other Transaction Document, in accordance with GAAP. When used herein, the term "financial statement" shall include the notes and schedules thereto. All accounting determinations and computations hereunder or under any other Transaction Documents shall be made without duplication. Notwithstanding any provision contained in this Base Indenture or any other Transaction Document to the contrary, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Twin Hospitality TP Entities at "fair value," as defined therein, (ii) without giving effect to any change to, or modification of, GAAP (including any future phase-in of changes to GAAP that have been approved as of December 1, 2018) which would require the capitalization of leases characterized as "operating leases" as of December 1, 2018 (it being understood and agreed, for the avoidance of doubt, financial statements delivered pursuant hereto shall be prepared without giving effect to this clause) and (iii) without giving effect to the one-time adjustment to implement Accounting Standards Update 2016-13, Measurement of Credit Losses on Financial Instruments.

Section 1.4 Rules of Construction.

In the Indenture and the other Transaction Documents, unless the context otherwise requires:

(a) the singular includes the plural and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Indenture and the other applicable Transaction Documents, as the case may be, and reference to any Person in a particular capacity only refers to such Person in such capacity;

(c) reference to any gender includes the other gender;

(d) reference to any Requirements of Law means such Requirements of Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time;

(e) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(f) the word "or" is always used inclusively herein (for example, the phrase "A or B" means "A or B or both," not "either A or B but not both"), unless used in an "either . . . or" construction;

(g) reference to any Transaction Document or other contract or agreement means such Transaction Document, contract or agreement as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof, except (i) with respect to defined terms that define such Transaction Document or other contract or agreement as of certain amendments or other modifications thereto and (ii) as the context requires otherwise;

(h) with respect to the determination of any period of time, except as otherwise specified, "from" means "from and including" and "to" means "to but excluding";

(i) the use of Subclass designations, Tranche designations or other designations to differentiate Note characteristics within a Class will not alter priority of the requirement to pay among the Class pro rata unless expressly provided for in the Series Supplement for such Subclass or Tranche;

(j) if (i) any funds deposited to an Account are to be paid or allocated, or any action described in a Monthly Manager's Certificate is to be taken, on (or prior to) the "following Monthly Allocation Date", the "Monthly Allocation Date immediately following" or the "immediately following Monthly Allocation Date", such payment, allocation or action shall occur on (or prior to, if applicable) the Monthly Allocation Date related to the Monthly Collection Period in which such deposit occurs or the Monthly Allocation Date to which the Monthly Manager's Certificate relates, as applicable, and (ii) an action or event is to occur with respect to a Monthly Fiscal Period immediately preceding a Monthly Allocation Date, such action or event shall occur with respect to the most recent Monthly Fiscal Period ending prior to such Monthly Allocation Date;

(k) if any payment is due, or any action described in a Quarterly Noteholders' Report is to be taken, on (or prior to) the "related Quarterly Payment Date", the "following Quarterly Payment Date", the "immediately succeeding Quarterly Payment Date", the "next succeeding Quarterly Payment Date" or the "immediately following Quarterly Payment Date", such payment shall be due, or such action shall occur, as applicable, either (i) on (or prior to, if applicable) the Quarterly Payment Date related to the Quarterly Collection Period in which such payment accrues or the Quarterly Payment Date to which such Quarterly Noteholders' Report relates or (ii) on (or prior to, if applicable) the Quarterly Payment Date related to the applicable Quarterly Calculation Date on which such payment is calculated;

(l) references to (i) the "preceding Monthly Collection Period" means the most recent Monthly Collection Period ending prior to the indicated date, (ii) the "immediately preceding Quarterly Collection Period" means the most recent Quarterly Collection Period ending prior to the indicated date and (iii) "immediately preceding Quarterly Calculation Date" means the most recent Quarterly Calculation Date; and

(m) to the broadest extent possible, a Majority of Controlling Class may operate as the Controlling Class Representative under this Base Indenture and the other Transaction Documents, and any rights, powers, remedies or privileges of the Controlling Class Representative under this Base Indenture and the other Transaction Documents may also be exercised, enforced, enjoyed and received by the Majority of Controlling Class, including but not limited to, the authority to make decisions, provide consents, give directions, and take any other actions that the Controlling Class Representative is authorized or permitted to undertake under this Base Indenture and the other Transaction Documents.

## ARTICLE II

## THE NOTES

Section 2.1 Designation and Terms of Notes.

Each Series of Notes shall be substantially in the form specified in the Series Supplement and shall bear, upon its face, the designation for such Series to which it belongs as selected by the Issuer, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted hereby or by the Series Supplement and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined to be appropriate by the Authorized Officers of the Issuer executing such Notes, as evidenced by execution of such Notes by such Authorized Officers. All Notes of any Series shall, except as specified in the Series Supplement and in this Base Indenture, be equally and ratably entitled as provided herein to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Base Indenture and any Series Supplement. The aggregate principal amount of Notes which may be authenticated and delivered under this Base Indenture is unlimited. The Notes of each Series shall be issued in the denominations set forth in the Series Supplement; provided, however, in no event shall Notes of any Series have a minimum denomination of less than $100,000.

Section 2.2 Notes Issuable in Series.

(a) The Notes shall be issued as a single Series of Notes, including any Class, Subclass or Tranche of such Notes. The Series of Notes shall be issued pursuant to a Series Supplement. For the avoidance of doubt, the Series 2024-1 Notes will be the only Series of Notes to be issued by the Issuer pursuant to this Base Indenture or the Series Supplement.

(b) In accordance with the Series Supplement, the Notes may from time to time be executed by the Issuer and delivered to the Trustee for authentication and thereupon, subject to Section 2.2(c), the same shall be authenticated and delivered by the Trustee upon the performance or delivery by the Issuer to the Trustee and the Control Party, and receipt by the Trustee and the Control Party, of the following:

(i) a Company Order authorizing and directing (A) the authentication and delivery of such Notes by the Trustee and specifying the designation of such Notes, the Initial Principal Amount of such Notes to be authenticated and the Note Rate with respect to such Notes and (B) the use of proceeds to repay all existing Indebtedness of the Issuer under the Base Indenture, dated as of October 1, 2021, between the Issuer and UMB Bank, N.A, and each of the series supplements executed thereunder (the "Previous Indenture");

(ii) the Series Supplement for such Notes satisfying the criteria set forth in Section 2.3 executed by the Issuer and the Trustee and specifying the Principal Terms of such Notes;

(iii) [reserved];

(iv) a Tax Opinion dated the Series Closing Date for the Super Senior Notes, the Senior Notes and the Senior Subordinated Notes;

(v) one or more Opinions of Counsel, subject to the assumptions and qualifications stated therein, and in a form reasonably acceptable to the Control Party, dated the Series Closing Date, substantially to the effect that:

(A) all of the instruments described in this Section 2.2(b) furnished to the Trustee and the Control Party conform to the requirements of this Base Indenture and the Series Supplement and the Notes are permitted to be authenticated by the Trustee pursuant to the terms of this Base Indenture and the Series Supplement (except that no such Opinion of Counsel shall be required to be delivered in connection with the issuance of Notes on the Closing Date);

(B) the Series Supplement has been duly authorized, executed and delivered by the Issuer and constitutes a legal, valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms;

(C) such Notes have been duly authorized by the Issuer, and, when such Notes have been duly authenticated and delivered by the Trustee, such Notes will be legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms;

(D) none of the Securitization Entities is required to be registered as an "investment company" under the 1940 Act;

(E) the Lien and the security interests created by this Base Indenture and the Guarantee and Collateral Agreement on the Collateral remain perfected as required by this Base Indenture and the Guarantee and Collateral Agreement and such Lien and security interests extend to any assets transferred to the Securitization Entities in connection with the issuance of such Notes;

(F) based on a reasoned analysis, the assets of a Securitization Entity as a debtor in bankruptcy would not be substantively consolidated with the assets and liabilities of FAT Brands or the Manager in a manner prejudicial to Noteholders;

(G) neither the execution and delivery by the Issuer of such Notes and the Series Supplement nor the performance by the Issuer of its obligations under each of the Notes and the Series Supplement, conflicts with the Charter Documents of the Issuer;

(H) neither the execution and delivery by the Issuer of such Notes and the Series Supplement nor the performance by the Issuer of their payment obligations under each of such Notes and the Series Supplement: (i) violates any law, rule or regulation of any relevant jurisdiction, or (ii) requires the consent, approval, licensing or authorization of, or any filing, recording or registration with, any governmental authority under any law, rule or regulation of any relevant jurisdiction except for those consents, approvals, licenses and authorizations already obtained and those filings, recordings and registrations already made;

(I) unless such Notes are being offered pursuant to a registration statement that has been declared effective under the 1933 Act, it is not necessary in connection with the offer and sale of such Notes by the Issuer to the initial purchaser(s) thereof or by the initial purchaser(s) to the initial investors in such Notes to register such Notes under the 1933 Act; and

(J) all conditions precedent to such issuance have been satisfied and that the Series Supplement is authorized or permitted pursuant to the terms and conditions of the Indenture; and

(vi) such other documents, instruments, certifications, agreements or other items as the Trustee or the Control Party may reasonably require.

(c) Upon receipt of a Company Order in accordance with, and subject to, Section 2.2(b), the Trustee shall authenticate and deliver, as provided above, such Notes upon execution thereof by the Issuer. Notwithstanding anything contained herein or in any Supplement to the contrary, the Trustee shall be entitled to conclusively rely on, and shall be fully protected in so relying on, the Issuer's delivery of the executed Notes as evidence that the conditions set forth in Section 2.2(b) have been satisfied and the Trustee shall in no event be required to make inquiry or investigation as to whether the conditions set forth in Section 2.2(b) have been satisfied or waived. The closing of the issuance of Notes may (but shall not be required to) be effected through an escrow arrangement on terms acceptable to the Trustee, the Control Party and Issuer.

Section 2.3 Series Supplement.

In conjunction with the issuance of the Notes, subject to the applicable terms and provisions of Article XIII, the parties hereto shall execute a Series Supplement for such Notes, which shall specify the relevant terms with respect to such Notes, which may include, without limitation:

(a) its name or designation;

(b) the Initial Principal Amount with respect to such Notes;

(c) the Note Rate with respect to such Notes;

(d) the Series Closing Date;

(e) the Series Anticipated Repayment Date, if any;

(f) the Series Legal Final Maturity Date;

(g) the principal amortization schedule with respect to such Notes, if any;

(h) [reserved];

(i) the names of the Series Distribution Accounts and any other Series Accounts to be used with respect to such Notes and the terms governing the operation of any such account and the use of moneys therein;

(j) the method of allocating amounts deposited into any Series Distribution Account with respect to such Notes and/or the method of remitting payments from the applicable Indenture Trust Accounts to the Holders of such Series;

(k) whether such Notes will be issued in multiple Classes, Subclasses or Tranches and the rights and priorities of each such Class, Subclass or Tranche;

(l) any deposit of funds to be made in any Indenture Trust Account or any Series Account on the Series Closing Date;

(m) whether such Notes may be issued as either Definitive Notes or Book-Entry Notes and any limitations imposed thereon;

(n) whether such Notes include the Super Senior Notes, Senior Notes, Senior Subordinated Notes and/or Subordinated Notes;

(o) [Reserved];

(p) the terms of any related Enhancement and the Enhancement Provider thereof, if any;

(q) any other relevant terms of such Notes (all such terms, the "Principal Terms" of such Series).

Section 2.4 Execution and Authentication.

(a) Each Note shall, upon issuance pursuant to Section 2.2, be executed on behalf of the Issuer by an Authorized Officer of the Issuer and delivered by the Issuer to the Trustee for authentication and redelivery as provided herein. The signature of each such Authorized Officer on the Notes may be manual or facsimile. If an Authorized Officer of the Issuer whose signature is on a Note no longer holds that office at the time the Note is authenticated, the Note shall nevertheless be valid.

(b) At any time and from time to time after the execution and delivery of this Base Indenture, the Issuer may deliver Notes of any particular Series (issued pursuant to Section 2.2) executed by the Issuer to the Trustee for authentication, together with one or more Company Orders for the authentication and delivery of such Notes, and the Trustee, in accordance with such Company Order and this Base Indenture, shall authenticate and deliver such Notes.

(c) No Note shall be entitled to any benefit under the Indenture or be valid for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for below, duly executed by the Trustee by the manual signature of a Trust Officer. Such signatures on such certificate shall be conclusive evidence, and the only evidence, that the Note has been duly authenticated under this Base Indenture. The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. Unless limited by the term of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Base Indenture to authentication by the Trustee includes authentication by such authenticating agent. The Trustee's certificate of authentication shall be in substantially the following form:

"This is one of the Notes of a Series issued under the within mentioned Indenture.

UMB Bank, N.A., as Trustee

By: _____
Authorized Signatory"

(d) Each Note shall be dated and issued as of the date of its authentication by the Trustee.

Section 2.5 Note Registrar and Paying Agent.

(a) The Issuer shall (i) maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "Note Registrar") and (ii) appoint a paying agent (which shall satisfy the eligibility criteria set forth in Section 10.8(a)) (the "Paying Agent") at whose office or agency Notes may be presented for payment. The Note Registrar shall keep a register of the Notes (including the name and address of each such Noteholder) and of their transfer and exchange. The Trustee shall indicate in its books and records the principal amount owing to each Noteholder from time to time. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term "Paying Agent" shall include any additional paying agent and the term "Note Registrar" shall include any co-registrars. The Issuer may change the Paying Agent or the Note Registrar without prior notice to any Noteholder. The Issuer shall notify the Trustee in writing of the name and address of any Agent not a party to this Base Indenture. The Trustee is hereby initially appointed as the Note Registrar and the Paying Agent. Upon any resignation or removal of the Note Registrar, the Issuer shall promptly appoint a successor Note Registrar or, in the absence of such appointment, the Issuer shall assume the duties of the Note Registrar.

(b) The Issuer shall enter into an appropriate agency agreement with any Agent not a party to this Base Indenture. Such agency agreement shall implement the provisions of this Base Indenture that relate to such Agent. If the Issuer fails to maintain a Note Registrar or Paying Agent, the Trustee hereby agrees to act as such, and shall be entitled to appropriate compensation in accordance with this Base Indenture until the Issuer shall appoint a replacement Note Registrar or Paying Agent, as applicable.

Section 2.6 Paying Agent to Hold Money in Trust.

(a) The Issuer will cause the Paying Agent (if the Paying Agent is not the Trustee) to execute and deliver to the Trustee an instrument in which the Paying Agent shall agree with the Trustee (and if the Trustee is the Paying Agent, it hereby so agrees), subject to the provisions of this Section 2.6, that the Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Trustee written notice of any default by the Issuer of which it has Actual Knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by the Paying Agent;

(iv) immediately resign as the Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Trustee hereunder at the time of its appointment; and

(v) comply with all requirements of the Code and other applicable tax law (including, for the avoidance of doubt, FATCA) with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

(b) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of the Indenture or for any other purpose, by Company Order direct the Paying Agent to pay to the Trustee all sums held in trust by the Paying Agent, such sums to be held by the Trustee in trust upon the same terms as those upon which the sums were held in trust by the Paying Agent. Upon such payment by the Paying Agent to the Trustee, the Paying Agent shall be released from all further liability with respect to such money.

(c) Subject to applicable laws with respect to escheat of funds, any money held by the Trustee or the Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer upon delivery of a Company Request. The Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Trustee or the Paying Agent with respect to such trust money paid to the Issuer shall thereupon cease; provided, however, that the Trustee or the Paying Agent, before being required to make any such repayment, may, at the expense of the Issuer, cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in New York City, and in a newspaper customarily published on each Business Day and of general circulation in London, if applicable, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Trustee may also adopt and employ, at the expense of the Issuer, any other commercially reasonable means of notification of such repayment.

Section 2.7 Noteholder List.

(a) The Trustee will furnish, or the Issuer will cause to be furnished by the Note Registrar, to the Issuer, the Manager, the Back-Up Manager, the Control Party, the Controlling Class Representative or the Paying Agent, within five (5) Business Days after receipt by the Trustee or the Issuer, as the case may be, of a request therefor from the Issuer, the Manager, the Back-Up Manager, the Control Party, the Controlling Class Representative or the Paying Agent, respectively, in writing, the names and addresses of the Noteholders of each Series as of the most recent Record Date for payments to such Noteholders. Every Noteholder, by receiving and holding a Note, agrees with the Trustee that neither the Trustee, the Note Registrar, the Issuer, the Control Party, the Back-Up Manager, the Controlling Class Representative nor any of their respective agents shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Noteholders hereunder, regardless of the source from which such information was obtained.

(b) The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders of each Series of Notes. If the Trustee is not the Note Registrar, the Issuer shall furnish to the Trustee at least seven (7) Business Days before each Quarterly Payment Date and at such other time as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Noteholders of each Series of Notes.

Section 2.8 Transfer and Exchange.

(a) Upon surrender for registration of transfer of any Note at the office or agency of the Note Registrar, if the requirements of Section 2.8(f) and Section 8-401(a) of the New York UCC are met (as determined by the Issuer), the Issuer shall execute and, after the Issuer has executed, the Trustee shall authenticate and deliver to the Noteholder, in the name of the designated transferee or transferees, one or more new Notes, in any authorized denominations, of the same Series and Class (and, if applicable, Subclass or Tranche) and a like original aggregate principal amount of the Notes so transferred. At the option of any Noteholder, Notes may be exchanged for other Notes of the same Series and Class (and, if applicable, Subclass or Tranche) in authorized denominations of like original aggregate principal amount of the Notes so exchanged, upon surrender of the Notes to be exchanged at any office or agency of the Note Registrar maintained for such purpose. Whenever Notes of any Series are so surrendered for exchange, if the requirements of Section 2.8(f) and (g) and Section 8-401(a) of the New York UCC are met (as determined by the Issuer), the Issuer shall execute, and after the Issuer has executed, the Trustee shall authenticate and deliver to the Noteholder, the Notes which the Noteholder making the exchange is entitled to receive.

(b) Every Note presented or surrendered for registration of transfer or exchange shall be (i) duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Trustee, the Issuer and the Note Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing with a medallion signature guarantee and (ii) accompanied by such other documents as the Trustee or the Note Registrar may require, including evidence reasonably satisfactory to it to document the identities and/or signatures of the transferor, and the transferee (including but not limited to the applicable Internal Revenue Service Form W-8 or W-9). The Issuer shall execute and deliver to the Trustee or the Note Registrar, as applicable, Notes in such amounts and at such times as are necessary to enable the Trustee to fulfill its responsibilities under the Indenture and the Notes.

(c) All Notes issued and authenticated upon any registration of transfer or exchange of the Notes shall be the valid obligations of the Issuer, evidencing the same indebtedness, and entitled to the same benefits under the Indenture, as the Notes surrendered upon such registration of transfer or exchange.

(d) The preceding provisions of this Section 2.8 notwithstanding, (i) the Trustee, the Issuer or the Note Registrar, as the case may be, shall not be required (A) to issue, register the transfer of or exchange of any Note of any Series for a period beginning at the opening of business fifteen (15) days preceding the selection of any Series of Notes for redemption and ending at the close of business on the day of the mailing of the relevant notice of redemption or (B) to register the transfer of or exchange any Note so selected for redemption, and (ii) no assignment or transfer of a Note or any commitment in respect thereof shall be effective until such assignment or transfer shall have been recorded in the Note Register and in the books and records of the Trustee, as applicable, pursuant to Section 2.5(a).

(e) Unless otherwise provided in the Series Supplement, no service charge shall be payable for any registration of transfer or exchange of Notes, but the Issuer, the Note Registrar or the Trustee, as the case may be, may require payment by the Noteholder of a sum sufficient to cover any Tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes.

(f) Unless otherwise provided in the Series Supplement, registration of transfer of Notes containing a legend relating to the restrictions on transfer of such Notes (which legend shall be set forth in the Series Supplement) shall be effected only if the conditions set forth in such Series Supplement are satisfied. Notwithstanding anything contained herein or in a Series Supplement to the contrary, neither the Trustee nor the Note Registrar shall be responsible for ascertaining whether any transfer or exchange of a Note or any insertion or removal of a legend on a Note complies with the terms of this Base Indenture or a Series Supplement or any applicable laws; provided that if a transfer certificate or opinion is specifically required by the express terms of this Base Indenture or a Series Supplement to be delivered to the Trustee or the Note Registrar in connection with a transfer, the Trustee or the Note Registrar, as the case may be, shall be under a duty to receive the same but shall not be required to determine (but may rely on a determination made by the Issuer with respect to) the sufficiency of any such transfer certificate or opinion; and provided further that the Issuer shall confirm to the Trustee in writing its approval of any proposed transfer of Notes, upon which approval the Trustee may conclusively rely as to compliance of such transfer with the terms of this Base Indenture, the Series Supplement, and all applicable laws.

(g) Each transferee of a Note shall provide to the Issuer and the Trustee a transferee certificate substantially in the form of Exhibit H (a "Transferee Certificate") in connection with such transfer. If the transferee is unable to provide a Transferee Certificate, or would otherwise cause the Issuer to be unable to rely on the "private placement" safe harbor of Treasury Regulation Section 1.7704-1(h), such transfer will be void and of no force or effect and shall not bind or be recognized by the Issuer or any other Person; provided, however, that a Transferee Certificate that omits one or more of paragraphs (2)-(4) of Exhibit H shall be acceptable if the Issuer receives written advice of Katten Muchin Rosenman LLP or an opinion of other nationally recognized U.S. tax counsel experienced in such matters, to the effect that the acquisition or transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

Section 2.9 Persons Deemed Owners.

Prior to due presentment for registration of transfer of any Note, the Trustee, the Control Party, the Controlling Class Representative, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered (as of the day of determination) as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Trustee, the Control Party, the Controlling Class Representative, any Agent nor the Issuer shall be affected by notice to the contrary.

Section 2.10 Replacement Notes.

(a) If (i) any mutilated Note is surrendered to the Trustee, or the Trustee receives evidence to its reasonable satisfaction of the destruction, loss or theft of any Note and (ii) there is delivered to the Issuer and the Trustee such security or indemnity as may be required by them to hold the Issuer and the Trustee harmless then, provided that the requirements of Section 2.8(f) and Section 8-405 of the New York UCC are met (as determined by the Issuer), the Issuer shall execute and upon their request the Trustee or an authenticating agent appointed by the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become, or within seven (7) days shall be, due and payable, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due or payable without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the preceding sentence, a protected purchaser (within the meaning of Section 8-303 of the New York UCC) of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a Protected Purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith.

(b) Upon the issuance of any replacement Note under this Section 2.10, the Issuer may require the payment by the Holder of such Note of a sum sufficient to cover any Tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee and the Note Registrar) connected therewith.

(c) Every replacement Note issued pursuant to this Section 2.10 in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer and such replacement Note shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Notes duly issued under the Indenture (in accordance with the priorities and other terms set forth herein and in each Series Supplement).

(d) The provisions of this Section 2.10 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.11 Treasury Notes.

In determining whether the Noteholders of the required Aggregate Outstanding Principal Amount of Notes or the required Outstanding Principal Amount of any Series or any Class, Subclass or Tranche of any Series of Notes, as the case may be, have concurred in any direction, waiver or consent, Notes owned, legally or beneficially, by the Issuer or any Affiliate of the Issuer shall be considered as though they are not Outstanding, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes of which a Trust Officer has received written notice of such ownership shall be so disregarded.

Section 2.12 Book-Entry Notes.

(a) Unless otherwise provided in any Series Supplement, the Notes of each Class, Subclass or Tranche of each Series, upon original issuance, shall be issued in the form of typewritten Notes representing Book-Entry Notes and delivered to the depository (or its custodian) specified in such Series Supplement (the "Depository") which shall be the Clearing Agency on behalf of such Series or such Class, Subclass or Tranche. The Notes of each Class, Subclass or Tranche of each Series shall, unless otherwise provided in the Series Supplement, initially be registered on the Note Register in the name of the Clearing Agency or the nominee of the Clearing Agency. No Note Owner will receive a definitive note representing such Note Owner's interest in the related Series of Notes, except as provided in Section 2.13. Unless and until definitive, fully registered Notes of any Series or any Class, Subclass or Tranche of any Series ("Definitive Notes") have been issued to Note Owners pursuant to Section 2.13:

(i) the provisions of this Section 2.12 shall be in full force and effect with respect to each of such Notes;

(ii) the Issuer, the Paying Agent, the Note Registrar, the Trustee, the Control Party and the Controlling Class Representative may deal with the Clearing Agency and the applicable Clearing Agency Participants for all purposes (including the payment of principal of, premium, if any, and interest on the Notes and the giving of instructions or directions hereunder or under the Series Supplement) as the sole Holder of the Notes, and shall have no obligation to the Note Owners;

(iii) to the extent that the provisions of this Section 2.12 conflict with any other provisions of the Indenture, the provisions of this Section 2.12 shall control with respect to each such Class, Subclass, Tranche or Series of the Notes;

(iv) subject to the rights of the Manager and the Controlling Class Representative under the Indenture, the rights of Note Owners of each such Class or Series of Notes shall be exercised only through the Clearing Agency and the applicable Clearing Agency Participants and shall be limited to those established by law and agreements between such Note Owners and the Clearing Agency and/or the Clearing Agency Participants, and all references in the Indenture to actions by the Noteholders shall refer to actions taken by the Clearing Agency upon instructions from the Clearing Agency Participants, and all references in the Indenture to distributions, notices, reports and statements to the Noteholders shall refer to distributions, notices, reports and statements to the Clearing Agency, as registered holder of the Notes of such Series for distribution to the Note Owners in accordance with the Applicable Procedures of the Clearing Agency; and

(v) subject to the rights of the Manager and the Controlling Class Representative under the Indenture, whenever the Indenture requires or permits actions to be taken based upon instructions or directions of Noteholders evidencing a specified percentage of the Aggregate Outstanding Principal Amount of Notes or the Outstanding Principal Amount of a Series or Class, Subclass or Tranche of a Series of Notes, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or their related Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the Outstanding Notes or such Series or such Class, Subclass or Tranche of such Series of Notes Outstanding, as the case may be, and has delivered such instructions in writing to the Trustee.

(b) Unless and until Definitive Notes of such Series are issued pursuant to Section 2.13, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal, premium, if any, and interest on the Notes to such Clearing Agency Participants.

(c) Whenever notice or other communication to the Noteholders is required under the Indenture, unless and until Definitive Notes shall have been issued to Note Owners pursuant to Section 2.13, the Trustee and the Issuer shall give all such notices and communications specified herein to be given to Noteholders to the Clearing Agency for distribution to the Note Owners in accordance with the Applicable Procedures of the Clearing Agency.

Section 2.13 Definitive Notes.

(a) The Notes of any Series or Class, Subclass or Tranche of any Series, to the extent provided in the Series Supplement, upon original issuance, may be issued in the form of Definitive Notes. The Series Supplement shall set forth the legend relating to the restrictions on transfer of such Definitive Notes and such other restrictions as may be applicable.

(b) With respect to the Notes of any Series, Class, Subclass or Tranche of any Series issued in the form of typewritten Notes representing Book-Entry Notes, if (i) (A) the Issuer advises the Trustee in writing that the Clearing Agency is no longer willing or able to discharge properly its responsibilities with respect to any such Series of Notes and (B) the Issuer is unable to locate a qualified successor, (ii) the Issuer, at its option, advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency with respect to any Series, Class, Subclass or Tranche of any Series of Notes Outstanding issued in the form of Book-Entry Notes or (iii) after the occurrence of a Rapid Amortization Event, with respect to any Series of Notes Outstanding, Note Owners holding a beneficial interest in excess of 50% of the aggregate Outstanding Principal Amount of such Series, Class, Subclass or Tranche of Notes advise the Trustee and the applicable Clearing Agency through the applicable Clearing Agency Participants in writing that the continuation of a book-entry system through the applicable Clearing Agency is no longer in the best interests of such Note Owners, the Trustee shall notify all Note Owners of such Series, through the applicable Clearing Agency Participants, of the occurrence of any such event and of the availability of Definitive Notes to Note Owners of such Series. Upon surrender to the Trustee of the Notes of such Series, Class, Subclass or Tranche by the applicable Clearing Agency, accompanied by registration instructions from the applicable Clearing Agency for registration, the Issuer shall execute and the Trustee shall authenticate, upon receipt of a Company Order, and deliver an equal aggregate principal amount of Definitive Notes in accordance with the instructions of the Clearing Agency. Neither the Issuer nor the Trustee shall be liable for any delay in delivery of such instructions and may each conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes of such Series, Class, Subclass or Tranche of Notes all references herein to obligations imposed upon or to be performed by the applicable Clearing Agency shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Definitive Notes, and the Trustee shall recognize the Holders of the Definitive Notes of such Series, Class, Subclass or Tranche of such Series as Noteholders of such Series, Class, Subclass or Tranche of such Series hereunder and under the Series Supplement.

Section 2.14 Cancellation.

The Issuer may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer or an Affiliate thereof may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Trustee. The Note Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation. The Issuer may not issue new Notes to replace Notes that they have redeemed or paid or that have been delivered to the Trustee for cancellation. All cancelled Notes held by the Trustee shall be disposed of in accordance with the Trustee's standard disposition procedures unless the Issuer shall direct that cancelled Notes be returned to them for destruction pursuant to a Company Order. No cancelled Notes may be reissued. No provision of this Base Indenture or any Supplement that relates to prepayment procedures, penalties, fees, make-whole payments or any other related matters shall be applicable to any Notes cancelled pursuant to and in accordance with this Section 2.14.

Section 2.15 Principal and Interest.

(a) The principal of and premium, if any, on each Series, Class, Subclass or Tranche of Notes shall be due and payable at the times and in the amounts set forth in the Series Supplement and in accordance with the Priority of Payments.

(b) Each Series, Class, Subclass or Tranche of Notes shall accrue interest as provided in the Series Supplement and such interest shall be due and payable for such Series on each Quarterly Payment Date in accordance with the Priority of Payments.

(c) Except as provided in the following sentence, the Person in whose name any Note is registered at the close of business on any Record Date with respect to a Quarterly Payment Date for such Note shall be entitled to receive the principal, premium, if any, and interest payable on such Quarterly Payment Date notwithstanding the cancellation of such Note upon any registration of transfer, exchange or substitution of such Note subsequent to such Record Date. Any interest payable at maturity shall be paid to the Person to whom the principal of such Note is payable.

(d) Pursuant to the authority of the Paying Agent under Section 2.6(a)(v), the Paying Agent shall make all payments of interest on the Notes net of any applicable withholding taxes and Noteholders shall be treated as having received as payments of interest any amounts withheld with respect to such withholding taxes.

Section 2.16 Tax Treatment.

(a) The Issuer has structured this Base Indenture and the Exchange Notes have been (or will be) issued with the intention that the Exchange Notes (other than any Class M-2 Notes or Notes that are owned for United States federal income tax purposes by the Manager or an affiliate of the Manager) be treated for United States federal income tax purposes (and, to the extent permitted by Requirements of Law, for state and local income and franchise tax purposes) as indebtedness of the Issuer or, if the Issuer is treated as a division of another entity for United States federal income tax purposes, such other entity. Any Person acquiring any direct or indirect interest in any such Note (including through an Exchangeable Note) by acceptance of such Notes (or Exchangeable Notes) agrees to treat such Notes for purposes of all Taxes in a manner consistent with the foregoing characterization, unless otherwise required by Requirements of Law.

(b) Each Noteholder (and each other person that is a beneficial owner of an interest in a Note), by its acceptance of a Note, agrees to provide and shall provide to the Trustee, the Paying Agent and/or the Issuer (or other Person responsible for withholding of taxes) with its Tax Information, and will update or replace such Tax Information as necessary at any time required by law or promptly upon request. Further, each Noteholder (and each other person that is a beneficial owner of an interest in a Note) is deemed to understand, acknowledge and agree that the Paying Agent and the Issuer (or other Person responsible for withholding of taxes) have the right to withhold on payments with respect to a Note (without any corresponding gross-up) where an applicable party fails to comply with the requirements set forth in the preceding sentence or the Trustee, the Paying Agent or the Issuer (or other Person responsible for withholding of taxes) is otherwise required to so withhold under applicable law.

(c) The Issuer intends to treat Noteholders of Exchangeable Notes as directly owning the separate classes of Exchange Notes corresponding to such Exchangeable Notes for U.S. federal income tax purposes. Each Noteholder (and each other person that is a beneficial owner of an interest in an Exchangeable Note), by its acceptance of an Exchangeable Note, agrees to treat such Exchangeable Note for purposes of all Taxes in a manner consistent with the foregoing characterization, unless otherwise required by Requirements of Law.

(d) Each Noteholder (and each other person that is a beneficial owner of an interest in an Exchange Note or Exchangeable Note, as applicable), by its acceptance of such Exchange Note or Exchangeable Note, acknowledges and agrees that such Exchange Note or Exchangeable Note is subject to transfer restrictions and each such Noteholder (and each other person that is a beneficial owner of an interest in an Exchange Note or Exchangeable Note, as applicable), other than the Issuer or an Affiliate of the Issuer, by its acceptance of such Exchange Note or Exchangeable Note, will be deemed to have made the representations and certifications listed on Exhibit H, and each such Noteholder that is the Issuer or an Affiliate of the Issuer, by its acceptance of such an Exchange Note or Exchangeable Note, will be deemed to have made the representations and certifications listed in paragraphs (2) through (6) on Exhibit H.

Section 2.17 Securities Law Restrictions.

(a) The Notes have not been registered under the 1933 Act or registered or qualified under any state securities laws or the securities laws of any other jurisdiction. Neither the Issuer nor any other person is required to so register or qualify the Notes or to provide registration rights to any investor therein.

(b) Subject to any additional restrictions or deemed representations set forth in the Series Supplement, each Note Owner and purchaser of Notes will be deemed to have represented to the Issuer and agreed that it is (i) a "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act or a non-"U.S. person" within the meaning of Regulation S under the 1933 Act, (ii) not purchasing the Notes with a view to the distribution thereof in violation of applicable securities laws and (iii) aware that the sale of the Notes to it is being made in reliance on Regulation D, Rule 144A and/or Regulation S. After the initial placement of the Notes to the Depository or to investors, as applicable, pursuant to an offering made under the Issuer's applicable offering memorandum, no interest or participation in the Notes may be reoffered, resold, pledged or otherwise transferred unless the Notes are registered pursuant to the 1933 Act and registered or qualified pursuant to any applicable securities laws or subject to an exemption therefrom.

Section 2.18 Exchangeable Notes.

The issuer may issue Exchangeable Notes pursuant to the Series Supplement. The Exchangeable Notes are not separate legal obligations of the Issuer but are Notes issued by the Issuer which represent a combination (as described in the Series Supplement) of Classes of Exchange Notes with the payment, voting and consent rights and obligations of such Exchange Notes. The characteristics of the Exchangeable Notes will generally reflect the characteristics of the corresponding Exchange Notes and vice versa. Such Exchangeable Notes may be exchanged for Exchange Notes in accordance with the combinations specified in the Series Supplement. To the extent Exchangeable Notes are issued on the Closing Date, Exchange Notes with an initial outstanding principal amount equal to the initial outstanding principal amount of such Exchangeable Notes issued on the Closing Date will be deemed to have been exchanged for such Exchangeable Notes on the Closing Date in a permissible exchange combination.

## ARTICLE III

## SECURITY

Section 3.1 Grant of Security Interest.

(a) To secure the Obligations, the Issuer hereby pledges, assigns, conveys, delivers, transfers and sets over to the Trustee, for the benefit of the Secured Parties, and hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in the Issuer's right, title and interest in, to and under all of the following property to the extent now owned or at any time hereafter acquired by the Issuer (collectively, the "Indenture Collateral"):

(i) the Equity Interests of any Person owned by the Issuer and all rights as a member or shareholder of each such Person under the Charter Documents of each such Person;

(ii) each Account and all amounts or other property on deposit in or otherwise credited to such Accounts;

(iii) the books and records (whether in physical, electronic or other form) of the Issuer;

(iv) the rights, powers, remedies and authorities of the Issuer under each of the Transaction Documents (other than the Indenture and the Notes) to which it is a party and under the Contingent Value Rights Agreement;

(v) any and all other property of the Issuer now or hereafter acquired, including, without limitation, all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment, fixtures, general intangibles, instruments, inventory, securities, securities accounts and other investment property and letter-of-credit rights (in each case, as defined in the New York UCC); and

(vi) all payments, proceeds, supporting obligations and accrued and future rights to payment with respect to the foregoing;

provided, that (A) the Issuer shall not be required to pledge, and the Collateral shall not include, more than 65% of the Equity Interests (and any rights associated with such Equity Interests) of any foreign Subsidiary of the Issuer that is a corporation for United States federal income tax purposes and in no circumstance will any such foreign Subsidiary be required to pledge any assets, become a Guarantor or otherwise guarantee the Notes and (B) the security interest in (1) each Series Distribution Account and the funds or securities deposited therein or credited thereto will only secure the related Class of Notes as set forth herein and (2) the Reserve Account and the funds or securities deposited therein or credited thereto shall only be for the benefit of the Super Senior Noteholders, Senior Noteholders, the Senior Subordinated Noteholders and the Trustee, in its capacity as trustee for the Super Senior Noteholders, the Senior Noteholders and the Senior Subordinated Noteholders.

The Trustee shall have no security interest in any Collateral Exclusions.

(a) The foregoing grant is made in trust to secure the Obligations and to secure compliance with the provisions of this Base Indenture and any Series Supplements, all as provided in this Base Indenture. The Trustee, on behalf of the Secured Parties, acknowledges such grant, accepts the trusts under this Base Indenture in accordance with the provisions of this Base Indenture and agrees, subject to the other terms and provisions of the Indenture, to perform its duties required in this Base Indenture. The Indenture Collateral shall secure the Obligations equally and ratably without prejudice, priority or distinction (except, with respect to any Series of Notes, as otherwise stated in the Series Supplement or in the applicable provisions of this Base Indenture).

(b) In addition, pursuant to and within the time periods specified in Section 8.38, the Guarantors shall execute and deliver to the Control Party (with a copy to the Trustee), for the benefit of the Secured Parties, a Mortgage with respect to each Owned Real Property and New Owned Real Property owned by such Guarantor, which shall be delivered to the Control Party (with a copy to the Trustee) or its agent to be held in escrow; provided that upon the occurrence of a Mortgage Preparation Event, the Control Party or its agent shall, within five (5) Business Days of receiving direction of the Controlling Class Representative, be required to deliver the Mortgages to the applicable recording office for recordation in the event that any Rapid Amortization Event occurs (or is continuing) on or following the 120$^{th}$ day following the occurrence of a Mortgage Preparation Event (unless such recordation requirement is waived by the Control Party, acting at the direction of the Controlling Class Representative) in accordance with Section 8.38.

(c) The parties hereto agree and acknowledge that each certificated Equity Interest and each Mortgage constituting Indenture Collateral may be held by a custodian on behalf of the Trustee or the Control Party, as applicable.

Section 3.2 Certain Rights and Obligations of the Issuer Unaffected.

(a) Notwithstanding the grant of the security interest in the Indenture Collateral hereunder to the Trustee, on behalf of the Secured Parties, the Issuer acknowledges that the Manager, on behalf of the Guarantors, shall, subject to the terms and conditions of the Management Agreement, nevertheless have the right, subject to the Trustee's right to revoke such right, in whole or in part, in the event of the occurrence of an Event of Default, (i) to give, in accordance with the Managing Standard, all consents, requests, notices, directions, approvals, extensions or waivers, if any, which are required or permitted to be given by the Issuer under the Collateral Documents, and to enforce all rights, remedies, powers, privileges and claims of the Issuer under the Collateral Documents, (ii) to give, in accordance with the Managing Standard, all consents, requests, notices, directions and approvals, if any, which are required or permitted to be given by the Issuer under any IP License Agreement to which the Issuer is a party and (iii) to take any other actions required or permitted under the terms of the Management Agreement.

(b) The grant of the security interest by the Issuer in the Indenture Collateral to the Trustee on behalf of the Secured Parties shall not (i) relieve the Issuer from the performance of any term, covenant, condition or agreement on the Issuer's part to be performed or observed under or in connection with any of the Collateral Documents or otherwise with respect to the Indenture Collateral or (ii) impose any obligation on the Trustee or any of the Secured Parties to perform or observe any such term, covenant, condition or agreement on the Issuer's part to be so performed or observed or impose any liability on the Trustee or any of the Secured Parties for any act or omission on the part of the Issuer or from any breach of any representation or warranty on the part of the Issuer.

(c) The Issuer hereby agrees to indemnify and hold harmless the Trustee and each Secured Party (including their respective directors, officers, employees and agents) from and against any and all losses, liabilities (including liabilities for penalties), claims, demands, actions, suits, judgments, reasonable and documented out-of-pocket costs and expenses arising out of or resulting from the security interest granted hereby, whether or not arising by virtue of any act or omission on the part of the Issuer, including, without limitation, the reasonable and documented out-of-pocket costs, expenses and disbursements (including reasonable and documented attorneys' fees and expenses) incurred by the Trustee or any Secured Party in enforcing the Indenture or any other Transaction Document or preserving any of its rights to, or realizing upon, any of the Collateral; provided, however, that the foregoing indemnification shall not extend to any action by the Trustee or any Secured Party which constitutes gross negligence, bad faith or willful misconduct by the Trustee or any Secured Party or any other indemnified person hereunder. The indemnification provided for in this Section 3.2 shall survive the removal of, or a resignation by, such Person as Trustee as well as the termination of this Base Indenture or any Series Supplement.

Section 3.3 Performance of Collateral Documents.

Upon the occurrence of a default or breach (after giving effect to any applicable grace or cure periods) by any Person party to a (i) Collateral Transaction Document or (ii) Collateral Franchise Business Document (only if a Manager Termination Event or an Event of Default has occurred and is continuing), promptly following a request from the Trustee to do so and at the Issuer's expense, the Issuer agrees to take all such lawful action as permitted under this Base Indenture as the Trustee (acting at the direction of the Control Party (acting at the direction of the Controlling Class Representative)) may reasonably request to compel or secure the performance and observance by such Person of its obligations to the Issuer, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer to the extent and in the manner directed by the Trustee (acting at the direction of the Control Party (acting at the direction of the Controlling Class Representative)), including, without limitation, the transmission of notices of default and the institution of legal or administrative actions or proceedings to compel or secure performance by such Person of its obligations thereunder. If (i) the Issuer shall have failed, within fifteen (15) Business Days of receiving such direction of the Trustee, to take commercially reasonable action to accomplish such directions of the Trustee, (ii) the Issuer refuses to take any such action, as reasonably determined by the Control Party in good faith, or (iii) the Control Party (acting at the direction of the Controlling Class Representative) reasonably determines that such action must be taken immediately, in any such case the Control Party (acting at the direction of the Controlling Class Representative) may, but shall not be obligated to, take, and the Trustee, subject to the other terms and provisions of the Indenture, shall take (if so directed by the Control Party (acting at the direction of the Controlling Class Representative)), at the expense of the Issuer, such previously directed action and any related action permitted under this Base Indenture which the Control Party (acting at the direction of the Controlling Class Representative) thereafter determines is appropriate (without the need under this provision or any other provision under this Base Indenture to direct the Issuer to take such action), on behalf of the Issuer and the Secured Parties.

Section 3.4 Stamp, Other Similar Taxes and Filing Fees.

The Issuer shall indemnify and hold harmless the Trustee and each Secured Party from any present or future claim for liability for any stamp, documentary or other similar tax and any penalties or interest and expenses with respect thereto, that may be assessed, levied or collected by any jurisdiction in connection with the Indenture, any other Transaction Document or any Indenture Collateral. The Issuer shall pay, and indemnify and hold harmless each Secured Party against, any and all amounts in respect of all search, filing, recording and registration fees, taxes, excise taxes and other similar imposts that may be payable or determined to be payable in respect of the execution, delivery, performance and/or enforcement of the Indenture or any other Transaction Document.

Section 3.5 Authorization to File Financing Statements.

(a) The Issuer hereby irrevocably authorizes the Control Party or its agents on behalf of the Secured Parties (acting at the direction of the Controlling Class Representative) at any time and from time to time to file or record in any filing office in any applicable jurisdiction financing statements and other filing or recording documents or instruments (or, with respect to the Mortgages, upon the occurrence of a Mortgage Recordation Event, unless such Mortgage Recordation Event is waived by the Control Party (at the direction of the Controlling Class Representative)) with respect to the Indenture Collateral, including, without limitation, any and all Securitization IP (to the extent set forth in Section 8.25(c) and Section 8.25(e)), to perfect the security interests of the Trustee for the benefit of the Secured Parties under this Base Indenture. The Issuer authorizes the filing of any such financing statement naming the Trustee as secured party and indicating that the Indenture Collateral (a) includes "all assets" or words of similar effect or import regardless of whether any particular assets comprised in the Indenture Collateral fall within the scope of Article 9 of the UCC including, without limitation, any and all Securitization IP, or (b) as being of an equal or lesser scope or with greater detail. The Issuer agrees to furnish any information necessary to accomplish the foregoing promptly upon the Control Party's request. The Issuer also hereby ratifies and authorizes the filing on behalf of the Trustee for the benefit of the Secured Parties, of any financing statement with respect to the Indenture Collateral made prior to the date hereof.

(b) The Issuer acknowledges that the Indenture Collateral may include certain rights of the Issuer as secured party under the Transaction Documents. To the extent the Issuer is a secured party under the Transaction Documents, the Issuer hereby irrevocably appoints the Trustee as its representative with respect to all financing statements filed to perfect such security interests and authorizes the Control Party on behalf of the Secured Parties (acting at the direction of the Controlling Class Representative) to make such filings it deems necessary to reflect the Trustee as secured party of record with respect to such financing statements.

## ARTICLE IV

## REPORTS

Section 4.1 Reports and Instructions to Trustee.

(a) Monthly Manager's Certificates. By 10:00 a.m. (New York City time) on the fifth Business Day prior to each Monthly Allocation Date commencing with the Monthly Allocation Date immediately following the Monthly Collection Period ending in November 2024, the Issuer shall furnish, or cause the Manager to furnish, to the Trustee, the Back-Up Manager and the Control Party a certificate substantially in the form of Exhibit A specifying the allocation of Collections on the following Monthly Allocation Date (each a "Monthly Manager's Certificate"), including the Manager's statement specified in such form. The initial Monthly Manager's Certificate delivered after the Closing Date may include allocations of amounts received prior to the Closing Date.

(b) [Reserved].

(c) Quarterly Noteholders' Reports. On or before the third (3rd) Business Day prior to each Quarterly Payment Date, the Issuer shall furnish, or cause the Manager to furnish, a statement substantially in the form of the applicable exhibit to the Series Supplement with respect to each Series of Notes (each, a "Quarterly Noteholders' Report"), including the Manager's statement specified in such form, to the Trustee, the Control Party and each Paying Agent, with a copy to the Back-Up Manager.

(d) Quarterly Compliance Certificates. On or before the third (3rd) Business Day prior to each Quarterly Payment Date, the Manager shall deliver to the Trustee (with a copy to each of the Control Party and the Back-Up Manager) an Officer's Certificate (each, a "Quarterly Compliance Certificate") to the effect that, except as provided in a notice delivered pursuant to Section 8.8, no Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default has occurred or is continuing.

(e) Scheduled Principal Payments Deficiency Notices. On the Quarterly Calculation Date with respect to any Quarterly Collection Period, the Issuer shall furnish, or cause the Manager to furnish, to the Trustee (with a copy to each of the Control Party and the Back-Up Manager) written notice of any Scheduled Principal Payments Deficiency Event with respect to any Class or Series of Notes that occurred with respect to such Quarterly Collection Period (any such notice, a "Scheduled Principal Payments Deficiency Notice").

(f) Annual Accountants' Reports. Within one hundred and twenty (120) days after the end of each fiscal year, commencing with the fiscal year ending in December 2024, the Issuer shall furnish, or cause the Manager to furnish, to the Trustee, the Back-Up Manager and the Control Party the reports of the Independent Auditors or the Back-Up Manager required to be delivered to the Issuer by the Manager pursuant to Section 3.3 of the Management Agreement.

(g) Securitization Entity Financial Statements. The Manager on behalf of the Securitization Entities shall provide to the Trustee, the Control Party and the Back-Up Manager with respect to each Series of Notes Outstanding the following financial statements:

(i) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year (and, solely for fiscal year 2024, the fourth fiscal quarter of such fiscal year), commencing with the fiscal quarter ending in December 2024, an unaudited condensed combined consolidated balance sheet of the Securitization Entities as of the end of such fiscal quarter and unaudited condensed combined consolidated statements of operations and comprehensive income, changes in members' equity and cash flows of the Securitization Entities for such fiscal quarter and for the fiscal year-to-date period then ended (in the case of the second and third fiscal quarters of each fiscal year), which financial statements may be accompanied by supplemental schedules combining and consolidating each of the Securitization Entities; and

(ii) within one hundred and twenty (120) days after the end of each fiscal year, commencing with the fiscal year ending in December 2025, an audited combined consolidated balance sheet of the Securitization Entities as of the end of such fiscal year and audited combined consolidated statements of operations and comprehensive income, changes in members' equity and cash flows of the Securitization Entities for such fiscal year, setting forth in comparative form (where appropriate) the comparable amounts for the previous fiscal year, which financial statements may be accompanied by supplemental schedules combining and consolidating each of the Securitization Entities, prepared in accordance with GAAP and accompanied by an opinion thereon of the Independent Auditors stating that such audited financial statements present fairly, in all material respects, the financial position of the Securitization Entities and the results of their operations and cash flows in accordance with GAAP.

(h) Twin Hospitality Group Inc. Financial Statements. So long as Twin Hospitality is the Manager, the Manager on behalf of the Issuer shall provide to the Trustee, the Control Party and the Back-Up Manager with respect to each Series of Notes Outstanding the following financial statements:

(i) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year (and, solely for fiscal year 2024, the fourth fiscal quarter of such fiscal year), commencing with the fiscal quarter ending in December 2024, an unaudited condensed consolidated balance sheet of Twin Hospitality and its Subsidiaries as of the end of such fiscal quarter and unaudited condensed consolidated statements of operations and comprehensive income and cash flows of Twin Hospitality and its Subsidiaries for such fiscal quarter and for the fiscal year-to-date period then ended (in the case of the second and third fiscal quarters of each fiscal year); and

(ii) within one hundred and twenty (120) days after the end of each fiscal year, commencing with the fiscal year ending in December 2025, an audited consolidated balance sheet of Twin Hospitality and its Subsidiaries as of the end of each fiscal year and audited consolidated statements of operations and comprehensive income, changes in stockholders' equity and cash flows of Twin Hospitality and its Subsidiaries for such fiscal year, setting forth in comparative form (where appropriate) the comparable amounts for the previous fiscal year, prepared in accordance with GAAP and accompanied by an opinion thereon of the Independent Auditors stating that such audited consolidated financial statements present fairly, in all material respects, the financial position of Twin Hospitality and its Subsidiaries and the results of its operations and cash flows in accordance with GAAP.

(i) Additional Information. Subject to the Disclosure Exception, the Issuer will furnish, or cause to be furnished, from time to time such additional information regarding the financial position, results of operations or business of Twin Hospitality and its Subsidiaries or any Securitization Entity as the Trustee, the Control Party, the Manager or the Back-Up Manager may reasonably request and the Trustee may furnish any such information received by it to a Holder requesting the same that has delivered an Investor Request Certification in the form of Exhibit B.

(j) Instructions as to Withdrawals and Payments. The Issuer will furnish, or cause to be furnished, to the Trustee or the Paying Agent, as applicable (with a copy to each of the Control Party, the Manager and the Back-Up Manager), written instructions to make withdrawals and payments from the Collection Account and any other Base Indenture Account or Series Account and to make drawings under any Enhancement, as contemplated herein and in any Series Supplement. The Trustee and the Paying Agent shall, subject to the terms hereof, promptly follow any such written instructions.

Section 4.2 [Reserved].

Section 4.3 Rule 144A Information.

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act, the Issuer agrees to provide to any Noteholder or Note Owner and to any prospective purchaser of Notes designated by such Noteholder or Note Owner upon the request of such Noteholder or Note Owner or prospective purchaser, any information required to be provided to such holder, owner or prospective purchaser to satisfy the conditions set forth in Rule 144A(d)(4) under the 1933 Act.

Section 4.4 Reports, Financial Statements and Other Information to Noteholders.

Subject to the other terms of this Section 4.4, the Trustee will make available this Base Indenture, the Guarantee and Collateral Agreement, each Series Supplement, any other Transaction Document, each offering memorandum in respect of the offer and sale of Notes, the Quarterly Noteholders' Reports, the Quarterly Compliance Certificates, the financial statements referenced in Section 4.1(g) and Section 4.1(h) and, to the extent authorized by the Independent Auditors, the reports referenced in Section 4.1(f), to (a) Noteholders (and to any prospective investor that provides the Trustee with an Investor Request Certification in the form of Exhibit B) and (b) the Control Party, the Manager and the Back-Up Manager in a password-protected area of the Trustee's internet website at www.debtx.com (or such other address as the Trustee may specify from time to time). The Trustee shall require each party (other than the Control Party, the Manager and the Back-Up Manager) accessing such password-protected area to register as a Noteholder, Note Owner or a prospective investor and to make, for the benefit of the Issuer, the applicable representations and warranties described below in a written confirmation in the form of Exhibit B hereto (an "Investor Request Certification"). The Trustee may disclaim responsibility for any information distributed by it for which the Trustee was not the original source. Each Person to whom a report or other information is required to be made available pursuant to this Section 4.4 will be required to comply with the applicable internal procedures and requirements of the Trustee in effect from time to time (which, as of the date hereof, include such Person contacting the Trustee in order to request access) and shall be subject to the terms and other restrictions contained on the Trustee's website. Each time a Noteholder or other Person who has provided an Investor Request Certification as contemplated herein accesses such internet website, it will be deemed to have confirmed such representations and warranties as of the date thereof. The Trustee shall provide the Control Party and the Manager with copies of such Investor Request Certifications, including the identity, contact information, e-mail address and telephone number of such Noteholders, Note Owners or prospective purchasers upon request, but shall have no responsibility for any of the information contained therein or liability in connection with disclosure of such information. The Trustee shall have the right to change the way any such information is made available in order to make such distribution more convenient and/or more accessible to the Noteholders and the Trustee shall provide timely and adequate notification to all above parties regarding any such changes.

The Trustee will (or will request that the Manager) make available, upon reasonable advance notice and at the expense of the requesting party, copies of the Quarterly Noteholders' Reports, the Quarterly Compliance Certificates, the financial statements referenced in Section 4.1(g) and Section 4.1(h) and the reports referenced in Section 4.1(f) to any Noteholder (or Note Owner) and to any prospective investor that provides the Trustee with an Investor Request Certification in the form of Exhibit B to the effect that such party (i) is a Noteholder (or Note Owner) or prospective investor, as applicable, (ii) understands that the materials contain confidential information, (iii) is requesting the information solely for use in evaluating such party's investment or potential investment, as applicable, in the Notes and will keep such information strictly confidential (provided that such party may disclose such information only (A) to (1) those personnel employed by it who need to know such information, (2) its attorneys and outside auditors that have agreed to keep such information confidential and to treat the information as confidential information, or (3) a regulatory or self-regulatory authority pursuant to applicable Requirements of Law or (B) by judicial process), and (iv) is not a Competitor. Notwithstanding the foregoing, a recipient of such materials may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions and any related tax strategies to the extent necessary to prevent the transaction from being described as a "confidential transaction" under U.S. Treasury Regulations Section 1.6011-4(b)(3).

Section 4.5 Manager.

Pursuant to the Management Agreement, the Manager has agreed to provide certain reports, notices, instructions and other services on behalf of the Issuer. The Noteholders by their acceptance of the Notes consent to the provision of such reports and notices to the Trustee by the Manager in lieu of the Issuer. The Trustee shall have no obligation whatsoever to verify, reconfirm or recalculate any information or material contained in any of the reports, financial statements or other information delivered to it pursuant to this Article IV or the Management Agreement. All distributions, allocations, remittances and payments to be made by the Trustee or the Paying Agent hereunder or under any Supplement shall be made based solely upon the most recently delivered written reports and instructions provided to the Trustee or Paying Agent, as the case may be, by the Manager.

Section 4.6 No Constructive Notice.

Notwithstanding anything herein to the contrary, delivery of reports, information, Officer's Certificates and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports, information, Officer's Certificates or documents shall not constitute constructive notice to the Trustee of any information contained therein or determinable from information contained therein or otherwise create any obligation on the part of the Trustee to review any such reports, information, Officer's Certificates or documents, including any Issuer's, the Manager's or any other Person's compliance with any of its covenants under the Indenture, the Notes or any other Transaction Document (as to which the Trustee is entitled to rely exclusively on the most recent Quarterly Compliance Certificate described above).

## ARTICLE V

## ALLOCATION AND APPLICATION OF COLLECTIONS

Section 5.1 Management Accounts and Additional Accounts.

(a) Establishment of the Management Accounts. The Concentration Account is owned by the Issuer and, as of the date hereof, has been established as an Eligible Account that has not been established with the Trustee. Such account, as of the Closing Date and at all times thereafter, shall be (A) pledged to the Trustee for the benefit of the Secured Parties pursuant to this Indenture and Section 3.1 of the Guarantee and Collateral Agreement, as applicable, and (B) subject to an Account Control Agreement. Each Management Account shall be an Eligible Account and, in addition, from time to time, the Issuer may establish additional accounts for the purpose of depositing Collections or funds necessary to meet large-franchisor exemptions or similar exemptions under applicable franchise laws therein (each such account and any investment accounts related thereto into which funds are transferred for investment purposes pursuant to Section 5.1(b), an "Additional Management Account"); provided that each such Additional Management Account is (A) an Eligible Account that has not been established with the Trustee, and (B) any such account owned by the Issuer is (x) pledged by the Issuer to the Trustee for the benefit of the Secured Parties pursuant to this Indenture and Section 3.1 of the Guarantee and Collateral Agreement, as applicable, and (y) subject to an Account Control Agreement. Notwithstanding anything to the contrary in this paragraph (a), in the case of any Management Account which is owned by the Issuer and established after the Closing Date, the Issuer shall be permitted a period of five (5) Business Days after the establishment of such deposit account to cause such deposit account to be subject to an Account Control Agreement. The Issuer shall inform Trustee in writing of the details of the Concentration Account or any Additional Management Account, including the name of the financial institution at which such account is established and the account number.

(b) Administration of the Management Accounts. The Issuer (or the Manager on its behalf) may invest any amounts held in the Management Accounts in Eligible Investments and such amounts may be transferred by the Issuer (or the Manager on its behalf) into an investment account for the sole purpose of investing in Eligible Investments so long as such investment account is (A) an Eligible Account that is not established with the Trustee, and (B) if owned by Issuer is (x) pledged by the Issuer to the Trustee for the benefit of the Secured Parties pursuant to this Indenture and Section 3.1 of the Guarantee and Collateral Agreement, as applicable, and (y) subject to an Account Control Agreement; provided, however, that any such investment in any Management Account (or in any such investment account) shall mature not later than the Business Day prior to the next succeeding Monthly Allocation Date. Notwithstanding anything herein or in any other Transaction Document, the Issuer and Manager shall not transfer any funds into any such investment account until such time as an Account Control Agreement is entered into with respect thereto (if such account is not established with the Trustee), it being agreed that the execution and delivery of such Account Control Agreements shall not be required as a condition precedent to the issuance of Notes on the Closing Date. All income or other gain from such Eligible Investments shall be credited to the related Management Account, and any loss resulting from such investments shall be charged to the related Management Account. The Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof if such disposal would result in a loss of any portion of the initial purchase price of such Eligible Investment.

(c) Earnings from the Management Accounts. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Management Accounts owned by the Issuer shall be deemed to be Investment Income on deposit for distribution to the Collection Account in accordance with Section 5.9.

(d) No Duty to Monitor. The Trustee shall have no duty or responsibility to monitor the amounts of deposits into or withdrawals from any Management Account.

Section 5.2 Reserve Account.

(a) Establishment of the Reserve Account. The Issuer hereby instructs the Trustee to establish a Reserve Account, which account the Trustee has established as of the Closing Date, and the Issuer hereby agrees that it shall maintain such account with the Trustee for the benefit of the Super Senior Noteholders, Senior Noteholders, the Senior Subordinated Noteholders and the Trustee. The Reserve Account shall be an Eligible Account. Amounts to be deposited by the Issuer in the Reserve Account shall be as set forth in the Supplement for each Series and Class of Super Senior Notes, Senior Notes and Senior Subordinated Notes.

(b) Administration of the Reserve Account. All amounts held in the Reserve Account shall be invested in Eligible Investments at the written direction (which may be standing directions) of the Issuer (or the Manager on its behalf); provided, however, that any such investment in the Reserve Account shall mature not later than the Business Day prior to the next succeeding Quarterly Payment Date. In the absence of written investment instructions hereunder, funds on deposit in the Reserve Account shall remain uninvested with no liability to the Trustee or the Securities Intermediary. All income or other gain from such Eligible Investments shall be credited to the Reserve Account, and any loss resulting from such investments shall be charged to the Reserve Account. The Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof if such disposal would result in a loss of any portion of the initial purchase price of such Eligible Investment.

(c) Earnings from the Reserve Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Reserve Account shall be deemed to be Investment Income on deposit for distribution to the Collection Account in accordance with Section 5.9.

(d) On each Monthly Allocation Date, the Trustee shall (based on the information contained in the Monthly Manager's Certificate delivered on or prior to the related Monthly Allocation Date) withdraw the Reserve Account Withdrawal Amount from the Reserve Account and deposit such amounts in the Collection Account for further distribution pursuant to the Priority of Payments for such Monthly Allocation Date.

Section 5.3 Permitted Uses Account.

(a) Establishment of Permitted Uses Account. The Issuer hereby instructs the Trustee to establish the Permitted Uses Account, which account the Trustee has established as of the Closing Date, and the Issuer hereby agrees that it shall maintain such account with the Trustee for the benefit of the Secured Parties.

(b) Funding of Permitted Uses Account. On the Closing Date, the Manager shall deposit into the Permitted Uses Account all net proceeds of the issuance and sale of the Series Notes remaining after funding the Reserve Account, paying fees and expenses related to the offering of the Series Notes and satisfying and discharging the obligations of the Issuer under the Previous Indenture.

(c) Administration of the Permitted Uses Account.

(i) Funds in the Permitted Uses Account shall be released by the Trustee to the Manager solely for Permitted Uses and upon receipt by the Trustee of a Release Request.

(ii) All amounts held in the Permitted Uses Account shall be invested in Eligible Investments at the written direction (which may be standing directions) of the Issuer (or the Manager on its behalf); provided, however, that any such investment in the Permitted Uses Account shall mature not later than the Business Day prior to the next succeeding Monthly Allocation Date. In the absence of written investment instructions hereunder, funds on deposit in the Permitted Uses Account shall remain uninvested with no liability to the Trustee or the Securities Intermediary. All income or other gain from such Eligible Investments shall be credited to the Permitted Uses Account, and any loss resulting from such investments shall be charged to the Permitted Uses Account. The Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof if such disposal would result in a loss of any portion of the initial purchase price of such Eligible Investment.

(d) Earnings from Permitted Uses Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Permitted Uses Account shall be deemed to be Investment Income on deposit for distribution in accordance with Section 5.9.

Section 5.4 Collection Account.

(a) Establishment of Collection Account. The Issuer hereby instructs the Trustee to establish the Collection Account, which account the Trustee has established as of the Closing Date, and the Issuer hereby agrees that it shall maintain such account with the Trustee for the benefit of the Secured Parties.

(b) Administration of the Collection Account. All amounts held in the Collection Account shall be invested in Eligible Investments at the written direction (which may be standing directions) of the Issuer (or the Manager on its behalf); provided, however, that any such investment in the Collection Account shall mature not later than the Business Day prior to the next succeeding Monthly Allocation Date. In the absence of written investment instructions hereunder, funds on deposit in the Collection Account shall remain uninvested with no liability to the Trustee or the Securities Intermediary. All income or other gain from such Eligible Investments shall be credited to the Collection Account, and any loss resulting from such investments shall be charged to the Collection Account. The Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof if such disposal would result in a loss of any portion of the initial purchase price of such Eligible Investment.

(c) Earnings from Collection Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Collection Account shall be deemed to be Investment Income on deposit for distribution in accordance with Section 5.9.

Section 5.5 Collection Account Administrative Accounts.

(a) Establishment of Collection Account Administrative Accounts. The Issuer hereby instructs the Trustee to establish the following accounts (collectively, the "Collection Account Administrative Accounts"), each of which accounts the Trustee has established as of the Closing Date, and the Issuer hereby agrees that it shall maintain such accounts with the Trustee for the benefit of the Secured Parties:

(i) the Super Senior Notes Interest Payment Account, for the deposit of the Super Senior Notes Quarterly Interest Amount;

(ii) the Senior Notes Interest Payment Account, for the deposit of the Senior Notes Quarterly Interest Amount;

(iii) the Senior Subordinated Notes Interest Payment Account for the deposit of the Senior Subordinated Notes Quarterly Interest Amount;

(iv) the Subordinated Notes Interest Payment Account for the deposit of the Subordinated Notes Quarterly Interest Amount;

(v) the Super Senior Notes Principal Payment Account for the deposit of the amounts allocable to the payment of principal of the Super Senior Notes;

(vi) the Senior Notes Principal Payment Account for the deposit of the amounts allocable to the payment of principal of the Senior Notes;

(vii) the Senior Subordinated Notes Principal Payment Account for the deposit of the amounts allocable to the payment of principal of the Senior Subordinated Notes;

(viii) the Subordinated Notes Principal Payment Account for the deposit of the amounts allocable to the payment of principal of the Subordinated Notes;

(ix) the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account for the deposit of the Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest amount;

(x) the Senior Notes Post-Anticipated Repayment Date Additional Interest Account for the deposit of the Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest amount;

(xi) the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account for the deposit of the Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest amount;

(xii) the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account for the deposit of the Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest amount;

(xiii) the Securitization Operating Expense Account for the deposit of Securitization Operating Expenses;

(xiv) the Super Senior Notes Qualified Equity Offering Additional Interest Account for the deposit of Super Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount;

(xv) the Senior Notes Qualified Equity Offering Additional Interest Account for the deposit of Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount;

(xvi) the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account for the deposit of Senior Subordinated Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount; and

(xvii) the Tax Lien Reserve Account for the deposit of any Tax Lien Reserve Amounts.

(b) Administration of the Collection Account Administrative Accounts. All amounts held in each Collection Account Administrative Account shall be invested in Eligible Investments at the written direction (which may be standing directions) of the Issuer (or the Manager on its behalf); provided, however, that any such investment in the Collection Account Administrative Accounts shall mature not later than the Business Day prior to the next succeeding Quarterly Payment Date (or, in the case of the Securitization Operating Expense Account, the next succeeding Monthly Allocation Date). In the absence of written investment instructions hereunder, funds on deposit in each Collection Account Administrative Account shall remain uninvested with no liability to the Trustee or the Securities Intermediary. All income or other gain from such Eligible Investments shall be credited to the relevant Collection Account Administrative Account, and any loss resulting from such investments shall be charged to the relevant Collection Account Administrative Account. The Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof if such disposal would result in a loss of any portion of the initial purchase price of such Eligible Investment.

(c) Earnings from the Collection Account Administrative Accounts. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in each of the Collection Account Administrative Accounts shall be deposited in such account and shall be deemed to be Investment Income on deposit for distribution in accordance with Section 5.9.

(d) Establishment of the Distribution Account. The Issuer hereby instructs the Trustee to establish the Distribution Account, which account the Trustee has established as of the Closing Date, and the Issuer hereby agrees that it shall maintain such account with the Trustee for the benefit of the Secured Parties. All amounts held in the Distribution Account shall remain uninvested with no liability to the Trustee or the Securities Intermediary. The Distribution Account shall be established for the purpose of receiving funds pursuant to Section 5.11(a). Upon the transfer of any amounts to the Distribution Account in accordance with Section 5.11(a), the Trustee shall distribute such amounts on each Quarterly Payment Date to the parties and in the amounts specified in the Quarterly Noteholders' Report in accordance with Section 5.11(a).

Section 5.6 Eligible Investments.

In connection with investments and reinvestments of funds by the Trustee or the Securities Intermediary at the direction of the Issuer (or the Manager on its behalf) holding each Indenture Trust Account (as the case may be):

(a) Neither the Trustee nor the Securities Intermediary shall be liable for any loss, including without limitation any loss of principal or interest, or for any breakage fees or penalties in connection with the purchase or liquidation of any investment made in accordance with the written instructions of the Issuer (or the Manager on its behalf). The Trustee or the Securities Intermediary, as applicable, shall make such investments and reinvestments in accordance with, and the written instructions of the Issuer (or the Manager on its behalf) to the Trustee or the Securities Intermediary shall, as applicable, be in accordance with, the terms of the following provisions:

(i) If any funds to be invested are not received in an Indenture Trust Account by 2:00 p.m. (New York time) on any Business Day, such funds shall be invested in accordance herewith, subject to the terms and provisions hereof, on the next succeeding Business Day; provided that neither the Trustee nor the Securities Intermediary shall be liable for any losses incurred in respect of the failure to invest funds not thereby received;

(ii) If the Eligible Investments in which the Issuer (or the Manager on its behalf) has directed the Trustee or the Securities Intermediary to invest any funds in any Indenture Trust Account ceases to be an Eligible Investment pursuant to the definition thereof, the Issuer (or the Manager) on its behalf shall provide the Trustee or the Securities Intermediary with new specific written investment directions pursuant to the applicable provisions of this Section 5.6. Neither the Trustee nor the Securities Intermediary shall have any duty or obligation to monitor whether an investment meets the requirements of an Eligible Investment nor have any liability with respect to any investment which ceases to be an Eligible Investment.

(b) The Trustee and the Securities Intermediary and their affiliates are permitted to receive additional compensation that could be deemed to be in its respective economic self-interests for (i) serving as an investment advisor, administrator, shareholder, servicing agent, custodian or sub custodian with respect to certain Eligible Investments, (ii) using affiliates to effect transactions in certain Eligible Investments and (iii) effecting transactions in certain Eligible Investments. Neither the Trustee nor the Securities Intermediary guarantees the performance of any Eligible Investments.

Section 5.7 Trustee as Securities Intermediary.

(a) The Trustee or other Person holding any Base Indenture Account held for the benefit of the Secured Parties (collectively the "Trustee Accounts") shall be the "Securities Intermediary". If the Securities Intermediary in respect of any Trustee Account is not the Trustee, the Issuer shall obtain the express agreement of such other Person to the obligations of the Securities Intermediary set forth in this Section 5.7.

(b) The Securities Intermediary agrees, in respect of assets held by it, that:

(i) the Trustee Accounts are accounts to which "financial assets" within the meaning of Section 8-102(a)(9) ("Financial Assets") of the UCC in effect in the State of New York (the "New York UCC") will or may be credited;

(ii) the Trustee Accounts are "securities accounts" within the meaning of Section 8-501 of the New York UCC and the Securities Intermediary qualifies as a "securities intermediary" under Section 8-102(a) of the New York UCC;

(iii) all securities or other property (other than cash) underlying any Financial Assets credited to any Trustee Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and in no case will any Financial Asset credited to any Trustee Account be registered in the name of the Issuer, payable to the order of the Issuer or specially indorsed to the Issuer;

(iv) subject to the other terms and provisions hereof, all property delivered to the Securities Intermediary pursuant to this Base Indenture will be promptly credited to the appropriate Trustee Account;

(v) each item of property (whether investment property, security, instrument or cash) credited to a Trustee Account shall be treated as a Financial Asset under Article 8 of the New York UCC;

(vi) if at any time the Securities Intermediary shall receive any entitlement order from the Trustee or the Control Party (including those directing transfer or redemption of any Financial Asset) relating to the Trustee Accounts, the Securities Intermediary shall comply with such entitlement order without further consent by the Issuer or any other Person;

(vii) the Trustee Accounts shall be governed by the laws of the State of New York, regardless of any provision of any other agreement. For purposes of all applicable UCCs, New York shall be deemed to be the Securities Intermediary's jurisdiction and the Trustee Accounts (as well as the "securities entitlements" (as defined in Section 8-102(a)(17) of the New York UCC) related thereto) shall be governed by the laws of the State of New York;

(viii) the Securities Intermediary has not entered into, and until termination of this Base Indenture, will not enter into, any agreement with any other Person relating to the Trustee Accounts and/or any Financial Assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the New York UCC) of such other Person and the Securities Intermediary has not entered into, and until the termination of this Base Indenture will not enter into, any agreement with the Issuer purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 5.7(b)(vi); and

(ix) except for the claims and interest of the Trustee, the Secured Parties and the Issuer in the Trustee Accounts, neither the Securities Intermediary nor, in the case of the Trustee, any Trust Officer has Actual Knowledge of any claim to, or interest, in the Trustee Accounts or in any Financial Asset credited thereto. If the Securities Intermediary or, in the case of the Trustee, a Trust Officer has Actual Knowledge of the assertion by any other person of any Lien, encumbrance, or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Trustee Account or in any Financial Asset carried therein, the Securities Intermediary will promptly notify the Trustee, the Control Party, the Manager, the Back-Up Manager and the Issuer thereof.

(c) At any time after the occurrence and during the continuation of an Event of Default, the Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Trustee Accounts and in all Proceeds thereof, and (acting at the direction of the Control Party) shall be the only Person authorized to originate entitlement orders in respect of the Trustee Accounts; provided, however, that at all other times the Issuer shall, subject to the terms of the Indenture and the other Transaction Documents, be authorized to originate entitlement orders in respect of the Trustee Accounts.

Section 5.8 Establishment of Series Accounts; Legacy Accounts.

(a) Establishment of Series Accounts. To the extent specified in the Series Supplement with respect to any Series of Notes, the Trustee may establish and maintain one or more Series Accounts in accordance with the terms of such Series Supplement.

(b) Legacy Accounts. In the case of any mandatory or optional redemption in full of any Class or Series of Notes issued pursuant to this Base Indenture, on the Notes Discharge Date with respect to such Class or Series of Notes, the Issuer may (but are not required to) elect to have all or any portion of the funds held in any Legacy Account with respect to such Class, Subclass, Tranche or Series of Notes transferred to the applicable distribution account for such Class, Subclass, Tranche or Series of Notes, for application toward the prepayment of such Class or Series of Notes; provided that the foregoing shall not limit any provisions set forth in the Series Supplement. If the Issuer does not elect to have such funds so transferred, or if the Issuer elect to have only a portion of such funds so transferred, any funds remaining in the applicable Legacy Account after the applicable Notes Discharge Date shall be deposited into the Collection Account for application in accordance with the Priority of Payments. When the balance of any Legacy Account has been reduced to zero, the Trustee may close such account. The Trustee shall make the distributions and transfers and shall close any accounts as contemplated by this Section 5.8 pursuant to instructions delivered by the Issuer to the Trustee.

Section 5.9 Collections and Investment Income.

(a) Deposits to the Concentration Account. Until the Indenture is terminated pursuant to Section 12.1, the Issuer shall deposit (or cause to be deposited) the following amounts to the Concentration Account to the extent owed to it or its direct or indirect Subsidiaries and upon receipt (unless otherwise specified below):

(i) all Guarantor Collections shall be deposited in the Concentration Account in accordance with Section 8.35 (or, in the case of any misdirected payments, will deposit such amounts to a Concentration Account within three (3) Business Days following the earlier of (x) Actual Knowledge by the Manager or any Securitization Entity of such misdirected payments and (y) the end of the week in which such misdirected payments are received);

(ii) within five (5) Business Days of receipt, amounts repaid to the related Guarantor from any tax escrow account held by a landlord under a lease with such Guarantor;

(iii) within three (3) Business Days of receipt, all amounts, including Company Restaurant License fees, received under the IP License Agreements and all other license fees and other amounts received in respect of the Securitization IP, including recoveries from the enforcement of the Securitization IP;

(iv) within three (3) Business Days of receipt, equity contributions, if any, made by any Non-Securitization Entity to the Issuer to the extent such equity contributions are directed to be made to the Concentration Account; and

(v) within five (5) Business Days of receipt, all other amounts constituting Collections not referred to in the preceding clauses other than Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds, Qualified Equity Offering Proceeds and any amounts required to be deposited directly to other Management Accounts or to the Collection Account.

(b) Withdrawals from the Concentration Account. The Manager may (and in the case of sub-clause (iv) below, shall) withdraw available amounts on deposit in the Concentration Account to make the following payments and deposits:

(i) on a monthly basis (and on any day of such week as the Manager so determines for any given week), as necessary, to the extent of amounts deposited to the Concentration Account that the Manager determines were required to be deposited to another account or were deposited to the Concentration Account in error;

(ii) on a daily basis, as necessary, to pay or distribute, as applicable, any Excluded Amounts and any Excess Amounts;

(iii) on a daily basis, as necessary, to make payments of any refunds, credits or other amounts owing to Franchisees; and

(iv) on a monthly basis at or prior to 10:00 a.m. (New York City time) on the last Business Day of the calendar month immediately preceding each Monthly Allocation Date, all Retained Collections with respect to the preceding Monthly Collection Period then on deposit in the Concentration Account to the Collection Account (which, for the avoidance of doubt, will include any Investment Income with respect thereto) for application to make payments and deposits in the order of priority set forth in the Priority of Payments.

(c) Deposits to the Collection Account. The Manager (and/or with respect to (iv) and (v) below, the Trustee upon written instruction from the Control Party) will deposit or cause to be deposited to the Collection Account the following amounts, in each case promptly after receipt (unless otherwise specified below):

(i) the amounts required to be withdrawn from the Concentration Account and deposited to the Collection Account pursuant to and in accordance with Section 5.9(b)(iv);

(ii) Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds and Qualified Equity Offering Proceeds within two (2) Business Days following either (i) the receipt by the Manager of such amounts if Twin Hospitality is not the Manager or (ii) if Twin Hospitality is the Manager, the date such amounts become payable by the Manager under the Management Agreement or any other Transaction Document;

(iii) amounts obtained by the Trustee or the Control Party on account of or as a result of the exercise by the Trustee or the Control Party of any of their rights under the Indenture, including without limitation, under Article IX hereof;

(iv) upon receipt of any Qualified Equity Offering Proceeds for further distribution pursuant to the Priority of Payments for the related Monthly Allocation Date; and

(v) any other amounts required to be deposited to the Collection Account hereunder or under any other Transaction Documents.

(d) Investment Income. The Issuer (or the Manager on its behalf) shall, as set forth in the Monthly Manager's Certificate relating to each Monthly Allocation Date, instruct the Trustee in writing to transfer any Investment Income on deposit in the Indenture Trust Accounts (other than the Collection Account) to the Collection Account for application as Collections on that Monthly Allocation Date.

(e) Payment Instructions. In accordance with and subject to the terms of the Management Agreement, the Issuer shall cause the Manager to instruct (i) each Guarantor to distribute to Issuer all Guarantor Collections by depositing such Guarantor Collections in the Concentration Account, (ii) each Distributor obligated at any time to make any Product Sourcing Payments to make such payment to the Concentration Account and (iii) any other Person (not an Affiliate of the Issuer) obligated at any time to make any payments with respect to the Collateral, including, without limitation, the Securitization IP, to make such payment to the Concentration Account or the Collection Account, as determined by the Issuer or the Manager.

(f) Misdirected Collections. The Issuer agrees that if any Collections shall be received by the Issuer or any other Securitization Entity in an account other than an Account or in any other manner, such monies, instruments, cash and other proceeds will not be commingled by the Issuer or such other Securitization Entity with any of their other funds or property, if any, but will be held separate and apart therefrom and shall be held in trust by the Issuer or such other Securitization Entity for, and, within one (1) Business Day of the identification of such payment, paid over to, the Trustee, with any necessary endorsement. The Trustee shall withdraw from the Collection Account any monies on deposit therein that the Manager certifies to it and the Control Party are not Retained Collections and pay such amounts to or at the direction of the Manager.

Section 5.10 Application of Retained Collections and any Reserve Account Withdrawal Amount on Monthly Allocation Dates.

On each Monthly Allocation Date (unless the Trustee shall not have received by 10:00 a.m. (New York City time) on the Business Day prior to such Monthly Allocation Date the Monthly Manager's Certificate relating to such Monthly Allocation Date, in which case the application of Retained Collections, plus any Reserve Account Withdrawal Amount, plus any Qualified Equity Offering Proceeds, plus any Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds or Qualified Equity Offering Proceeds relating to such Monthly Allocation Date shall occur on the Business Day immediately following the day on which such Monthly Manager's Certificate is delivered), the Trustee shall, based solely on the information contained in such Monthly Manager's Certificate, withdraw Retained Collections, plus any Reserve Account Withdrawal Amount, plus any Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds or any Qualified Equity Offering Proceeds relating to such Monthly Allocation Date on deposit in the Collection Account as of 10:00 a.m. (New York City time) on such Monthly Allocation Date in respect of the preceding Monthly Collection Period for deposit or payment in the following order of priority, subject to the next succeeding sentence in the event Exchange Notes have been exchanged for Exchangeable Notes; provided, any Indemnification Amounts, Insurance/Condemnation Proceeds or Asset Disposition Proceeds shall be applied solely as provided in priorities (vii)(B), (ix)(B), (xi)(B) and (xviii)(B), and any Qualified Equity Offering Proceeds shall be applied solely as provided in priorities (vii)(C), (ix)(C), (xi)(C) and (xviii)(C):

(i) first, to reimburse (A)(i) the Trustee, for any fees, expenses, Mortgage Recordation Fees and indemnities due and owing to it; and (ii) the Control Party, for any fees, expenses and indemnities due and owing to it, pro rata based on the amount due; provided that, prior to the occurrence of an Event of Default, the expenses and indemnities payable to the Trustee and the Control Party pursuant to this priority (A)(other than any Mortgage Recordation Fees) shall not exceed $250,000 in the aggregate per calendar year; and then (B) expenses or indemnities due and owing to the Control Party if it is required to take any material discretionary action without direction from the Controlling Class Representative or the Noteholders, provided further that the expenses and indemnities payable to the Control Party pursuant to this priority (B) shall not exceed $200,000 in the aggregate per calendar year;

(ii) second, to reimburse the Manager for any unreimbursed Manager Advances;

(iii) third, to pay Successor Manager Transition Expenses, if any;

(iv) fourth, to pay the Monthly Management Fee to the Manager;

(v) fifth, pro rata, (A) to deposit to the Securitization Operating Expense Account, any previously accrued and unpaid Securitization Operating Expenses together with any Securitization Operating Expenses that are expected to be payable prior to the immediately following Monthly Allocation Date, in an aggregate amount not to exceed the Capped Securitization Operating Expense Amount with respect to the annual period in which such Monthly Allocation Date occurs after giving effect to all deposits previously made to the Securitization Operating Expense Account in such annual period, to be distributed pro rata based on the amount of each type of Securitization Operating Expense payable on such Monthly Allocation Date pursuant to this priority (v); provided, that the deposit to the Securitization Operating Expense Account of an amount equal to all accrued and unpaid fees, expenses and indemnities payable to the Back-Up Manager, in each such case, will not be subject to the Capped Securitization Operating Expense Amount if and for so long as an Event of Default has occurred and is continuing; provided, further, that the payment of any such fees, expenses and indemnities payable to the Back-Up Manager, in each such case, that were incurred during any period while an Event of Default has occurred and is continuing will not be subject to the Capped Securitization Operating Expense Amount, regardless of whether or not an Event of Default exists at the time of such payment; (B) to reimburse the Controlling Class Representative, for any fees, expenses and indemnities due and owing to it; and (C) after a Mortgage Recordation Event, to the Control Party all Mortgage Recordation Fees due and owing to it;

(vi) sixth, pro rata, (A) to deposit to the Super Senior Notes Interest Payment Account, the Super Senior Notes Accrued Quarterly Interest Amount and (B) to allocate and deposit to the Super Senior Notes Qualified Equity Offering Additional Interest Account any Super Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for the Super Senior Notes for such Monthly Allocation Date;

(vii) seventh, to deposit to the Super Senior Notes Principal Payment Account, for allocation (A) pro rata, to (1) any Super Senior Notes Accrued Scheduled Principal Payment Amount, and (2) any Super Senior Notes Scheduled Principal Payment Deficiency Amount of each Class of Super Senior Notes, an amount equal to the sum of (x) any Super Senior Notes Accrued Scheduled Principal Payment Amount and (y) any Super Senior Notes Scheduled Principal Payment Deficiency Amount, (B) in the case of any Indemnification Amounts, Insurance/Condemnation Proceeds or Asset Disposition Proceeds, up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Super Senior Notes to zero and (C) in the case of any Qualified Equity Offering Proceeds, up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Super Senior Notes to zero;

(viii) eighth, pro rata, (A) to deposit to the Senior Notes Interest Payment Account, the Senior Notes Accrued Quarterly Interest Amount and (B) to allocate and deposit to the Senior Notes Qualified Equity Offering Additional Interest Account any Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for the Senior Notes for such Monthly Allocation Date;

(ix) ninth, to deposit to the Senior Notes Principal Payment Account, for allocation (A) pro rata to (1) any Senior Notes Accrued Scheduled Principal Payment Amount, and (2) any Senior Notes Scheduled Principal Payment Deficiency Amount of each Class of Senior Notes, an amount equal to the sum of (x) any Senior Notes Accrued Scheduled Principal Payment Amount and (y) any Senior Notes Scheduled Principal Payment Deficiency Amount, (B) in the case of any Indemnification Amounts, Insurance/Condemnation Proceeds or Asset Disposition Proceeds, up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Senior Notes to zero and (C) in the case of any Qualified Equity Offering Proceeds, up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Senior Notes to zero;

(x) tenth, to deposit to the Senior Subordinated Notes Interest Payment Account the Senior Subordinated Notes Accrued Quarterly Interest Amount;

(xi) eleventh, to deposit to the Senior Subordinated Notes Principal Payment Account, for allocation (A) pro rata to (1) any Senior Subordinated Notes Accrued Scheduled Principal Payment Amount, and (2) any Senior Subordinated Notes Scheduled Principal Payment Deficiency Amount of each Class of Senior Subordinated Notes, an amount equal to the sum of (x) the Senior Subordinated Notes Accrued Scheduled Principal Payment Amount, and (y) the Senior Subordinated Notes Scheduled Principal Payment Deficiency Amount, (B) in the case of any Indemnification Amounts, Insurance/Condemnation Proceeds or Asset Disposition Proceeds up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Senior Subordinated Notes to zero and (C) in the case of any Qualified Equity Offering Proceeds, up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Senior Subordinated Notes to zero;

(xii) twelfth, to deposit in the Reserve Account, any Reserve Account Deficit Amount; provided, however, that no amounts, with respect to a Series of Notes, will be deposited into the Reserve Account pursuant to this priority (xii) on any Monthly Allocation Date that occurs during the Quarterly Collection Period immediately preceding the Series Legal Final Maturity Date relating to such Series of Notes;

(xiii) thirteenth, if such Monthly Allocation Date occurs during a Cash Flow Sweeping Period, to deposit to the Super Senior Notes Principal Payment Account for allocation pro rata to (1) any Super Senior Notes Accrued Scheduled Principal Payment Amount, and (2) any Super Senior Notes Scheduled Principal Payment Deficiency Amount after giving effect to priorities (i) through (xii) above, of each Class of Super Senior Notes, an amount equal to the lesser of (a) the product of the Cash Flow Sweeping Percentage and the amount of funds available in the Collection Account after the application of priorities (i) through (xii) above and (b) the aggregate Outstanding Principal Amount of each Class of Super Senior Notes;

(xiv) fourteenth, if such Monthly Allocation Date occurs during a Cash Flow Sweeping Period, to deposit to the Senior Notes Principal Payment Account for allocation pro rata to (1) any Senior Notes Accrued Scheduled Principal Payment Amount, and (2) any Senior Notes Scheduled Principal Payment Deficiency Amount after giving effect to priorities (i) through (xii) above, of each Class of Senior Notes an amount equal to the lesser of (a) the product of the Cash Flow Sweeping Percentage and the amount of funds available in the Collection Account after the application of priorities (i) through (xii) above, subtracted by the amount paid in priority (xiii), if any, and (b) the aggregate Outstanding Principal Amount of each Class of Senior Notes;

(xv) fifteenth, if such Monthly Allocation Date occurs during a Cash Flow Sweeping Period, to deposit to the Senior Subordinated Notes Principal Payment Account for allocation pro rata to (1) any Senior Subordinated Notes Accrued Scheduled Principal Payment Amount, and (2) any Senior Subordinated Notes Scheduled Principal Payment Deficiency Amount after giving effect to priorities (i) through (xii) above, of each Class of Senior Subordinated Notes an amount equal to the lesser of (a) the product of the Cash Flow Sweeping Percentage and the amount of funds available in the Collection Account after the application of priorities (i) through (xii) above, subtracted by the amount paid in priorities (xiii) and (xiv), if any, and (b) the aggregate Outstanding Principal Amount of each Class of Senior Subordinated Notes;

(xvi) sixteenth, if a Rapid Amortization Event has occurred and is continuing, to deposit 100% of the amounts remaining on deposit in the Collection Account first, to the Super Senior Notes Principal Payment Account, to each Class of Super Senior Notes pro rata to (1) any Super Senior Notes Accrued Scheduled Principal Payment Amount, and (2) any Super Senior Notes Scheduled Principal Payment Deficiency Amount after giving effect to priorities (i) through (xv) above, of each Class of Super Senior Notes, in each case until the Outstanding Principal Amount of each such Class of Super Senior Notes will be reduced to zero on the next Quarterly Payment Date after giving effect to all deposits in the Super Senior Notes Principal Payment Account, then second, to the Senior Notes Principal Payment Account to each Class of Senior Notes pro rata to (1) any Senior Notes Accrued Scheduled Principal Payment Amount, and (2) any Senior Notes Scheduled Principal Payment Deficiency Amount, after giving effect to priorities (i) through (xv) above, of each Class of Senior Notes, in each case until the Outstanding Principal Amount of each such Class of Senior Notes will be reduced to zero on the next Quarterly Payment Date after giving effect to all deposits in the Senior Notes Principal Payment Account,; and then third, to the Senior Subordinated Notes Principal Payment Account to each Class of Senior Subordinated Notes pro rata to (1) any Senior Subordinated Notes Accrued Scheduled Principal Payment Amount, and (2) any Senior Subordinated Notes Scheduled Principal Payment Deficiency Amount, after giving effect to priorities (i) through (xv) above, of each Class of Senior Subordinated Notes, in each case until the Outstanding Principal Amount of each such Class will be reduced to zero on the next Quarterly Payment Date after giving effect to all deposits in the Senior Subordinated Notes Principal Payment Account;

(xvii) seventeenth, to deposit to the Subordinated Notes Interest Payment Account an amount equal to the Subordinated Notes Accrued Quarterly Interest Amount;

(xviii) eighteenth, to deposit for allocation (A) pro rata to (1) any Subordinated Notes Accrued Scheduled Principal Payment Amount, and (2) any Subordinated Notes Scheduled Principal Payment Deficiency Amount of each Class of Subordinated Notes, to the Subordinated Notes Principal Payment Account an amount equal to the sum of (x) the Subordinated Notes Accrued Scheduled Principal Payment Amount, if any, and (y) the Subordinated Notes Scheduled Principal Payment Deficiency Amount, if any, (B) in the case of any Indemnification Amounts, Insurance/Condemnation Proceeds or Asset Disposition Proceeds up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Subordinated Notes to zero and (C) in the case of any Qualified Equity Offering Proceeds, up to the amount necessary to reduce the Outstanding Principal Amount of each Class of Subordinated Notes to zero;

(xix) nineteenth, to pay the Supplemental Management Fee to the Manager;

(xx) twentieth, if a Rapid Amortization Event has occurred and is continuing, to deposit for allocation pro rata to (1) any Subordinated Notes Accrued Scheduled Principal Payment Amount, and (2) any Subordinated Notes Scheduled Principal Payment Deficiency Amount of each Class of Subordinated Notes, 100% of the amounts remaining on deposit in the Collection Account to the Subordinated Notes Principal Payment Account (sequentially, in alphanumerical order of the Subordinated Notes) until the Outstanding Principal Amount of each such Class will be reduced to zero on the next Quarterly Payment Date after giving effect to all deposits in the Subordinated Notes Principal Payment Account;

(xxi) twenty-first, pro rata, to (A) pay to the Trustee and the Control Party any expenses and indemnities due and owing to it in excess of the expenses and indemnities paid pursuant to priority (i) above, and (B) deposit to the Securitization Operating Expense Account, an amount equal to any accrued and unpaid Securitization Operating Expenses (together with any Securitization Operating Expenses that are expected to be payable prior to the immediately following Monthly Allocation Date) in excess of the Capped Securitization Operating Expense Amount after giving effect to priority (v) above;

(xxii) twenty-second, to allocate to the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account any Super Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for the Super Senior Notes for such Monthly Allocation Date;

(xxiii) twenty-third, to allocate to the Senior Notes Post-Anticipated Repayment Date Additional Interest Account any Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for the Senior Notes for such Monthly Allocation Date;

(xxiv) twenty-fourth, pro rata, (A) to allocate to the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account any Senior Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for the Senior Subordinated Notes for such Monthly Allocation Date and (B) to allocate to the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account any Senior Subordinated Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for the Senior Subordinated Notes for such Monthly Allocation Date;

(xxv) twenty-fifth, to allocate to the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account any Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for the Subordinated Notes for such Monthly Allocation Date; and

(xxvi) twenty-sixth, to pay the Residual Amount at the direction of the Issuer.

In the event that any Exchange Notes have been exchanged for the related Class of Exchangeable Notes in an Exchangeable Combination, such Class of Exchangeable Notes received in such an exchange shall be entitled to a proportionate share of the interest, principal and other payments, as applicable, otherwise allocable to the Exchange Notes that were exchanged for Exchangeable Notes, in accordance with the payment priorities set forth above.

(b) Securitization Operating Expenses. On each Monthly Allocation Date, as set forth in each Monthly Manager's Certificate, or on any Business Day in accordance with specific written instructions of the Manager, the Trustee shall withdraw from the Securitization Operating Expense Account an amount equal to the lesser of (i) the sum of all Securitization Operating Expenses then due and payable and (ii) the amount on deposit in the Securitization Operating Expense Account after giving effect to any deposits thereto pursuant to the Priority of Payments on such date and apply such funds to pay any Securitization Operating Expenses then due and payable.

Section 5.11 Quarterly Payment Date Applications.

(a) Based solely on the information contained in the applicable Quarterly Noteholders' Report, (i) on the Business Day prior to each Quarterly Payment Date (unless the Trustee shall not have received by 10:00 a.m. (New York City time) on the third Business Day prior to such Quarterly Payment Date the Quarterly Noteholders' Report relating to such Quarterly Payment Date, in which case the transfers to the Distribution Account set forth below relating to such Quarterly Payment Date shall occur on the second Business Day immediately following the day on which such Quarterly Noteholders' Report is delivered), the Trustee shall make the transfers to the Distribution Account in the amounts and from the accounts set forth below and (ii) on each Quarterly Payment Date (unless the Trustee shall not have received by 10:00 a.m. (New York City time) on the third Business Day prior to such Quarterly Payment Date the Quarterly Noteholders' Report relating to such Quarterly Payment Date, in which case the payments set forth below relating to such Quarterly Payment Date shall occur on the third Business Day immediately following the day on which such Quarterly Noteholders' Report is delivered), the Trustee shall make such further distributions from the Distribution Account in the amounts and to the Persons set forth below, in the case of each of clauses (i) through (iii), based upon such information as further specified in the Quarterly Noteholders' Report:

(i) transfer from the Super Senior Notes Interest Payment Account to the Distribution Account for further distribution to the Super Senior Noteholders the accrued and unpaid Super Senior Notes Quarterly Interest Amount;

(ii) transfer from the Senior Notes Interest Payment Account to the Distribution Account for further distribution to the Senior Noteholders the accrued and unpaid Senior Notes Quarterly Interest Amount;

(iii) transfer from the Senior Subordinated Notes Interest Payment Account to the Distribution Account for further distribution to the Senior Subordinated Noteholders the accrued and unpaid Senior Subordinated Notes Quarterly Interest Amount;

(iv) transfer from the Super Senior Notes Principal Payment Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Super Senior Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (vii), (xiii) and (xvi);

(v) (v) transfer from the Senior Notes Principal Payment Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Senior Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (ix), (xiv) and (xvi);

(vi) transfer from the Senior Subordinated Notes Principal Payment Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Senior Subordinated Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (xi), (xv) and (xvi);

(vii) transfer from the Subordinated Notes Interest Payment Account to the Distribution Account for further distribution to the Noteholders of the Subordinated Notes the accrued and unpaid Subordinated Notes Quarterly Interest Amount;

(viii) transfer from the Subordinated Notes Principal Payment Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Subordinated Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (xviii) and (xx);

(ix) transfer from the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Super Senior Notes the accrued and unpaid Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date;

(x) transfer from the Senior Notes Post-Anticipated Repayment Date Additional Interest Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Senior Notes the accrued and unpaid Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date;

(xi) transfer from the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Senior Subordinated Notes the accrued and unpaid Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date;

(xii) transfer from the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account to the Distribution Account for further distribution to the Noteholders of each applicable Class of Subordinated Notes the accrued and unpaid Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date;

(xiii) transfer from the Super Senior Notes Qualified Equity Offering Additional Interest Account to the Distribution Account (x) if a Qualified Equity Offering Trigger Event has occurred and is continuing as of such Quarterly Payment Date, for further distribution to the Noteholders of each applicable Class of Super Senior Notes the accrued and unpaid Super Senior Notes Quarterly Qualified Equity Offering Additional Interest due on such Quarterly Payment Date and (y) if a Qualified Equity Offering Trigger Event has not occurred and is not continuing as of such Quarterly Payment Date, as Retained Collections for distribution in accordance with the Priority of Payments;

(xiv) transfer from the Senior Notes Qualified Equity Offering Additional Interest Account to the Distribution Account (x) if a Qualified Equity Offering Trigger Event has occurred and is continuing as of such Quarterly Payment Date, for further distribution to the Noteholders of each applicable Class of Senior Notes the accrued and unpaid Senior Notes Quarterly Qualified Equity Offering Additional Interest due on such Quarterly Payment Date and (y) if a Qualified Equity Offering Trigger Event has not occurred and is not continuing as of such Quarterly Payment Date, as Retained Collections for distribution in accordance with the Priority of Payments; and

(xv) transfer from the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account to the Distribution Account (x) if a Qualified Equity Offering Trigger Event has occurred and is continuing as of such Quarterly Payment Date, for further distribution to the Noteholders of each applicable Class of Senior Subordinated Notes the accrued and unpaid Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest due on such Quarterly Payment Date and (y) if a Qualified Equity Offering Trigger Event has not occurred and is not continuing as of such Quarterly Payment Date, as Retained Collections for distribution in accordance with the Priority of Payments.

In the event that any Exchange Notes have been exchanged for the related Class of Exchangeable Notes in an Exchangeable Combination, such Class of Exchangeable Notes received in such an exchange shall be entitled to a proportionate share of the interest and principal payments, as applicable, otherwise allocable to the Exchange Notes that were exchanged for the Exchangeable Notes, in accordance with the payment priorities set forth above.

(b) In connection with its preparation and delivery of the Quarterly Noteholders' Report with respect to each Quarterly Payment Date, the Manager shall make all calculations and determinations required in order to give effect to the terms of Section 5.11(a), including without limitation the following calculations and determinations in accordance with the provisions set forth below:

(i) Super Senior Notes Interest Payment Account. As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Super Senior Notes Interest Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Super Senior Noteholders, up to the accrued and unpaid Super Senior Notes Quarterly Interest Amount due on such Quarterly Payment Date, pro rata among each Class of Super Senior Notes based upon the amount of the Super Senior Notes Quarterly Interest Amount payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Super Senior Noteholders, pro rata in accordance with Super Senior Notes Quarterly Interest Amount due to each Super Senior Noteholder on such Quarterly Payment Date.

(ii) Senior Notes Interest Payment Account. As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Notes Interest Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Senior Noteholders, up to the accrued and unpaid Senior Notes Quarterly Interest Amount due on such Quarterly Payment Date, pro rata among each Class of Senior Notes based upon the amount of the Senior Notes Quarterly Interest Amount payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Senior Noteholders, pro rata in accordance with Senior Notes Quarterly Interest Amount due to each Senior Noteholder on such Quarterly Payment Date.

(iii) Senior Subordinated Notes Interest Payment Account.

(A) To the extent any Series of Senior Subordinated Notes has been issued, as set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Subordinated Notes Interest Payment Account, on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, and, if applicable, funds deposited in the Senior Subordinated Notes Interest Payment Account pursuant to subclause (B), to be paid for the benefit of the Senior Subordinated Noteholders, up to the accrued and unpaid Senior Subordinated Notes Quarterly Interest Amount due on such Quarterly Payment Date, pro rata among each Class of Senior Subordinated Notes based upon the amount of the Senior Subordinated Notes Quarterly Interest Amount payable with respect to each such Class, and, in accordance with Section 6.1, remit such funds to the Senior Subordinated Noteholders, pro rata in accordance with Senior Subordinated Notes Quarterly Interest Amount due to each Senior Subordinated Noteholder on such Quarterly Payment Date.

(B) If, as determined on any Quarterly Calculation Date, the result of (A) the accrued and unpaid Senior Subordinated Notes Quarterly Interest Amount due on such Quarterly Payment Date over (B) the amount that shall be available to make payments of interest on the Senior Subordinated Notes on such Quarterly Payment Date in accordance with subclause (A) above, is greater than zero (a "Senior Subordinated Notes Interest Shortfall Amount"), then such amount available to be distributed on such Quarterly Payment Date to the Senior Subordinated Notes shall be paid to the Senior Subordinated Notes, pro rata among each Class of Senior Subordinated Notes based upon the amount of the Senior Subordinated Notes Quarterly Interest Amount payable with respect to each such Class; provided that such reduction shall not be deemed to be a waiver of any default caused by the existence of such Senior Subordinated Notes Interest Shortfall Amount. An additional amount of interest may accrue on the Senior Subordinated Notes Interest Shortfall Amount for each subsequent Interest Accrual Period until the Senior Subordinated Notes Interest Shortfall Amount is paid in full, as set forth in the Series Supplement.

(iv) Super Senior Notes Principal Payment Account.

(A) As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Super Senior Notes Principal Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of, in the case of funds deposited pursuant to priorities (vii), (xiii) and (xvi) of the Priority of Payments, the Noteholders of each applicable Class of Super Senior Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (vii), (xiii) and (xvi), in each case and pro rata among each such applicable Class of Super Senior Notes based upon the Outstanding Principal Amount of the Super Senior Notes of such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Super Senior Noteholders, pro rata in accordance with the Outstanding Principal Amount of Super Senior Notes due to each Super Senior Noteholder on such Quarterly Payment Date.

(B) Payment of principal of any Series of Notes shall be distributed in accordance with the Series Supplement to the holders of the such Series of Notes.

(v) Senior Notes Principal Payment Account.

(A) As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Notes Principal Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of, in the case of funds deposited pursuant to priorities (ix), (xiv) and (xvi) of the Priority of Payments, the Noteholders of each applicable Class of Senior Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (ix), (xiv) and (xvi), in each case and pro rata among each such applicable Class of Senior Notes based upon the Outstanding Principal Amount of the Senior Notes of such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Senior Noteholders, pro rata in accordance with the Outstanding Principal Amount of Senior Notes due to each Senior Noteholder on such Quarterly Payment Date.

(B) Payment of principal of any Series of Notes shall be distributed in accordance with the Series Supplement to the holders of the such Series of Notes.

(vi) Senior Subordinated Notes Principal Payment Account.

(A) To the extent any Series of Senior Subordinated Notes has been issued, as set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing to withdraw on the next Quarterly Payment Date the funds deposited in the Senior Subordinated Notes Principal Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of, in the case of funds deposited pursuant to priorities (xi), (xv) and (xvi) of the Priority of Payments, the Holders of each applicable Class of Senior Subordinated Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (xi), (xv) and (xvi), in each case sequentially in order of alphanumerical designation and pro rata among each such Class of Senior Subordinated Notes of the same alphanumerical designation based upon the Outstanding Principal Amount of the Senior Subordinated Notes of such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Senior Subordinated Noteholders, pro rata in accordance with the Outstanding Principal Amount of Senior Subordinated Notes due to each Senior Subordinated Noteholder on such Quarterly Payment Date.

(B) Payment of principal of any Series of Notes shall be distributed in accordance with the Series Supplement to the holders of the applicable Series of Notes.

(vii) Subordinated Notes Interest Payment Account.

(A) To the extent any Series of Subordinated Notes has been issued, as set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Subordinated Notes Interest Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Holders of the Subordinated Notes, up to the accrued and unpaid Subordinated Notes Quarterly Interest Amount, pro rata among each Class of Subordinated Notes based upon the amount of the Subordinated Notes Quarterly Interest Amount payable with respect to each such Class, and, in accordance with Section 6.1, remit such funds to the Subordinated Noteholders, pro rata in accordance with Subordinated Notes Quarterly Interest Amount due to each Subordinated Noteholder on such Quarterly Payment Date.

(B) If, as determined on any Quarterly Calculation Date, the result of (A) the accrued and unpaid Subordinated Notes Quarterly Interest Amounts due on such Quarterly Payment Date over (B) the amount that shall be available to make payments of interest on the Subordinated Notes in accordance with subclause (A) above on such Quarterly Payment Date, is greater than zero (the "Subordinated Notes Interest Shortfall Amount"), then such amount available to be distributed on such Quarterly Payment Date to the Subordinated Notes shall be paid to each Class of Subordinated Notes, pro rata among each Class of Subordinated Notes based upon the amount of the Subordinated Notes Quarterly Interest Amount payable with respect to each such Class; provided that such reduction shall not be deemed to be a waiver of any default caused by the existence of such Subordinated Notes Interest Shortfall Amount. An additional amount of interest may accrue on the Subordinated Notes Interest Shortfall Amount for each subsequent Interest Accrual Period until the Subordinated Notes Interest Shortfall Amount is paid in full, as set forth in the Series Supplement.

(viii) Subordinated Notes Principal Payment Account.

(A) To the extent any Series of Subordinated Notes has been issued, as set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing to withdraw on the next Quarterly Payment Date the funds deposited in the Subordinated Notes Principal Payment Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of, in the case of funds deposited pursuant to priorities (xviii) and (xx) of the Priority of Payments, the Holders of each applicable Class of Subordinated Notes in the order of priority set forth in the Priority of Payments with respect to such priorities (xviii) and (xx), in each case pro rata among each such Class of Subordinated Notes based upon the Outstanding Principal Amount of the Subordinated Notes of such Class and, in accordance with Section 6.1 of the Indenture, remit such funds to the Subordinated Noteholders, pro rata in accordance with the Outstanding Principal Amount of Subordinated Notes due to each Subordinated Noteholder on such Quarterly Payment Date.

(B) Payment of principal of any Series of Notes shall be distributed in accordance with the Series Supplement to the holders of the applicable Series of Notes.

(ix) Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account. As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Noteholders of each applicable class of Super Senior Notes, up to the accrued and unpaid Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Super Senior Notes based upon the Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Super Senior Noteholders, pro rata in accordance with the Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest due to each Super Senior Noteholder on such Quarterly Payment Date.

(x) Senior Notes Post-Anticipated Repayment Date Additional Interest Account. As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Notes Post-Anticipated Repayment Date Additional Interest Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Noteholders of each applicable class of Senior Notes, up to the accrued and unpaid Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Senior Notes based upon the Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Senior Noteholders, pro rata in accordance with the Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest due to each Senior Noteholder on such Quarterly Payment Date.

(xi) Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account. As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Noteholders of each applicable class of Senior Subordinated Notes, up to the accrued and unpaid Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Senior Subordinated Notes based upon the Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Senior Subordinated Noteholders, pro rata in accordance with the Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest due to each Senior Subordinated Noteholder on such Quarterly Payment Date.

(xii) Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account. As set forth in each Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account on each Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be paid for the benefit of the Noteholders of each applicable class of Subordinated Notes, up to the accrued and unpaid Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Subordinated Notes based upon the Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Subordinated Noteholders, pro rata in accordance with the Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest due to each Subordinated Noteholder on such Quarterly Payment Date.

(xiii) Super Senior Notes Qualified Equity Offering Additional Interest Account. As set forth in each applicable Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Super Senior Notes Qualified Equity Offering Additional Interest Account on each applicable Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be (x) if a Qualified Equity Offering Trigger Event has occurred and is continuing as of such Quarterly Payment Date, paid for the benefit of the Noteholders of each applicable class of Super Senior Notes, up to the accrued and unpaid Super Senior Notes Quarterly Qualified Equity Offering Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Super Senior Notes based upon the Super Senior Notes Quarterly Qualified Equity Offering Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Super Senior Noteholders, pro rata in accordance with the Super Senior Notes Quarterly Qualified Equity Offering Additional Interest due to each Super Senior Noteholder on such Quarterly Payment Date and (y) if a Qualified Equity Offering Trigger Event has not occurred and is not continuing as of such Quarterly Payment Date, distributed as Retained Collections in accordance with the Priority of Payments.

(xiv) Senior Notes Qualified Equity Offering Additional Interest Account. As set forth in each applicable Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Notes Qualified Equity Offering Additional Interest Account on each applicable Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be (x) if a Qualified Equity Offering Trigger Event has occurred and is continuing as of such Quarterly Payment Date, paid for the benefit of the Noteholders of each applicable class of Senior Notes, up to the accrued and unpaid Senior Notes Quarterly Qualified Equity Offering Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Senior Notes based upon the Senior Notes Quarterly Qualified Equity Offering Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of the Indenture, remit such funds to the Senior Noteholders, pro rata in accordance with the Senior Notes Quarterly Qualified Equity Offering Additional Interest due to each Senior Noteholder on such Quarterly Payment Date and (y) if a Qualified Equity Offering Trigger Event has not occurred and is not continuing as of such Quarterly Payment Date, distributed as Retained Collections in accordance with the Priority of Payments.

(xv) Senior Subordinated Notes Qualified Equity Offering Additional Interest Account. As set forth in each applicable Quarterly Noteholders' Report, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing on the next Quarterly Payment Date to withdraw the funds deposited in the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account on each applicable Monthly Allocation Date with respect to the immediately preceding Quarterly Collection Period, to be (x) if a Qualified Equity Offering Trigger Event has occurred and is continuing as of such Quarterly Payment Date, paid for the benefit of the Noteholders of each applicable class of Senior Subordinated Notes, up to the accrued and unpaid Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest due on such Quarterly Payment Date, pro rata among each such applicable Class of Senior Subordinated Notes based upon the Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest payable with respect to each such Class, and, in accordance with Section 6.1 of this Base Indenture, remit such funds to the Senior Subordinated Noteholders, pro rata in accordance with the Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest due to each Senior Subordinated Noteholder on such Quarterly Payment Date and (y) if a Qualified Equity Offering Trigger Event has not occurred and is not continuing as of such Quarterly Payment Date, distributed as Retained Collections in accordance with the Priority of Payments.

Section 5.12 Other Amounts.

(a) Reserve Account. On any date on which no Super Senior Notes, Senior Notes and Senior Subordinated Notes are Outstanding, the Issuer (or the Manager on its behalf) shall instruct the Trustee in writing to withdraw on such date any funds then on deposit in the Reserve Account and to deposit all remaining funds into the Collection Account.

(b) Optional Prepayments. The Issuer shall have the right to optionally prepay the Outstanding Principal Amount of any Series, Class, Subclass or Tranche of Notes, in whole or in part in accordance with the Series Supplement; provided that following a Series Anticipated Repayment Date for any Series of Notes that remains Outstanding, all optional prepayments must be applied first, to Super Senior Notes, second, to Senior Notes, third, to Senior Subordinated Notes and fourth, to Subordinated Notes. The Issuer (or the Manager on its behalf) (x) will provide prior written notice to the Trustee, the Back-Up Manager and such other parties as required pursuant to the Series Supplement of the making of any optional prepayment in accordance with the Series Supplement, (y) will deposit the amount of such optional prepayment in the relevant Principal Payment Account and (z) shall instruct the Trustee pursuant to the Quarterly Noteholders' Report to withdraw on the applicable prepayment date the funds so deposited in the relevant Principal Payment Account, to be paid for the benefit of the Holders of each applicable Series, Class, Subclass or Tranche of Notes and, in accordance with Section 6.1, remit such funds to the relevant Noteholders, pro rata in accordance with the Outstanding Principal Amount of such Series, Class, Subclass or Tranche of Notes due to each Noteholder.

Section 5.13 Determination of Quarterly Interest.

Quarterly payments of interest and fees on each Series of Notes shall be determined, allocated and distributed in accordance with the procedures set forth in the Series Supplement.

Section 5.14 Determination of Quarterly Principal.

Quarterly payments of principal, if any, of each Series of Notes shall be determined, allocated and distributed in accordance with the procedures set forth in the Series Supplement.

Section 5.15 Prepayment of Principal.

Mandatory prepayments of principal, if any, of each Series of Notes shall be determined, allocated and distributed in accordance with the procedures set forth in the Series Supplement, if not otherwise described herein.

Section 5.16 Replacement of Ineligible Accounts.

If, at any time, any Management Account or any of the Reserve Account, the Collection Account or any Collection Account Administrative Account shall cease to be an Eligible Account (each, an "Ineligible Account"), the Issuer shall (i) within five (5) Business Days of obtaining knowledge thereof, notify the Control Party thereof and (ii) within sixty (60) days of obtaining knowledge thereof, (A) establish, or cause to be established, a new account that is an Eligible Account in substitution for such Ineligible Account, (B) with the exception of any Management Account, following the establishment of such new Eligible Account, transfer, or with respect to the Indenture Trust Accounts maintained at the Trustee, instruct the Trustee in writing to transfer, all cash and investments from such Ineligible Account into such new Eligible Account, (C) in the case of a Management Account, following the establishment of such new Eligible Account, transfer or cause to be transferred to such new Eligible Account, all cash and investments from such Ineligible Account into such new Eligible Account, (D) in the case of a Management Account, transfer or cause to be transferred all items deposited in the lock-box related to such Ineligible Account to a new lock-box related to such new Eligible Account, and (E) pledge, or cause to be pledged, such new Eligible Account to the Trustee for the benefit of the Secured Parties and, if such Ineligible Account is required to be subject to an Account Control Agreement in accordance with the terms of the Indenture, cause such new Eligible Account to be subject to an Account Control Agreement in form and substance reasonably acceptable to the Control Party and the Trustee. In the event that any of the Collection Account, any Management Account or any Collection Account Administrative Account becomes an Ineligible Account, the Manager shall, promptly following the establishment of such related new Eligible Account, notify each Franchisee of a change in payment instructions, if any.

Section 5.17 Instructions and Directions.

Any instructions or directions to be provided by the Issuer or the Manager referenced in this Article V (a) with respect to a Quarterly Calculation Date or Quarterly Payment Date, respectively, will be contained in the applicable Quarterly Noteholders' Report for such Quarterly Calculation Date or Quarterly Payment Date, as applicable, and (b) with respect to a Monthly Allocation Date will be contained in the Monthly Manager's Certificate for such Monthly Allocation Date. All such instructions or directions shall include the specific amounts to be withdrawn or deposited by the Trustee from or to each account or to be paid to any Person, and shall also include all payment instructions. The Trustee shall be entitled to rely on such instructions or directions without further investigation. In the event the Issuer or the Manager fails to make any instructions or directions by the time periods set forth in Article V, the Controlling Class Representative shall be permitted to direct the Trustee in respect of such items.

Section 5.18 Qualified Equity Offering.

(a) Within two (2) Business Days of the Manager's receipt of Qualified Equity Offering Proceeds following the completion of a Qualified Equity Offering, the Manager shall deposit 75% of any Qualified Equity Offering Proceeds into the Collection Account, until an aggregate amount equal to $75,000,000 has been deposited thereto, for further distribution as set forth below. Such requirement shall be memorialized under the Contingent Value Rights Agreement, dated as of the Closing Date (the "Contingent Value Rights Agreement"), between the Manager and the Issuer. For the avoidance of doubt, any funds deposited into the Collection Account pursuant to the Contingent Value Rights Agreement shall be treated as Qualified Equity Offering Proceeds, for further distributed as set forth below.

(b) Following the completion of a Qualified Equity Offering, the Issuer shall apply the Qualified Equity Offering Proceeds deposited into the Collection Account to prepay the Outstanding Principal Amount of the Notes on the related Additional Payment Date plus the accrued interest on the Outstanding Principal Amount to be prepaid on such Additional Payment Date. The Issuer (or the Manager on its behalf) (i) will provide prior written notice to the Trustee, the Back-Up Manager and such other parties as required pursuant to the applicable Series Supplement of the making of such prepayment in accordance with the applicable Series Supplement, (ii) will deposit the amount of such prepayment in the relevant Principal Payment Account and Interest Payment Account and (iii) shall instruct the Trustee pursuant to the Monthly Manager's Certificate or the Quarterly Noteholders' Report, as applicable, to withdraw on the related Additional Payment Date the funds so deposited in the relevant Principal Payment Account and Interest Payment Account, to be paid for the benefit of the Holders of each Class of Notes and, in accordance with Section 6.1 of this Indenture, remit such funds to the relevant Noteholders, sequentially in accordance with the Outstanding Principal Amount of such Class of Notes due to each Noteholder.

(c) A Cash Flow Sweeping Event, as further described under "Cash Flow Sweeping Percentage", shall occur if (i) $25,000,000 of aggregate Qualified Equity Offering Proceeds are not used to prepay the Outstanding Principal Amount of the Notes on or prior to any Level I QEO Quarterly Payment Date or (ii) $75,000,000, inclusive of any amounts prepaid in accordance with the foregoing clause (i), of aggregate Qualified Equity Offering Proceeds are not used to prepay the Outstanding Principal Amount of the Notes on or prior to any Level II QEO Quarterly Payment Date.

## ARTICLE VI

## DISTRIBUTIONS

Section 6.1 Distributions in General.

(a) Unless otherwise specified in the Series Supplement, on each Quarterly Payment Date, the Paying Agent shall pay to the Noteholders of each Series of record on the preceding Record Date the amounts payable thereto (A) in the case of Book-Entry Notes, by wire transfer in immediately available funds released by the Paying Agent from the applicable Indenture Trust Account and (B) in the case of Definitive Notes (i) by wire transfer in immediately available funds released by the Paying Agent from the applicable Indenture Trust Account on such Quarterly Payment Date if a Noteholder has provided to the Paying Agent and the Trustee wiring instructions at least five (5) Business Days prior to the applicable Quarterly Payment Date or (ii) by check mailed first-class postage prepaid to such Noteholder at the address for such Noteholder appearing in the Note Register if such Noteholder has not provided wire instructions pursuant to clause (B)(i) above; provided, however, that the final principal payment due on a Note shall only be paid upon due presentment and surrender of such Note for cancellation in accordance with the provisions of such Note at the applicable Corporate Trust Office, which surrender shall also constitute a general release by the applicable Noteholder from any claims against the Securitization Entities, the Manager, the Trustee and their affiliates.

(b) Unless otherwise specified in the Series Supplement or in this Base Indenture, all distributions to Noteholders of all Classes within a Series of Notes shall be made from amounts allocated in accordance with the Priority of Payments among each Class of Notes in alphanumerical order (i.e., A-2, B-1, B-2 and not B-1, A-2, B-2) and pro rata among Holders of Notes within each Class of the same alphanumerical designation; for the avoidance of doubt, any roman-numeral-denominated Tranche within an alphanumerical Class of Notes shall be paid in roman-numeral order (i.e., Class A-2-I Notes will be paid before Class A-2-II Notes) except to the extent otherwise specified in this Base Indenture or the Series Supplement, including in connection with an optional prepayment in whole or in part of one or more Tranches within such alphanumerical Class of Notes independently of other Tranches; provided, further, that unless otherwise specified in the Series Supplement or in this Base Indenture, all distributions to Noteholders of all Classes within a Series of Notes having the same alphabetical designation (without giving effect to any numerical designation) shall be pari passu with each other with respect to the distribution of Collateral proceeds resulting from the exercise of remedies upon an Event of Default.

## ARTICLE VII

## REPRESENTATIONS AND WARRANTIES

The Issuer hereby represents and warrants, for the benefit of the Trustee and the Noteholders, as follows as of (i) the Series Closing Date and (ii) each date on which Excess Amounts or Residual Amounts are distributed by the Issuer to the Manager or its Affiliates:

Section 7.1 Existence and Power.

Each Securitization Entity (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) is duly qualified to do business as a foreign entity and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under the Transaction Documents make such qualification necessary, except to the extent that the failure to so qualify is not reasonably likely to result in a Material Adverse Effect, and (c) has all limited liability company, corporate or other powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and for purposes of the transactions contemplated by the Indenture and the other Transaction Documents.

Section 7.2 Company and Governmental Authorization.

The execution, delivery and performance by the Issuer of this Base Indenture and any Series Supplement and by the Issuer and each other Securitization Entity of the other Transaction Documents to which it is a party (a) is within such Securitization Entity's limited liability company, corporate or other powers and has been duly authorized by all necessary limited liability company, corporate or other action, (b) requires no action by or in respect of, or filing with, any Governmental Authority which has not been obtained (other than any actions or filings that may be undertaken after the Closing Date pursuant to the terms of this Base Indenture or any other Transaction Document) and (c) does not contravene, or constitute a default under, any Requirements of Law with respect to such Securitization Entity or any Contractual Obligation with respect to such Securitization Entity or result in the creation or imposition of any Lien on any property of any Securitization Entity, except for Liens created by this Base Indenture or the other Transaction Documents, except in the case of clauses (b) and (c) above, solely with respect to the Contribution Agreement, the violation of which could not reasonably be expected to have a Material Adverse Effect. This Base Indenture and each of the other Transaction Documents to which each Securitization Entity is a party has been executed and delivered by a duly Authorized Officer of such Securitization Entity.

Section 7.3 No Consent.

Except as set forth on Schedule 7.3, no consent, action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the valid execution and delivery by the Issuer of this Base Indenture and any Series Supplement and by the Issuer and each other Securitization Entity of any Transaction Document to which it is a party or for the performance of any of the Securitization Entities' obligations hereunder or thereunder other (a) than such consents, approvals, authorizations, registrations, declarations or filings as shall have been obtained or made by such Securitization Entity prior to the Closing Date or as are permitted to be obtained subsequent to the Closing Date in accordance with Section 7.13 or Section 8.25 and (b) such consents, approvals, authorizations, registrations, declarations or filings the failure of which to be obtained or made would not reasonably be expected to have a Material Adverse Effect.

Section 7.4 Binding Effect.

This Base Indenture and each other Transaction Document to which a Securitization Entity is a party is a legal, valid and binding obligation of each such Securitization Entity enforceable against such Securitization Entity in accordance with its terms (except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity or by an implied covenant of good faith and fair dealing).

Section 7.5 Litigation.

There is no action, suit, proceeding or investigation pending against or, to the knowledge of the Issuer, threatened in writing against or affecting any Securitization Entity or of which any property or assets of such Securitization Entity is the subject before any court or arbitrator or any Governmental Authority that would, individually or in the aggregate, affect the validity or enforceability of this Base Indenture or any Series Supplement, materially adversely affect the performance by the Securitization Entities of their obligations hereunder or thereunder or which is reasonably likely to have a Material Adverse Effect.

Section 7.6 [Reserved].

Section 7.7 Tax Filings and Expenses.

Each Securitization Entity has filed, or caused to be filed, all federal, state, local and foreign Tax returns and all other Tax returns which, to the knowledge of the Issuer, are required to be filed by, or with respect to the income, properties or operations of, such Securitization Entity (whether information returns or not), and has paid, or caused to be paid, all Taxes due, if any, pursuant to said returns or pursuant to any assessment received by any Securitization Entity or otherwise, except such Taxes, if any, as are being contested in good faith and by appropriate action and for which adequate reserves have been set aside in accordance with GAAP. As of the Closing Date, except as set forth on Schedule 7.7, the Issuer is not aware of any proposed Tax assessments against any Twin Hospitality TP Entity. Except as would not reasonably be expected to have a Material Adverse Effect, no tax deficiency has been determined adversely to any Securitization Entity, nor does any Securitization Entity have any knowledge of any tax deficiencies. Each Securitization Entity has paid all fees and expenses required to be paid by it in connection with the conduct of its business, the maintenance of its existence and its qualification as a foreign entity authorized to do business in each state and each foreign country in which it is required to so qualify, except to the extent that the failure to pay such fees and expenses is not reasonably likely to result in a Material Adverse Effect.

Section 7.8 Disclosure.

All certificates, written reports, written statements, written notices, documents and other written information furnished to the Trustee or the Noteholders by or on behalf of the Securitization Entities pursuant to any provision of the Indenture or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, the Indenture or any other Transaction Document, are, at the time the same are so furnished, complete and correct in all material respects (when taken together with all other information furnished by or on behalf of the Twin Hospitality TP Entities to the Trustee or the Noteholders, as the case may be), and give the Trustee or the Noteholders, as the case may be, true and accurate knowledge of the subject matter thereof in all material respects, and the furnishing of the same to the Trustee or the Noteholders, as the case may be, shall constitute a representation and warranty by the Issuer made on the date the same are furnished to the Trustee or the Noteholders, as the case may be, to the effect specified herein.

Section 7.9 1940 Act.

No Securitization Entity is required to register as an "investment company" under the 1940 Act.

Section 7.10 Regulations T, U and X.

The proceeds of the Notes will not be used to purchase or carry any "margin stock" (as defined or used in the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof) in such a way that could cause the transactions contemplated by the Transaction Documents to fail to comply with the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof. No Securitization Entity owns or is engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock.

Section 7.11 Solvency.

Both before and upon giving effect to the transactions contemplated by the Indenture and the other Transaction Documents, the Securitization Entities, taken as a whole, are solvent within the meaning of the Bankruptcy Code and any applicable state law and no Securitization Entity is the subject of any voluntary or involuntary case or proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy or Insolvency Law and no Event of Bankruptcy has occurred with respect to any Securitization Entity.

Section 7.12 Ownership of Equity Interests; Subsidiaries.

(a) All of the issued and outstanding limited liability company interests of the Issuer are directly owned by Twin Hospitality, have been duly authorized and validly issued, are fully paid and non-assessable and are owned of record by Twin Hospitality free and clear of all Liens other than Permitted Liens.

(b) All of the issued and outstanding limited liability company interests of the Guarantors are directly owned by the Issuer, have been duly authorized and validly issued, are fully paid and non-assessable and are owned of record by the Issuer, free and clear of all Liens other than Permitted Liens.

(c) The Issuer has no subsidiaries and owns no Equity Interests in any other Person, other than, directly or indirectly, the Guarantors and any Additional Guarantors. The Guarantors have no subsidiaries and own no Equity Interests in any Person other than in the case of certain Guarantors, certain other Guarantors.

Section 7.13 Security Interests.

(a) The Issuer and each Guarantor owns and has good title to its Collateral, free and clear of all Liens other than Permitted Liens. Except in the case of New Real Estate Assets included in the Collateral, this Base Indenture and the Guarantee and Collateral Agreement constitute a valid and continuing Lien on the Collateral in favor of the Trustee on behalf of and for the benefit of the Secured Parties, which Lien on the Collateral has been perfected and is prior to all other Liens (other than Permitted Liens), and is enforceable as such as against creditors of and purchasers from the Issuer and each Guarantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. Except as set forth on Schedule 7.13, the Issuer and each Guarantor has received all consents and approvals required by the terms of the Collateral to the pledge of the Collateral to the Trustee hereunder and under the Guarantee and Collateral Agreement. The Issuer and each Guarantor has filed, or shall have caused, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the first-priority security interest (subject to Permitted Liens) in the Collateral (other than the Owned Real Property and the New Owned Real Property) granted to the Trustee hereunder or under the Guarantee and Collateral Agreement no later than ten (10) days after the Closing Date or the Series Closing Date provided that with respect to the Real Estate Assets and the New Real Estate Assets included in the Collateral, the Issuer shall only take such action necessary to perfect such first priority security interest consistent with and subject to the obligations and time periods set forth in Section 8.38.

(b) Other than the security interest granted to the Trustee hereunder, pursuant to the other Transaction Documents or any other Permitted Lien, none of the Issuer or any Guarantor has pledged, assigned, sold or granted a security interest in the Collateral. All action necessary (including the filing of UCC-1 financing statements and filings with the PTO and the United States Copyright Office) to protect and evidence the Trustee's security interest in the Collateral in the United States has been, or shall be, duly and effectively taken, consistent with and subject to the obligations set forth in Section 7.13(a). No security agreement, financing statement, equivalent security or lien instrument or continuation statement authorized by the Issuer or any Guarantor and listing the Issuer or any Guarantor as debtor covering all or any part of the Collateral is on file or of record in any jurisdiction, except in respect of Permitted Liens or such as may have been filed, recorded or made by the Issuer or such Guarantor in connection with a Contribution Agreement or in favor of the Trustee on behalf of the Secured Parties in connection with this Base Indenture and the Guarantee and Collateral Agreement, and none of the Issuer or any Guarantor has authorized any such filing.

(c) All authorizations in this Base Indenture and the Guarantee and Collateral Agreement for the Trustee to endorse checks, instruments and securities and to execute financing statements, continuation statements, security agreements and other instruments with respect to the Collateral and to take such other actions with respect to the Collateral authorized by this Base Indenture and the Guarantee and Collateral Agreement are powers coupled with an interest and are irrevocable.

(d) Notwithstanding anything to the contrary herein or in the other Transaction Documents (other than the Mortgages, if applicable), none of the Issuer nor any Guarantor makes any representation as to the validity, effectiveness, priority or enforceability of any grant of security interest in any real property assets under Article III hereof or Section 3 of the Guarantee and Collateral Agreement, including in each case the Real Estate Assets and the New Real Estate Assets, or the perfection thereof, which in each case shall be governed by the Mortgages, if applicable.

Section 7.14 Transaction Documents.

The Transaction Documents, the Collateral Transaction Documents, the Account Agreements, any Swap Contract and any Enhancement Agreement with respect to each Series of Notes are in full force and effect. There are no outstanding defaults thereunder nor have events occurred which, with the giving of notice, the passage of time or both, would constitute a default thereunder.

Section 7.15 Non-Existence of Other Agreements.

Other than as permitted by Section 8.22 (a) no Securitization Entity is a party to any contract or agreement of any kind or nature and (b) no Securitization Entity is subject to any material obligations or liabilities of any kind or nature in favor of any third party, including, without limitation, Contingent Obligations. The Issuer has not engaged in any activities since its formation (other than those incidental to its formation, the authorization and the issuance of any Series of Notes, the execution of the Transaction Documents to which the Issuer is a party and the performance of the activities referred to in or contemplated by such agreements).

Section 7.16 Compliance with Contractual Obligations and Laws.

No Securitization Entity is in violation of (a) its Charter Documents, (b) any Requirements of Law with respect to such Securitization Entity or (c) any Contractual Obligation with respect to such Securitization Entity except, solely with respect to clauses (b) and (c), to the extent such violation could not reasonably be expected to result in a Material Adverse Effect.

Section 7.17 Other Representations.

All representations and warranties of each Securitization Entity made in each Transaction Document to which it is a party are true and correct (i) if qualified as to materiality, in all respects, and (ii) if not qualified as to materiality, in all material respects (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct in all respects or in all material respects, as applicable, as of such earlier date), and are repeated herein as though fully set forth herein.

Section 7.18 No Employees.

Notwithstanding any other provision of the Indenture or any Charter Documents of any Securitization Entity to the contrary, no Securitization Entity (other than the Employer Guarantors), has any employees.

Section 7.19 [Reserved] .

Section 7.20 Environmental Matters; Real Property.

(a) None of the Securitization Entities is subject to any liabilities or obligations pursuant to any Environmental Law or with respect to any Materials of Environmental Concern that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(i) The Securitization Entities: (i) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws, (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them and have obtained all Environmental Permits for any intended operations when such Environmental Permits are required and (iii) are, and within the period of all applicable statutes of limitation have been, in compliance with all of their Environmental Permits.

(ii) Materials of Environmental Concern are not present at, on, under, in, or about any Real Estate Assets or New Real Estate Assets now or formerly owned, leased or operated by any Securitization Entity, or at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage or disposal) which could reasonably be expected to (i) give rise to liability of any Securitization Entity under any applicable Environmental Law or otherwise result in costs to any Securitization Entity, (ii) interfere with any Securitization Entity's continued operations or (iii) impair the fair saleable value of any real property owned by any Securitization Entity.

(iii) There is no judicial, administrative, or arbitral proceeding (including, without limitation, any notice of violation or alleged violation) under or relating to any Environmental Law to which any Securitization Entity is, or to the knowledge of the Securitization Entities will be, named as a party that is pending or, to the knowledge of the Securitization Entities, threatened in writing.

(iv) No Securitization Entity has received any written request for information, or been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any other Environmental Law, or with respect to any Materials of Environmental Concern.

(v) No Securitization Entity has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

Section 7.21 Intellectual Property.

(a) All of the registrations and applications included in the Securitization IP are subsisting, unexpired and have not been abandoned in any applicable jurisdiction except where such expiration or abandonment could not reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on Schedule 7.21, (i) the use of the Securitization IP and the operation of the Twin Hospitality TP Systems do not infringe, misappropriate or otherwise violate the rights of any third party in a manner that could reasonably be expected to have a Material Adverse Effect, (ii) there is no action or proceeding pending or, to the Issuer's knowledge, threatened in writing, alleging the same that could reasonably be expected to have a Material Adverse Effect, and (iii) to the Issuer's knowledge, the Securitization IP is not being infringed, misappropriated or otherwise violated by any third party in a manner that could reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth on Schedule 7.21, no action or proceeding is pending or, to the Issuer's knowledge, threatened in writing, that seeks to limit, cancel or challenge the validity of any Securitization IP, or the use thereof, that could reasonably be expected to have a Material Adverse Effect.

(d) Each Guarantor is the exclusive owner of the Securitization IP related to the business operated or intended to be operated under the applicable Brand, in each case, other than IP licenses granted in the ordinary course of business, free and clear of all Liens, other than Permitted Liens.

(e) The Issuer has not made and will not hereafter make and has not caused or permitted and will not cause or permit any Guarantor to make, any assignment, pledge, mortgage, hypothecation or transfer of any of the Securitization IP other than Permitted Liens and Permitted Asset Dispositions under Section 8.12 and Section 8.16.

Section 7.22 Exchange Act

Payments on the Notes will not depend primarily on cash flow from self-liquidating financial assets within the meaning of Section 3(a)(79) of the Exchange Act.

## ARTICLE VIII

## COVENANTS

Section 8.1 Payment of Notes.

(a) The Issuer shall pay or cause to be paid the principal of, and premium, if any, and interest, subject to Section 2.15(d), on the Notes when due pursuant to the provisions of this Base Indenture and any Series Supplement. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent holds on that date money designated for and sufficient to pay all principal, premium, if any, and interest then due. Except as otherwise provided pursuant to any Transaction Document, amounts properly withheld under the Code or any Requirements of Law by any Person from a payment to any Noteholder of interest or principal or premium, if any, shall be considered as having been paid by the Issuer to such Noteholder for all purposes of the Indenture and the Notes.

(b) By acceptance of its Notes, each Noteholder agrees that the failure to provide the Paying Agent with appropriate Tax Information (which includes (i) an Internal Revenue Service ("IRS") Form W-9 for United States persons (as defined under Section 7701(a)(30) of the Code) or any applicable successor form or (ii) an applicable IRS Form W-8 (including all required attachments), for Persons other than such United States persons, or applicable successor form) may result in amounts being withheld from payments to such Noteholder under this Base Indenture and any Series Supplement (without any corresponding gross-up) and that amounts withheld pursuant to applicable laws shall be considered as having been paid by the Issuer as provided in clause (a) above.

Section 8.2 Maintenance of Office or Agency.

(a) The Issuer will maintain an office or agency (which, with respect to the surrender for registration of, or transfer or exchange or the payment of principal and premium, may be an office of the Trustee, the Note Registrar or Paying Agent) where Notes may be surrendered for registration of transfer or exchange, notices may be served, and where, at any time when the Issuer is obligated to make a payment of principal of, and premium, if any, on the Notes, the Notes may be surrendered for payment. The Issuer will give prompt written notice to the Trustee and the Control Party of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee and the Control Party with the address thereof, such presentations and surrenders may be made or served at the Corporate Trust Office and notices and demands may be made at the address set forth in Section 14.1 hereof.

(b) The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer will give prompt written notice to the Trustee and the Control Party of any such designation or rescission and of any change in the location of any such other office or agency. The Issuer hereby designates the applicable Corporate Trust Office as one such office or agency of the Issuer.

Section 8.3 Payment and Performance of Obligations.

The Issuer will, and will cause the other Securitization Entities to, pay and discharge and fully perform, at or before maturity, all of their respective material obligations and liabilities, including, without limitation, Tax liabilities and other governmental claims levied or imposed upon the Securitization Entity or upon the income, properties or operations of any Securitization Entity, judgments, settlement agreements and all obligations of each Securitization Entity under the Collateral Documents, except where the same may be contested in good faith by appropriate action (and without derogation from the material obligations of the Issuer hereunder and the Guarantors under the Guarantee and Collateral Agreement regarding the protection of the Collateral from Liens (other than Permitted Liens)), and will maintain, in accordance with GAAP, reserves as appropriate for the accrual of any of the same.

Section 8.4 Maintenance of Existence.

The Issuer will, and will cause each other Securitization Entity to, maintain its existence as a limited liability company or corporation validly existing and in good standing under the laws of its state of organization and duly qualified as a foreign limited liability company or corporation licensed under the laws of each state in which the failure to so qualify would be reasonably likely to result in a Material Adverse Effect. The Issuer will, and will cause each other Securitization Entity (other than any Additional Guarantor that is a corporation) to, be treated as a disregarded entity within the meaning of Treasury Regulation Section 301.7701-2(c)(2) and the Issuer will not, nor will it permit any other Securitization Entity (other than any Additional Guarantor that is a corporation) to, be classified as a corporation or as an association taxable as a corporation or a publicly traded partnership taxable as a corporation for United States federal income tax purposes.

Section 8.5 Compliance with Laws.

The Issuer will, and will cause each other Securitization Entity to, comply in all respects with all Requirements of Law with respect to the Issuer or such other Securitization Entity except where such noncompliance would not be reasonably likely to result in a Material Adverse Effect; provided, however, such non-compliance will not result in a Lien (other than a Permitted Lien) on any of the Collateral or any criminal liability on the part of any Securitization Entity, the Manager or the Trustee.

Section 8.6 Inspection of Property; Books and Records.

The Issuer will, and will cause each other Securitization Entity to, keep books of record and account to enable the preparation of financial statements in accordance with GAAP. Subject to the Disclosure Exceptions and to reasonable requirements of confidentiality, including requirements imposed by law or by contract, the Issuer will, and will cause each other Securitization Entity to, permit, at reasonable times upon reasonable notice, the Control Party, the Controlling Class Representative and the Trustee or any Person appointed by any of them to act as its agent to visit and inspect any of its properties, to examine and make abstracts from any of its books and records and to discuss its affairs, finances and accounts with its officers, directors, managers, employees and independent certified public accountants (so long as the Issuer has the opportunity to participate in any such discussions with the accountants), and up to one (1) such visit and inspection by the Control Party, the Controlling Class Representative, the Trustee, or any Person appointed by the Control Party, shall be reimbursable as a Securitization Operating Expense per calendar year, with any additional visit or inspection being at such Person's sole cost and expense; provided, however, that during the continuance of any event that causes a Cash Flow Sweeping Period to begin and that has occurred and continued for at least two consecutive Quarterly Calculation Dates, a Rapid Amortization Event or an Event of Default, or to the extent expressly required without the instruction of any other party under the terms of any Transaction Documents, any such of such Persons may visit and conduct such activities at any time and all such visits and activities shall constitute a Securitization Operating Expense.

Section 8.7 Actions under the Collateral Documents and Transaction Documents.

(a) Except as otherwise provided in Section 8.7(d), the Issuer will not, nor will it permit any Securitization Entity to, take any action that would permit any Twin Hospitality TP Entity or any other Person party to a Transaction Document to have the right to refuse to perform any of its respective obligations under any of the Transaction Documents or that would result in the amendment, waiver, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any Transaction Document.

(b) Except as otherwise provided in Section 3.2(a) or Section 8.7(d), the Issuer will not, nor will it permit any Securitization Entity to, take any action that would permit any other Person party to a Franchise Document to have the right to refuse to perform any of its respective obligations under such Franchise Document or that would result in the amendment, waiver, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, such Franchise Document if such action when taken on behalf of any Securitization Entity by the Manager would constitute a breach by the Manager of the Management Agreement.

(c) Except as otherwise provided in Section 3.2(a), the Issuer agrees that it will not, and will cause each Securitization Entity not to, exercise any right, remedy, power or privilege available to it with respect to any obligor under a Collateral Document or under any instrument or agreement included in the Collateral, take any action to compel or secure performance or observance by any such obligor of its obligations to the Issuer or such other Securitization Entity or give any consent, request, notice, direction or approval with respect to any such obligor if such action when taken on behalf of any Securitization Entity by the Manager would constitute a breach by the Manager of the Management Agreement.

(d) The Issuer agrees that it will not, and will cause each Securitization Entity not to, without the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative), amend, modify, waive, supplement, terminate or surrender, or agree to any amendment, modification, waiver, supplement, termination or surrender of, the terms of any of the Transaction Documents (other than the Transaction Documents, which may be amended in accordance with Article XIII hereof); provided, however, that the Securitization Entities may agree to any amendment, modification, supplement or waiver of any such term of such Transaction Document without any such consent (and if the Trustee or the Control Party is a party to such Transaction Document and in such capacity is required to consent or agree to any such amendment, modification, supplement or waiver, such consent or agreement shall not be subject to the satisfaction of any condition or requirement other than as specified under such Transaction Document) for the following purposes:

(i) to add to the covenants of any Securitization Entity for the benefit of the Secured Parties, or to add to the covenants of any Twin Hospitality TP Entity for the benefit of any Securitization Entity;

(ii) to terminate any such Transaction Document if any party thereto (other than a Securitization Entity) becomes, in the reasonable judgment of the Issuer, unable to pay its debts as they become due, even if such party has not yet defaulted on its obligations under such Transaction Document, so long as the Issuer enters into a replacement agreement with a new party within ninety (90) days of the termination of such Transaction Document;

(iii) to make such other provisions in regard to matters or questions arising under such Transaction Documents as the parties thereto may deem necessary or desirable, which are not inconsistent with the provisions thereof and which shall not materially and adversely affect the interests of any Noteholder, any Note Owner or any other Secured Party; provided that an Opinion of Counsel from outside counsel and an Officer's Certificate shall be delivered to the Trustee and the Control Party to such effect; or

(iv) to amend the definition of "Monthly Management Fee" pursuant to Section 8.3(a) of the Management Agreement with the consent of the Control Party (acting at the direction of the Controlling Class Representative) and the Manager, which consent shall not be subject to the satisfaction of any other condition to an amendment hereunder.

Promptly after the effectiveness of any such amendment, modification, supplement or waiver, the Issuer shall send to the Trustee (who shall make such amendment available to the Noteholders), the Control Party and the Back-Up Manager a copy of such consent or agreement, but the failure to do so shall not impair or affect its validity.

(e) Upon the occurrence of a Manager Termination Event under the Management Agreement, (i) the Issuer will not, and will cause each other Securitization Entity not to, without the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative), terminate the Manager and appoint any successor Manager in accordance with the Management Agreement and (ii) the Issuer will, and will cause each other Securitization Entity to, terminate the Manager and appoint one or more successor Managers in accordance with the Management Agreement if and when so directed by the Control Party (acting at the direction of the Controlling Class Representative).

Section 8.8 Notice of Defaults and Other Events.

Promptly (and in any event within three (3) Business Days) upon becoming aware of (i) any Potential Rapid Amortization Event, (ii) any Rapid Amortization Event, (iii) any Potential Manager Termination Event, (iv) any Manager Termination Event, (v) any Default, (vi) any Event of Default or (vii) any default under any Collateral Transaction Document, the Issuer shall give the Trustee, the Control Party, the Manager, the Back-Up Manager, the Controlling Class Representative with respect to each Series of Notes Outstanding notice thereof, together with an Officer's Certificate setting forth the details thereof and any action with respect thereto taken or contemplated to be taken by the Issuer. Subject to the Disclosure Exceptions, the Issuer shall, at its expense, promptly provide to the Control Party, the Manager, the Back-Up Manager, the Controlling Class Representative and the Trustee such additional information as the Control Party, the Manager, the Back-Up Manager, the Controlling Class Representative or the Trustee may reasonably request from time to time in connection with the matters so reported, and the actions so taken or contemplated to be taken.

Section 8.9 Notice of Material Proceedings.

Without limiting Section 8.30 or Section 8.25(b), promptly (and in any event within five (5) Business Days) upon the determination by either the chief financial officer or the chief legal officer of Twin Hospitality that the commencement or existence of any litigation, arbitration or other proceeding with respect to any Twin Hospitality TP Entity would be reasonably likely to have a Material Adverse Effect, the Issuer shall give written notice thereof to the Trustee, the Control Party, the Back-Up Manager and the Manager.

Section 8.10 Further Requests.

Subject to the Disclosure Exceptions, the Issuer will, and will cause each other Securitization Entity to, promptly furnish to the Trustee such other information as, and in such form as, the Trustee may reasonably request in connection with the transactions contemplated hereby or by any Series Supplement. Notwithstanding anything in this Base Indenture or any other Transaction Document to the contrary, in no event shall the Issuer, any other Securitization Entity or any Non-Securitization Entity be required to disclose or discuss, or permit the inspection, examination or making of extracts of, any records, books, information or account or other matter (a) in respect of which disclosure to the Trustee, the Control Party, any Noteholder or any other Person is then prohibited by applicable law or any agreement binding on any Twin Hospitality TP Entity, (b) that is protected from disclosure by the attorney-client privilege or the attorney work product privilege, or (c) that constitutes trade secrets or other proprietary information (including, without limitation, know how, ideas, techniques, recipes, formulas, customer lists, customer information, financial information, business methods and processes, marketing plans, specifications, and other similar information as well as internal materials prepared by the owner of such information containing or based, in whole or in part, on any such information) that is confidential to its owner other than such information as is explicitly required to be disclosed by this Indenture or a Series Supplement (the "Disclosure Exceptions").

Section 8.11 Further Assurances.

(a) The Issuer will, and will cause each other Securitization Entity to, do such further acts and things, and execute and deliver to the Trustee, the Control Party and the Controlling Class Representative such additional assignments, agreements, powers and instruments, as are necessary or desirable to obtain or maintain the security interest of the Trustee in the Collateral on behalf of the Secured Parties as a perfected security interest subject to no prior Liens (other than Permitted Liens), to carry into effect the purposes of the Indenture or the other Transaction Documents or to better assure and confirm unto the Trustee, the Control Party, the Noteholders or the other Secured Parties their rights, powers and remedies hereunder including, without limitation, the filing of any financing or continuation statements or amendments under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby and by the Guarantee and Collateral Agreement, except as set forth on Schedule 8.11. The Issuer and each Guarantor intends the security interests granted pursuant to the Indenture and the Guarantee and Collateral Agreement in favor of the Secured Parties to be prior to all other Liens (other than Permitted Liens) in respect of the Collateral, and the Issuer will, and will cause each other Securitization Entity to, take all actions necessary to obtain and maintain, in favor of the Trustee for the benefit of the Secured Parties, a first lien on and a first priority perfected security interest in the Collateral (except with respect to Permitted Liens and except as set forth on Schedule 8.11 and subject to Section 8.25). If the Issuer fails to perform any of its agreements or obligations under this Section 8.11(a), then the Control Party may (acting at the direction of the Controlling Class Representative) perform such agreement or obligation, and the expenses of the Control Party incurred in connection therewith shall be payable by the Issuer upon the Control Party's demand therefor. The Control Party is hereby authorized to execute and file any financing statements, continuation statements, amendments or other instruments necessary or appropriate to perfect or maintain the perfection of the Trustee's security interest in the Collateral.

(b) If any debt with an outstanding principal amount of greater than $100,000 individually shall be or become evidenced by any promissory note, chattel paper or other instrument and such note, chattel paper or instrument constitutes Collateral, such note, chattel paper or instrument shall be deemed to be held in trust and immediately pledged in favor of the Trustee, for the benefit of the Secured Parties, and within ten (10) Business Days physically delivered to the Trustee hereunder, and shall, subject to the rights of any Person in whose favor a prior Lien has been perfected, be duly endorsed in a manner satisfactory to the Trustee.

(c) Notwithstanding the provisions set forth in clauses (a) and (b) above, none of the Issuer nor any Guarantor shall be required to perfect any security interest in any fixtures (other than through a central filing of a UCC financing statement), any Franchisee promissory notes or, except as provided in Section 8.38, any Real Estate Assets or New Real Estate Assets.

(d) If during any Quarterly Collection Period, the Issuer or Guarantor shall obtain an interest in any commercial tort claim or claims (as such term is defined in the New York UCC) and such commercial tort claim or claims (when added to any past commercial tort claim or claims that were obtained by any Securitization Entity prior to such Quarterly Collection Period that are still outstanding) have an aggregate value equal to or greater than $5,000,000 as of the last day of such Quarterly Collection Period, the Issuer or Guarantor shall notify the Control Party on or before the third Business Day prior to the next succeeding Quarterly Payment Date that it has obtained such an interest and shall sign and deliver documentation acceptable to the Control Party granting a security interest under the Base Indenture or the Guarantee and Collateral Agreement, as the case may be, in and to such commercial tort claim or claims whether obtained during such Quarterly Collection Period or prior to such Quarterly Collection Period.

(e) The Issuer will, and will cause each other Securitization Entity to, warrant and defend the Trustee's right, title and interest in and to the Collateral and the income, distributions and Proceeds thereof, for the benefit of the Trustee on behalf of the Secured Parties, against the claims and demands of all Persons whomsoever.

(f) On or before the time when the Manager, acting on behalf of the Securitization Entities, is required to provide annual financials pursuant to Section 4.1(g)(ii) with respect to the preceding fiscal year, the Issuer shall furnish to the Trustee, the Back-Up Manager and the Control Party an Opinion of Counsel from outside counsel (i) stating substantially to the effect that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Base Indenture, any indentures supplemental hereto, the Guarantee and Collateral Agreement and any other requisite documents and with respect to the execution and filing of any financing statements, continuation statements and amendments to financing statements and such other documents as are, subject to clause (c) above, necessary to maintain the perfection of the Lien and security interest created by this Base Indenture and the Guarantee and Collateral Agreement under Article 9 of the New York UCC in the United States and reciting the details of such action or referencing to prior Opinions of Counsel in which such details are given; or (ii) to the effect that, in the opinion of such counsel, no such action is necessary to maintain the perfection of such Lien and security interest; provided that with respect to financing statements, the foregoing shall apply solely to financing statements naming a Securitization Entity as debtor and the Trustee as secured party (or any continuations thereof) and shall not, for the avoidance of doubt, apply to any financing statements assigned to the Trustee by a Securitization Entity); provided further, that the Trustee shall not be required to determine the sufficiency of any such opinion.

Section 8.12 Liens.

The Issuer will not, nor will it permit any other Securitization Entity to, create, incur, assume or permit to exist any Lien upon any of its property (including the Collateral), other than (i) Liens in favor of the Trustee for the benefit of the Secured Parties and (ii) other Permitted Liens.

Section 8.13 Other Indebtedness.

The Issuer will not, nor will it permit any other Securitization Entity to, create, assume, incur, suffer to exist or otherwise become or remain liable in respect of any Indebtedness other than (i) Indebtedness hereunder or under the Guarantee and Collateral Agreement or any other Transaction Document, (ii) any guarantee by any Securitization Entity of the obligations of any other Securitization Entity, (iii) Indebtedness of a Securitization Entity owed to a Securitization Entity, (iv) any purchase money Indebtedness incurred in order to finance the acquisition, lease or improvement of assets or property in the ordinary course of business, (v) any Indebtedness incurred in order to finance any Prospective Company Restaurant Property or Company Restaurant Build-Out (provided that, solely in the case of this Section 8.13(v), the prior approval of the Control Party (at the direction of the Controlling Class Representative) shall be required for any such Indebtedness that is equal to more than $5,000,000 per property or $25,000,000 in aggregate for all properties), or (vi) amounts paid by Twin Restaurant Grand Prairie, LLC and Twin Restaurant Burleson, LLC representing contractual obligations to pay up to 3% of net taxable income of Twin Restaurant Grand Prairie, LLC and Twin Restaurant Burleson, LLC, respectively, to third party investors in the stores pursuant to the Profits Interest Agreement, dated as of the Closing Date, between Twin Restaurant Grand Prairie, LLC and FAT Brands Development 5, LLC, and the Profits Interest Agreement, dated as of the Closing Date, between Twin Restaurant Burleson, LLC and FAT Brands Development 3, LLC, respectively.

Section 8.14 [Reserved].

Section 8.15 Mergers.

On and after the Closing Date, the Issuer will not, and will not permit any other Securitization Entity to, merge or consolidate with or into any other Person or divide into two or more Persons (whether by means of a single transaction or a series of related transactions) other than any merger or consolidation of any Securitization Entity with any other Securitization Entity or any division in which each resulting Person will be a Securitization Entity or any merger or consolidation of any Securitization Entity with any other entity or any division of any Securitization Entity to which the Control Party (acting at the direction of the Controlling Class Representative) has given prior written consent.

Section 8.16 Asset Dispositions.

The Issuer shall not, and shall not permit any other Securitization Entity to, direct the Manager to sell, transfer, lease, license, liquidate or otherwise dispose of any of its property (whether by means of a single transaction or a series of related transactions), including any Equity Interests of any other Securitization Entity, except in the case of the following (each, a "Permitted Asset Disposition"):

(a) any disposition of obsolete, damaged, surplus or worn out property, and any abandonment, cancellation, or lapse of IP registrations or applications that are no longer commercially reasonable to maintain;

(b) any disposition of (i) Eligible Investments and (ii) inventory in the ordinary course of business;

(c) any disposition of equipment or real property to the extent that (x) such property is exchanged for credit against the purchase price or other payment obligations in respect of similar replacement property or other Eligible Assets (including, without limitation, credit against rental obligations under a real estate lease) or (y) the proceeds thereof are applied to the purchase price of such replacement property or other Eligible Assets in accordance with the Base Indenture;

(d) (i) licenses to the Manager, in connection with the performance of its services under the Management Agreement and (ii) other non-exclusive licenses of Securitization IP (A) granted in the ordinary course of business, (B) that when effected on behalf of any Securitization Entity by the Manager would not constitute a breach by the Manager of the Management Agreement acting in accordance with the Managing Standard and (C) that would not reasonably be expected to materially and adversely impact the Securitization IP (taken as a whole);

(e) dispositions pursuant to the sale, sale-leaseback or other disposition of Owned Real Property or New Owned Real Property or Company Restaurants and Company Restaurant Assets;

(f) dispositions of (x) equipment leased to Franchisees in accordance with or upon termination of the related Equipment Leases or used in a Company Restaurant or (y) dispositions of Equipment Leases and dispositions of property of a Securitization Entity to any other Securitization Entity not otherwise prohibited under the Transaction Documents;

(g) (i) leases or subleases of Real Estate Assets to Franchisees or (in the case of the location of a Company Restaurant) a Company Restaurant Guarantor and assignments and terminations of leases and subleases that do not materially interfere with the business of the Securitization Entities or materially decrease ongoing Collections from such Real Estate Assets and (ii) dispositions pursuant to the foregoing clause (i) which result in materially decreasing ongoing Collections from such Real Estate Assets;

(h) dispositions of property relating to repurchases of Contributed Assets in exchange for the payment of Indemnification Amounts;

(i) investments, Liens and distributions permitted under the Indenture;

(j) transfers of properties subject to condemnation or casualty events;

(k) dispositions of Franchisee Notes or accounts receivable in connection with the collection or compromise thereof;

(l) terminations, non-renewals, expirations, amendments or other modifications of any Collateral Franchise Business Document or Franchised Restaurant Lease that when effected on behalf of any Securitization Entity by the Manager would not constitute a breach by the Manager of the Management Agreement;

(m) any other sale, lease, license, transfer or other disposition of property, including, without limitation, the equity in or all or substantially all of the assets of a Guarantor, to which the Control Party (acting at the direction of the Controlling Class Representative) has given the relevant Securitization Entity prior written consent;

(n) any decision to abandon, fail to pursue, settle, or otherwise resolve any claim or cause of action to enforce or seek remedy for the infringement, misappropriation, dilution or other violation of any Securitization IP, or other remedy against any third party, in each such case, where it is not commercially reasonable to pursue such claim or remedy in light of the cost, potential remedy, or other factors; provided that such action (or failure to act) would not reasonably be expected to materially and adversely impact the Securitization IP (taken as a whole);

(o) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business, in each case that would not reasonably be expected to result in a Material Adverse Effect; and

(p) any other sale, lease, license, liquidation, transfer or other disposition of property not directly or indirectly constituting any asset dispositions permitted by the foregoing clauses and so long as such disposition when effected on behalf of any Securitization Entity by the Manager does not constitute a breach by the Manager of the Management Agreement and does not exceed an aggregate amount of $1,000,000 per annum.

Upon any sale, transfer, lease, license, liquidation or other disposition of any property by any Securitization Entity permitted by this Section 8.16, all Liens with respect to such property created in favor of the Trustee for the benefit of the Secured Parties under this Base Indenture and the other Transaction Documents shall be automatically released, and the Trustee, upon written request of the Issuer, at the direction of the Control Party, shall provide evidence of such release as set forth in Section 14.17.

Section 8.17 Acquisition of Assets.

The Issuer will not, nor will it permit any other Securitization Entity to, acquire, by long-term or operating lease or otherwise, any property (i) if such acquisition when effected on behalf of any Securitization Entity by the Manager would constitute a breach by the Manager of the Management Agreement or (ii) that is a lease, license, or other contract or permit, if the grant of a lien or security interest in any of the Securitization Entities' right, title and interest in, to or under such lease, license, contract or permit in the manner contemplated by the Base Indenture and the Guarantee and Collateral Agreement (a) would be prohibited by the terms of such lease, license, contract or permit, (b) would constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the applicable Securitization Entity therein or (c) would otherwise result in a breach thereof or the termination or a right of termination thereof, except to the extent that any such prohibition, breach, termination or right of termination is rendered ineffective pursuant to the UCC or any other applicable law.

Section 8.18 Dividends, Officers' Compensation, etc.

Except as described in the 2024-1 Series Supplement dated as of the date hereof, the Issuer will not declare or pay any distributions on any of its limited liability company interests; provided, however, that so long as no Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default has occurred and is continuing with respect to any Series of Notes Outstanding or would result therefrom, the Issuer may declare and pay distributions to the extent permitted under Section 18-607 of the Delaware Limited Liability Company Act and the Issuer's Charter Documents.

Without limiting Section 8.28, the Issuer will not, nor will it permit any other Securitization Entity to, pay any wages or salaries or other compensation to its officers, directors, managers or other agents except out of earnings computed in accordance with GAAP or except for the fees paid to its Independent Managers. The Issuer will not, nor will it permit any other Securitization Entity to, redeem, purchase, retire or otherwise acquire for value any Equity Interest in or issued by such Securitization Entity or set aside or otherwise segregate any amounts for any such purpose except as expressly permitted by the Indenture or as consented to by the Control Party (acting at the direction of the Controlling Class Representative).

Section 8.19 Legal Name, Location Under Section 9-301 or 9-307.

The Issuer will not, nor will it permit any other Securitization Entity to, change its location (within the meaning of Section 9-301 or 9-307 of the applicable UCC) or its legal name without at least thirty (30) days' prior written notice to the Trustee, the Control Party, the Manager and the Back-Up Manager with respect to each Series of Notes Outstanding. In the event that the Issuer or other Securitization Entity desires to so change its location or change its legal name, the Issuer will, or will cause such other Securitization Entity to, make any required filings and prior to actually changing its location or its legal name the Issuer will, or will cause such other Securitization Entity to, deliver to the Trustee and the Control Party (i) an Officer's Certificate and Opinion of Counsel from outside counsel stating substantially to the effect that (a) all required filings have been made to continue the perfected interest of the Trustee on behalf of the Secured Parties in the Collateral under Article 9 of the applicable UCC in respect of the new location or new legal name of the Issuer or other Securitization Entity and (b) such change in location or change in legal name will not adversely affect the Lien under any Mortgage required to be delivered and recorded pursuant to Section 8.38 and (ii) copies of all such required filings with the filing information duly noted thereon by the office in which such filings were made.

Section 8.20 Charter Documents.

The Issuer will not, nor will it permit any other Securitization Entity to, amend, or consent to the amendment of, any of its Charter Documents to which it is a party as a member or shareholder unless, prior to such amendment, the Control Party (acting at the direction of the Controlling Class Representative) shall have consented thereto. The Control Party may rely on an Officer's Certificate of the Issuer to seek discretion from the Controlling Class Representative to make such determination.

Section 8.21 Investments.

The Issuer will not, nor will it permit any other Securitization Entity to, make, incur, or suffer to exist any loan, advance, extension of credit or other investment in any Person if such investment when made on behalf of any Securitization Entity by the Manager would constitute a breach by the Manager of the Management Agreement.

Section 8.22 No Other Agreements.

The Issuer will not, nor will it permit any other Securitization Entity to, enter into or be a party to any agreement or instrument if such agreement when effected on behalf of any Securitization Entity by the Manager would constitute a breach by the Manager of the Management Agreement.

Section 8.23 Other Business.

The Issuer will not, nor will it permit any other Securitization Entity to, engage in any business or enterprise or enter into any transaction other than the incurrence and payment of ordinary course operating expenses, the issuing and selling of the Notes and other activities related to or incidental to any of the foregoing or any other transaction which when effected on behalf of any Securitization Entity by the Manager would not constitute a breach by the Manager of the Management Agreement.

Section 8.24 Maintenance of Separate Existence.

(a) The Issuer will, and will cause each other Securitization Entity to:

(i) maintain their own deposit and securities account, as applicable, or accounts, separate from those of any of its Affiliates (other than the other Securitization Entities), with commercial banking institutions and ensure that the funds of the Securitization Entities will not be diverted to any Person who is not a Securitization Entity or for other than the use of the Securitization Entities, nor will such funds be commingled with the funds of any of its Affiliates (other than the other Securitization Entities) other than as provided in the Transaction Documents;

(ii) ensure that all transactions between it and any of its Affiliates (other than the other Securitization Entities), whether currently existing or hereafter entered into, shall be only on an arm's length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (ii);

(iii) to the extent that any Securitization Entity and any of its Affiliates (other than the other Securitization Entities) have offices in the same location, fairly and appropriately allocate overhead costs among them, and each such entity shall bear its fair share of such expenses;

(iv) (A) issue separate financial statements from any of its Affiliates (other than the other Securitization Entities) prepared at least quarterly and prepared in accordance with GAAP and (B) file its own tax returns, if any, as may be required under applicable law, to the extent not part of a consolidated group filing a consolidated return or returns and not treated as a division or a disregarded entity for tax purposes of another taxpayer, and pay any U.S. federal and material state and local taxes required to be paid by it under applicable law, except as otherwise expressly provided in the Transaction Documents;

(v) (A) conduct its affairs in its own name and in accordance with its Charter Documents and observe all necessary, appropriate and customary limited liability company or corporate formalities (as applicable), including, but not limited to, holding all regular and special meetings appropriate to authorize all of its actions, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts, (B) hold all of the its assets in its own name and in such a manner that it will not be costly or difficult to segregate, ascertain or identify its assets from those of any other Affiliate or any other Person and (C) be, and at all times hold itself out to the public as, a legal entity separate and distinct from any other Person and, to the extent known by it, correct any misunderstanding regarding its separate identity;

(vi) (A) not assume or guarantee any of the liabilities of any other Person, become obligated for the debts of any other Person or hold out its credit as being available to pay the obligations of any other Person (other than the other Securitization Entities), (B) remain solvent and pay its debts and liabilities from its assets as the same become due, and (C) except as arising under or expressly permitted by the Transaction Documents, not incur, create or assume any Indebtedness and not make any loans or advances to, or pledge its assets for the benefit of, any other Person or entity;

(vii) take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order to (A) ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct in all material respects with respect to it and (B) comply in all material respects with those procedures described in such provisions which are applicable to it;

(viii) maintain at least one Independent Manager or Independent Director, as applicable, on its board of managers or its board of directors, as the case may be;

(ix) to the fullest extent permitted by law, so long as any Obligation remains outstanding, remove any Independent Manager or Independent Director only for Cause and only after providing the Trustee and the Control Party (with a copy to the Back-Up Manager) with no less than five (5) days' prior written notice of (A) any proposed removal of such Independent Manager or Independent Director, as applicable, and (B) the identity of the proposed replacement Independent Manager or Independent Director, as applicable, together with a certification that such replacement satisfies the requirements for an Independent Manager or an Independent Director set forth in the Charter Documents of the applicable Securitization Entity; and

(x) (A) provide, or cause the Manager to provide, to the Trustee, the Back-Up Manager and the Control Party, a copy of the executed agreement with respect to the appointment of any replacement Independent Director or Independent Manager, as the case may be, and (B) provide, or cause the Manager to provide, to the Trustee, the Back-Up Manager and the Control Party, written notice of the identity and contact information for each Independent Director or Independent Manager, as applicable, on an annual basis and at any time such information changes.

(b) The Issuer, on behalf of itself and each of the other Securitization Entities, confirms that the statements relating to the Issuer and/or any other Securitization Entity referenced in the opinion of Katten Muchin Rosenman LLP regarding substantive consolidation matters delivered to the Trustee on the most recent Series Closing Date are true and correct with respect to itself and each other Securitization Entity, and that the Issuer will, and will cause each other Securitization Entity to, comply with any covenants or obligations assumed to be complied with by it therein as if such covenants and obligations were set forth herein.

Section 8.25 Covenants Regarding the Securitization IP.

(a) The Issuer will not, nor will it permit any other Securitization Entity to, take or omit to take any action with respect to the maintenance, enforcement and defense of any Guarantor's rights in and to the Securitization IP that would constitute a breach by the Manager of the Management Agreement if such action were taken or omitted by the Manager on behalf of any Securitization Entity.

(b) The Issuer will notify the Trustee, the Back-Up Manager and the Control Party in writing within ten (10) Business Days of the Issuer's first knowing or having reason to know that any application or registration relating to any material Securitization IP (now or hereafter existing) may become abandoned or dedicated to the public domain, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the PTO, the United States Copyright Office, similar offices or agencies in any foreign countries in which the Securitization IP is located, or any court, but excluding office actions in the course of prosecution and any non-final determinations (other than in an adversarial proceeding) of the PTO or any similar office or agency in any such foreign country) regarding the validity or any Securitization Entity's ownership of any material Securitization IP, its right to register the same, or to keep and maintain the same.

(c) With respect to the Securitization IP, each Guarantor, to the extent it has not already done so, agrees to, and the Issuer agrees to cause each Guarantor to, execute, deliver and file (within ten (10) Business Days of the Closing Date as to the PTO) instruments substantially in the form of Exhibit I-1 hereto with respect to Trademarks, Exhibit I-2 hereto with respect to Patents and Exhibit I-3 hereto with respect to Copyrights or otherwise in form and substance satisfactory to the Control Party, and any other instruments or documents as may be reasonably necessary or, in the Control Party's opinion, desirable to perfect or protect the Trustee's security interest granted under this Base Indenture and the Guarantee and Collateral Agreement in the Patents and Trademarks included in the Securitization IP in the United States.

(d) [Reserved].

(e) If the Issuer or any Guarantor, either itself or through any agent, licensee or designee, files or otherwise acquires an application for the registration of any Patent, Trademark or Copyright with the PTO, the United States Copyright Office or any similar office or agency in any foreign country in which Securitization IP is located, the Issuer or such Guarantor in a reasonable time after such filing (and in any event within ninety (90) days) (i) shall give the Trustee and the Control Party written notice thereof and (ii) solely with respect to such applications filed in the United States, upon reasonable request of the Control Party, shall execute and deliver all instruments and documents, and take all further action, that the Control Party may so reasonably request in order to continue, perfect or protect the security interest granted hereunder or under the Guarantee and Collateral Agreement in the United States, including, without limitation, executing and delivering (x) the Supplemental Notice of Grant of Security Interest in Trademarks substantially in the form attached as Exhibit J-1 hereto, (y) the Supplemental Notice of Grant of Security Interest in Patents substantially in the form attached as Exhibit J-2 hereto and/or (z) the Supplemental Notice of Grant of Security Interest in Copyrights substantially in the form attached as Exhibit J-3 hereto, as applicable.

(f) In the event that any material Securitization IP is infringed upon, misappropriated or diluted by a third party in a manner that would reasonably be expected to have a Material Adverse Effect, the Issuer and the Manager upon becoming aware of such infringement, misappropriation or dilution shall promptly notify the Trustee, the Back-Up Manager and the Control Party in writing. The Issuer, or the Manager on behalf of the Issuer, shall cause the applicable Guarantor or Additional IP Holder to take all reasonable and appropriate actions, at its expense, to protect or enforce such Securitization IP, including, if reasonable, suing for infringement, misappropriation or dilution and seeking an injunction (including, if appropriate, temporary and/or preliminary injunctive relief) against such infringement, misappropriation or dilution, unless the failure to take such actions on behalf of the applicable Guarantor or Additional IP Holder by the Manager would not constitute a breach by the Manager of the Management Agreement; provided that if the applicable Guarantor or Additional IP Holder decides not to take any action with respect to an infringement, misappropriation or dilution that would reasonably be expected to have a Material Adverse Effect, the Issuer shall deliver written notice to the Trustee, the Manager, the Back-Up Manager and the Control Party setting forth in reasonable detail the basis for its decision not to act, and none of the Manager, the Trustee, the Back-Up Manager or the Control Party will be required to take any actions on its behalf to protect or enforce the Securitization IP against such infringement, misappropriation or dilution; provided, further, that the Manager will be required to act if failure to do so would constitute a breach of the Managing Standard.

(g) With respect to licenses of third-party Intellectual Property entered into after the Closing Date by the Securitization Entities (including, for the avoidance of doubt, to the Manager acting on behalf of the Securitization Entities, as applicable), the Securitization Entities (or the Manager on their behalf) shall use commercially reasonable efforts to include terms permitting the grant by the Securitization Entities of a security interest therein to the Trustee for the benefit of the Secured Parties and to allow the Manager (and any Successor Manager and the Interim Successor Manager) the right to use such Intellectual Property in the performance of its duties under the Management Agreement.

Section 8.26 Investment Company Act.

The Issuer shall take or omit to take action as necessary in order for the Issuer to remain excluded from the definition of "investment company" set forth in section 3(a)(1)(C) of the 1940 Act, as such section may be amended from time to time.

Section 8.27 Real Property

The Issuer shall not and shall not permit any other Securitization Entity to, enter into any lease of real property (other than or in connection with any Permitted Asset Disposition, Franchised Restaurant Lease, New Franchised Restaurant Lease, Prospective Company Restaurant Property or Company Restaurant Build-Out). The Issuer shall not, or shall not permit any other Securitization Entity to, acquire any fee interest in real property (other than any fee interest in real property acquired by any Guarantor).

Section 8.28 No Employees.

The Issuer and the other Securitization Entities (other than the Employer Guarantors) shall have no employees.

Section 8.29 Insurance.

The Securitization Entities maintain, or cause to be maintained, the insurance coverages in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries. All such policies of insurance of the Securitization Entities are in full force and effect and the Securitization Entities are in compliance with the terms of such policies in all material respects. None of the Securitization Entities has reason to believe that it will not be able to renew its existing insurance coverage, in all material respects, as and when such coverage expires or to obtain similar coverage, in all material respects, from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Material Adverse Effect. The Issuer shall cause the Manager to have each Securitization Entity named as an insured or listed as an "additional insured" or "loss payee," as may apply, on any insurance maintained by the Manager for the benefit of such Securitization Entity pursuant to the Management Agreement.

Section 8.30 Litigation.

If Twin Hospitality is not then subject to Section 13 or 15(d) of the Exchange Act, the Issuer shall, on each Quarterly Payment Date, provide a written report to the Control Party, the Manager and the Back-Up Manager that sets forth all outstanding litigation, arbitration or other proceedings against any Twin Hospitality TP Entity that would have been required to be disclosed in Twin Hospitality's annual reports, quarterly reports and other public filings which Twin Hospitality would have been required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act if Twin Hospitality were subject to such Sections.

Section 8.31 Environmental.

The Issuer shall, and shall cause each other Securitization Entity to, promptly notify the Control Party, the Manager, the Back-Up Manager and the Trustee, in writing, upon receipt of any written notice pursuant to which any Securitization Entity becomes aware from any source (including but not limited to a governmental entity) of any possible material liability of any Securitization Entity pursuant to any Environmental Law that could reasonably be expected to have a Material Adverse Effect. In addition, other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the Issuer shall, and shall cause each other Securitization Entity to:

(a) (i) comply with all applicable Environmental Laws, (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their current operations or for any property owned, leased, or otherwise operated by any of them and obtain all Environmental Permits for any intended operations when such Environmental Permits are required and (iii) comply with all of their Environmental Permits; and

(b) undertake all investigative and remedial action required by Environmental Laws with respect to any Materials of Environmental Concern present at, on, under, in, or about any Real Estate Assets or New Real Estate Assets owned, leased or operated by the Issuer or any Securitization Entity, or at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage or disposal) which could reasonably be expected to (i) give rise to liability of the Issuer or any Securitization Entity under any applicable Environmental Law or otherwise result in costs to the Issuer or any Securitization Entity, (ii) interfere with the Issuer's or any Securitization Entity's continued operations or (iii) impair the fair saleable value of any Real Estate Assets or New Real Estate Assets owned by the Issuer or any Securitization Entity.

Section 8.32 Enhancements.

No Enhancement shall be provided in respect of any Series of Notes, nor will any Enhancement Provider have any rights hereunder, as third-party beneficiary or otherwise, unless the Control Party (acting at the direction of the Controlling Class Representative) has provided its prior written consent to such Enhancement, such consent not to be unreasonably withheld.

Section 8.33 Derivatives.

Without the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative), the Issuer will not, nor will it permit any other Securitization Entity to, enter into any derivative contract, swap, option, hedging contract, forward purchase contract or other similar agreement or instrument (other than forward purchase agreements entered into with third-party vendors on behalf of the Securitization Entities in the ordinary course of business), if any such contract, agreement or instrument requires the Issuer to expend any financial resources to satisfy any payment obligations owed in connection therewith.

Section 8.34 Additional Guarantor.

(a) The Issuer, in accordance with and as permitted under the Transaction Documents, may purchase, acquire, form or cause to be formed one or more Additional Guarantors without the consent of the Control Party; provided that any such Additional Guarantor has adopted, or substantially contemporaneously with the closing of an applicable transaction pursuant to which such Additional Guarantor is purchased, acquired or otherwise designated as an Additional Guarantor hereunder, will adopt, Charter Documents substantially similar to the Charter Documents of the existing Franchise Entities; provided, further, that such Additional Guarantor holds Guarantor Assets, Product Sourcing Assets, New Real Estate Assets or Securitization IP or is being established, purchased or acquired in order to act as a franchisor with respect to New Franchise Agreements.

(b) If the Issuer desires to create, incorporate, form or otherwise organize an Additional Guarantor that does not comply with the provisos set forth in clause (a) above, the Issuer shall first obtain the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative), such consent not to be unreasonably withheld.

(c) In connection with the organization of any Additional Guarantor in conjunction with clause (a) or (b) above, the Issuer shall, if such Additional Guarantor owns Securitization IP, designate such Additional Guarantor as an Additional IP Holder.

(d) The Issuer shall cause each Additional Guarantor to promptly execute an assumption agreement in form set forth as Exhibit A to the Guarantee and Collateral Agreement (the "Assumption Agreement") pursuant to which such Additional Guarantor shall become jointly and severally obligated under the Guarantee and Collateral Agreement with the other Guarantors.

(e) Upon the execution and delivery of an Assumption Agreement as required in clause (d) above, any Additional Guarantor party thereto will become a party to the Guarantee and Collateral Agreement with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the Guarantee and Collateral Agreement, will assume all Obligations and liabilities of a Guarantor thereunder.

(f) The Control Party will have the right to direct that After-Acquired Securitization IP in the nature of a Trademark be held by one or more newly formed Additional IP Holders if the Control Party reasonably believes that such After-Acquired Securitization IP could impair the Collateral if it were held by an existing Guarantor and that separating the ownership of such After-Acquired Securitization IP from the rest of the Securitization IP will not impair the enforceability of the Securitization IP. In making any determination with respect to such After-Acquired Securitization IP, the Control Party will have the right to consult with third-party experts.

Section 8.35 Guarantor Distributions.

The Issuer shall, and shall cause the Manager to, cause each Guarantor to deposit all Guarantor Collections into the Concentration Account within one Business Day after receipt (or calculation, in the case of Monthly Fiscal Period Company Restaurant Profits True-up Amounts and Monthly Fiscal Period Estimated Company Restaurant Profits Amounts) as a distribution by such Guarantor to the Issuer.

Section 8.36 Tax Lien Reserve Amount.

Upon receipt of any Tax Lien Reserve Amount by any Securitization Entity, such recipient will distribute such Tax Lien Reserve Amount to the Issuer and the Issuer shall remit such Tax Lien Reserve Amount to the Tax Lien Reserve Account after providing prior written notice to the Trustee of such remittance (including, without limitation, the amount that will be remitted); provided that the Trustee will not release such Tax Lien Reserve Amount from the Tax Lien Reserve Account unless: (a) the Control Party (acting at the direction of the Controlling Class Representative) instructs the Trustee in writing to withdraw and pay all of such Tax Lien Reserve Amount in accordance with the written instructions of the Issuer (or the Manager on its behalf) upon receipt by the Trustee, the Control Party, the Manager, the Back-Up Manager and the Controlling Class Representative of evidence reasonably satisfactory to the Control Party that the Lien for which such Tax Lien Reserve Amount was established has been released by the IRS; (b) the Issuer, or the Manager on behalf of the Issuer, delivers written instructions to the Trustee to withdraw and pay all or a portion of such Tax Lien Reserve Amount to the IRS on behalf of the Twin Hospitality TP Entities; provided that the Issuer shall deliver, or cause to be delivered, prior written notice of any such written instruction to the Control Party; or (c) the Control Party (acting at the direction of the Controlling Class Representative) instructs the Trustee in writing to withdraw and pay all or a portion of such Tax Lien Reserve Amount to the IRS (i) upon the occurrence and during the continuation of an Event of Default or (ii) upon receipt of written notice by any Securitization Entity stating that the IRS intends to execute on the Lien for which such Tax Lien Reserve Amount was established in respect of any assets of any Securitization Entity; provided that the Issuer shall deliver a copy of any such written instruction to Twin Hospitality. Any distributions from the Tax Lien Reserve Account shall be made on the Business Day following receipt by Trustee of instructions set forth in clauses (a), (b) or (c) above, and Trustee shall be entitled to rely on any such instructions delivered to it.

Section 8.37 Bankruptcy Proceedings.

The Issuer shall, and shall cause each other Securitization Entity to, promptly object to the institution of any bankruptcy proceeding against it and take all necessary or advisable steps to cause the dismissal of any such proceeding (including, without limiting the generality of the foregoing, to timely file an answer and any other appropriate pleading objecting to (i) the institution of any proceeding to have any Securitization Entity, as the case may be, adjudicated as bankrupt or Insolvent or (ii) the filing of any petition seeking relief, reorganization, arrangement, adjustment or composition or in respect of any Securitization Entity, as the case may be, under applicable bankruptcy law or any other applicable Requirements of Law).

Section 8.38 Mortgages.

Each Guarantor shall, within ninety (90) days following the occurrence of a Mortgage Preparation Event with respect to any Owned Real Property and New Owned Real Property acquired by such Guarantor, execute and deliver to the Control Party (with a copy to the Trustee), for the benefit of the Secured Parties, a mortgage or deed of trust in form reasonably acceptable to the Issuer, the Control Party and the Trustee and suitable for recordation under applicable law with respect to each such Owned Real Property and New Owned Real Property, to be held in escrow by the Control Party or its agent for the benefit of the Secured Parties and recorded by the Control Party or its agent solely upon the occurrence of a Mortgage Recordation Event (subject to Section 3.1(c) hereof); provided and notwithstanding any other provision of this Agreement, that any Prospective Company Restaurant Properties or Company Restaurant Build-Outs valued at less than or equal to $5,000,000 per property will not be subject to such requirements in this Section 8.38 (for the avoidance of doubt, such requirements shall apply to any Prospective Company Restaurant Properties or Company Restaurant Build-Outs valued at more than $5,000,000 per property). The Control Party within five (5) Business Days of receiving direction of the Controlling Class Representative will be required to deliver the Mortgages to the applicable recording office for recordation in the event that any Rapid Amortization Event occurs (or is continuing) on or following the 120th day following the occurrence of a Mortgage Preparation Event, unless such Mortgage Recordation Event is waived by the Control Party (at the direction of the Controlling Class Representative). The Control Party may engage a third-party service provider (which shall be reasonably acceptable to the Control Party) to assist in delivering the Mortgages to the applicable Governmental Authority with respect to such Mortgage for recordation. In addition, within twenty (20) Business Days of a Mortgage Recordation Event (or such additional time as my be required if the Guarantors are pursuing such items with commercially reasonable efforts), the Guarantors shall exercise commercially reasonable efforts to deliver to the Control Party and the Trustee (i) updates to the Closing Title Reports, (ii) lender's Title Policies for those properties for which Closing Title Reports were previously obtained, and (iii) local counsel enforceability opinions with respect to the Mortgages delivered on properties in those states where a material amount of Owned Real Property and New Owned Real Property is located, as reasonably determined by the Securitization Entities. The Control Party shall be reimbursed by the Issuer for any and all reasonable costs and expenses in connection with such Mortgage Recordation Event, including all Mortgage Recordation Fees, all premiums, fees and all other costs (including reasonable attorney's fees) incurred in connection with delivery of the Title Policies and all fees and costs incurred in connection with local counsel enforceability opinions, pursuant to and in accordance with the Priority of Payments. For the avoidance of doubt, the Guarantors shall not be required to, and the Control Party may not, record or cause to be recorded any Mortgage or cause the issuance of any Title Policy or local counsel enforceability opinion until the occurrence of a Mortgage Recordation Event. Neither the Trustee nor any custodian on behalf of the Trustee shall be under any duty or obligation to inspect, review or examine any such Mortgages or to determine that the same are valid, binding, legally effective, properly endorsed, genuine, enforceable or appropriate for the represented purpose or that they are in recordable form. Neither the Trustee nor any agent on its behalf shall in any way be liable for any delays in the recordation of any Mortgage, for the rejection of a Mortgage by any recording office or for the failure of any Mortgage to create in favor of the Trustee, for the benefit of the Secured Parties, legal, valid and enforceable first priority Liens on, and security interests in, the Guarantors' right, title and interest in and to each Owned Real Property and New Owned Real Property, and the Proceeds thereof. Upon the request of the applicable Guarantor, and at the direction of the Manager, the Trustee shall execute and deliver a release of mortgage to be held in escrow pending a closing of a sale of any Owned Real Property or New Owned Real Property; provided that if such closing shall not occur, such release of mortgage shall be returned by the escrow agent directly to the Trustee.

## ARTICLE IX

## REMEDIES

Section 9.1 Rapid Amortization Events.

The Notes will be subject to rapid amortization in whole and not in part following the occurrence of any of the following events as declared by the Control Party (acting at the direction of the Controlling Class Representative) by written notice to the Issuer (with a copy to the Manager, the Back-Up Manager and the Trustee) (each, a "Rapid Amortization Event"); provided, that a Rapid Amortization Event described in clause (f) will occur automatically without any declaration thereof by the Control Party unless the Control Party (acting at the direction of the Controlling Class Representative) and each Noteholder of the applicable Notes that have not been repaid or refinanced in full on or prior to the applicable Series Anticipated Repayment Date have agreed to waive such event in accordance with Section 9.7:

(a) the failure to maintain a P&I DSCR greater than 1.20x as calculated on any Quarterly Calculation Date;

(b) the occurrence of a Manager Termination Event;

(c) the occurrence of an Event of Default;

(d) Twin Hospitality TP Systemwide Sales as calculated on any Quarterly Calculation Date are less than $450,000,000; provided, that such threshold may be increased or decreased at the request of the Issuer subject to approval by the Control Party (acting at the direction of the Controlling Class Representative);

(e) the Senior Leverage Ratio is greater than 7.00x as calculated on any Quarterly Calculation Date;

(f) the occurrence of a Series Anticipated Repayment Date; or

(g) the Controlling Class Representative determines that any of the Issuer, the Manager or FAT Brands has failed to perform or comply in any material respect with any of its obligations under the Side Letter.

Upon the occurrence of a Rapid Amortization Event, the Control Party (acting at the direction of the Controlling Class Representative) will deliver, to the applicable recording office for recordation, any Mortgage granted by a Securitization Party and held in escrow by the Control Party for the benefit of the Secured Parties, unless such requirement to record is waived by the Control Party, acting at the direction of the Controlling Class Representative.

Section 9.2 Events of Default.

If any one of the following events shall occur (each an "Event of Default"):

(a) the Issuer defaults in the payment of interest on any Series of Notes Outstanding when the same becomes due and payable and such default continues for two (2) Business Days (or in the case of a failure to pay such interest when due resulting solely from an administrative error or omission by the Trustee, such failure continues for a period of two (2) Business Days after the earlier of the date on which the Trustee receives written notice or an Authorized Officer of the Trustee has Actual Knowledge of such administrative error or omission); provided, that failure to pay any interest on any Series of Notes (including, but not limited to, the Post-Anticipated Repayment Date Additional Interest and Qualified Equity Offering Additional Interest) other than on the Series Legal Final Maturity Date will not be an Event of Default;

(b) the Issuer (i) defaults in the payment of any principal of any Series of Notes on a Series Legal Final Maturity Date for such Series of Notes or as and when due in connection with any mandatory or optional prepayment (including any failure to make a payment required in accordance with Section 5.10 for a Cash Flow Sweeping Event) or (ii) fails to make any other principal payments due from funds available in the Collection Account in accordance with the Priority of Payments on any Monthly Allocation Date; provided that in the case of a failure to pay principal under either clause (i) or (ii) resulting solely from an administrative error or omission by the Trustee, such failure continues for a period of two (2) Business Days after the earlier of the date on which the Trustee receives written notice or an Authorized Officer of the Trustee has Actual Knowledge of such administrative error or omission; provided, further, that the failure to pay any prepayment premium on any prepayment of principal made during any Rapid Amortization Period occurring prior to the related Series Anticipated Repayment Date will not be an Event of Default;

(c) any Securitization Entity fails to perform or comply in any material respect with any of the covenants (other than those covered by clause (a) or clause (b) above) (including any covenant to pay any amount other than interest on or principal of the Notes when due in accordance with the Priority of Payments), or any of its representations or warranties contained in any Transaction Document to which it is a party proves to be incorrect in any material respect as of the date made or deemed to be made, and such default, failure or breach continues for a period of thirty (30) consecutive days or, in the case of a failure to comply with any of the agreements, covenants or provisions of the IP License Agreements, such longer cure period as may be permitted under the IP License Agreements (or, solely with respect to a failure to comply with (i) any obligation to deliver a notice, financial statement, report or other communication within the specified time frame set forth in the applicable Transaction Document, such failure continues for a period of five (5) consecutive Business Days after the specified time frame for delivery has elapsed or (ii) Sections 8.7, 8.12, 8.13, 8.14, 8.15, 8.17, 8.18, 8.19, 8.20, 8.21, 8.22, 8.23, 8.24, 8.25, 8.27 and 8.28, such failure continues for a period of ten (10) consecutive Business Days), in each case, following the earlier to occur of the Actual Knowledge of such Securitization Entity of such breach or failure and the default caused thereby or written notice to such Securitization Entity by the Trustee, the Back-Up Manager or the Control Party (acting at the direction of the Controlling Class Representative) of such default, breach or failure; provided, that no Event of Default shall occur pursuant to this clause (c) if, with respect to any such representation deemed to have been false in any material respect when made which can be remedied by making a payment of an Indemnification Amount, (i) the Manager has paid the required Indemnification Amount in accordance with the terms of the Transaction Documents and (ii) such Indemnification Amount has been deposited into the Collection Account;

(d) the occurrence of an Event of Bankruptcy with respect to any Securitization Entity;

(e) the Interest-Only DSCR as calculated as of any Quarterly Calculation Date is less than or equal to 1.10x;

(f) the SEC or other regulatory body having jurisdiction reaches a final determination that any Securitization Entity is required to register as an "investment company" under the 1940 Act or is under the "control" of a Person that is required to register as an "investment company" under the 1940 Act;

(g) any of the Transaction Documents or any material portion thereof ceases to be in full force and effect or enforceable in accordance with its terms (other than in accordance with the express termination provisions thereof) or any Securitization Entity or Non-Securitization Entity so asserts in writing;

(h) the Trustee ceases to have for any reason a valid and perfected first priority security interest in the Collateral (subject to Permitted Liens) in which perfection can be achieved under the UCC or other applicable Requirements of Law in the United States to the extent required by the Transaction Documents or the Issuer or any Affiliate thereof so asserts in writing;

(i) any Securitization Entity fails to perform or comply with any material provision of its organizational documents or any provision of Section 8.24 relating to legal separateness of the Securitization Entities, which failure is reasonably likely to cause the contribution of the Collateral to such Securitization Entity pursuant to the related Contribution Agreement to fail to constitute a "true contribution" or other absolute transfer of such Collateral pursuant to the related Contribution Agreement or is reasonably likely to cause a court of competent jurisdiction to disregard the separate existence of such Securitization Entity relative to any Person other than another Securitization Entity and, in each case, such failure continues for more than thirty (30) consecutive days following the earlier to occur of the Actual Knowledge of such Securitization Entity or written notice to such Securitization Entity from the Trustee, the Back-Up Manager or the Control Party (acting at the direction of the Controlling Class Representative) of such failure;

(j) a final non-appealable ruling has been made by a court of competent jurisdiction that the contribution of the Collateral (other than any immaterial portion of the Collateral and any Collateral that has been disposed of to the extent permitted or required under the Transaction Documents) pursuant to the related Contribution Agreement does not constitute a "true contribution" or other absolute transfer of such Collateral pursuant to such agreement;

(k) an outstanding final non-appealable judgment for an amount exceeding $2,000,000 (when aggregated with the amount of all other outstanding final non-appealable judgments) (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage) is rendered against any Securitization Entity, and either (i) enforcement proceedings are commenced by any creditor upon such judgment or order or (ii) there is any period of thirty (30) consecutive days during which such judgment remains unsatisfied or a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, will not be in effect;

(l) the failure of (i) the Manager to own, directly or indirectly, 100% of the Equity Interests of the Issuer; or (ii) the Issuer to own, directly or indirectly, 100% of the Equity Interests of each Guarantor; provided, the 3% contractual profits interest from operations of Twin Restaurant Burleson, LLC payable to FAT Brands Development 3, LLC pursuant to the Profits Interest Agreement, dated as of the Closing Date, between Twin Restaurant Burleson, LLC and FAT Brands Development 3, LLC and the 3% contractual profits interest from operations of Twin Restaurant Grand Prairie Beverage Holding, LLC payable to FAT Brands Development 5, LLC pursuant to the Profits Interest Agreement, dated as of the Closing Date, between Twin Restaurant Grand Prairie, LLC and FAT Brands Development 5, LLC shall not be considered to be in violation of either of the foregoing clauses (i) or (ii);

(m) other than as permitted under the Indenture or the other Transaction Documents, the Guarantors and any Additional IP Holders collectively fail to have good title to any material portion of the Securitization IP or the Issuer shall fail to have good title in or to any material portion of the Collateral;

(n) the IRS files notice of a lien pursuant to Section 6323 of the Code with regard to the assets of any Securitization Entity and such lien has not been released within sixty (60) days, unless (i) Twin Hospitality or a Subsidiary thereof has provided evidence that payment to satisfy the full amount of the asserted liability has been provided to the IRS, and the IRS has released such asserted lien within sixty (60) days of such payment, or (ii) such lien or the asserted liability is being contested in good faith and Twin Hospitality has contributed to the Securitization Entities funds in the amount necessary to satisfy the asserted liability (the "Tax Lien Reserve Amount"), which such funds are set aside and remitted to a collateral deposit account as provided in Section 8.36;

(o) following the completion of a Qualified Equity Offering, the Issuer has not received 75% of any Qualified Equity Offering Proceeds in the Collection Account within four (4) Business Days of the Manager's receipt, until (i) an aggregate amount of Qualified Equity Offering Proceeds equal to $75,000,000 has been deposited and (ii) an aggregate amount of Qualified Equity Offering Proceeds equal to $25,000,000 has been made available to the Manager as working capital;

(p) if either the Back-Up Manager or Control Party is terminated or resigns and is not replaced in accordance with the time periods set forth in the applicable Transaction Documents;

(q) (i) any Securitization Entity engages in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Pension Plan, (ii) any failure to meet the "minimum funding standard" (as defined in Section 302 of ERISA), whether or not waived, exists with respect to any Pension Plan and is not discharged within thirty (30) days thereafter, (iii) any Lien in an amount equal to at least $1,000,000 in favor of the PBGC or a Pension Plan arises on the assets of any Securitization Entity and is not discharged within thirty (30) days thereafter, (iv) a Reportable Event occurs with respect to, or proceedings are commenced in writing (pursuant to Section 4042 of ERISA) to have a trustee appointed, or a trustee is appointed, to administer or to terminate, any Pension Plan, which Reportable Event or commencement of proceedings in writing or appointment of a trustee would reasonably be expected to result in the termination of such Pension Plan for purposes of Title IV of ERISA, (v) any Pension Plan terminates (pursuant to Section 4041(c) of ERISA), or (vi) any Securitization Entity incurs any liability in connection with a complete or partial withdrawal from, or the insolvency (pursuant to Section 4245 of ERISA) or termination (pursuant to Section 4041A of ERISA) of, a Multiemployer Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect on any Securitization Entity;

(r) a final non-appealable non-monetary judgment has been made by a court of competent jurisdiction that materially impairs (i) the Securitization Entities' ability to conduct their business as of such date, taken as a whole, or (ii) the exercise of the Securitization Entities' or of the Trustee's rights with respect to the Collateral;

(s) an Advance Period has continued for ninety (90) or more consecutive days; or

(t) the failure to repay the Notes in connection with any change of control in accordance with the Side Letter;

then (i) in the case of any event described in each clause above (except for clause (d) thereof) that is continuing the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) and on behalf of the Noteholders, by written notice to the Issuer (unless no written notice is required under this Indenture), will accelerate and declare the Outstanding Principal Amount of all Series of Notes Outstanding to be immediately due and payable, and upon any such declaration, such Outstanding Principal Amount, together with accrued and unpaid interest thereon through the date of acceleration, and all other amounts due to the Noteholders and the other Secured Parties under the Transaction Documents shall become immediately due and payable or (ii) in the case of any event described in clause (d) above that has occurred and is continuing, the Outstanding Principal Amount of all Series of Notes Outstanding, together with interest accrued but unpaid thereon through the date of acceleration, and all other amounts due to the Noteholders and the other Secured Parties under the Indenture, shall immediately and without further act accelerate and become due and payable.

If any Securitization Entity obtains Actual Knowledge that a Default or an Event of Default has occurred and is continuing, such Securitization Entity shall promptly notify the Trustee, the Back-Up Manager and the Control Party. Promptly following the Trustee's receipt of written notice hereunder of any Event of Default, the Trustee shall send a copy thereof to the Issuer, the Control Party, the Controlling Class Representative, the Manager, the Back-Up Manager, each Noteholder and each other Secured Party.

At any time after such a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee, as hereinafter provided in this Article IX, the Control Party (acting at the direction of the Controlling Class Representative), by written notice to the Issuer and to the Trustee, may rescind and annul such declaration and its consequences, if (i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay (a) all overdue installments of interest and principal on the Notes (excluding principal amounts due solely as a result of the acceleration), and (b) all unpaid taxes, administrative expenses and other sums paid by the Trustee or paid by the Control Party under the Transaction Documents and the reasonable compensation, expenses and disbursements of the Trustee and the Control Party, their respective agents and counsel, as applicable, and any unreimbursed Manager Advances, fees and expenses due and payable to the Control Party and any fees, expenses and other amounts due and payable to the Trustee, the Back-Up Manager and the Controlling Class Representative and (ii) all existing Events of Default, other than the non-payment of the principal of the Notes which has become due solely by such declaration of acceleration, have been cured or waived as provided in Section 9.7. No such rescission shall affect any subsequent default or impair any right consequent thereon. Any Default or Event of Default described in clause (d) above will not be subject to waiver without the consent of the Control Party (acting at the direction of the Controlling Class Representative) and each Noteholder. Any other Default or Event of Default may be waived by the Control Party (acting at the direction of the Controlling Class Representative) by notice to the Trustee.

Section 9.3 Rights of the Control Party and Trustee upon Event of Default.

(a) Payment of Principal and Interest. The Issuer covenants that if (i) default is made in the payment of any interest on any Series of Notes Outstanding when the same becomes due and payable, (ii) the Notes are accelerated following the occurrence of an Event of Default or (iii) default is made in the payment of the principal of, or premium, if any, on any Series of Notes Outstanding when due and payable, the Issuer will, upon demand by the Trustee (and, in the case of any default that is made in the payment of any interest on any Series of Notes Outstanding when the same becomes due and payable (other than on the Series Legal Final Maturity Date or on any other date on which the Outstanding Principal Amount of the Notes of such Series is required to be paid in full), to the extent of funds available) at the direction of the Control Party (acting at the direction of the Controlling Class Representative), pay to the Trustee, for the benefit of the Noteholders, the whole amount then due and payable on the Notes for principal, premium, if any, and interest, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the applicable Note Rate and any default rate, as applicable, and in addition thereto such further amount as shall be sufficient to cover costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

(b) Proceedings To Collect Money. In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee at the direction of the Control Party (acting at the direction of the Controlling Class Representative), in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Issuer and collect in the manner provided by law out of the property of the Issuer, wherever situated, the moneys adjudged or decreed to be payable.

(c) Other Proceedings. If and whenever an Event of Default shall have occurred and be continuing, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) shall be entitled to take one or more of the following actions:

(i) proceed to protect and enforce its rights and the rights of the Noteholders and the other Secured Parties, by such appropriate Proceedings as the Control Party (acting at the direction of the Controlling Class Representative) shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in the Indenture or any other Transaction Document or in aid of the exercise of any power granted therein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by the Indenture or any other Transaction Document or by law, including any remedies of a secured party under applicable Requirements of Law;

(ii) (A) direct the Issuer to exercise (and the Issuer agrees to exercise) all rights, remedies, powers, privileges and claims of the Issuer against any party to any Collateral Document arising as a result of the occurrence of such Event of Default or otherwise, including the right or power to take any action to compel performance or observance by any such party of its obligations to the Issuer, and any right of the Issuer to take such action independent of such direction shall be suspended, and (B) if (x) the Issuer shall have failed, within ten (10) Business Days of receiving the direction of the Trustee (given at the direction of the Control Party (acting at the direction of the Controlling Class Representative)), to take commercially reasonable action to accomplish such directions of the Trustee, (y) the Issuer refuses to take such action or (z) the Control Party (acting at the direction of the Controlling Class Representative) reasonably determines that such action must be taken immediately, take (or the Control Party on behalf of the Trustee shall take) such previously directed action (and any related action as permitted under the Indenture thereafter determined by the Trustee or the Control Party to be appropriate without the need under this provision or any other provision under the Indenture to direct the Issuer to take such action);

(iii) institute Proceedings from time to time for the complete or partial foreclosure of the Indenture or, to the extent applicable, any other Transaction Document, with respect to the Collateral; provided that the Trustee will not be required to take title to any real property in connection with any foreclosure or other exercise of remedies hereunder or under such Transaction Documents and title to such property will instead be acquired in an entity designated and (unless owned by a third party) controlled by the Control Party; and/or

(iv) sell all or a portion of the Collateral at one or more public or private sales called and conducted in any manner permitted by law; provided, however, that the Trustee shall not proceed with any such sale without the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative) and the Trustee will provide notice to the Issuer and each Holder of Senior Notes, Subordinated Notes and Senior Subordinated Notes of a proposed sale of Collateral.

(d) Sale of Collateral. In connection with any sale of the Collateral hereunder, under the Guarantee and Collateral Agreement (which may proceed separately and independently from the exercise of remedies under the Indenture), under any Mortgage or under any judgment, order or decree in any judicial proceeding for the foreclosure or involving the enforcement of the Indenture, the Guarantee and Collateral Agreement or any other Transaction Document:

(i) any of the Trustee, any Noteholder and/or any other Secured Party may bid for and purchase the property being sold, and upon compliance with the terms of the sale may hold, retain, possess and dispose of such property in its own absolute right without further accountability;

(ii) the Trustee (acting at the direction of the Control Party (acting at the direction of the Controlling Class Representative)) may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(iii) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of any Securitization Entity of, in and to the property so sold shall be divested; and such sale shall be a perpetual bar both at law and in equity against such Securitization Entity, its successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof from, through or under such Securitization Entity or its successors or assigns;

(iv) the receipt of the Trustee or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for its or their purchase money, and such purchaser or purchasers, and its or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Trustee or of such officer thereof, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof; and

(v) any amounts obtained by the Trustee or the Control Party on account of or as a result of the exercise by the Trustee or the Control Party of any of its rights under the Indenture or under the Guarantee and Collateral Agreement, other than with respect to amounts owed to a depository bank or securities intermediary under the related Account Control Agreement, will be held by the Trustee as additional collateral for the repayment of the Obligations, shall be deposited in the Collection Account and, other than with respect to amounts owed to a depository bank or securities intermediary under the related Account Control Agreement, shall be applied in the priority set forth in this Section 5.10 hereof; provided that, unless otherwise provided in the Indenture, with respect to any distribution to any Class of Notes, such amounts will be distributed sequentially in order of alphabetical (as opposed to alphanumerical) designation and pro rata among each Class of Notes of the same alphabetical designation based upon the Outstanding Principal Amount of the Notes of each such Class.

(e) Application of Proceeds. Any amounts obtained by the Trustee or the Control Party on account of or as a result of the exercise by the Trustee or the Control Party of any right hereunder or under the Guarantee and Collateral Agreement shall be held by the Trustee as additional Collateral for the repayment of the Obligations, shall be deposited into the Collection Account and shall be applied as provided in the priority set forth in the Priority of Payments; provided, however, that unless otherwise provided in this Article IX, with respect to any distribution to any Class of Notes, notwithstanding the provisions of Article V, such amounts shall be distributed sequentially in order of alphabetical (as opposed to alphanumerical) designation and pro rata among each Class of Notes of the same alphabetical designation based upon the Outstanding Principal Amount of the Notes of each such Class.

(f) Additional Remedies. In addition to any rights and remedies now or hereafter granted hereunder or under applicable law with respect to the Collateral, the Trustee shall have all of the rights and remedies of a secured party under the UCC as enacted in any applicable jurisdiction.

(g) Proceedings. The Trustee may maintain a Proceeding even if it does not possess any of the Notes or does not produce any of them in the Proceeding, and any such Proceeding instituted by the Trustee shall be in its own name as trustee. All remedies are cumulative to the extent permitted by law.

(h) Power of Attorney. The Issuer hereby grants to the Trustee an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the PTO, United States Copyright Office, any similar office or agency in each foreign country in which any Securitization IP is located, or any other Governmental Authority in order to effect an absolute assignment of all right, title and interest in or to any Securitization IP, and record the same.

Section 9.4 Waiver of Appraisal, Valuation, Stay and Right to Marshaling.

To the extent it may lawfully do so, the Issuer for itself and for any Person who may claim through or under it hereby:

(a) agrees that neither it nor any such Person will step up, plead, claim or in any manner whatsoever take advantage of any appraisal, valuation, stay, extension or redemption laws, now or hereafter in force in any jurisdiction, which may delay, prevent or otherwise hinder (i) the performance, enforcement or foreclosure of the Indenture or the Guarantee and Collateral Agreement, (ii) the sale of any of the Collateral or (iii) the putting of the purchaser or purchasers thereof into possession of such property immediately after the sale thereof;

(b) waives all benefit or advantage of any such laws;

(c) waives and releases all rights to have the Collateral marshaled upon any foreclosure, sale or other enforcement of the Indenture; and

(d) consents and agrees that, subject to the terms of the Indenture and the Guarantee and Collateral Agreement, all the Collateral may at any such sale be sold by the Trustee as an entirety or in such portions as the Trustee may (upon direction by the Control Party (acting at the direction of the Controlling Class Representative)) determine.

Section 9.5 Limited Recourse.

Notwithstanding any other provision of the Indenture, the Notes or any other Transaction Document or otherwise, the liability of the Issuer to the Noteholders and any other Secured Parties under or in relation to the Indenture, the Notes or any other Transaction Document or otherwise, is limited in recourse to the assets of the Issuer and the Guarantors. The proceeds of such assets having been applied in accordance with the terms hereof, none of the Noteholders or any other Secured Parties shall be entitled to take any further steps against Issuer to recover any sums due but still unpaid hereunder, under the Notes or under any of the other agreements or documents described in this Section 9.5, all claims in respect of which shall be extinguished.

Section 9.6 Optional Preservation of the Collateral.

If the maturity of the Outstanding Notes of each Series has been accelerated pursuant to Section 9.2 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative), subject to the other terms and provisions hereof, shall elect to maintain possession of such portion, if any, of the Collateral as the Control Party (acting at the direction of the Controlling Class Representative) shall in its discretion determine.

Section 9.7 Waiver of Past Events.

Prior to the declaration of the acceleration of the maturity of each Series of Notes Outstanding as provided in Section 9.2 and subject to Section 13.2, the Control Party (acting at the direction of the Controlling Class Representative) by notice to the Trustee and the Back-Up Manager, may waive any existing Default or Event of Default described in any clause of Section 9.2 (except clause (d) thereof) and its consequences; provided, however, that before any waiver may be effective, the Trustee, the Back-Up Manager and the Control Party must have received any amounts then due to the Control Party, the Back-Up Manager or the Trustee hereunder or under the Transaction Documents; provided, further, that the Control Party shall provide written notice of any such waiver to the Issuer. Upon any such waiver, such Default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon. A Default or an Event of Default described in Section 9.2(d) shall not be subject to waiver without the consent of the Control Party (acting at the direction of the Controlling Class Representative) and each Noteholder. Subject to Section 13.2, the Control Party (acting at the direction of the Controlling Class Representative), by notice to the Trustee and the Back-Up Manager, may waive any existing Potential Rapid Amortization Event or any existing Rapid Amortization Event; provided however, that a Rapid Amortization Event pursuant to Section 9.1(d) relating to a particular Series of Notes (or Class, Subclass or Tranche thereof) shall not be permitted to be waived by any party unless each Noteholder of such Series of Notes (or Class, Subclass or Tranche thereof) that have not been repaid or refinanced in full prior to the applicable Series Anticipated Payment Date has consented to such waiver.

Section 9.8 Control by the Control Party.

Notwithstanding any other provision hereof, the Control Party (acting at the direction of the Controlling Class Representative) may, subject to the terms hereof, cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercise any trust or power conferred on the Trustee; provided that:

(a) such direction of time, method and place shall not be in conflict with any rule of law or with the Indenture;

(b) the Control Party may take any other action deemed proper by the Control Party that is not inconsistent with the direction of the Controlling Class Representative (as such direction may be modified by the Controlling Class Representative); and

(c) such direction shall be in writing.

Notwithstanding anything herein to the contrary, the Trustee need not take any action that it determines might involve it in liability unless it has received an indemnity for such liability as provided herein.

Section 9.9 Limitation on Suits.

Any other provision of the Indenture to the contrary notwithstanding, a Holder of Notes may pursue a remedy with respect to the Indenture or any other Transaction Document only if:

(a) the Noteholder gives to the Trustee, the Control Party and the Controlling Class Representative written notice of a continuing Event of Default;

(b) the Noteholders of at least 25% of the Aggregate Outstanding Principal Amount of all then Outstanding Notes make a written request to the Trustee, the Control Party and the Controlling Class Representative to pursue the remedy;

(c) such Noteholder or Noteholders offer and, if requested, provide to the Trustee, the Control Party and the Controlling Class Representative an indemnity satisfactory to the Trustee, the Control Party and the Controlling Class Representative against any loss, liability or expense;

(d) the Trustee does not comply with the request within sixty (60) days after receipt of the request and the offer and, if requested, the provision of indemnity reasonably satisfactory to it;

(e) during such sixty (60) day period, the Majority of Super Senior Noteholders do not give the Trustee a direction inconsistent with the request; and

(f) the Control Party (acting at the direction of the Controlling Class Representative) has consented to the pursuit of such remedy.

A Noteholder may not use the Indenture or any other Transaction Document to prejudice the rights of another Noteholder or to obtain a preference or priority over another Noteholder.

Section 9.10 Unconditional Rights of Noteholders to Receive Payment.

Notwithstanding any other provision of the Indenture, the right of any Holder of a Note to receive payment of principal of, and premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note, or to bring suit for the enforcement of any such payment on or after such respective dates, is absolute and unconditional and shall not be impaired or affected without the consent of the Holder of the Note.

Section 9.11 The Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel), the Noteholders and any other Secured Party (as applicable) allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes), its creditors or its property, and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claim and any custodian in any such judicial proceeding is hereby authorized by each Noteholder and each other Secured Party to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Noteholders or any other Secured Party, to pay the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.5. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.5 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money and other properties which any of the Noteholders or any other Secured Party may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder or any other Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Noteholder or any other Secured Party, or to authorize the Trustee to vote in respect of the claim of any Noteholder or any other Secured Party in any such proceeding.

Section 9.12 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under the Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of any undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 9.12 does not apply to a suit by the Trustee, a suit by a Noteholder pursuant to Section 9.9 or a suit by Noteholders of more than 10% of the Aggregate Outstanding Principal Amount of all Series of Notes.

Section 9.13 Restoration of Rights and Remedies.

If the Trustee, any Noteholder or any other Secured Party has instituted any Proceeding to enforce any right or remedy under the Indenture or any other Transaction Document and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder or other Secured Party, then and in every such case the Trustee and the Noteholders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee, the Noteholders and the other Secured Parties shall continue as though no such Proceeding had been instituted.

Section 9.14 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes or any other Secured Party is intended to be exclusive of any other right or remedy, and every right or remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under the Indenture or any other Transaction Document or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under the Indenture or any other Transaction Document, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.15 Delay or Omission Not Waiver.

No delay or omission of the Trustee, the Control Party, the Controlling Class Representative, any Holder of any Note or any other Secured Party to exercise any right or remedy accruing upon any Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article IX or by law to the Trustee, the Control Party, the Controlling Class Representative, the Holders of Notes or any other Secured Party may be exercised from time to time to the extent not inconsistent with the Indenture, and as often as may be deemed expedient, by the Trustee, the Control Party, the Controlling Class Representative, the Holders of Notes or any other Secured Party, as the case may be.

Section 9.16 Waiver of Stay or Extension Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of the Indenture or any other Transaction Document; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantages of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, the Control Party or the Controlling Class Representative, but will suffer and permit the execution of every such power as though no such law had been enacted.

## ARTICLE X

## THE TRUSTEE

Section 10.1 Duties of the Trustee.

(a) If an Event of Default or a Rapid Amortization Event of which a Trust Officer of the Trustee shall have Actual Knowledge has occurred and is continuing, the Trustee shall (except in the case of the receipt of directions with respect to such matter from the Control Party in accordance with the terms of this Base Indenture or any other Transaction Document in which event the Trustee's sole responsibility will, subject to the term hereof, be to await such directions and act or refrain from acting in accordance with such directions) provide notice thereof to the Control Party and the Back-Up Manager and exercise the rights and powers vested in it by this Base Indenture and the other Transaction Documents, and use the same degree of care and skill in its exercise, as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs; provided that the Trustee will have no liability in connection with any action or inaction taken, or not taken, by it upon the deemed occurrence of an Event of Default, a Rapid Amortization Event, a Manager Termination Event or a Control Party Termination Event of which a Trust Officer has not received written notice; provided, further, that the Trustee will have no liability in connection with any action or inaction due to the acts or failure to act of the Control Party or the Controlling Class Representative in connection with any Event of Default, Rapid Amortization Event, Manager Termination Event or Control Party Termination Event, or for acting or failing to act due to any direction or lack of direction from the Control Party or the Controlling Class Representative. The preceding sentence shall not have the effect of insulating the Trustee from liability arising out of the Trustee's negligence, fraud, bad faith or willful misconduct. The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of the Indenture, shall examine them to determine whether they conform on their face to the requirements of this Base Indenture; provided that the Trustee shall not be responsible for the accuracy or content of any resolution, certificate, statement, opinion, report, document, order or other instrument furnished by the Issuer under the Indenture. The Issuer and, by its acceptance of a Note, each Holder directs the Trustee to execute and deliver the Transaction Documents to which it is a party.

(b) Except during the occurrence and continuance of an Event of Default or a Rapid Amortization Event of which the Trustee shall have Actual Knowledge:

(i) The Trustee undertakes to perform only those duties that are specifically set forth in the Indenture or any other Transaction Document to which it is a party and no others, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Base Indenture or any other Transaction Documents to which it is a party, and no other duties or implied covenants or obligations shall be read into the Indenture or any other Transaction Document against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture and any other applicable Transaction Document; provided, however, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine such certificates or opinions to determine whether or not they conform to the requirements of the Indenture.

(c) The Trustee may not be relieved from liability for its own negligence, fraud, bad faith or willful misconduct, except that:

(i) This clause (c) does not limit the effect of clause (a) of this Section 10.1.

(ii) The Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is conclusively determined by a court of competent jurisdiction no longer subject to appeal that the Trustee was grossly negligent in ascertaining the pertinent facts.

(iii) The Trustee shall not be liable with respect to any action it takes, suffers or omits to take in good faith at the direction of the Manager, the Issuer, the Control Party and/or any Noteholder if direction from such Person is contemplated by the Transaction Documents; provided that the Trustee shall have no responsibility for determining whether any such party is authorized to provide such direction hereunder or under any other Transaction Document.

(iv) The Trustee shall not be charged with knowledge of any Mortgage Recordation Event, Default, Event of Default, Potential Rapid Amortization Event, Rapid Amortization Event, Manager Termination Event, Potential Manager Termination Event or Control Party Termination Event or the commencement and continuation of a Cash Flow Sweeping Period until such time as a Trust Officer shall have Actual Knowledge or have received written notice thereof. In the absence of such Actual Knowledge or receipt of such notice, the Trustee may conclusively assume that no such event has occurred or is continuing.

(d) Notwithstanding anything to the contrary contained in the Indenture or any of the other Transaction Documents, no provision of the Indenture or the other Transaction Documents shall require the Trustee to expend or risk its own funds or incur any liability, financial or otherwise, in the performance of any of its duties or exercise of its rights or powers hereunder, if it has reasonable grounds for believing that repayment of such funds or adequate security or indemnity against such risk or liability is not reasonably assured to it. The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any risk, loss, liability or expense.

(e) In the event that the Paying Agent or the Note Registrar shall fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Paying Agent or the Note Registrar, as the case may be, under the Indenture, the Trustee shall be obligated as soon as practicable upon Actual Knowledge of a Trust Officer thereof and receipt of appropriate records and information, if any, to perform such obligation, duty or agreement in the manner so required.

(f) Subject to Section 10.3, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law or the Indenture or any of the other Transaction Documents to which the Trustee is a party.

(g) Whether or not therein expressly so provided, every provision of the Indenture and the other Transaction Documents relating to the conduct of, affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section 10.1.

(h) The Trustee shall not be responsible (i) for the existence, genuineness or value of any of the Collateral, (ii) for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, (iii) for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, (iv) for the validity of the title of the Securitization Entities to the Collateral, (v) for insuring the Collateral or (vi) for the payment of Taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Trustee shall have no duty to inquire as to the performance or observance of any of the terms of the Indenture or the other Transaction Documents by the Securitization Entities.

(i) The Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the Indenture or at the direction of the Control Party, the Controlling Class Representative or the Holders of the requisite percentage of Notes, relating to the time, method and place for conducting any proceeding for any remedy available to the Trustee, exercising any trust or power conferred upon the Trustee under this Base Indenture or any other circumstances in which such direction is required or permitted by the terms of this Base Indenture.

(j) The Trustee shall have no duty (i) to see to any recording, filing or depositing of this Base Indenture or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recordings or filing or depositing or to any rerecording, refiling or redeposition of any thereof; (ii) to see to any insurance, (iii) except as otherwise provided by Section 10.1(e), to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind or (iv) to confirm or verify the contents of any reports or certificates, or other documents of the Manager, the Control Party, the Back-Up Manager or any other Person delivered to the Trustee pursuant to this Base Indenture or any other Transaction Document believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties; provided that the Trustee may conclusively rely upon such documents and shall be fully protected in acting or refraining from acting thereon.

(k) The Trustee shall not be liable for special, indirect, consequential or punitive loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 10.2 Rights of the Trustee.

Except as otherwise provided by Section 10.1:

(a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting based upon any resolution, Officer's Certificate, Opinion of Counsel, certificate, instrument, report, consent, order, document or other paper reasonably believed by it to be genuine and to have been signed by or presented by the proper person.

(b) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through agents, custodians and nominees and shall not be liable for any misconduct or negligence on the part of, or for the supervision of, any such non-affiliated agent, custodian or nominee so long as such agent, custodian or nominee is appointed with due care; provided, however, the Trustee shall have received the consent of the Control Party prior to the appointment of any agent, custodian or nominee performing any material obligation of the Trustee hereunder.

(d) The Trustee shall not be liable for any action it takes, suffers or omits to take in the absence of gross negligence, fraud, bad faith and willful misconduct which it believes to be authorized or within the discretion or rights or powers conferred upon it by the Indenture or the applicable Transaction Documents.

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Base Indenture, any Series Supplement or any other Transaction Document, or to institute, conduct or defend any litigation hereunder or thereunder or in relation hereto or thereto, at the request, order or direction of the Control Party, the Controlling Class Representative, any of the Noteholders or any other Secured Party pursuant to the provisions of this Base Indenture, any Series Supplement or any other Transaction Document, unless the Trustee has been offered security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities that may be incurred by it in compliance with such request, order or direction.

(f) The Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by the Noteholders of at least 25% of the Aggregate Outstanding Principal Amount of all then Outstanding Notes. If the Trustee is so requested or determines in its own discretion to make such further inquiry or investigation into such facts or matters as it sees fit, the Trustee shall be entitled to examine the books, records and premises of the Securitization Entities, personally or by agent or attorney, at the sole cost of the Issuer and the Trustee shall incur no liability by reason of such inquiry or investigation.

(g) The right of the Trustee to perform any discretionary act enumerated in this Base Indenture shall not be construed as a duty, and the Trustee shall be not be liable in the absence of negligence, fraud, bad faith or willful misconduct for the performance of such act.

(h) In accordance with Section 326 of the U.S.A. Patriot Act, to help fight the funding of terrorism and money laundering activities, the Trustee will obtain, verify, and record information that identifies individuals or entities that establish a relationship or open an account with the Trustee. The Trustee will ask for the name, address, tax identification number and other information that will allow the Trustee to identify the individual or entity who is establishing the relationship or opening the account. The Trustee may also ask for formation documents such as articles of incorporation, an offering memorandum, or other identifying documents to be provided.

(i) Notwithstanding anything to the contrary herein, any and all communications (both text and attachments) by or from the Trustee that the Trustee in its sole discretion deems to contain confidential, proprietary or sensitive information and sent by electronic mail will be encrypted. The recipient of the email communication will be required to complete a one-time registration process.

(j) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Base Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents; labor disputes; acts of civil or military authority or governmental actions (it being understood that the Trustee shall use commercially reasonable efforts to resume performance as soon as practicable under the circumstances).

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the trust created hereby or the powers granted hereunder.

(l) All rights of action and claims under this Base Indenture may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, any such proceeding instituted by the Trustee shall be brought in its own name or in its capacity as Trustee. Any recovery of judgment shall, after provision for the payments to the Trustee provided for in Section 10.5, be distributed in accordance with the Priority of Payments.

(m) The Trustee may request written direction from any applicable party any time the Indenture provides that the Trustee may be directed to act.

(n) Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by a Company Order.

(o) Whenever in the administration of the Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee may, in the absence of bad faith, gross negligence or willful misconduct on its part, rely upon an Officer’s Certificate of the Issuer, the Manager or the Control Party and shall incur no liability for its reliance thereon.

(p) The Trustee shall not be responsible for the accuracy of the books or records of, or for any acts or omissions of DTC, any transfer agent (other than the Trustee itself acting in that capacity), any calculation agent (other than the Trustee itself acting in that capacity), or any agent appointed by it with due care or any Paying Agent (other than the Trustee itself acting in that capacity).

(q) The Trustee and its Affiliates are permitted to receive additional compensation that could be deemed to be in the Trustee's economic self-interest for (i) serving as an investment advisor, administrator, shareholder servicing agent, custodian or sub-custodian with respect to certain Eligible Investments, (ii) using Affiliates to effect transactions in certain Eligible Investments and (iii) effecting transactions in certain Eligible Investments. The Trustee does not guarantee the performance of any Eligible Investments.

(r) The Trustee shall have no obligation to invest and reinvest any cash held in the absence of timely and specific written investment direction from the Control Party or the Issuer. In no event shall the Trustee be liable for the selection of investments or for investment losses incurred thereon. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Control Party or the Issuer to provide timely written investment direction.

(s) The Trustee shall have no obligation to calculate nor shall it be responsible or liable for any calculation of the P&I DSCR or the Interest-Only DSCR.

(t) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Bank, in each case, with respect to each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(u) The Trustee shall be afforded, in each Transaction Document, all of the rights, powers, immunities and indemnities granted to it in this Base Indenture as if such rights, powers, immunities and indemnities were specifically set out in each such Transaction Document.

(v) For any purpose under the Transaction Documents, the Trustee may conclusively assume without incurring liability therefor that no Notes are held by any of the Securitization Entities, any other obligor upon the Notes, the Manager or any Affiliate of any of them unless a Trust Officer has received written notice at the Corporate Trust Office that any Notes are so held by any of the Securitization Entities, any other obligor upon the Notes, the Manager or any Affiliate of any of them.

(w) The Trustee shall not have any responsibility to make any inquiry or investigation as to, and shall have no obligation in respect of, the terms of an engagement of Independent Auditors by the Issuer (or the Manager on behalf of the Issuer) or the terms of any agreed upon procedures in respect of such engagement; provided that the Trustee shall be authorized, upon receipt of a Company Order directing the same, to execute any acknowledgment or other agreement with the Independent Auditors required for the Trustee to receive any of the reports or instructions provided herein, which acknowledgment or agreement may include, among other things, (i) acknowledgment that the Issuer has agreed that the procedures to be performed by the Independent Auditors are sufficient for the Issuer's purposes, (ii) releases by the Trustee (on behalf of itself and the Holders) of claims against the Independent Auditors, and (iii) restrictions or prohibitions on the disclosure of information or documents provided to it by such firm of Independent Auditors (including to the Holders). Notwithstanding the foregoing, in no event shall the Trustee be required to execute any agreement in respect of the Independent Auditors that the Trustee reasonably determines adversely affects it.

(x) UMB Bank, N.A. (in each of its capacities, the "Bank") agrees to accept and act upon instructions or directions pursuant to this Base Indenture, the Guarantee and Collateral Agreement or any documents executed in connection herewith or therewith sent by unsecured email, facsimile transmission or other similar unsecured electronic methods; provided, however, that any person providing such instructions or directions shall provide to the Bank an incumbency certificate listing persons designated to provide such instructions or directions (including the email addresses of such persons), which incumbency certificate shall be amended whenever a person is added or deleted from the listing. If such person elects to give the Bank email (or .pdf or similar files) or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's reasonable understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflicting with or being inconsistent with a subsequent written instruction. Any person providing such instructions or directions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.3 Individual Rights of the Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Securitization Entities or an Affiliate of the Securitization Entities with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 10.4 Notice of Events of Default and Defaults.

If an Event of Default, a Default, a Rapid Amortization Event or a Potential Rapid Amortization Event occurs and is continuing of which the Trustee has Actual Knowledge or written notice of the existence thereof has been delivered to a Trust Officer of the Trustee at the Corporate Trust Office, the Trustee shall promptly provide the Noteholders, the Control Party, the Manager, the Back-Up Manager and the Issuer with notice of such Event of Default, Default, Rapid Amortization Event or Potential Rapid Amortization Event by e-mail or first class mail.

Section 10.5 Compensation and Indemnity.

(a) The Issuer shall promptly pay to the Trustee from time to time compensation for its acceptance of the Indenture and services hereunder and under the other Transaction Documents to which the Trustee is a party as the Trustee and the Issuer shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services in accordance with the provisions of the Indenture (including, without limitation, the Priority of Payments). Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and outside counsel. When the Trustee incurs expenses or renders services after an Event of Default or Rapid Amortization Event occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under the Bankruptcy Code.

(b) The Issuer shall indemnify and hold harmless the Trustee or any predecessor Trustee and their respective directors, officers, agents and employees from and against any loss, liability, claim, expense (including taxes, other than taxes based upon, measured by or determined by the income of the Trustee or such predecessor Trustee), damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising out of or in connection with (i) the activities of the Trustee or such predecessor Trustee pursuant to this Base Indenture, any Series Supplement or any other Transaction Documents to which the Trustee is a party and any activities contemplated hereby or thereby and (ii) the security interest granted hereby, whether arising by virtue of any act or omission on the part of the Issuer or otherwise, including but not limited to any judgment, award, settlement, reasonable and documented attorneys' fees and other costs or expenses reasonably incurred in connection with the defense of any actual or threatened action, proceeding, claim (whether asserted by the Issuer, the Control Party or any Noteholder or any other Person), liability in connection with the exercise or performance of any of its powers or duties hereunder or under any Transaction Document, the preservation of any of its rights to, or the realization upon, any of the Collateral, or in connection with enforcing the provisions of this Section 10.5(b); provided, however, that the Issuer shall not indemnify the Trustee, any predecessor Trustee or their respective directors, officers, employees or agents if such acts, omissions or alleged acts or omissions constitute willful misconduct, bad faith or negligence by the Trustee or such predecessor Trustee, as the case may be.

(c) The provisions of this Section 10.5 shall survive the termination of the Indenture and the resignation and removal of the Trustee.

Section 10.6 Replacement of the Trustee.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 10.6.

(b) The Trustee may, after giving not less than thirty (30) days' prior written notice to the Issuer, the Noteholders, the Control Party, the Manager, the Back-Up Manager and the Controlling Class Representative, resign at any time from its office and be discharged from the trust hereby created; provided, however, that no such resignation of the Trustee shall be effective until a successor trustee has assumed the obligations of the Trustee hereunder. At any time, the Control Party (acting at the direction of the Controlling Class Representative) or, prior to a Manager Termination Event, Rapid Amortization Event or Event of Default, the Issuer may remove the Trustee by delivering written notice of such removal to the Trustee, or any Noteholder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee, if at any time:

(i) the Trustee fails to comply with Section 10.8;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under the Bankruptcy Code;

(iii) the Trustee fails generally to pay its debts as such debts become due; or

(iv) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Issuer shall promptly, with the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative), appoint a successor Trustee. Within one year after the successor Trustee takes office, the Majority of Controlling Class (with the prior written consent of the Control Party, acting at the direction of the Controlling Class Representative) may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

(c) If a successor Trustee is not appointed and an instrument of acceptance by a successor Trustee is not delivered to the Trustee within thirty (30) days after the retiring Trustee resigns or is removed, at the direction of the Control Party (acting at the direction of the Controlling Class Representative), the retiring Trustee, at the expense of the Issuer, may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(d) [Reserved].

(e) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee or removed Trustee and to the Control Party, the Back-Up Manager and the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Base Indenture, any Series Supplement and any other Transaction Document to which the Trustee is a party. The successor Trustee shall mail a notice of its succession to Noteholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; provided, however, that all sums owing to the retiring Trustee hereunder have been paid. Notwithstanding replacement of the Trustee pursuant to this Section 10.6 the Issuer's obligations under Section 10.5 shall continue for the benefit of the retiring Trustee.

(f) No successor Trustee may accept its appointment unless at the time of such acceptance such successor is qualified and eligible under this Base Indenture and the Control Party (acting at the direction of the Controlling Class Representative) has provided its consent with respect to such appointment.

Section 10.7 Successor Trustee by Merger, etc.

Subject to Section 10.8, if the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee; provided that written notice of such consolidation, merger or conversion shall be provided to the Issuer, the Control Party and the Noteholders after completion thereof; provided further that the resulting or successor corporation is eligible to be a Trustee under Section 10.8.

Section 10.8 Eligibility Disqualification.

(a) There shall at all times be a Trustee hereunder which shall (i) be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof authorized under such laws to exercise corporate trustee power, (ii) be subject to supervision or examination by federal or state authority, (iii) have a combined capital and surplus of at least $250,000,000 as set forth in its most recent published annual report of condition, (iv) be reasonably acceptable to the Control Party and (v) have a long-term unsecured debt rating of at least "BBB+" by S&P's and Fitch.

(b) At any time the Trustee shall cease to satisfy the eligibility requirements of Section 10.8(a), the Trustee shall resign after written request that it do so by the Issuer, or by the Control Party (acting at the direction of the Controlling Class Representative), in the manner and with the effect specified in Section 10.6.

Section 10.9 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Base Indenture, any Series Supplement or any other Transaction Document, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Trustee shall have the power upon notice to the Control Party, the Back-Up Manager and the Issuer and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, for all or any part of the Collateral, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders and the other Secured Parties, such title to the Collateral, or any part thereof, and, subject to the other provisions of this Section 10.9, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. Any co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 10.8 or shall be otherwise acceptable to the Control Party. No notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 10.6. No co-trustee shall be appointed without the consent of the Control Party and the Issuer unless such appointment is required as a matter of state law or to enable the Trustee to perform its functions hereunder.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) the Notes of each Series shall be authenticated and delivered solely by the Trustee or an authenticating agent appointed by the Trustee;

(ii) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee;

(iii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder and such appointment shall not, and shall not be deemed to, constitute any such trustee or co-trustee as an agent of the Trustee; and

(iv) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Base Indenture and the conditions of this Article X. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Base Indenture, any Series Supplement and any other Transaction Documents to which the Trustee is a party, specifically including every provision of this Base Indenture, any Series Supplement, or any other Transaction Document which the Trustee is a party relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Control Party and the Issuer.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Base Indenture, any Series Supplement or any other Transaction Document on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 10.10 Representations and Warranties of Trustee.

The Trustee represents and warrants to the Issuer and the Noteholders that:

(a) the Trustee is a national banking association, organized, existing and in good standing under the laws of the United States;

(b) the Trustee has full power, authority and right to execute, deliver and perform this Base Indenture, any Series Supplement issued concurrently with this Base Indenture and each other Transaction Document to which it is a party and to authenticate the Notes, and has taken all necessary action to authorize the execution, delivery and performance by it of this Base Indenture, any Series Supplement issued concurrently with this Base Indenture and any such other Transaction Document and to authenticate the Notes;

(c) this Base Indenture and each other Transaction Document to which it is a party has been duly executed and delivered by the Trustee; and

(d) the Trustee meets the requirements of eligibility as a trustee hereunder set forth in Section 10.8(a).

## ARTICLE XI

## CONTROLLING CLASS REPRESENTATIVE AND CONTROL PARTY

Section 11.1 Controlling Class Representative.

(a) The Majority of Controlling Class shall initially act as Controlling Class Representative until a successor Controlling Class Representative, if any, is appointed in accordance with Section 11.1(d). Notwithstanding the foregoing, upon the appointment of a successor Controlling Class Representative, the Majority of Controlling Class shall retain its rights hereunder and under the other Transaction Documents to exercise the rights, powers, remedies or privileges of the Controlling Class Representative as set forth in Section 1.4(m).

(b) Within two (2) Business Days of any change in the name or address of the Controlling Class Representative of which the Trustee has received written notice from the Controlling Class Representative, the Trustee will deliver to each Noteholder, the Issuer, the Manager, and the Back-Up Manager and the Control Party a notice setting forth the name and address of the new Controlling Class Representative.

(c) The Control Party and the Back-Up Manager will be entitled to rely on the identity of the Controlling Class Representative provided by the Trustee or the Majority of Controlling Class, as applicable, with respect to any obligation or right hereunder or under any other Transaction Document that the Control Party and the Back-Up Manager may have to deliver information or otherwise communicate with the Controlling Class Representative or any of the Noteholders of the Controlling Class, with no liability to it for such reliance.

(d) Upon the resignation or removal of a Controlling Class Representative, the Majority of Controlling Class may appoint a successor Controlling Class Representative in accordance with the definition of "Controlling Class Representative" in this Base Indenture and shall provide written notice to the Issuer, the Trustee, the Manager, the Back-Up Manager and the Control Party of any such appointment upon the successor Controlling Class Representative's acceptance.

(e) The Majority of Controlling Class shall have all privileges of and may assume and exercise all of the rights and remedies of the Controlling Class Representative at any time. Upon any dispute between the Controlling Class Representative and the Majority of Controlling Class, a written direction from the Majority of Controlling Class shall control.

Section 11.2 Resignation or Removal of the Controlling Class Representative.

The Controlling Class Representative may at any time resign by giving written notice to the Trustee, the Manager, the Back-Up Manager, the Control Party and to each Noteholder of the Controlling Class. As of any Record Date, a Majority of Controlling Class shall be entitled to remove any existing Controlling Class Representative by giving written notice to the Trustee, the Manager, the Back-Up Manager, the Control Party and such existing Controlling Class Representative. No resignation or removal of the Controlling Class Representative shall become effective until a successor Controlling Class Representative has been appointed and the Majority of Controlling Class has delivered written notice of such successor Controlling Class Representative's acceptance of such appointment, in each case, pursuant to Section 11.1(d). Thereupon, the resignation or removal of the retiring Controlling Class Representative shall become effective, and the successor Controlling Class Representative shall have all the rights, powers and duties of the Controlling Class Representative under this Base Indenture and the other Transaction Documents. In addition to the foregoing, within two (2) Business Days of the selection, resignation or removal of the Controlling Class Representative, the Trustee shall notify the Control Party and the Back-Up Manager of such event.

Section 11.3 Expenses and Liabilities of the Controlling Class Representative.

(a) The Controlling Class Representative shall have no liability to the Noteholders or Note Owners for any action taken, or for refraining from the taking of any action, in good faith or for errors in judgment; provided, however, that the Controlling Class Representative shall not be protected against any liability that would otherwise be imposed by reason of willful misfeasance, gross negligence or reckless disregard of its obligations or duties under the Indenture. Each Noteholder and Note Owner acknowledges and agrees, by its acceptance of its Notes or interests therein, that (i) the Controlling Class Representative may have special relationships and interests that conflict with those of Noteholders or Note Owners of one or more Classes of Notes, or that conflict with other Noteholders or Note Owners, (ii) the Controlling Class Representative may act solely in the interests of the Controlling Class Members or in its own interest, (iii) the Controlling Class Representative does not have any duties to Noteholders or Note Owners other than the Controlling Class Members, (iv) the Controlling Class Representative may take actions that favor the interests of the Controlling Class Members over the interests of Holders of one or more other Classes of Notes, or that favor its own interests over those of other Noteholders, Note Owners or other Controlling Class Members, (v) the Controlling Class Representative shall not be deemed to have been grossly negligent or reckless, or to have acted in bad faith or engaged in willful misfeasance, by reason of its having acted solely in the interests of the Controlling Class Members or in its own interests, and (vi) the Controlling Class Representative shall have no liability whatsoever for having so acted pursuant to clauses (i) through (v), and no Noteholder or Note Owner may take any action whatsoever against the Controlling Class Representative for having so acted or against any director, officer, employee, agent or principal thereof for having so acted.

(b) Any and all expenses of the Controlling Class Representative for acting in its capacity as Controlling Class Representative shall be borne by the Issuer and paid in accordance with the Priority of Payments. Notwithstanding the foregoing, if a claim is made against the Controlling Class Representative and the Control Party or the Trustee are also named parties to the same action and, in the sole judgment of the Control Party, the Controlling Class Representative had acted in good faith, without gross negligence or willful misconduct, with regard to the particular matter at issue, and there is no potential for the Control Party or the Trustee to be an adverse party in such action as regards the Controlling Class Representative, the Control Party shall be required to assume the defense of any such claim against the Controlling Class Representative.

Section 11.4 Control Party.

(a) The Control Party is authorized to consent to and implement, subject to the Control Party Agreement, any Consent Request that does not require the consent of any Noteholder or the Controlling Class Representative.

(b) For any Consent Request that expressly requires, pursuant to the terms of this Base Indenture and the other Transaction Documents, the consent or direction of the Controlling Class Representative, the Control Party shall review such Consent Request and shall formulate and present a Consent Recommendation to the Controlling Class Representative whether to approve or reject such Consent Request. Notwithstanding anything herein to the contrary, the Controlling Class Representative shall have the sole discretion to approve or reject any Consent Request and the Control Party shall have no liability for any Consent Recommendation that is made in good faith. The Control Party is not authorized to implement any such Consent Request until the Control Party receives the consent of the applicable Noteholders or the Controlling Class Representative; provided that if the Controlling Class Representative fails to approve or reject a Consent Request within ten (10) Business Days following delivery of a Consent Request and the related Consent Recommendation to the Controlling Class Representative or if there is no Controlling Class Representative at such time, the Control Party shall be authorized (but not required) to implement such Consent Request in accordance with the Control Party Agreement, whether or not this Indenture or any Transaction Document indicates that the Control Party is required to act with the consent or at the direction of the Controlling Class Representative with respect to any specific matter relating to such Consent Request, other than with respect to Control Party Termination Events.

(c) For any Consent Request that expressly requires the consent or direction of affected Noteholders or 100% of the Noteholders pursuant to the terms of the Indenture or other Transaction Documents, including pursuant to Section 13.2, the Control Party will review such Consent Request and will formulate and present a Consent Recommendation to the Trustee, which will forward such Consent Request and Consent Recommendation to the applicable Noteholders. The Control Party will be required to obtain the consent of the applicable Noteholders with respect to such Consent Request, as required under the Transaction Documents, to implement such Consent Requests.

(d) The Control Party shall promptly notify the Trustee, the Manager, the Back-Up Manager, the Issuer and the Controlling Class Representative if the Control Party determines, in accordance with the Control Party Agreement, not to implement a Consent Request or it has not received the requisite consent of, or direction from, the Controlling Class Representative or the Noteholders, if applicable, to implement a Consent Request. The Trustee shall promptly notify the Control Party, the Manager, the Back-Up Manager, the Issuer and the Controlling Class Representative if the Trustee has not received the requisite consent of the required percentage of Noteholders to implement a Consent Request.

(e) Notwithstanding anything herein to the contrary, no advice, direction or objection from or by the Controlling Class Representative may (i) require or cause the Trustee or the Control Party to violate applicable Requirements of Law, the terms of this Base Indenture, the Notes, the Control Party Agreement or the other Transaction Documents, including, without limitation with respect to the Control Party, the Control Party's obligation to act in accordance with the Control Party Agreement, (ii) expose the Control Party or the Trustee, or any of their respective Affiliates, officers, directors, members, managers, employees, agents or partners, to any claim, suit or material liability, or (iii) materially expand the scope of the Control Party's responsibilities under the Control Party Agreement or the Trustee's responsibility under this Base Indenture, the Notes and the other Transaction Documents. Neither the Trustee nor the Control Party shall be required to follow any such advice, direction or objection.

(f) The Control Party shall not be liable with respect to any action it takes, suffers or omits to take in good faith at the direction of the Controlling Class Representative and/or any Noteholder; provided that the Control Party shall have no responsibility for determining whether any such Person is authorized to provide such direction hereunder or under any other Transaction Document. If there is no Controlling Class Representative, the Control Party shall not be liable with respect to any action it takes, suffers or omits to take in good faith in accordance with the Indenture.

Section 11.5 Noteholder List.

Any Noteholders holding not less than $5,000,000 in aggregate principal amount of Notes that wish to communicate with the other Noteholders with respect to their rights under the Indenture or under the Notes may request in writing that the Trustee deliver a notice or communication to the other Noteholders. If such request and transmission states that such Noteholders desire to communicate with other Noteholders with respect to their rights under the Indenture or under the Notes and is accompanied by (i) a certificate substantially in the form of Exhibit G certifying that such Noteholders hold not less than $5,000,000 in aggregate principal amount of Notes (each, a "Noteholder Certificate") (upon which the Trustee may conclusively rely) and (ii) a copy of the communication which such Noteholders propose to transmit, then the Trustee, after having been adequately indemnified by such Noteholders for its costs and expenses, shall transmit the requested communication to all other Noteholders, and shall give the Issuer, the Control Party and the Controlling Class Representative notice that such request and transmission has been made, within five (5) Business Days after receipt of the request. The Trustee shall have no obligation of any nature whatsoever with respect to any requested communication other than to transmit it and to give notice thereof to the Issuer, the Control Party and the Controlling Class Representative in accordance with this Section 11.5.

## ARTICLE XII

## DISCHARGE OF INDENTURE

Section 12.1 Termination of the Issuer's and Guarantors' Obligations.

(a) Satisfaction and Discharge. The Indenture and the Guarantee and Collateral Agreement shall be discharged and cease to be of further effect when all Outstanding Notes theretofore authenticated and issued (other than destroyed, lost or stolen Notes which have been replaced or paid) have been delivered to the Trustee for cancellation, the Issuer has paid all sums payable hereunder and under each other Transaction Document; except that (i) the Issuer's obligations under Section 10.5 and Section 10.11 and the Guarantors' guaranty thereof, (ii) the Trustee's and the Paying Agent's obligations under Sections 12.2 and 12.3 and (iii) the Noteholders' and the Trustee's obligations under Section 14.13 shall survive. The Trustee, on demand and at the expense of the Issuer, will execute proper instruments acknowledging confirmation of, and discharge under, the Indenture and the Guarantee and Collateral Agreement, prepared by the Issuer or Manager.

Upon the termination of the last Series Supplement under which Notes are Outstanding, at the election of the Issuer, the Indenture, the Guarantee and Collateral Agreement and all other Transaction Documents shall be discharged and cease to be of further effect; except that (i) the rights and obligations of the Trustee hereunder, including, without limitation, the Trustee's rights to compensation and indemnity under Section 10.5 and the Guarantor's guaranty thereof, (ii) the Trustee's and the Paying Agent's obligations under Section 12.2 and Section 12.3, and (iii) the Noteholders' and the Trustee's obligations under Section 14.13 shall survive. The Trustee, on demand and at the expense of the Securitization Entities, shall execute proper instruments acknowledging confirmation of and discharge under the Indenture and the Guarantee and Collateral Agreement, prepared by the Securitization Entities.

(b) Indenture Defeasance. The Issuer may terminate all of its obligations and the obligations of the Guarantors under the Transaction Documents if:

(i) the Issuer irrevocably deposits in trust with the Trustee or at the option of the Trustee, with a trustee reasonably satisfactory to the Control Party, the Trustee and the Issuer under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, U.S. Dollars and/or Government Securities in an amount sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, to pay (without consideration of any reinvestment), when due, principal, premiums, make-whole prepayment consideration, if any, and interest on the Outstanding Notes (including additional interest that accrues after a Series Anticipated Repayment Date, if applicable) to prepayment, redemption or maturity, as the case may be, and to pay all other sums payable by them hereunder and under each other Transaction Document; provided that any Government Securities deposited in trust shall provide for the scheduled payment of all principal and interest thereon not later than the Business Day prior to the applicable prepayment date, redemption date or maturity date, as the case may be; and provided, further, that if (x) the deposit is held by a trustee of an irrevocable trust other than the Trustee, such trustee shall have been irrevocably instructed by the Issuer to pay such money or the proceeds of such U.S. Government Securities to the Trustee on or prior to the prepayment date, redemption date or maturity date, as applicable, and (y) the Trustee shall have been irrevocably instructed by the Issuer to apply such money or the proceeds of such U.S. Government Securities to the payment of said principal, premiums, make-whole prepayment consideration, if any, and interest with respect to the Notes and such other obligations;

(ii) the Issuer delivers notice of such deposit to the Noteholders of Outstanding Notes no more than twenty (20) Business Days prior to such deposit and such notice is expressly stated to be, or as of the date of the deposit has become, irrevocable;

(iii) the Issuer delivers notice of such deposit to the Control Party, the Manager, the Back-Up Manager and the Control Party, on or before the date of the deposit; and

(iv) an Opinion of Counsel from outside counsel is delivered to the Trustee and the Control Party by the Issuer to the effect that all conditions precedent set forth herein with respect to such termination have been satisfied.

Upon satisfaction of such conditions, the Indenture, the Guarantee and Collateral Agreement and all other Transaction Documents shall be discharged and cease to be of further effect; except that (i) the rights and obligations of the Trustee hereunder, including, without limitation, the Trustee's rights to compensation and indemnity under Section 10.5 and the Guarantor's guaranty thereof, (ii) the Trustee's and the Paying Agent's obligations under Section 12.2 and Section 12.3, (iii) the Noteholders' and the Trustee's obligations under Section 14.13, (iv) this Section 12.1(b) and (v) the Noteholders' rights to registration of transfer and exchange under Section 2.8 and to replacement or substitution of mutilated, destroyed, lost or stolen Notes under Section 2.10(a) shall survive. The Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging confirmation of and discharge under the Indenture and the Guarantee and Collateral Agreement.

(c) Series Defeasance. Subject to the terms of each Series Supplement, the Issuer, solely in connection with the payment in full (whether optional or mandatory) or a redemption in full of all Outstanding Notes of a particular Series, Class, Subclass or Tranche of Notes (the "Defeased Series") or in connection with the Series Legal Final Maturity Date of a particular Series of Notes, may terminate all of their obligations and the obligations of the Guarantors under the Transaction Documents with respect to such Series, Class, Subclass or Tranche of Notes on and as of any Business Day (the "Series Defeasance Date"), provided:

(i) the Issuer irrevocably deposits in trust with the Trustee, or at the option of the Trustee, with a trustee reasonably satisfactory to the Control Party, the Trustee and the Issuer under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, U.S. Dollars or Government Securities (or any combination thereof) in an amount sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, to pay (without consideration of any reinvestment) without duplication:

(A) all principal, interest, contingent interest, premiums, make-whole prepayment consideration on the Outstanding Notes of such Series, Class, Subclass or Tranche (including additional interest that accrues after a Series Anticipated Repayment Date or renewal date, if applicable) and any other Series Obligations that will be due and payable by the Issuer solely with respect to the Defeased Series as of the applicable prepayment date, redemption date or Series Legal Final Maturity Date, as the case may be, and to pay other sums payable by them under the Base Indenture and each other Transaction Document with respect to the Defeased Series of Notes;

(B) all Monthly Management Fees, Supplemental Management Fees, unreimbursed Manager Advances (and outstanding interest thereon) and Manager Advances (and outstanding interest thereon), all fees, indemnities, reimbursements and expenses due to the Trustee, the Manager, the Control Party and the Back-Up Manager, and all Successor Manager Transition Expenses and Successor Control Party Transition Expenses, in each case that will be due and payable on or as of the following Monthly Allocation Date or Quarterly Payment Date, as applicable; and

(C) all Securitization Operating Expenses for the Defeased Series that are due and unpaid as of the Series Defeasance Date to the Actual Knowledge of the Manager;

provided, that the terms of each Government Security deposited in trust shall provide for the scheduled payment of all principal and interest thereon not later than the Business Day prior to the prepayment date, redemption date or Series Legal Final Maturity of the Defeased Series, as applicable; and provided, further, that (x) if the deposit is held by a trustee of an irrevocable trust other than Trustee, such trustee shall have been irrevocably instructed by the Issuer to pay such money or the proceeds of such Government Securities to the Trustee on or prior to the prepayment date, redemption date, or Series Legal Final Maturity Date, as applicable and (y) the Trustee shall have been irrevocably instructed by the Issuer to apply such money or the proceeds of such Government Securities to the payment of the Series Obligations with respect to the Notes of such Series, Class, Subclass or Tranche and to the payment of other fees and expenses, as applicable;

(ii) [reserved];

(iii) the Issuer delivers notice of prepayment, redemption or maturity in full of such Series, Class, Subclass or Tranche of Notes in full to the Noteholders of the Defeased Series, the Manager, the Trustee, the Control Party, the Controlling Class Representative, the Back-Up Manager and the Control Party not more than twenty (20) Business Days prior to the Series Defeasance Date, and such notice is expressly stated to be, or as of the date of the deposit has become, irrevocable;

(iv) if, after giving effect to the deposit, any other Series, Class, Subclass or Tranche of Notes is Outstanding, the Issuer delivers to the Trustee an Officer's Certificate of the Issuer stating that no Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default shall have occurred and be continuing on the date of such deposit;

(v) the Issuer delivers to the Trustee an Officer's Certificate stating that the defeasance was not made by the Issuer with the intent of preferring the holders of the Defeased Series over other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding other creditors;

(vi) the Issuer delivers notice of such deposit to the Control Party, the Manager and the Back-Up Manager on or before the date of the deposit;

(vii) such defeasance will not result in a breach or violation of, or constitute a default under, the Indenture or any other Transaction Documents; and

(viii) the Issuer delivers to the Trustee an Opinion of Counsel to the effect that all conditions precedent set forth herein with respect to such termination have been satisfied.

Upon satisfaction of such conditions, the Indenture, the Guarantee and Collateral Agreement and the other Transaction Documents shall cease to be of further effect with respect to such Defeased Series, the Issuer and the Guarantors shall be deemed to have paid and been discharged from their Series Obligations with respect to such Defeased Series and thereafter such Defeased Series shall be deemed to be "Outstanding" only for purposes of (1) the Issuer's obligations under Section 10.5, (2) the Trustee's and the Paying Agent's obligations under Section 10.11, Section 12.2 and Section 12.3, (3) the Noteholders' and the Trustee's obligations under Section 14.13 and (4) the Noteholders' rights to registration of transfer and exchange under Section 2.8 and to replacement or substitution of mutilated, destroyed, lost or stolen Notes under Section 2.10(a). The Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging confirmation of and discharge under the Indenture and the Guarantee and Collateral Agreement of such Series Obligations.

For the avoidance of doubt, upon the termination of a Series Supplement in accordance with the terms thereof, such Series of Notes shall be a "Defeased Series" and all Series Obligations with respect to such Series of Notes and all Obligations of the Guarantors under the Guarantee and Collateral Agreement in respect of such Series of Notes shall terminate and such date of termination shall be a "Series Defeasance Date". Upon such termination of the Series Supplement in accordance with its terms, the Indenture, the Guarantee and Collateral Agreement and the other Transaction Documents shall cease to be of further effect with respect to such Defeased Series, the Issuer and the Guarantors shall be deemed to have paid and been discharged from their Series Obligations with respect to such Defeased Series and thereafter such Defeased Series shall no longer be deemed Outstanding hereunder.

(d) After the conditions set forth in Section 12.1(a) have been met, or after the irrevocable deposit is made pursuant to Section 12.1(b) and satisfaction of the other conditions set forth therein have been met, the Trustee upon request of the Securitization Entities shall reassign (without recourse upon, or any warranty whatsoever by, the Trustee) and deliver all Collateral and documents then in the custody or possession of the Trustee promptly to the applicable Securitization Entities.

Section 12.2 Application of Trust Money.

The Trustee or a trustee satisfactory to the Control Party, the Trustee and the Issuer shall hold in trust money or Government Securities deposited with it pursuant to Section 12.1. The Trustee shall apply the deposited money and the money from Government Securities through the Paying Agent in accordance with this Base Indenture and the other Transaction Documents to the payment of principal, premium, if any, and interest on the Notes and the other sums referred to above. The provisions of this Section 12.2 shall survive the expiration or earlier termination of the Indenture.

Section 12.3 Repayment to the Issuer.

(a) The Trustee and the Paying Agent shall promptly pay to the Issuer upon written request any excess money or, pursuant to Sections 2.10 and 2.14, return any cancelled Notes held by them at any time.

(b) Subject to Section 2.6(c), the Trustee and the Paying Agent shall pay to the Issuer upon written request any money held by them for the payment of principal, premium or interest that remains unclaimed for two years after the date upon which such payment shall have become due.

(c) The provisions of this Section 12.3 shall survive the expiration or earlier termination of the Indenture.

Section 12.4 Reinstatement.

If the Trustee is unable to apply any funds received under this Article XII by reason of any proceeding, order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under the Indenture or the other Transaction Documents and in respect of the Notes and the Guarantors' obligations under the Guarantee and Collateral Agreement shall be revived and reinstated as though no deposit had occurred, until such time as the Trustee is permitted to apply all such funds or property in accordance with this Article XII. If the Issuer or Guarantors make any payment of principal, premium or interest on any Notes or any other sums under the Transaction Documents while such obligations have been reinstated, the Issuer and the Guarantors shall be subrogated to the rights of the Noteholders, Note Owners or other Secured Parties who received such funds or property from the Trustee to receive such payment in respect of the Notes.

## ARTICLE XIII

## AMENDMENTS

Section 13.1 Without Consent of the Control Party or the Noteholders.

(a) Without the consent of any Noteholder, the Control Party or any other Secured Party, the Issuer, the Controlling Class Representative (except as provided below) and the Trustee, at any time and from time to time, may enter into one or more Supplements hereto or amendments, modifications or supplements to any Supplement, the Guarantee and Collateral Agreement or any other Indenture Document, in form satisfactory to the Controlling Class Representative and the Trustee (or solely with respect to clause (xiv) below so long as such Supplement, amendment, modification or supplement to any Supplement or any other Indenture Document does not adversely affect the rights or obligation of the Trustee, upon notice thereof from the Issuer to the Controlling Class Representative, the Trustee and the Control Party), for any of the following purposes:

(i) to add to the covenants of the Securitization Entities for the benefit of any Noteholders or any other Secured Parties or to surrender for the benefit of the Noteholders and the other Secured Parties any right or power herein conferred upon the Securitization Entities;

(ii) to mortgage, pledge, convey, assign and transfer to the Trustee any property or assets as security for the Obligations and to specify the terms and conditions upon which such property or assets are to be held and dealt with by the Trustee and to set forth such other provisions in respect thereof as may be required by the Indenture or as may, consistent with provisions of this Base Indenture, be deemed appropriate by the Issuer, or to correct or to amplify the description of any such property or assets at any time so mortgaged, pledged, conveyed and transferred to the Trustee for the benefit of the Secured Parties;

(iii) to correct any demonstrable error or defect or to cure any ambiguity or to correct or supplement any provisions herein or any Series Supplement which may be inconsistent with any other provision therein, in each case that has been agreed to by the Controlling Class Representative;

(iv) to provide for uncertificated Notes in addition to certificated Notes;

(v) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Notes of one or more Series and to add to or change any of the provisions of the Indenture, the Guarantee and Collateral Agreement or the Limited Guaranty as shall be necessary to provide for or facilitate the administration of the trusts hereunder or thereunder by more than one Trustee;

(vi) to make any changes that in the Opinion of Counsel are necessary to comply with Requirements of Law (as evidenced by such Opinion of Counsel);

(vii) to facilitate the transfer of Notes in accordance with applicable Requirements of Law (as evidenced by an Opinion of Counsel stating that such amendment, revision or modification is required or desirable for such purpose); provided that the Trustee shall not be required to determine (but may rely on a determination by the Issuer with respect to) the sufficiency of such Opinion of Counsel;

(viii) to take any action reasonably necessary to avoid the imposition, under and in accordance with applicable Requirements of Law, of any Tax, including withholding Tax;

(ix) to take any action necessary and appropriate in the opinion of the Controlling Class Representative to facilitate the origination of Franchise Documents or the management and preservation of the Franchise Documents, in each case, in accordance with the Managing Standard; or

(x) to provide for mechanical provisions in respect of the issuance of Senior Subordinated Notes or Subordinated Notes;

provided, however, that such Supplement, amendment, modification or supplement to any Supplement shall, as evidenced by an Opinion of Counsel from outside counsel and an Officer's Certificate delivered to the Trustee, the Back-Up Manager and the Control Party, not reasonably be expected to adversely affect in any material respect the interests of any Noteholder, Note Owner, the Trustee, the Back-Up Manager, the Control Party or any other Secured Party.

(b) Upon the request of the Issuer and receipt by the Control Party and the Trustee of the documents described in Section 2.2 and delivery by the Control Party of its consent thereto to the extent required by Section 2.2, the Trustee shall join with the Issuer in the execution of any Series Supplement authorized or permitted by the terms of this Base Indenture and shall make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into such Series Supplement which affects its own rights, duties or immunities under this Base Indenture or otherwise.

Section 13.2 With Consent of the Control Party or the Noteholders.

(a) Except as provided in Section 13.1, the provisions of this Base Indenture, the Guarantee and Collateral Agreement, any Supplement and any other Indenture Document to which the Trustee is a party (unless otherwise provided in such Supplement) may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing in a Supplement and consented to in writing by the Control Party (acting at the direction of the Controlling Class Representative); provided, that:

(i) any such amendment, waiver or other modification pursuant to this Section 13.2 that would reduce the percentage of the Aggregate Outstanding Principal Amount or the Outstanding Principal Amount of any Series of Notes, the consent of the Noteholders of which is required for any Supplement under this Section 13.2 or the consent of the Noteholders of which is required for any waiver of compliance with the provisions of the Indenture or any other Transaction Document or defaults hereunder or thereunder and their consequences provided for in herein and therein or for any other action hereunder or thereunder shall require the consent of each affected Noteholder;

(ii) any such amendment, waiver or other modification pursuant to this Section 13.2, that would permit the creation of any Lien ranking prior to or on a parity with the Lien created by the Indenture, the Guarantee and Collateral Agreement or any other Transaction Documents with respect to any material portion of the Collateral or except as otherwise permitted by the Transaction Documents, terminate the Lien created by the Indenture, the Guarantee and Collateral Agreement or any other Transaction Documents on any material portion of the Collateral at any time subject thereto or deprive any Secured Party of any material portion of the security provided by the Lien created by the Indenture, the Guarantee and Collateral Agreement or any other Transaction Documents shall, in each case, require the consent of each affected Noteholder and each other affected Secured Party;

(iii) any amendment, waiver or other modification that would (A) extend the due date for, or reduce the amount of any scheduled repayment or prepayment of principal of, premium, if any, or interest on any Note and the other Obligations (or reduce the principal amount of, premium, if any, or rate of interest on any Note and the other Obligations); (B) affect adversely the interests, rights or obligations of any Noteholder individually in comparison to any other Noteholder; (C) change the provisions of the Priority of Payments; (D) change any place of payment where, or the coin or currency in which, any Notes and the other Obligations or the interest thereon is payable; (E) impair the right to institute suit for the enforcement of the provisions of the Indenture requiring the application of funds available therefor, as provided in Article V, to the payment of any such amount due on the Notes and the other Obligations owing to Noteholders on or after the respective due dates thereof, (F) subject to the ability of the Control Party (acting at the direction of the Controlling Class Representative) to waive certain events or modify thresholds as set forth in Section 9.7, amend or otherwise modify any of the specific language of the following definitions: "Default," "Event of Default," "Potential Rapid Amortization Event," "Rapid Amortization Event" or "Outstanding" (as defined in the Base Indenture or any Series Supplement); provided, that the addition to any such definitions of additional such events, and the subsequent amendment thereof, shall not be deemed to violate this provision, or (G) amend, waive or otherwise modify this Section 13.2, in each case, shall require the consent of each affected Noteholder and each other affected Secured Party (this clause (iii), the "Specified Payment Amendment Provisions"); and

(iv) any such amendment, waiver or other modification pursuant to this Section 13.2, that would change the time periods with respect to any requirement to deliver to Noteholders notice with respect to any repayment, prepayment or redemption shall require the consent of each affected Noteholder.

(b) No failure or delay on the part of any Noteholder, the Trustee or any other Secured Party in exercising any power or right under the Indenture or any other Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right.

Section 13.3 Supplements.

Each amendment or other modification to the Indenture, the Notes or the Guarantee and Collateral Agreement shall be set forth in a Supplement, a copy of which shall be delivered to the Control Party, the Controlling Class Representative, the Manager, the Back-Up Manager, the Trustee and the Issuer. The initial effectiveness of each Supplement shall be subject to the delivery to the Control Party and the Trustee of an Opinion of Counsel from outside counsel that such Supplement is authorized or permitted by this Base Indenture and the conditions precedent set forth herein with respect thereto have been satisfied. In addition to the manner provided in Sections 13.1 and 13.2, each Series Supplement may be amended as provided in such Series Supplement.

Section 13.4 Revocation and Effect of Consents.

Until an amendment or waiver becomes effective, a consent to it by a Noteholder of a Note is a continuing consent by the Noteholder and every subsequent Noteholder of a Note or portion of a Note that evidences the same debt as the consenting Noteholder's Note, even if notation of the consent is not made on any Note. Any such Noteholder or subsequent Noteholder, however, may revoke the consent as to their Note or portion of a Note if the Trustee receives written notice of revocation before the date the amendment or waiver becomes effective. An amendment or waiver becomes effective in accordance with its terms and thereafter binds every Noteholder. The Issuer may fix a record date for determining which Noteholders must consent to such amendment or waiver.

Section 13.5 Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment or waiver on any Note thereafter authenticated. The Issuer, in exchange for all Notes, may issue and the Trustee shall authenticate new Notes that reflect the amendment or waiver. Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment or waiver.

Section 13.6 The Trustee to Sign Amendments, etc.

The Trustee shall sign any Supplement authorized pursuant to this Article XIII if the Supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing any Supplement, amendment, modification or supplement to any Supplement or to any other Indenture Document, the Trustee shall be entitled to receive, if requested, an indemnity reasonably satisfactory to it and to receive and shall be fully protected in relying upon, an Officer's Certificate of the Issuer and an Opinion of Counsel from outside counsel as conclusive evidence that such Supplement, amendment, modification or supplement to any Supplement or to any other Indenture Document, is authorized or permitted by this Base Indenture and the Transaction Documents and that all conditions precedent have been satisfied, and that it will be valid and binding upon the Issuer in accordance with its terms.

Section 13.7 Amendments and Fees.

The Issuer, the Control Party and the Controlling Class Representative shall negotiate any amendments, waivers or modifications to the Indenture or the other Transaction Documents that require the consent of the Control Party or the Controlling Class Representative in good faith, and any consent required to be given by the Control Party or the Controlling Class Representative shall not be unreasonably denied or delayed. The Control Party and the Controlling Class Representative shall be entitled to be reimbursed by the Issuer for any reasonable counsel fees and expenses incurred by the Control Party or the Controlling Class Representative in reviewing and approving any amendment or in providing any consents, and except as provided in the Control Party Agreement, neither the Control Party nor the Controlling Class Representative shall be entitled to any additional compensation in connection with any amendments or consents to this Base Indenture or to any Transaction Document.

## ARTICLE XIV

## MISCELLANEOUS

Section 14.1 Notices.

Any notice or communication by the Issuer, the Manager or the Trustee to any other party hereto or the Control Party shall be in writing and delivered in person, delivered by email, posted on a password protected website (for information specified in Section 4.4 only) or mailed by first-class mail (registered or certified, return receipt requested) facsimile or overnight air courier guaranteeing next day delivery, to such other party's address; provided, however, any notice or communication to be delivered to the Trustee shall, if delivered by email, be delivered as a .pdf or other attachment to email including a manual authorized signature on such attached notice or communication:

If to the Issuer:

Twin Hospitality I, LLC
5151 Belt Line Road, Suite 1200
Dallas, Texas 75254
Attention: Rob Rosen and Ken Kuick

With a copy (which shall not constitute notice) to:

Katten Muchin Rosenman LLP
1919 Pennsylvania Ave. NW, Suite 800
Washington, DC 20006
Attention: Seth M. Messner

If to the Manager:

Twin Hospitality Group Inc.
5151 Belt Line Road, Suite 1200
Dallas, Texas 75254
Attention: Rob Rosen and Ken Kuick

With a copy (which shall not constitute notice) to:

Katten Muchin Rosenman LLP
1919 Pennsylvania Ave. NW, Suite 800
Washington, DC 20006
Attention: Seth M. Messner

If to the Back-Up Manager:

FTI Consulting, Inc.
1168 Avenue of the Americas, 15th Floor
New York, NY 10036
Attention: Michael Baumkirchner

and

FTI Consulting, Inc.
1500 Walnut Street, Suite 1515
Philadelphia, PA 19102
Attention: Back-Up Manager c/o Edmund Tedeschi

If to the Control Party:

Citadel SPV LLC
85 Broad Street, 18th Floor
New York, New York 10004
Attention: Dewen Tarn

If to the Trustee:

UMB Bank, N.A.
100 William Street, Suite 1850
New York, NY 10038
Attention: Michele Voon

If to the Securitization Entities:

c/o Twin Hospitality Group Inc.
5151 Belt Line Road, Suite 1200
Dallas, Texas 75254
Attention: Rob Rosen and Ken Kuick

If to an Enhancement Provider: At the address provided in the applicable Enhancement Agreement.

(a) The Issuer or the Trustee by notice to each other party may designate additional or different addresses for subsequent notices or communications; provided, however, the Issuer may not at any time designate more than a total of three (3) addresses to which notices must be sent in order to be effective.

(b) Any notice (i) given in person shall be deemed delivered on the date of delivery of such notice, (ii) given by first class mail shall be deemed given five days after the date that such notice is mailed, (iii) delivered by facsimile shall be deemed given on the date of delivery of such notice, (iv) delivered by overnight air courier shall be deemed delivered one (1) Business Day after the date that such notice is delivered to such overnight courier, (v) when posted on a password-protected website shall be deemed delivered after notice of such posting has been provided to the recipient and (vi) delivered by email shall be deemed delivered on the date of delivery of such notice.

(c) Notwithstanding any provisions of the Indenture to the contrary, the Trustee shall have no liability based upon or arising from the failure to receive any notice required by or relating to the Indenture, the Notes or any other Transaction Document.

(d) If the Issuer delivers a notice or communication to Noteholders, it shall deliver a copy to the Back-Up Manager, the Control Party, the Controlling Class Representative and the Trustee at the same time.

(e) [Reserved].

(f) Where the Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if sent in writing and mailed, first-class postage prepaid, to each Noteholder affected by such event, at its address as it appears in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed (if any) for the giving of such notice. In any case where notice to a Noteholder is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given. Where the Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. In the case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made that is satisfactory to the Trustee shall constitute a sufficient notification for every purpose hereunder.

(g) Notwithstanding any other provision herein, for so long as Twin Hospitality is the Manager, any notice, communication, certificate, report, statement or other information required to be delivered by the Manager to the Issuer, or by the Issuer to the Manager, shall be deemed to have been delivered to both the Issuer and the Manager if the Manager has prepared or is otherwise in possession of such notice, communication, certificate, report, statement or other information, and in no event shall the Manager or the Issuer be in breach of any delivery requirements hereunder for constructive delivery pursuant to this Section 14.1(g).

Section 14.2 Communication by Noteholders With Other Noteholders.

Noteholders may communicate with other Noteholders with respect to their rights under the Indenture or the Notes.

Section 14.3 Officer's Certificate as to Conditions Precedent.

Upon any request or application by the Issuer to the Controlling Class Representative, the Control Party or the Trustee to take any action (other than, in the case of the Control Party or the Controlling Class Representative, any action expressly excluded from the satisfaction of such requirement) under the Indenture or any other Transaction Document, the Issuer to the extent requested by the Controlling Class Representative, the Control Party or the Trustee shall furnish to the Controlling Class Representative, the Control Party and the Trustee (a) an Officer's Certificate of the Issuer in form and substance reasonably satisfactory to the Controlling Class Representative, the Control Party or the Trustee, as applicable (which shall include the statements set forth in Section 14.4), stating that all conditions precedent and covenants, if any, provided for in the Indenture or such other Transaction Documents relating to the proposed action have been complied with and (b) an Opinion of Counsel from outside counsel confirming the same. Such Opinion of Counsel shall be at the expense of the Issuer.

Section 14.4 Statements Required in Certificate.

Each Officer's Certificate with respect to compliance with a condition or covenant provided for in the Indenture or any other Transaction Document shall include:

(a) a statement that the Person giving such certificate has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to reach an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not such condition or covenant has been complied with.

Section 14.5 Rules by the Trustee.

The Trustee may make reasonable rules for action by or at a meeting of Noteholders.

Section 14.6 Benefits of Indenture.

Except as set forth in a Series Supplement, nothing in this Base Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders and the other Secured Parties, any benefit or any legal or equitable right, remedy or claim under the Indenture.

Section 14.7 Timing of Payment or Performance.

In any case where any Quarterly Payment Date, redemption date or maturity date of any Note shall not be a Business Day, then (notwithstanding any other provision of the Indenture) payment of interest or principal (and premium, if any), as the case may be, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Quarterly Payment Date, redemption date or maturity date; provided, however, that no interest shall accrue for the period from and after such Quarterly Payment Date, redemption date or maturity date, as the case may be. In addition, if the performance of any other covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such performance shall extend to the next succeeding Business Day.

Section 14.8 Governing Law.

**THIS BASE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

Section 14.9 Successors.

All agreements of the Issuer in the Indenture, the Notes and each other Transaction Document to which it is a party shall bind its successors and assigns; provided, however, the Issuer may not assign its obligations or rights under the Indenture or any other Transaction Document, except with the written consent of the Control Party (acting at the direction of the Controlling Class Representative). All agreements of the Trustee in the Indenture shall bind its successors.

Section 14.10 Severability.

In case any provision in the Indenture, the Notes or any other Transaction Document shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14.11 Counterpart Originals.

The parties may sign any number of copies of this Base Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Base Indenture and of signature pages by facsimile or electronic transmission shall constitute effective execution and delivery of this Base Indenture as to the parties. Signatures of the parties hereto transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Base Indenture and any related document, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Base Indenture, any addendum or amendment hereto or any related document necessary may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("UETA") and any applicable state law. Electronic signature shall mean any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto.

Section 14.12 Table of Contents, Headings, etc.

The Table of Contents and headings of the Articles and Sections of the Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 14.13 No Bankruptcy Petition Against the Securitization Entities.

Each of the Noteholders, the Trustee and the other Secured Parties hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the latest maturing Note, it will not institute against, or join with any other Person in instituting against, any Securitization Entity any arrangement or any Insolvency proceedings, or other proceedings, under any federal or state bankruptcy or similar law; provided, however, that nothing in this Section 14.13 shall constitute a waiver of any right to indemnification, reimbursement or other payment from the Securitization Entities pursuant to the Indenture or any other Transaction Document. In the event that any such Noteholder or other Secured Party or the Trustee takes action in violation of this Section 14.13, each affected Securitization Entity shall file or cause to be filed an answer with the bankruptcy court or otherwise properly contesting the filing of such a petition by any such Noteholder or Secured Party or the Trustee against such Securitization Entity or the commencement of such action and raising the defense that such Noteholder or other Secured Party or the Trustee has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 14.13 shall survive the termination of the Indenture and the resignation or removal of the Trustee. Nothing contained herein shall preclude participation by any Noteholder or any other Secured Party or the Trustee in the assertion or defense of its claims in any such proceeding involving any Securitization Entity.

Section 14.14 Recording of Indenture.

If the Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense.

Section 14.15 Waiver of Jury Trial.

THE ISSUER, THE TRUSTEE AND BY ITS ACCEPTANCE OF A NOTE, EACH NOTEHOLDER, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS BASE INDENTURE, THE NOTES, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

Section 14.16 Submission to Jurisdiction; Waivers.

The Issuer and the Trustee hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to the Indenture and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, sitting in New York County, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) solely in the case of the Issuer, agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Issuer at its address set forth in Section 14.1 or at such other address of which the Trustee shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) (without limiting the Issuer's obligations pursuant to Section 10.5) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 14.16 any special, exemplary, punitive or consequential damages.

Section 14.17 Permitted Asset Dispositions; Release of Collateral.

After consummation of a Permitted Asset Disposition, upon request of the Issuer (together with an Officer's Certificate and an Opinion of Counsel, each stating that such release is authorized or permitted by the terms of the Transaction Documents and that all conditions precedent with respect thereto have been satisfied), the Trustee, at the written direction of the Control Party (acting at the direction of the Controlling Class Representative), shall execute and deliver to the Securitization Entities any and all documentation reasonably requested and prepared by the Securitization Entities at their expense to effect or evidence the release by the Trustee of the Secured Parties' security interest in the property disposed of in connection with such Permitted Asset Disposition.

Section 14.18 Calculation of Senior Leverage Ratio.

(a) Senior Leverage Ratio and DSCR. In the event that the Securitization Entities incur, repay, repurchase or redeem any Super Senior Notes, Senior Notes and/or Senior Subordinated Notes subsequent to the commencement of the period for which the Senior Leverage Ratio, P&I DSCR or Interest-Only DSCR is being calculated but prior to the event for which the calculation of such ratio is made, then such ratio shall be calculated giving pro forma effect to such incurrence, repayment, repurchase or redemption of Super Senior Notes, Senior Notes and/or Senior Subordinated Notes, as if the same had occurred at the beginning of the applicable preceding four Quarterly Fiscal Periods (including in the case of any incurrence or issuance, a pro forma application of the net proceeds therefrom).

For purposes of making the computation of the Senior Leverage Ratio, P&I DSCR or Interest-Only DSCR (including, without limitation, the calculation of Net Cash Flow used therein), investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any restructurings or reorganizations that any of the Securitization Entities has made during the preceding four Quarterly Fiscal Periods or subsequent to such preceding four Quarterly Fiscal Periods and on or prior to or simultaneously with the date as of which such computation is made (each, for purposes of this Section 14.18(a), a "pro forma event") shall be calculated on a pro forma basis assuming that all such investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, restructurings and reorganizations (and the change in Net Cash Flow resulting therefrom) had occurred on the first day of such preceding four Quarterly Fiscal Periods. If since the beginning of such period any Person that subsequently became (or was merged into) a Securitization Entity since the beginning of such preceding four Quarterly Fiscal Periods shall have made any investment, acquisition, disposition, merger, consolidation, discontinued operation, restructurings or reorganizations, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this Section 14.18(a), then the Senior Leverage Ratio, P&I DSCR or Interest-Only DSCR (including, without limitation, the calculation of Net Cash Flow used therein), as applicable, shall be calculated giving pro forma effect thereto for such period as if such investment, acquisition, disposition, merger, consolidation, restructurings or reorganizations had occurred at the beginning of the applicable preceding four Quarterly Fiscal Periods.

For purposes of making the computation of the Senior Leverage Ratio, P&I DSCR or Interest-Only DSCR (including, without limitation, the calculation of Net Cash Flow used therein), whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Manager. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Manager as set forth in an Officer's Certificate delivered to the Trustee (with respect to which the Trustee shall have no obligation of any nature whatsoever) to reflect appropriate adjustments including (1) operating expense reductions and other operating improvements or synergies, reasonably expected to result from the applicable pro forma event and (2) all appropriate adjustments to the calculation of "Net Cash Flow," in the good faith determination of the Manager. For the avoidance of doubt, if any of the calculations of the Senior Leverage Ratio, P&I DSCR or Interest-Only DSCR described in this Section 14.18(a) is not completed by the applicable Quarterly Calculation Date, the Issuer may grant a grace period for such calculation in its sole reasonable discretion.

**[Signature Pages Follow]**

IN WITNESS WHEREOF, the Issuer, the Trustee and the Securities Intermediary have caused this Base Indenture to be duly executed by its respective duly authorized officer as of the day and year first written above.

TWIN HOSPITALITY I, LLC (f/k/a FAT BRANDS TWIN PEAKS I, LLC),
as the Issuer

By: */s/ Robert G. Rosen*
Name: Robert G. Rosen
Title: Chief Executive Officer

UMB BANK, N.A., in its capacity as Trustee and as Securities Intermediary

By: */s/ Michele Voon*
Name: Michele Voon
Title: Senior Vice President

CONSENT OF CONTROL PARTY:

Citadel SPV LLC, as Control Party, hereby consents to the execution and delivery of this Indenture by the parties hereto, and as Control Party hereby directs the Trustee to execute and deliver this Indenture.

Citadel SPV LLC, in its capacity as Control Party

By: */s/ Orlando Figueroa*
Name: Orlando Figueroa
Title: President

**ANNEX A**

BASE INDENTURE DEFINITIONS LIST

"1933 Act" means the Securities Act of 1933, as amended.

"1940 Act" means the Investment Company Act of 1940, as amended.

"Account Agreement" means each agreement governing the establishment and maintenance of any Management Account or any other Base Indenture Account or Series Account to the extent that any such account is not held at the Trustee.

"Account Control Agreement" means each control agreement, in form and substance reasonably satisfactory to the Control Party and Trustee, pursuant to which the Trustee is granted the right to control deposits and withdrawals from, or otherwise to give instructions or entitlement orders in respect of, a deposit and/or securities account and any lock-box related thereto.

"Accounts" mean, collectively, the Indenture Trust Accounts, the Management Accounts and any other account subject to an Account Control Agreement. In any instance where an Account is held at the Bank, such account shall be a segregated, non-interest bearing trust account.

"Actual Knowledge" means the actual knowledge of (i) in the case of Twin Hospitality, in its individual capacity, any Authorized Officer of Twin Hospitality, (ii) in the case of any Securitization Entity, any manager or director (as applicable other than an independent director or manager) or officer of such Securitization Entity who is also an officer of Twin Hospitality described in clause (i) above, (iii) in the case of the Manager, the Back-Up Manager or any Securitization Entity, with respect to a relevant matter or event, an Authorized Officer of the Manager, the Back-Up Manager or such Securitization Entity, as applicable, directly responsible for managing the relevant asset or for administering the transactions relevant to such matter or event, (iv) with respect to the Trustee, an Authorized Officer of the Trustee responsible for administering the transactions relevant to the applicable matter or event or (v) with respect to any other Person, any member of senior management of such Person.

"Additional Guarantor" means an Additional Guarantor that is designated pursuant to Section 8.34 of the Base Indenture.

"Additional IP Holder" means any entity that after the Closing Date is designated as an "Additional IP Holder" pursuant to Section 8.34 of the Base Indenture.

"Additional Management Account" has the meaning set forth in Section 5.1(a) of the Base Indenture.

"Additional Payment Date" means, following the completion of a Qualified Equity Offering, the earlier to occur of (i) the immediately following Monthly Allocation Date and (ii) the immediately following Quarterly Payment Date.

"Advance Period" means the period (x) commencing on the date that the Manager makes a Manager Advance and (y) ending on the date the Manager is reimbursed in full (from amounts other than Manager Advances) for all outstanding Manager Advances with interest thereon.

"Advertising Fees" means any fees payable by Franchisees and Company Restaurant Guarantors to fund the national marketing and advertising activities with respect to the Brands.

"Affiliate" or "Affiliated" means, with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or other ownership or beneficial interests, by contract or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the meaning of "control."

"After-Acquired Securitization IP" means Securitization IP acquired by a Guarantor after the Closing Date pursuant to an IP License Agreement or otherwise.

"Agent" means any Note Registrar or Paying Agent.

"Aggregate Outstanding Principal Amount" means the sum of the Outstanding Principal Amounts with respect to all Series of Notes.

"Allocated Note Amount" means, as of any date of determination, an amount determined by the Manager, in its reasonable discretion taking into account historical cash flows related to assets disposed or for which indemnified payments are due relative to the cash flows of all other, and agreed to by the Control Party.

"Applicable Procedures" means the provisions of the rules and procedures of DTC, the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream, as in effect from time to time.

"ASC 842, Leases" means FASB Accounting Standards Codification Topic 842, Leases.

"Asset Disposition Proceeds" means, the proceeds of any Permitted Asset Disposition (including all cash and cash equivalents received as payments of the purchase price for such disposition, including, without limitation, any cash or cash equivalents received in respect of deferred payment, or monetization of a note receivable, received as consideration for such disposition), other than (i) any proceeds, up to $250,000 per annum, that are reinvested in Eligible Assets within three months of receipt and (ii) any proceeds resulting from a sale-lease back transaction.

"Assumption Agreement" has the meaning specified in Section 8.34(c) of this Base Indenture.

"Authorized Officer" means, with respect to (i) Issuer, any officer who is authorized to act for Issuer in matters relating to Issuer, including an Authorized Officer of the Manager or Back-Up Manager authorized to act on behalf of Issuer; (ii) Twin Hospitality, in its individual capacity, the Chief Executive Officer, the President, the Chief Financial Officer, the General Counsel or any Senior Vice President of Twin Hospitality or any other officer of Twin Hospitality who is directly responsible for managing the Contributed Assets or otherwise authorized to act with respect to the subject matter of the request, certificate or order in question; (iii) the Manager, the Chief Executive Officer, the President, the Chief Financial Officer, the General Counsel or any Senior Vice President of Twin Hospitality or any other officer of Twin Hospitality who is directly responsible for managing the Contributed Assets or otherwise authorized to act for the Manager in matters relating to, and binding upon, the Manager with respect to the subject matter of the request, certificate or order in question, (iv) the Trustee or any other bank or trust company acting as trustee of an express trust or as custodian, a Trust Officer; or (v) the Controlling Class Representative, any officer of the Controlling Class Representative who is duly authorized to act for the Controlling Class Representative with respect to the relevant matter. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any Person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

"Back-Up Management Agreement" means the Back-Up Management Agreement, dated November 21, 2024, by and among the Back-Up Manager, the Manager, the Issuer, the other Securitization Entities and the Trustee, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Back-Up Manager" means FTI Consulting, Inc., a Maryland corporation, in its capacity as Back-Up Manager (together with its permitted successors and/or assigns in such capacity) pursuant to the Back-Up Management Agreement, and any successor Back-Up Manager.

"Back-Up Manager Consultation Fees" has the meaning set forth in the Back-Up Management Agreement.

"Back-Up Manager Fees" has the meaning set forth in the Back-Up Management Agreement.

"Bank" has the meaning set forth in Section 10.2(x) of this Base Indenture.

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended from time to time, and as codified as 11 U.S.C. Section 101 et seq.

"Base Indenture" means the Base Indenture, dated as of the Closing Date, by and among the Issuer and the Trustee, as amended, supplemented or otherwise modified from time to time, exclusive of any Series Supplements.

"Base Indenture Account" means any account or accounts authorized and established pursuant to the Base Indenture for the benefit of the Secured Parties, including, without limitation, each account established pursuant to Article V of this Base Indenture.

"Base Indenture Definitions List" has the meaning set forth in Section 1.1 of this Base Indenture.

"Beer Distributor" means Ben E. Keith Company, a Texas corporation.

"Book-Entry Notes" means beneficial interests in the Notes of any Series, ownership and transfers of which will be evidenced or made through book entries by a Clearing Agency as described in Section 2.12 of this Base Indenture; provided that, after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Notes are issued to the Note Owners, such Definitive Notes will replace Book-Entry Notes.

"Branded Restaurants" means collectively, as of any date of determination, any restaurant operated under the Twin Peaks brand or Smokey Bones brand, including the Franchised Restaurants and the Company Restaurants.

"Brands" means the Trademarks (words and/or design including applicable logos), alone or in combination with other words or symbols, and any variations or derivatives, owned and/or used by each of the Guarantors.

"Business Day" means any day other than Saturday or Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, New York, New York, Los Angeles, California or the city in which the Corporate Trust Office of any successor Trustee is located if so required by such successor.

"Capitalized Lease Obligations" means the obligations of a Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as finance leases under ASC 842*, Leases* on a balance sheet of such Person under GAAP and, for the purposes of the Indenture, the amount of such obligations will be the capitalized amount thereof determined in accordance with GAAP; provided, however, that any obligations of a Person under any lease that would have been accounted for as "operating leases" under GAAP as in effect on December 1, 2018 shall not constitute "Capitalized Lease Obligations" hereunder irrespective of any change to, or modification of, GAAP (including any future phase-in of changes to GAAP that have been approved as of December 1, 2018) subsequent to December 1, 2018.

"Capped Securitization Operating Expense Amount" means, for any Monthly Allocation Date that occurs (x) during the period beginning on the Closing Date and ending on the date on which 12 full and consecutive Monthly Collection Periods have occurred since the Closing Date and (y) each successive period of 12 consecutive Monthly Collection Periods after the period in (x), the amount by which $500,000 exceeds the aggregate Securitization Operating Expenses already paid during such period, *provided*, *however*, that during any period that the Back-Up Manager is required to provide Warm Back-Up Management Duties or Hot Back-Up Management Duties pursuant to the Back-Up Management Agreement, such amount shall automatically be increased by an additional $750,000 solely in order to provide for the reimbursement of any increased fees and expenses incurred by the Back-Up Manager associated with the provision of such services and the Control Party, acting at the direction of the Controlling Class Representative, may further increase the Capped Securitization Operating Expense Amount as calculated above in order to take account of any additional increased fees and expenses associated with the provision of such services*; provided*, *further*, that, in no event shall accrued and unpaid fees, expenses and indemnities payable to the Back-Up Manager be subject to the Capped Securitization Operating Expense Amount limit if and for so long as an Event of Default has occurred and is continuing nor shall the payment of any such fees, expenses and indemnities payable to the Back-Up Manager that were incurred, in any such case, during any period while an Event of Default has occurred and is continuing, in any such event, be subject to the Capped Securitization Operating Expense Amount limit, regardless of whether or not an Event of Default exists at the time of such payment.

"Carryover Senior Notes Accrued Quarterly Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Notes Interest Payment Account with respect to the Senior Notes on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Notes Accrued Quarterly Interest Amount for such immediately preceding Monthly Allocation Date; provided that for the first Monthly Allocation Date after the Series Closing Date, the Carryover Senior Notes Accrued Quarterly Interest Amount shall equal the aggregate amount of interest accrued on the Senior Notes for the period from the Series Closing Date until such Monthly Allocation Date.

"Carryover Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Notes Post-Anticipated Repayment Date Additional Interest Account with respect to the Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Notes Qualified Equity Offering Additional Interest Account with respect to the Senior Notes Quarterly Qualified Equity Offering Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Senior Notes Accrued Scheduled Principal Payments Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Notes Principal Payment Account with respect to the Senior Notes Scheduled Principal Payment Amounts on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Notes Accrued Scheduled Principal Payments Amount for such immediately preceding Monthly Allocation Date.

"Carryover Senior Subordinated Notes Accrued Quarterly Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Subordinated Notes Interest Payment Account with respect to the Senior Subordinated Notes on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Subordinated Notes Accrued Quarterly Interest Amount for such immediately preceding Monthly Allocation Date; provided that for the first Monthly Allocation Date after the applicable Series Closing Date, the Carryover Senior Subordinated Notes Accrued Quarterly Interest Amount shall equal the aggregate amount of interest accrued on the Senior Subordinated Notes for the period from such Series Closing Date until such Monthly Allocation Date.

"Carryover Senior Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account with respect to the Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Senior Subordinated Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account with respect to the Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Subordinated Notes Accrued Qualified Equity Offering Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Senior Subordinated Notes Accrued Scheduled Principal Payments Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Senior Subordinated Notes Principal Payment Account with respect to the Senior Subordinated Notes Scheduled Principal Payment Amounts on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Senior Subordinated Notes Accrued Scheduled Principal Payments Amount for such immediately preceding Monthly Allocation Date.

"Carryover Subordinated Notes Accrued Quarterly Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Subordinated Notes Interest Payment Account with respect to the Subordinated Notes on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Subordinated Notes Accrued Quarterly Interest Amount for such immediately preceding Monthly Allocation Date; provided that for the first Monthly Allocation Date after the applicable Series Closing Date, the Carryover Subordinated Notes Accrued Quarterly Interest Amount shall equal the aggregate amount of interest accrued on the Subordinated Notes for the period from such Series Closing Date until such Monthly Allocation Date.

"Carryover Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account with respect to the Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Subordinated Notes Accrued Scheduled Principal Payments Amount" means: (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Subordinated Notes Principal Payment Account with respect to the Subordinated Notes Scheduled Principal Payment Amounts on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Subordinated Notes Accrued Scheduled Principal Payments Amount for such immediately preceding Monthly Allocation Date.

"Carryover Super Senior Notes Accrued Quarterly Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Super Senior Notes Interest Payment Account with respect to the Super Senior Notes on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Super Senior Notes Accrued Quarterly Interest Amount for such immediately preceding Monthly Allocation Date; provided that for the first Monthly Allocation Date after the applicable Series Closing Date, the Carryover Super Senior Notes Accrued Quarterly Interest Amount shall equal the aggregate amount of interest accrued on the Super Senior Notes for the period from such Series Closing Date until such Monthly Allocation Date.

"Carryover Super Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account with respect to the Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Super Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Super Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Super Senior Notes Qualified Equity Offering Additional Interest Account with respect to the Super Senior Notes Quarterly Qualified Equity Offering Additional Interest on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Super Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for such immediately preceding Monthly Allocation Date.

"Carryover Super Senior Notes Accrued Scheduled Principal Payments Amount" means (a) for the first Monthly Allocation Date with respect to any Quarterly Collection Period, zero, and (b) for any other Monthly Allocation Date with respect to such Quarterly Collection Period the amount, if any, by which (i) the amount allocated to the Super Senior Notes Principal Payment Account with respect to the Super Senior Notes Scheduled Principal Payment Amounts on the immediately preceding Monthly Allocation Date with respect to such Quarterly Collection Period was less than (ii) the Super Senior Notes Accrued Scheduled Principal Payments Amount for such immediately preceding Monthly Allocation Date.

"Cash Flow Sweeping Event" means:

(a) any Quarterly Payment Date from the Closing Date until the Quarterly Payment Date occurring in January 2026 on which the P&I DSCR is less than or equal to 1.35x;

(b) any Quarterly Payment Date after the Quarterly Payment Date occurring in January 2026 on which the P&I DSCR is less than or equal to 1.40x;

(c) any Quarterly Payment Date from the Closing Date until the Quarterly Payment Date occurring in July 2025 on which the P&I DSCR is less than or equal to 1.40x and greater than 1.35x;

(d) any Quarterly Payment Date after the Quarterly Payment Date occurring in July 2025 until the Quarterly Payment Date occurring in January 2026 on which the P&I DSCR is less than or equal to 1.60x and greater than 1.35x;

(e) any Quarterly Payment Date after the Quarterly Payment Date occurring in January 2026 on which the P&I DSCR is less than or equal to 1.85x and greater than 1.40x;

(f) if no other Cash Flow Sweeping Event has occurred and is continuing, the occurrence of a Level I Qualified Equity Offering Trigger Event; or

(g) if no other Cash Flow Sweeping Event has occurred and is continuing, the occurrence of a Level II Qualified Equity Offering Trigger Event.

"Cash Flow Sweeping Period" means:

(a) with respect to the Cash Flow Sweeping Event described in clause (a) of the definition thereof, any period that begins on any Quarterly Payment Date on which such Cash Flow Sweeping Event occurs and ends on the first Quarterly Payment Date on which either (x) a Rapid Amortization Period commences or (y) the P&I DSCR is greater than 1.35x;

(b) with respect to the Cash Flow Sweeping Event described in clause (b) of the definition thereof, any period that begins on any Quarterly Payment Date on which such Cash Flow Sweeping Event occurs and ends on the first Quarterly Payment Date on which either (x) a Rapid Amortization Period commences or (y) the P&I DSCR is greater than 1.40x;

(c) with respect to the Cash Flow Sweeping Event described in clause (c) of the definition thereof, any period that begins on any Quarterly Payment Date on which such Cash Flow Sweeping Event occurs and ends on the first Quarterly Payment Date on which either (x) a Rapid Amortization Period commences or (y) the P&I DSCR is greater than 1.40x;

(d) with respect to the Cash Flow Sweeping Event described in clause (d) of the definition thereof, any period that begins on any Quarterly Payment Date on which such Cash Flow Sweeping Event occurs and ends on the first Quarterly Payment Date on which either (x) a Rapid Amortization Period commences or (y) the P&I DSCR is greater than 1.60x;

(e) with respect to the Cash Flow Sweeping Event described in clause (e) of the definition thereof, any period that begins on any Quarterly Payment Date on which such Cash Flow Sweeping Event occurs and ends on the first Quarterly Payment Date on which either (x) a Rapid Amortization Period commences or (y) the P&I DSCR is greater than 1.85x;

(f) with respect to the Cash Flow Sweeping Event described in clause (f) of the definition thereof, any period that begins on the date on which such Cash Flow Sweeping Event occurs and ends on the date on which $25,000,000 in aggregate Qualified Equity Offering Proceeds is used to prepay the Outstanding Principal Amount of the Notes; and

(g) with respect to the Cash Flow Sweeping Event described in clause (g) of the definition thereof, any period that begins on the date on which such Cash Flow Sweeping Event occurs and ends on the date on which $75,000,000 in aggregate Qualified Equity Offering Proceeds is used to prepay the Outstanding Principal Amount of the Notes.

"Cash Flow Sweeping Percentage" means exact portion retained for amortization on the Notes, which is dependent on the occurrence of a Cash Flow Sweeping Event as follows:

| **Cash Flow Sweeping Event** | **Cash Flow Sweeping Percentage** |
|---|---|
| From the Closing Date to the Quarterly Payment Date in January 2026, P&I DSCR less than or equal to 1.35x | 100.00% |
| From and after the Quarterly Payment Date in January 2026, P&I DSCR less than or equal to 1.40x | 100.00% |
| From the Closing Date to the Quarterly Payment Date in July 2025, P&I DSCR less than or equal to 1.40x and greater than 1.35x | 50.00% |
| From the Quarterly Payment Date in July 2025 to the Quarterly Payment Date in January 2026, P&I DSCR less than or equal to 1.60x and greater than 1.35x | 50.00% |
| From and after the Quarterly Payment Date in January 2026, P&I DSCR less than or equal to 1.85x and greater than 1.40x | 50.00% |
| If no other Cash Flow Sweeping Event has occurred and is continuing, the occurrence and continuation of a Level I Qualified Equity Offering Trigger Event | 50.00% |
| If no other Cash Flow Sweeping Event has occurred and is continuing, the occurrence and continuation of a Level II Qualified Equity Offering Trigger Event | 50.00% |

"Cause" means, with respect to an Independent Manager or Independent Director, (i) acts or omissions by such Independent Manager or Independent Director, as applicable, constituting fraud, dishonesty, negligence, misconduct or other similar deliberate action which causes injury to any Securitization Entity or an act by such Independent Manager or Independent Director, as applicable, involving moral turpitude or a serious crime, (ii) that such Independent Manager or Independent Director, as the case may be, no longer meets the definition of "Independent Manager" or "Independent Director", as applicable, as set forth in the applicable Securitization Entity's Charter Documents, (iii) the death or incapacity of such Independent Manager or Independent Director, as the case may be, or (iv) any other reason for which the prior written consent of Trustee (acting at the written direction of the Control Party) shall have been obtained.

"Charter Document" means, with respect to any entity and at any time, the certificate of incorporation, certificate of formation, operating agreement, limited liability company agreements, by-laws, memorandum of association, articles of association, or such other similar document, as applicable to such entity in effect at such time.

"Class" means, with respect to any Series of Notes, any one of the classes of Notes of such Series as specified in the Series Supplement.

"Class A-2-I Notes" means any Notes alphanumerically designated as "Class A-2-I" pursuant to the Series Supplement applicable to such Class of Notes.

"Class A-2-II Notes" means any Notes alphanumerically designated as "Class A-2-II" pursuant to the Series Supplement applicable to such Class of Notes.

"Class B-2 Notes" means any Notes alphanumerically designated as "Class B-2" pursuant to the Series Supplement applicable to such Class of Notes.

"Class M-2 Notes" means any Notes alphanumerically designated as "Class M-2" pursuant to the Series Supplement applicable to such Class of Notes.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act or any successor provision thereto or Euroclear or Clearstream.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Clearstream" means Clearstream Luxembourg.

"Closing Date" means November 21, 2024.

"Closing Title Reports" means title commitments for each New Owned Real Property.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means, collectively, the Indenture Collateral, the "Collateral" as defined in the Guarantee and Collateral Agreement and any property subject to any other Indenture Document that grants a Lien to secure any Obligations.

"Collateral Documents" means, collectively, the Collateral Franchise Business Documents and the Collateral Transaction Documents.

"Collateral Exclusions" means the following property of the Securitization Entities: (i) the Franchised Restaurant Leases, (ii) any other any lease, sublease, license, or other contract or permit, in each case if the grant of a lien or security interest in any of the Securitization Entities' right, title and interest in, to or under such lease, sublease, license, contract or permit in the manner contemplated by this Indenture (a) is prohibited by the terms of such lease, sublease, license, contract or permit or would require the consent of a third party, (b) would constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the applicable Securitization Entity therein or (c) would otherwise result in a breach thereof or the termination or a right of termination thereof, except to the extent that any such prohibition, breach, termination or right of termination is rendered ineffective pursuant to the UCC or any other applicable law and (iii) the Excluded Amounts; provided, further, that the Issuer and the Guarantors will not be required to pledge more than 65% of the Equity Interests (and any rights associated with such Equity Interests) of any foreign subsidiary of any of the Issuer or the Guarantors that is a corporation for United States federal income tax purposes and in no circumstance will any such foreign subsidiary be required to pledge any assets, serve as Guarantor, or otherwise guarantee the Notes; provided further that the security interest in (A) each Series Distribution Account and the funds or securities deposited therein or credited thereto will only secure the related Class of Notes as set forth in the Indenture and (B) the Reserve Account and the funds or securities deposited therein or credited thereto shall only be for the benefit of the Super Senior Noteholders, Senior Noteholders, the Senior Subordinated Noteholders and the Trustee, in its capacity as trustee for the Super Senior Noteholders, the Senior Noteholders and the Senior Subordinated Noteholders.

"Collateral Franchise Business Documents" means, collectively, the Franchise Documents, the Franchisee Notes, the Equipment Leases, the Product Sourcing Agreements and the Company Restaurant Licenses.

"Collateral Transaction Documents" means the Contribution Agreement, the equity interests (including any certificates evidencing such interests) issued under the Charter Documents of each Securitization Entity, the Control Party Agreement, the Account Control Agreements, the Management Agreement, the Back-Up Management Agreement and the IP License Agreements.

"Collection Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Collection Account" maintained by the Trustee for the benefit of the Secured Parties pursuant to Section 5.4 of this Base Indenture or any successor securities account maintained pursuant to Section 5.4 of this Base Indenture.

"Collection Account Administrative Accounts" has the meaning set forth in Section 5.5 of this Base Indenture.

"Collections" means, with respect to each Monthly Collection Period, all amounts received by or for the account of (or in the case of ACH or similar transactions, amounts remitted via ACH or similar transactions to or for the account of but net of any Reversed ACH Remittance) the Issuer during such Monthly Collection Period, including (without duplication):

(i) distributions from the Guarantors (including all Guarantor Collections);

(ii) all license fees and other amounts received in respect of the Securitization IP, including recoveries from the enforcement of the Securitization IP;

(iii) Product Sourcing Payments, Indemnification Amounts, Insurance/Condemnation Proceeds, Qualified Equity Offering Proceeds, Asset Disposition Proceeds, and (without duplication) all other amounts received upon the disposition of the Collateral, including proceeds received upon the disposition of property expressly excluded from the definition of Asset Disposition Proceeds, in each case that are required to be deposited into the Concentration Account or the Collection Account;

(iv) Investment Income earned on amounts on deposit in the Accounts;

(v) equity contributions made to the Issuer by the Manager or any other Person;

(vi) to the extent not otherwise included above, payments from Guarantors or any other Person (except in respect of Excluded Amounts) deposited in the Concentration Account or otherwise included in Collections;

(vii) amounts released from the Reserve Account; and

(vii) any other payments or proceeds received with respect to the Collateral.

"Company Order" and "Company Request" mean a written order or request signed in the name of the Issuer by any Authorized Officer of the Issuer and delivered to the Trustee, the Control Party or the Paying Agent, as applicable.

"Company Restaurant Account" has the meaning set forth in the Management Agreement.

"Company Restaurant Asset" means all of the assets owned by a Company Restaurant Guarantor associated with owning and operating the Company Restaurants (such as furnishings, cooking equipment, cooking supplies and computer equipment).

"Company Restaurant Collections" means all cash revenues (including gift card redemption amounts, but excluding proceeds of the initial sale of gift cards), credit card and debit card proceeds generated by Company Restaurants including Pass-Through Amounts.

"Company Restaurant Build-Out" means, with respect to any Real Estate Asset, Company Restaurant or Prospective Company Restaurant Property, any construction, refurbishment or conversion activities and costs, fees and expenses and any related financings incurred in connection therewith.

"Company Restaurant Guarantors" means (i) TP Franchise Austin, LLC, a Texas limited liability company; (ii) TP Franchise Round Rock, LLC, a Texas limited liability company; (iii) Twin Restaurant Amarillo, LLC, a Texas limited liability company; (iv) Twin Restaurant Broomfield, LLC, a Colorado limited liability company; (v) Twin Restaurant Burleson, LLC, a Texas limited liability company; (vi) Twin Restaurant Centennial, LLC, a Colorado limited liability company; (vii) Twin Restaurant Denver, LLC, a Colorado limited liability company; (viii) Twin Restaurant Denver, LLC, a Texas limited liability company; (ix) Twin Restaurant El Paso, LLC, a Texas limited liability company; (x) Twin Restaurant Frisco, LLC, a Delaware limited liability company; (xi) Twin Restaurant Grand Prairie, LLC, a Texas limited liability company; (xii) Twin Restaurant Lewisville, LLC, a Delaware limited liability company; (xiii) Twin Restaurant Little Rock, LLC, an Arkansas limited liability company; (xiv) Twin Restaurant Live Oak, LLC, a Texas limited liability company; (xv) Twin Restaurant LV -2, LLC, a Nevada limited liability company; (xvi) Twin Restaurant Midland, LLC, a Texas limited liability company; (xvii) Twin Restaurant N Irving, LLC, a Texas limited liability company; (xviii) Twin Restaurant Oakbrook, LLC, an Illinois limited liability company; (xix) Twin Restaurant Odessa, LLC, a Texas limited liability company; (xx) Twin Restaurant Park North, LLC, a Texas limited liability company; (xxi) Twin Restaurant S Fort Worth, LLC, a Texas limited liability company; (xxii) Twin Restaurant San Angelo, LLC, a Texas limited liability company; (xxiii) Twin Restaurant San Antonio, LLC, a Texas limited liability company; (xxiv) Twin Restaurant San Marcos, LLC, a Texas limited liability company; (xxv) Twin Restaurant Sunland Park, LLC, a Texas limited liability company; (xxvi) Twin Restaurant Warrenville, LLC, an Illinois limited liability company; (xxvii) Twin Restaurant Western Center, LLC, a Texas limited liability company; (xxviii) Twin Restaurant Westover, LLC, a Texas limited liability company; (xxix) TPJV2, LLC, a Delaware limited liability company; (xxx) Twin Restaurant Brandon, LLC, a Delaware limited liability company; (xxxi) Twin Restaurant JV Management, LLC, a Delaware limited liability company; (xxxii) Twin Restaurant Lakeland, LLC, a Delaware limited liability company; (xxxiii) Twin Restaurant McKinney, LLC, a Delaware limited liability company; (xxxiv) Twin Restaurant Northlake, LLC, a Texas limited liability company; (xxxv) Twin Restaurant Plano, LLC, a Texas limited liability company; (xxxvi) Twin Restaurant Terrell, LLC, a Delaware limited liability company; (xxxvii) Barbeque Integrated, Inc., a Delaware corporation; (xxxviii) Twin Restaurant Sarasota, LLC, a Delaware limited liability company; and (xxxix) any Additional Guarantor that is designated as a "Company Restaurant Guarantor."

"Company Restaurant Leases" means the leases from landlords related to properties on which Company Restaurants are located that were contributed to, distributed to or otherwise acquired by a Company Restaurant Guarantor on or prior to the Series 2024-1 Closing Date.

"Company Restaurant Licenses" means any IP license granted by a Franchise Entity with respect to a Company Restaurant.

"Company Restaurant Royalty Payments" means the royalty payments paid by the Company Restaurant Guarantors to the Concentration Account pursuant to the Management Agreement in an amount equal to 5% of Company Restaurant Collections.

"Company Restaurants" means any Branded Restaurant(s) that are owned and operated by one or more Securitization Entity, including Branded Restaurants that a Securitization Entity reacquires from Franchisees from time to time.

"Competitor" means any Person that is a direct or indirect franchisor, franchisee, owner or operator of a large regional or national casual dining or family dining restaurant concept (including a Franchisee); provided, however, that (i) a Person will not be a Competitor solely by virtue of its direct or indirect ownership of less than 5% of the Equity Interests in a "Competitor," (ii) a Person will not be a "Competitor" if such Person has policies and procedures that prohibit such Person from disclosing or making available any confidential information that such Person may receive as a Holder of the Notes or prospective investor in the Notes, to individuals involved in the business of buying, selling, holding or analyzing the Equity Interests of a "Competitor" or in the business of being a franchisor, franchisee, owner or operator of a large regional or national casual dining or family dining restaurant concept and (iii) a franchisee will only be a "Competitor" if it, or its Affiliates, directly or indirectly, owns, franchises or licenses, in the aggregate, ten or more individual locations of a particular concept.

"Concentration Account" means the account maintained in the name of Issuer and pledged to the Trustee into which the Manager causes amounts to be deposited pursuant to Section 5.9(a) of the Base Indenture or any successor or additional such account established for Issuer by the Manager for such purpose pursuant to the Base Indenture and the Management Agreement, including any investment accounts related thereto into which funds are transferred for investment purposes pursuant to Section 5.1(b) of the Base Indenture.

"Consent Agreements" mean, collectively, the (i) Sysco Approved Distributor Agreement; (ii) Lease Agreement, effective as of July 27, 2012, by and between CNL Net Lease Funding 2001, LP and Twin Restaurant Centennial LLC, as amended by the First Amendment of Lease Agreement, made effective as of May 2017, by and between SCF RC Funding I LLC and Twin Restaurant Centennial, LLC and the Assignment and Assumption of Lease Documents, effective as of June 16, 2016, by and between CNL APF Partners, LP and SCFRC-HW-G LLC; (iii) Lease Agreement, made and entered into as of November 1, 2012, by and between the Fountains at Farah, LP and Twin Restaurant Investment Company, LLC; (iv) Lease, entered into on November 9, 2011, by and between DDR Flatiron LLC and Twin Restaurant Broomfield, LLC; (v) Shopping Center Retail Lease, dated April 23, 2013, by and between Park Place III, LLC and Twin Restaurant LV -2 LLC; and (vi) Lease Agreement, effective as of April 12, 2012, by and between DDR MDT MacArthur Marketplace LP and Twin Restaurant North Irving, LLC, as terminated by that certain termination notice, as reinstated by that certain Agreement Reinstating and Amending Lease dated June 26, 2012, as amended by that certain Second Amendment to Lease dated August 16, 2012, as further amended by that certain Third Amendment to Lease dated October 4, 2012, as further amended by that certain Fourth Amendment to Lease dated December 14, 2012, as further amended by that certain Fifth Amendment to Lease dated April 24, 2013, as further amended by that certain Sixth Amendment to Lease dated May 1, 2013, as further amended by that certain Seventh Amendment to Lease dated December 11, 2017 and as further amended by that certain Eighth Amendment to Lease dated April 16, 2020.

"Consent Recommendation" means the action recommended by the Control Party in writing with respect to any Consent Request.

"Consent Request" means any request for directions, waivers, amendments, consents and other actions under the Transaction Documents.

"Consolidated Interest Expense" means, with respect to Twin Hospitality for any period, consolidated interest expense, whether paid or accrued, of Twin Hospitality and the Securitization Entities, as determined in accordance with GAAP for such period.

"Consolidated Net Income" means, with respect to Twin Hospitality for any period, the consolidated net income of Twin Hospitality and the Securitization Entities (whether positive or negative), determined in accordance with GAAP, for such period, including, without limitation, Twin Hospitality's equity in the net income of any of its Subsidiaries that are not Securitization Entities to the extent of cash actually distributed by such Subsidiaries during such period to Twin Hospitality as a dividend or other distribution.

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person, without duplication, (a) with respect to any indebtedness, lease, declared but unpaid dividends, letter of credit or other obligation of another if the primary purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such obligation of another that such obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected (in whole or in part) against loss in respect thereof or (b) under any letter of credit issued for the account of that Person or for which that Person is otherwise liable for reimbursement thereof. Contingent Obligation will include (x) the direct or indirect guarantee, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another and (y) any liability of such Person for the obligations of another through any agreement (contingent or otherwise) (i) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), (ii) to maintain the solvency of any balance sheet item, level of income or financial condition of another or (iii) to make take-or-pay or similar payments if required regardless of non-performance by any other party or parties to an agreement, if in the case of any agreement described under subclause (i) or (ii) of this clause (y) the primary purpose or intent thereof is as described in the preceding sentence. The amount of any Contingent Obligation will be equal to the amount of the obligation so guaranteed or otherwise supported. The amount of any Person's obligation under any Contingent Obligation shall (subject to any limitation set forth therein) be deemed equal to the lesser of (1) the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof, and (2) the stated amount of the guaranty.

"Contractual Obligation" means, with respect to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Contributed Assets" means all assets sold and/or contributed under the Contribution Agreement (TP Buyer), the Contribution Agreement (SB Equity) or the Sale and Contribution Agreement (Issuer).

"Contribution Agreement" or "Contribution Agreements" means the Contribution Agreement (TP Buyer), Contribution Agreement (SB Equity) and/or the Sale and Contribution Agreement (Issuer), as applicable.

"Contribution Agreement (SB Equity)" means the Contribution Agreement, dated as of March 21, 2024, between FAT Brands and the Issuer, pertaining to the equity of Barbeque Integrated, Inc., a Delaware corporation.

"Contribution Agreement (TP Buyer)" means the Contribution Agreement, dated as of October 1, 2021, between the Issuer and FAT Brands, pertaining to Twin Peaks Buyer, LLC.

"Controlled Group" means any group of trades or businesses (whether or not incorporated) under common control within the meaning of Section 4001(b)(1) of ERISA that is treated as a single employer for purposes of Section 302 or Title IV of ERISA.

"Control Party" means, Citadel SPV LLC or its successors and permitted assigns, as Control Party under the Control Party Agreement, and any successor thereto.

"Control Party Agreement" means the Control Party Agreement, dated November 21, 2024, by and among the Control Party and the Issuer, as amended, supplemented or otherwise modified from time to time.

"Control Party Termination Event" means the resignation or removal of the Control Party in its capacity as Control Party pursuant to the terms of the Control Party Agreement.

"Controlling Class" means the most senior Class of Notes by alphanumeric designation then Outstanding among all Series of Notes then Outstanding for which purpose the Super Senior Notes and the Senior Notes as the initial Controlling Class will be treated as a single Class.

"Controlling Class Member" means, with respect to a Note issued in book-entry form of the Controlling Class, a Note Owner of such Note and, with respect to a Note issued in physical, definitive form of the Controlling Class, a Noteholder of such Note issued in physical, definitive form (excluding, in each case, any Securitization Entity or Affiliate thereof; provided that the Trustee shall not be deemed to have knowledge of the identity of any Noteholder or Note Owner unless the Trustee has Actual Knowledge of such ownership or a Trust Officer of the Trustee has received written notice of such ownership).

"Controlling Class Representative" means a representative of the Noteholders of the Controlling Class selected by the Majority of Controlling Class; provided, that the Majority of Controlling Class shall have all privileges of and may assume and exercise all of the rights and remedies of the Controlling Class Representative at any time; provided further that, upon any dispute between the Controlling Class Representative and the Majority of Controlling Class, a written direction from the Majority of Controlling Class shall control. For the avoidance of doubt, "Controlling Class Representative" shall be deemed to include under this Base Indenture and the other Transaction Documents the Majority of Controlling Class acting in its capacity pursuant to Section 1.4(m) hereof.

"Copyrights" has the meaning set forth in the definition of "Intellectual Property."

"Corporate Trust Office" means the corporate trust office of the Trustee (a) for Note transfer purposes and presentment of the Notes for final payment thereon, UMB Bank, N.A., 928 Grand Blvd., Mailstop 1010903, Kansas City, MO 64106, Attention: Corporate Trust Bond Ops and (b) for all other purposes, UMB Bank, N.A., 100 William Street, Suite 1850, New York, NY 10038, Attention: Michele Voon, Email: xxxxxxxx or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer or the principal corporate trust office of any successor Trustee.

"Covenant-Adjusted EBITDA" means, with respect to Twin Hospitality for any period, the Consolidated Net Income Twin Hospitality and the Securitization Entities for such period:

(a) plus, without duplication, the following to the extent deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Expense;

(ii) net loss attributable to asset dispositions not in the ordinary course of business or early extinguishment of Indebtedness or Swap Contracts;

(iii) stock based compensation expense;

(iv) closure and impairment losses on assets;

(v) depreciation and amortization expense;

(vi) Transaction Expenses;

(vii) expenses or charges related to any actual or contemplated acquisition or disposition (excluding de minimis acquisitions or dispositions), issuance of Equity Interests, recapitalization or incurrence or repayment of Indebtedness (in each case, whether or not successful);

(viii) net losses (or similar charges) resulting from currency translation;

(ix) charges, fees, expenses, costs, accruals or reserves of any kind arising from litigation or claim settlement, including, without limitation, all related legal fees, disbursements and expenses and costs of defense;

(x) costs incurred in connection with franchise conventions;

(xi) board of directors fees and expenses;

(xii) closed store expenses, lease buy-out expenses, remodel reopening expenses, and new restaurant opening and pre-opening expenses;

(xiii) current and/or deferred taxes based on income, profits or capital of such Person and its Subsidiaries, including without limitation U.S. federal, state, local, foreign, franchise, excise, withholding and similar taxes and foreign withholding taxes (including penalties and interest related to such taxes or arising from tax examination);

(xiv) net losses related to any brand national advertising fund deficit;

(xv) all noncash losses, charges and expenses; and

(xvi) other extraordinary, unusual or nonrecurring losses, expenses or charges, including without limitation:

(A) any severance, relocation, reorganization or other restructuring expenses,

(B) any expenses related to reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses,

(C) inventory optimization programs,

(D) facility, office, store, restaurant or business unit closures or consolidations,

(E) systems establishment costs,

(F) contract termination costs,

(G) curtailments or modifications to pension and post-retirement employee benefit plans,

(H) excess pension charges,

(I) acquisition integration costs,

(J) business optimization costs,

(K) signing, retention or recruiting bonuses and expenses, or

(L) any losses, expenses or charges related to liability or casualty events or business interruption, and

(b) minus, without duplication, to the extent added in calculating such Consolidated Net Income,

(i) net gain attributable to asset dispositions not in the ordinary course of business or early extinguishment of Indebtedness or Swap Contracts;

(ii) net gain (or similar credits) resulting from currency translation;

(iii) net gain related to any brand national advertising fund excess and

(iv) other unusual or nonrecurring items;

provided, however, that items that would have been accounted for as "operating leases" under GAAP as in effect on December 1, 2018 will continue to be treated as "operating leases" for purposes of this definition irrespective of any change to, or modification of, GAAP (including any future phase-in of changes to GAAP that have been approved as of December 1, 2018) subsequent to December 1, 2018.

"Debt Service" means, with respect to any Quarterly Payment Date, the sum of (A) the Super Senior Notes Quarterly Interest Amount plus of (B) the Senior Notes Quarterly Interest Amount plus (C) the Senior Subordinated Notes Quarterly Interest Amount plus (D) with respect to each Class of Super Senior Notes, Senior Notes and Senior Subordinated Notes Outstanding, the aggregate amount of Scheduled Principal Payments that would be due and payable on such Quarterly Payment Date, as ratably reduced by the aggregate amount of any payments of Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds or Qualified Equity Offering Proceeds, after giving effect to any optional or mandatory prepayment of principal of any such Super Senior Notes, Senior Notes or Senior Subordinated Notes or any repurchase and cancellation of such Super Senior Notes, Senior Notes or Senior Subordinated Notes. For the purposes of calculating the P&I DSCR as of the first Quarterly Payment Date after the Closing Date, Debt Service will be deemed to be the sum of (1) the product of (x) the sum of the amounts referred to in clauses (A) through (D) of the preceding sentence multiplied by (y) a fraction the numerator of which is 90 and the denominator of which is the actual number of days elapsed during the period commencing on and including the Closing Date and ending on but excluding the first Quarterly Payment Date, plus (2) the amount referred to in clause (D) of the preceding sentence.

"Default" means any Event of Default or any occurrence that with notice or the lapse of time or both would become an Event of Default.

"Defeased Series" has the meaning set forth in Section 12.1(c) of this Base Indenture.

"Definitive Notes" has the meaning set forth in Section 2.12(a) of this Base Indenture.

"Depository" has the meaning set forth in Section 2.12(a) of this Base Indenture.

"Development Agreement" means a development agreement for Branded Restaurants pursuant to which a Franchisee, developer or other Person obtains the rights to develop (in order to operate as a Franchisee) one or more Branded Restaurants within a designated geographical area.

"Disclosure Exceptions" has the meaning set forth in Section 8.10 of the Base Indenture.

"Distribution Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Distribution Account" maintained by the Trustee for the benefit of the Secured Parties pursuant to Section 5.5(d) of this Base Indenture or any successor securities account maintained pursuant to Section 5.5(d) of this Base Indenture.

"Distribution Center Expenses" means real estate taxes, lease payments or other expenses with respect to the Brewery or any similar facility owned or leased by any Securitization Entity.

"Distribution Operating Expenses" means all reasonable operating expenses related to the distribution of Products by any Distributor that have not been previously reimbursed or paid.

"Distributor" means any distributor (including the Beer Distributor) of Products to Franchisees, Company Restaurants or any other Persons.

"Distributor Costs of Goods Sold" means, with respect to any Monthly Collection Period, any costs of goods sold actually paid by any Distributor during such Monthly Collection Period.

"Distributor Franchisee Rebates" means, with respect to any Monthly Collection Period, any rebates actually paid by any Distributor to a Franchisee in respect of the purchase of Products during such Monthly Collection Period.

"Dollar" and the symbol "$" or "U.S.$" or "U.S. Dollar" means the lawful currency of the United States.

"DTC" means the Depository Trust Company.

"E-Sign Act" has the meaning set forth in Section 14.11 of this Base Indenture.

"Eligible Account" means (a) a segregated identifiable trust account established in the trust department of a Person meeting the criteria set forth in Section 10.8(a) or (b) a separately identifiable deposit or securities account established at a Qualified Institution.

"Eligible Assets" means any real property or other asset used or useful to the Securitization Entities in the operation of its business or their other assets, including, without limitation, (i) capital assets, capital expenditures, renovations and improvements and (ii) assets intended to generate revenue for the Securitization Entities.

"Eligible Investments" means (a) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank or trust company that (i) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) whose short-term debt is rated at least "P-1" (or then equivalent grade) by Moody's and at least "A 1+" (or then equivalent grade) by S&P and (iii) has combined capital and surplus of at least $1,000,000,000, in each case with maturities of not more than one year from the date of acquisition thereof; (b) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition thereof; provided, that the full faith and credit of the United States of America is pledged in support thereof; (c) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "P-1" (or the then equivalent grade) by Moody's and at least "A 1+" (or the then equivalent grade) by S&P, with maturities of not more than 180 days from the date of acquisition thereof; (d) repurchase obligations with a term of not more than 30 days for underlying securities of the type described in clauses (a) and (b) above entered into with any financial institution meeting the qualifications specified in clause (a) above and (e) investments, classified in accordance with GAAP as current assets of the relevant Person making such investment, in money market investment programs registered under the 1940 Act, which have the highest rating obtainable from either Moody's or S&P, and the portfolios of which are invested primarily in investments of the character, quality and maturity described in clauses (a) though (d) of this definition. Notwithstanding the foregoing, all Eligible Investments must either (A) be at all times available for withdrawal or liquidation at par (or for commercial paper issued at a discount, at the applicable purchase price) or (B) mature on or prior to the Business Day prior to the immediately succeeding Monthly Allocation Date or Quarterly Payment Date, as applicable.

"Employer Guarantors" means (i) Twin Restaurant Investment Company, LLC, a Texas limited liability company, (ii) Twin Restaurant Investment Company II, LLC, a Texas limited liability company, (iii) Twin Restaurant, LLC, a Delaware limited liability company, (iv) Twin Restaurant Warrenville, LLC, an Illinois limited liability company, (v) Twin Restaurant LV -2, LLC, a Nevada limited liability company, (vi) Twin Restaurant Little Rock, LLC, an Arkansas limited liability company, (vii) Twin Peaks Buyer, LLC, a Delaware limited liability company, (viii) Twin Restaurant FL Payroll, LLC, a Delaware limited liability company, and/or (ix) Barbeque Integrated, Inc., a Delaware corporation.

"Enhancement" means, with respect to any Series of Notes, the rights and benefits provided to the Noteholders of such Series of Notes pursuant to any letter of credit, surety bond, cash collateral account, spread account, guaranteed rate agreement, maturity guaranty facility, tax protection agreement, interest rate swap or any other similar arrangement entered into by the Issuer in connection with the issuance of such Series of Notes as provided for in the Series Supplement in accordance with the terms of this Base Indenture.

"Enhancement Agreement" means any contract, agreement, instrument or document governing the terms of any Enhancement or pursuant to which any Enhancement is issued or outstanding.

"Enhancement Provider" means the Person providing any Enhancement as designated in the Series Supplement.

"Environmental Law" means any and all applicable laws, rules, orders, regulations, statutes, ordinances, binding guidelines, codes, decrees, agreements or other legally enforceable requirements (including common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health (as it relates to exposure to Materials of Environmental Concern), or employee health and safety (as it relates to exposure to Materials of Environmental Concern), as has been, is now, or may at any time hereafter be, in effect.

"Environmental Permits" means any and all permits, licenses, approvals, registrations, notifications, exemptions and other authorizations required under any Environmental Law.

"Equipment Lease" means any equipment lease pursuant to which a Franchisee leases from a Securitization Entity equipment used to operate a Branded Restaurant, together with any residual interest in the related equipment and any security interest in such equipment.

"Equipment Lease Payments" means all amounts payable to a Guarantor by a Franchisee pursuant to an Equipment Lease.

"Equity Interests" means any (a) membership interest in any limited liability company, (b) general or limited partnership interest in any partnership, (c) common, preferred or other stock interest in any corporation, (d) share, participation, unit or other interest in the property or enterprise of an issuer that evidences ownership rights therein, (e) ownership or beneficial interest in any trust, (f) option, warrant or other right to convert any interest into or otherwise receive any of the foregoing or (g) any other interest or participation that confers the right to receive a share of the profits and losses of, or distributions of assets of, the applicable issuer.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Euroclear" means Euroclear Bank, S.A./N.V., or any successor thereto, as operator of the Euroclear System.

"Event of Bankruptcy" means an event that will be deemed to have occurred with respect to a Person if:

(a) a case or other proceeding is commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or any substantial part of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding continues undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days; or an order for relief in respect of such Person is entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person commences a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of its property, or makes any general assignment for the benefit of creditors; or

(c) the board of directors or board of managers (or similar body) of such Person votes to implement any of the actions set forth in clause (b) above.

"Event of Default" means any of the events set forth in Section 9.2 of this Base Indenture.

"Excess Amounts" means, as of any date of determination, so long as no Event of Default, Rapid Amortization Event, or Cash Flow Sweeping Event has occurred and is continuing, the positive amount, if any, which the Manager has elected to withdraw from the Concentration Account or the Collection Account, equal to or less than the following: (i) the amounts on deposit in the Concentration Account and the Collection Account less (ii) the aggregate amounts necessary, in the reasonable judgment of the Manager, to satisfy clauses (i) through (xxv) of the Priority of Payments on the next applicable Monthly Allocation Date. For the avoidance of doubt, Excess Amounts shall not be permitted with respect to the payment of any dividends or any other distribution, whether in cash, property, securities or otherwise.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" has the meaning specified in the Series Supplement.

"Exchangeable Combination" has the meaning specified in the Series Supplement.

"Exchangeable Notes" has the meaning specified in the Series Supplement.

"Excluded Amounts" means (i) Advertising Fees, (ii) fees and expenses paid by or on behalf of any Guarantor in connection with registering, maintaining and enforcing the Securitization IP and paying third party licensing and subscription fees, or any other fees, expenses or costs in connection with indemnification obligations and other obligations under any other license, (iii) account expenses and fees paid to the banks at which the Management Accounts are held, (iv) insurance and condemnation proceeds payable by the Securitization Entities to Franchisees, (v) withholding, sales and other taxes (if any) included in Collections that are due and payable to a Governmental Authority or other unaffiliated third party, (vi) amounts paid by Guarantors for corporate services provided by unaffiliated third parties to the Manager, including, without limitation, repairs and maintenance, gift card administration, asset development services and employee training, (vii) proceeds of directors' and officers' insurance, (viii) any amounts that cannot be transferred to the Concentration Account or the Collection Account due to applicable law, (ix) [reserved], (x) equity proceeds, (xi) insurance and condemnation proceeds payable by the Securitization Entities to third parties or by Franchisees to the Manager or the Securitization Entities, (xii) rebates, credits and any other amounts paid by or on behalf of the Manager to any Franchisee in connection with any Rebate Agreement or agreements related thereto, (xiii) Distributor Costs of Goods Sold, Distribution Operating Expenses, Distributor Franchisee Rebates and Distribution Center Expenses, (xiv) amounts paid by Twin Restaurant Grand Prairie, LLC and Twin Restaurant Burleson, LLC representing contractual obligations to pay up to 3% of net taxable income of Twin Restaurant Grand Prairie, LLC and Twin Restaurant Burleson, LLC, respectively, to third party investors in the stores pursuant to the Profits Interest Agreement, dated as of the Closing Date, between Twin Restaurant Grand Prairie, LLC and FAT Brands Development 5, LLC, and the Profits Interest Agreement, dated as of the Closing Date, between Twin Restaurant Burleson, LLC and FAT Brands Development 3, LLC, respectively, and (xv) any other amounts deposited into the Concentration Account or otherwise included in Collections that are not required to be deposited into the Collection Account. Excluded Amounts are not transferred into the Collection Account, will not constitute Collateral regardless of whether such amounts are deposited into Management Accounts, and therefore not available to pay interest on and principal of the Series of Notes.

"Excluded IP" means (a) any Intellectual Property arising under the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia, (b) any trademarks owned and used by a Non-Securitization Entity principally for its own corporate purposes that are not otherwise included in Securitization IP and (c) any commercially available Software licensed to or on behalf of any Non-Securitization Entity.

"FAT Brands" means FAT Brands Inc., a Delaware corporation, and its successors and assigns.

"FATCA" means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any published intergovernmental agreement entered into in connection with the implementation of such sections of the Code and any fiscal or regulatory legislation, rules or official practices adopted pursuant to such published intergovernmental agreement.

"FDIC" means the U.S. Federal Deposit Insurance Corporation.

"Financial Assets" has the meaning set forth in Section 5.7(b) of this Base Indenture.

"Financing Obligation" means the amount of minimum lease payments for sale-leaseback transactions accounted for as financings.

"Fitch" means Fitch Ratings Inc., or any successor thereto.

"Franchise Agreement" means a franchise agreement whereby a Franchisee agrees to operate a Branded Restaurant.

"Franchise Documents" means all Franchise Agreements, Development Agreements and agreements related thereto, together with any modifications, amendments, extensions or replacements of the foregoing.

"Franchise Entities" means (i) Twin Restaurant Franchise, LLC, (ii) Twin Restaurant International Franchise, LLC and (iii) each Additional Guarantor designated as a "Franchise Entity".

"Franchised Restaurant Leases" means (a) leases from landlords unaffiliated with the Securitization Entities in respect of which a Securitization Entity is the prime lessee and a Franchisee or other Person is the sub-lessee executed or acquired by such Securitization Entity and (b) leases or subleases in respect of which a Securitization Entity is the lessor or sublessor and a Franchisee or other Person is the lessee or sublessee.

"Franchised Restaurants" means a Branded Restaurant owned and operated by a Franchisee.

"Franchisee" means any Person that is a franchisee under a Franchise Agreement.

"Franchisee Lease Payments" means all lease payments, taxes and any other amounts payable by Franchisees to a Guarantor in respect of Real Estate Assets and New Real Estate Assets.

"Franchisee Note" means any franchisee note entered into by a Franchise Entity or any franchisee note or other franchisee financing agreement entered into in order to finance the payment of franchisee fees or other amounts owing by a Franchisee.

"Franchisee Note Payments" means all amounts payable to a Guarantor by a Franchisee pursuant to a Franchisee Note.

"Franchisee Payments" means, all amounts payable to a Guarantor by Franchisees pursuant to the Franchise Documents other than Excluded Amounts.

"GAAP" means the generally accepted accounting principles in the United States promulgated or adopted by the Financial Accounting Standards Board and its predecessors and successors in effect from time to time.

"Government Securities" means readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof and as to which obligations the full faith and credit of the United States of America is pledged in support thereof.

"Governmental Authority" means the government of the United States of America or any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Gross Sales" means, with respect to a restaurant, the total amount of revenue received from the sale of all food, products, merchandise and performance of all services (except Manager-approved promotional items) and all other income of every kind and nature (including gift certificates when redeemed but not when purchased), whether for cash or credit and regardless of collection in the case of credit; provided, however, that Gross Sales shall not include (i) refunds and allowances; (ii) any sales taxes or other taxes, in each case collected from customers for transmittal to the appropriate taxing authority or (iii) revenues that are not subject to royalties in accordance with the related Franchise Agreement, Company Restaurant License or other applicable agreement.

"Guarantee" means, as to any Person, any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "Primary Obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the Primary Obligor so as to enable the Primary Obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be (i) with respect to a Guarantee pursuant to clause (a) above, an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith or (ii) with respect to a Guarantee pursuant to clause (b) above, the fair market value of the assets subject to (or that could be subject to) the related Lien. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantee and Collateral Agreement" means the Guarantee and Collateral Agreement, dated as of the Closing Date, by and among the Guarantors and the Trustee, as amended, supplemented or otherwise modified from time to time.

"Guarantor Assets" means:

(i) the Franchisee Notes and New Franchisee Notes;

(ii) the Equipment Leases and New Equipment Leases,

(iii) the Franchise Agreements and New Franchise Agreements;

(iv) the Development Agreements and New Development Agreements;

(v) the Product Sourcing Assets and New Product Sourcing Assets;

(vi) Real Estate Assets and New Real Estate Assets;

(vii) Company Restaurants and New Company Restaurants;

(viii) Company Restaurant Leases and New Company Restaurant Leases;

(ix) all guarantees of such obligations and the rights evidenced by or reflected in the applicable agreements, in each case together with all payments, proceeds and accrued and future rights to payment thereon; and

(x) any and all other property of every nature, now or hereafter transferred, mortgaged, pledged, or assigned as security for payment or performance of any obligation of the Franchisees or other Persons, as applicable, to such Guarantor under the Guarantee and Collateral Agreement.

"Guarantor Collections" means, with respect to each Monthly Collection Period, all amounts received by or for the account of (or in the case of ACH transactions, amounts remitted via ACH to or for the account of but net of any Reversed ACH Remittance) the Securitization Entities during such Monthly Collection Period, including (without duplication):

(i) Franchisee Payments;

(ii) all amounts received in connection with the Product Sourcing Assets;

(iii) Franchisee Lease Payments;

(iv) Franchisee Note Payments;

(v) Equipment Lease Payments;

(vi) all net proceeds received upon the disposition of the Collateral including any net proceeds from the sale of any Prospective Company Restaurant Property;

(vii) all Monthly Fiscal Period Estimated Company Restaurant Profits Amounts and, without duplication and Monthly Fiscal Period Company Restaurant Profits True-up Amounts; and

(viii) any other payments or proceeds or other revenue of the Guarantors other than Excluded Amounts.

"Guarantor Product Sourcing Payments" means all amounts payable by any Guarantor to a manufacturer of Products under any Product Sourcing Agreement.

"Guarantors" means the following entities and any Additional Guarantor:

- TP Franchise Austin, LLC, a Texas limited liability company
- TP Franchise Round Rock, LLC, a Texas limited liability company
- TP Franchise Venture I, LLC, a Delaware limited liability company
- TP Texas Beverages, LLC, a Texas limited liability company
- TPJV2, LLC, a Delaware limited liability company
- Twin Peaks Buyer, LLC, a Delaware limited liability company
- Twin Restaurant, LLC, a Delaware limited liability company
- Twin Restaurant Amarillo, LLC, a Texas limited liability company
- Twin Restaurant Amarillo Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Amarillo Management, LLC, a Texas limited liability company
- Twin Restaurant Beverage - Texas, LLC, a Texas limited liability company
- Twin Restaurant Beverage Holding, LLC, a Delaware limited liability company
- Twin Restaurant Brandon, LLC, a Delaware limited liability company
- Twin Restaurant Broomfield, LLC, a Colorado limited liability company
- Twin Restaurant Burleson, LLC, a Texas limited liability company
- Twin Restaurant Burleson Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Burleson Management, LLC, a Texas limited liability company
- Twin Restaurant Centennial, LLC, a Colorado limited liability company
- Twin Restaurant Denver, LLC, a Colorado limited liability company
- Twin Restaurant Denver, LLC, a Texas limited liability company
- Twin Restaurant Development, LLC, a Texas limited liability company
- Twin Restaurant El Paso, LLC, a Texas limited liability company
- Twin Restaurant EL Paso Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant FL Payroll, LLC, a Delaware limited liability company
- Twin Restaurant Franchise, LLC, a Delaware limited liability company
- Twin Restaurant Frisco, LLC, a Delaware limited liability company
- Twin Restaurant Grand Prairie, LLC, a Texas limited liability company
- Twin Restaurant Grand Prairie Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Grand Prairie Management, LLC, a Texas limited liability company
- Twin Restaurant Holding, LLC, a Delaware limited liability company
- Twin Restaurant International Franchise, LLC, a Texas limited liability company
- Twin Restaurant Investment Company, LLC, a Texas limited liability company
- Twin Restaurant Investment Company II, LLC, a Texas limited liability company
- Twin Restaurant IP, LLC, a Delaware limited liability company
- Twin Restaurant JV Management, LLC, a Delaware limited liability company
- Twin Restaurant Lakeland, LLC, a Delaware limited liability company
- Twin Restaurant Lewisville, LLC, a Delaware limited liability company
- Twin Restaurant Little Rock, LLC, an Arkansas limited liability company
- Twin Restaurant Live Oak, LLC, a Texas limited liability company
- Twin Restaurant Live Oak Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Live Oak Management, LLC, a Texas limited liability company
- Twin Restaurant Live Oak RE, LLC, a Texas limited liability company

- Twin Restaurant LV -2 LLC, a Nevada limited liability company
- Twin Restaurant McKinney, LLC, a Delaware limited liability company
- Twin Restaurant McKinney Beverage Holding, LLC, a Delaware limited liability company
- Twin Restaurant McKinney RE, LLC, a Delaware limited liability company
- Twin Restaurant Midland, LLC, a Texas limited liability company
- Twin Restaurant Midland Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant N Irving, LLC, a Texas limited liability company
- Twin Restaurant N Irving Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Northlake, LLC, a Texas limited liability company
- Twin Restaurant Oakbrook, LLC, an Illinois limited liability company
- Twin Restaurant Odessa, LLC, a Texas limited liability company
- Twin Restaurant Odessa Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Park North, LLC, a Texas limited liability company
- Twin Restaurant Park North Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Park North Management, LLC, a Texas limited liability company
- Twin Restaurant Plano, LLC, a Texas limited liability company
- Twin Restaurant RE, LLC, a Texas limited liability company
- Twin Restaurant S Fort Worth, LLC, a Texas limited liability company
- Twin Restaurant S Fort Worth Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant San Angelo, LLC, a Texas limited liability company
- Twin Restaurant San Angelo Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant San Angelo Management, LLC, a Texas limited liability company
- Twin Restaurant San Antonio, LLC, a Texas limited liability company
- Twin Restaurant San Antonio Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant San Marcos, LLC, a Texas limited liability company
- Twin Restaurant San Marcos Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant San Marcos Management, LLC, a Texas limited liability company
- Twin Restaurant Sarasota, LLC, a Delaware limited liability company
- Twin Restaurant Sarasota RE, LLC, a Delaware limited liability company
- Twin Restaurant Sunland Park, LLC, a Texas limited liability company
- Twin Restaurant Sunland Park Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Terrell, LLC, a Delaware limited liability company
- Twin Restaurant Terrell Beverage Holding, LLC, a Delaware limited liability company
- Twin Restaurant Terrell RE, LLC, a Delaware limited liability company
- Twin Restaurant Viva Las Vegas, LLC, a Texas limited liability company
- Twin Restaurant Warrenville, LLC, an Illinois limited liability company
- Twin Restaurant Western Center, LLC, a Texas limited liability company
- Twin Restaurant Western Center Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant Westover, LLC, a Texas limited liability company
- Twin Restaurant Westover Beverage Holding, LLC, a Texas limited liability company
- Twin Restaurant JV Holding, LLC, a Delaware limited liability company
- Barbeque Integrated, Inc., a Delaware corporation
- Smokey Bones (Florida), LLC, a Delaware limited liability company
- GMR of Pennsylvania-SB Properties, LLC, a Delaware limited liability company
- Integrated Card Solutions, LLC, a Delaware limited liability company that will be converted to a Virginia limited liability company following the Closing Date.

"Hot Back-Up Management Duties" has the meaning set forth in the Back-Up Management Agreement.

"Improvements" means any additions, modifications, developments, variations, refinements, enhancements or improvements, including without limitation derivative works as defined by applicable Requirements of Law.

"Indebtedness" means, as to any Person as of any date, without duplication, (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all Capitalized Lease Obligations of such Person, (c) all Financing Obligations (current and long term) of such Person and (d) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit, in the case of the foregoing clauses (a), (b) and (c), to the extent such item would be classified as a liability on a consolidated balance sheet of such Person as of such date. Notwithstanding anything in this Base Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, (y) the effects of Financial Accounting Standards Board Accounting Standards Codification 825 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Base Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness and any such amounts that would have constituted Indebtedness under this Base Indenture but for the application of this sentence shall not be deemed an incurrence of Indebtedness under this Base Indenture and (z) interest, fees, make-whole amounts, premiums, charges or expenses, if any, relating to the principal amount of Indebtedness.

"Indemnification Amount" means, with respect to any Guarantor Asset or New Real Estate Asset, an amount equal to the Allocated Note Amount for such asset.

"Indenture" means the Base Indenture, together with all Series Supplements, as amended, supplemented or otherwise modified from time to time by Supplements thereto in accordance with its terms.

"Indenture Collateral" has the meaning set forth in Section 3.1 of the Base Indenture.

"Indenture Documents" means, with respect to any Series of Notes, collectively, the Base Indenture, the Series Supplement, the Notes of such Series, the Guarantee and Collateral Agreement, the Limited Guaranty, the related Account Control Agreements and any other agreements relating to the issuance or the purchase of the Notes of such Series or the pledge of Collateral under any of the foregoing.

"Indenture Trust Accounts" means, the Collection Account, the Collection Account Administrative Accounts, the Distribution Account, the Reserve Account, the Series Distribution Accounts and such other accounts as the Trustee may establish from time to time pursuant to instruction from the Issuer or Control Party, as applicable and as contemplated hereby, to establish additional accounts pursuant to the Indenture.

"Independent" means, as to any Person, any other Person (including, in the case of an accountant, or lawyer, a firm of accountants or lawyers and any member thereof or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person and (ii) is not connected with such Person or an Affiliate of such Person as an officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions. "Independent" when used with respect to any accountant may include an accountant who audits the books of such Person if, in addition to satisfying the criteria set forth above, the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants. Whenever any Independent Person's opinion or certificate is to be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"Independent Auditors" means the firm of Independent accountants appointed pursuant to the Management Agreement or any successor Independent accountant.

"Independent Director" means, with respect to any corporation, an individual who has prior experience as an independent director, independent manager or independent member with at least three years of employment experience and who is provided by Corporation Service Company, CT Corporation, Lord Securities Corporation, National Registered Agents, Inc., Stewart Management Company, Wilmington Trust, National Association, Wilmington Trust SP Services, Inc., Citadel SPV LLC, or, if none of those companies is then providing professional independent managers, another nationally-recognized company reasonably approved by the Control Party, in each case that is not an Affiliate of the corporation and that provides professional independent managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Director and is not, and has never been, and will not while serving as Independent Director be, any of the following:

(i) a member (other than a special member), partner, equityholder, manager, director, officer or employee of the corporation (other than any Securitization Entity), the shareholder thereof, or any of their respective equityholders or Affiliates (other than as an Independent Director of the corporation or an Affiliate of the corporation that is not in the direct chain of ownership of the corporation and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such Independent Director is employed by a corporation that routinely provides professional independent directors in the ordinary course of its business);

(ii) a creditor, supplier or service provider (including a provider of professional services) to the corporation, or any of its equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent directors and other corporate services to the corporation or any of its equityholders or Affiliates in the ordinary course of its business);

(iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(iv) a Person that controls (whether directly, indirectly or otherwise) any of (i), (ii) or (iii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (i) by reason of being the Independent Director (or independent director or manager) of a "special purpose entity" which is an Affiliate of the corporation shall be qualified to serve as an Independent Director of the corporation, provided that the fees that such individual earns from serving as Independent Director (or independent director or manager of any Affiliate of the corporation) in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"Independent Manager" means, with respect to any limited liability company, an individual who has prior experience as an independent director, independent manager or independent member with at least three years of employment experience and who is provided by Corporation Service Company, CT Corporation, Lord Securities Corporation, National Registered Agents, Inc., Stewart Management Company, Wilmington Trust, National Association, Wilmington Trust SP Services, Inc., Citadel SPV LLC, or, if none of those companies is then providing professional independent managers, another nationally-recognized company reasonably approved by the Control Party, in each case that is not an Affiliate of the company and that provides professional independent managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Manager and is not, and has never been, and will not while serving as Independent Manager be, any of the following:

(i) a member (other than a special member), partner, equityholder, manager, director, officer or employee of the company, the member thereof, or any of their respective equityholders or Affiliates (other than as an Independent Manager of the company or an Affiliate of the company (other than any Securitization Entity) that is not in the direct chain of ownership of the company and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such Independent Manager is employed by a company that routinely provides professional independent managers in the ordinary course of its business);

(ii) a creditor, supplier or service provider (including provider of professional services) to the company, or any of its equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent managers and other corporate services to the company or any of its equityholders or Affiliates in the ordinary course of its business);

(iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(iv) a Person that controls (whether directly, indirectly or otherwise) any of (i), (ii) or (iii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (i) by reason of being the Independent Manager (or independent manager) of a "special purpose entity" which is an Affiliate of the company shall be qualified to serve as an Independent Manager of the company, provided that the fees that such individual earns from serving as Independent Manager (or independent manager) of any Affiliate of the company in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"Ineligible Account" has the meaning set forth in Section 5.16 of the Base Indenture.

"Initial Principal Amount" means, with respect to any Series or Class (or Subclass) of Notes, the aggregate initial principal amount of such Series or Class (or Subclass) of Notes specified in the Series Supplement.

"Insolvency" means liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization or conservation, and when used as an adjective "Insolvent."

"Insolvency Law" means any applicable federal, state or foreign law relating to liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law now or hereafter in effect.

"Insurance/Condemnation Proceeds" means an amount equal to: (i) any cash payments or proceeds received by the Securitization Entities (a) by reason of theft, physical destruction or damage or any other similar event with respect to any properties or assets of the Securitization Entities under any policy of insurance (other than liability insurance) in respect of a covered loss thereunder or (b) as a result of any non-temporary condemnation, taking, seizing or similar event with respect to any properties or assets of the Securitization Entities by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking minus (ii)(a) any actual and reasonable documented costs incurred by the Securitization Entities in connection with the adjustment or settlement of any claims of the Securitization Entities in respect thereof and (b) any bona fide direct costs incurred in connection with any disposition of such assets as referred to in clause (i)(b) of this definition, including income taxes reasonably estimated to be actually payable by the Securitization Entities' consolidated group as a result of any gain recognized in connection therewith. For the avoidance of doubt, "Insurance/Condemnation Proceeds" shall not include any proceeds of policies of insurance not described above, such as business interruption insurance, food safety insurance coverage and other insurance procured in the ordinary course of business, which shall be treated as Collections.

"Intellectual Property" or "IP" means all rights in intellectual property of any type throughout the world, including: (i) Trademarks; (ii) Patents; (iii) rights in computer programs, including in both source code and object code therefor, together with related documentation and explanatory materials and databases, including any Copyrights, Patents and trade secrets thereon or therein ("Software"); (iv) copyrights (whether registered or unregistered) in unpublished and published works ("Copyrights"); (v) trade secrets and other confidential or proprietary information, including with respect to recipes, unpatented inventions, operating procedures, know how, procedures and formulas for preparing food and beverage products, specifications for certain food and beverage products, inventory methods, customer service methods and financial control methods, and training techniques ("Trade Secrets"); (vi) all Improvements of or to any of the foregoing; (vii) all registrations, applications for registration or issuances, recordings, renewals and extensions relating to any of the foregoing; and (viii) for the avoidance of doubt, the sole and exclusive rights to prosecute and maintain any of the foregoing, to enforce any past, present or future infringement, misappropriation or other violation of any of the foregoing, and to defend any pending or future challenges to any of the foregoing.

"Interest Accrual Period" means, with respect to any Class of Notes of any Series of Notes, a period commencing on and including the 25th day of the calendar month in which the immediately preceding Quarterly Payment Date occurred to but excluding the 25th day of the calendar month which includes the then-current Quarterly Payment Date; provided, however, that the initial Interest Accrual Period for any Series will commence on and include the Series Closing Date and end on the date specified in the Series Supplement; provided further that the Interest Accrual Period, with respect to each Series of Notes Outstanding, immediately preceding the Quarterly Payment Date on which the last payment on the Notes of such Series is to be made will end on such Quarterly Payment Date; provided further that, in the case of an Additional Payment Date, interest accruing on the Notes during an Interest Accrual Period shall accrue (x) to but excluding such Additional Payment Date on the outstanding principal amount of such Notes as of the end of the prior Quarterly Payment Date (after giving effect to all payments made on such prior Quarterly Payment Date) and (y) on and after such Additional Payment Date on the outstanding principal amount of such Notes as of the Additional Payment Date (after giving effect to all payments made on such Additional Payment Date).

"Interest-Only DSCR" means the P&I DSCR calculated as of any Quarterly Calculation Date without giving effect to clause (C) of the definition of "Debt Service".

"Interim Successor Manager" means, upon the resignation or termination of the Manager pursuant to the terms of the Management Agreement and prior to the appointment of any successor to the Manager by the Control Party (at the direction of the Controlling Class Representative), subject to the terms of the Back-Up Management Agreement, the Back-Up Manager.

"Investment Income" means the investment income earned on a specified account during a specified period, in each case net of all losses and expenses allocable thereto.

"Investor Request Certification" has the meaning specified in Section 4.4 of this Base Indenture.

"Investments" means, with respect to any Person(s), all investments by such Person(s) in other Persons in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel, moving and other similar advances to officers, directors, employees and consultants of such Person(s) (including Affiliates) made in the ordinary course of business) and purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person.

"IP License Agreements" means any license to or for the use of intellectual property to which a Guarantor is a party.

"Level I QEO Quarterly Payment Date" has the meaning specified in the Series Supplement.

"Level II QEO Quarterly Payment Date" has the meaning specified in the Series Supplement.

"Level I Qualified Equity Offering Trigger Event" has the meaning specified in the Series Supplement.

"Level II Qualified Equity Offering Trigger Event" has the meaning specified in the Series Supplement.

"Legacy Account" means, on or after the date that any Class or Series of Notes issued pursuant to the Base Indenture is no longer Outstanding, any account maintained by the Trustee to which funds have been allocated in accordance with the Priority of Payments for the payment of interest, fees or other amounts in respect of such Class or Series of Notes.

"Licensees" means, collectively, the Franchisees and the Company Restaurant Guarantors.

"Lien" means, when used with respect to any Person, any interest in any real or personal property, asset or other right held, owned or being purchased or acquired by such Person which secures payment or performance of any obligation, and will include any mortgage, lien, pledge, encumbrance, charge, retained security title of a conditional vendor or lessor, or other security interest of any kind, whether arising under a security agreement, mortgage, lease, deed of trust, chattel mortgage, assignment for security purposes, pledge, retention or security title, financing or similar statement, or arising as a matter of law, judicial process or otherwise, but excluding any of the foregoing with respect to leases characterized as operating leases in accordance with GAAP as in effect on December 1, 2018 (disregarding any future phase-in of changes to GAAP that have been approved as of December 1, 2018).

"Limited Guaranty" means the Limited Guaranty, dated as of the Closing Date, made by Twin Hospitality Group Inc. (in such capacity, the "Limited Guarantor") in favor of the Trustee, on behalf of the Secured Parties, as amended, supplemented or otherwise modified from time to time.

"Majority of Controlling Class" means Noteholders holding in excess of 50% of the sum of the Outstanding Principal Amount of the Controlling Class; provided, that the Exchangeable Notes will be treated as the corresponding Exchange Notes in the Outstanding Principal Amount of such Exchange Notes allocable to such Exchangeable Notes.

"Majority of Senior Noteholders" means Senior Noteholders holding in excess of 50% of the sum of the Outstanding Principal Amount of each Series of Senior Notes (excluding any Senior Notes or beneficial interests in Senior Notes held by any Securitization Entity or any Affiliate of any Securitization Entity); provided, that the Exchangeable Notes will be treated as the corresponding Senior Notes in the Outstanding Principal Amount of such Senior Notes allocable to such Exchangeable Notes.

"Majority of Senior Subordinated Noteholders" means Senior Subordinated Noteholders holding in excess of 50% of the sum of the Outstanding Principal Amount of each Series of Senior Subordinated Notes (excluding any Senior Subordinated Notes or beneficial interests in Senior Subordinated Notes held by the Issuer or any Affiliate thereof); provided, that the Exchangeable Notes will be treated as the corresponding Senior Subordinated Notes in the Outstanding Principal Amount of such Senior Subordinated Notes allocable to such Exchangeable Notes.

"Majority of Subordinated Noteholders" means Subordinated Noteholders holding in excess of 50% of the sum of the Outstanding Principal Amount of each Series of Subordinated Notes (excluding any Subordinated Notes or beneficial interests in Subordinated Notes held by the Issuer or any Affiliate thereof); provided, that the Exchangeable Notes will be treated as the corresponding Subordinated Notes in the Outstanding Principal Amount of such Subordinated Notes allocable to such Exchangeable Notes.

"Majority of Super Senior Noteholders" means Super Senior Noteholders holding in excess of 50% of the sum of the Outstanding Principal Amount of each Series of Super Senior Notes (excluding any Super Senior Notes or beneficial interests in Super Senior Notes held by any Securitization Entity or any Affiliate of any Securitization Entity); provided, that the Exchangeable Notes will be treated as the corresponding Super Senior Notes in the Outstanding Principal Amount of such Super Senior Notes allocable to such Exchangeable Notes.

"Management Accounts" means, collectively, the Concentration Account and any Additional Management Account as may be established by the Manager from time to time pursuant to the Management Agreement that the Manager designates as a "Management Account" for purposes of the Management Agreement; provided each such other account is established with the Trustee or otherwise controlled by the Trustee under the New York UCC, or subject to an Account Control Agreement.

"Management Agreement" means the Management Agreement, dated November 21, 2024, by and among the Manager, the Issuer, the other Securitization Entities party thereto and the Trustee, as amended, supplemented or otherwise modified from time to time.

"Manager" means Twin Hospitality Group Inc., as the Manager, under the Management Agreement, and any successor thereto.

"Manager Advances" has the meaning set forth in the Management Agreement.

"Manager Termination Event" means the occurrence of an event specified in Section 6.1 of the Management Agreement.

"Managing Standard" has the meaning set forth in the Management Agreement.

"Material Adverse Effect" means:

(a) with respect to the Manager, a material adverse effect on (i) its results of operations, business, properties or financial condition, taken as a whole, (ii) its ability to conduct its business or to perform in any material respect its obligations under the Management Agreement or any other Transaction Document, (iii) the Collateral, taken as a whole, or (iv) the ability of the Securitization Entities to perform in any material respect their obligations under the Transaction Documents;

(b) with respect to the Collateral, a material adverse effect with respect to the Collateral taken as a whole, the enforceability of the terms thereof, the likelihood of the payment of the amounts required with respect thereto in accordance with the terms thereof, the value thereof, the ownership thereof by the Securitization Entities (as applicable) or the Lien of the Trustee thereon;

(c) with respect to any Securitization Entity, a materially adverse effect on the results of operations, business, properties or financial condition of each such Securitization Entity, taken as a whole, or the ability of each such Securitization Entity, taken as a whole, to conduct its business or to perform in any material respect its obligations under any of the Transaction Documents; or

(d) with respect to any Person or matter, a material impairment to the rights of or benefits available to, taken as a whole, the Securitization Entities, the Trustee, or the Noteholders under any Transaction Document or the enforceability of any material provision of any Transaction Document; provided, that where "Material Adverse Effect" is used in any Transaction Document without specific reference, such term will have the meaning specified in clauses (a) through (d), as the context may require.

"Material Contract" means all vendor, supplier, distribution and other third-party agreements relating to the Collateral contributed to or entered into by a Company Restaurant Guarantor or the Manager on its behalf.

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products (virgin or unused), polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity and any other materials or substances of any kind, whether or not any such material or substance is defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or could reasonably be expected to give rise to liability under any Environmental Law.

"McIlhenny Agreement" means the unwritten understanding with McIlhenny Co. to provide a rebate of two dollars per case of Tabasco sold.

"Monthly Allocation Date" means each of the dates set forth in the schedule of Monthly Manager's Certificates delivery dates and Monthly Allocation Dates in Annex B of the Series Supplement.

"Monthly Collection Period" means each monthly period commencing at 12:00 a.m. (Pacific time) on the first day of each Monthly Fiscal Period and ending immediately prior to 12:00 a.m. (Pacific time) on the last day of such Monthly Fiscal Period.

"Monthly Fiscal Period" means the following monthly fiscal periods of the Securitization Entities: (a) eight 4-week fiscal periods and four 5-week fiscal periods of the Securitization Entities in connection with their 52-week fiscal years and (b) eight 4-week fiscal periods, three 5-week fiscal periods and one 6-week fiscal period of the Securitization Entities in connection with their 53-week fiscal years, whereby the 6-week period is the last fiscal period in such fiscal year.

"Monthly Fiscal Period Company Restaurant Accrual Profits Amount" means, with respect to each Monthly Fiscal Period of the Securitization Entities, the amount (not less than zero) equal to (a) all revenue accrued in respect of all Company Restaurants; minus (b) all Restaurant Operating Expenses accrued over such period in connection with the operation of the Company Restaurants over such period.

"Monthly Fiscal Period Company Restaurant Cash Profits Amount" means, with respect to each Monthly Fiscal Period of the Securitization Entities, the amount (not less than zero) equal to (a) Company Restaurant Collections over such period; minus (b) all Restaurant Operating Expenses paid in cash out of funds on deposit in the Company Restaurant Accounts in connection with the operation of the Company Restaurants over such period.

"Monthly Fiscal Period Company Restaurant Profits True-up Amount" means, with respect to each Monthly Fiscal Period of the Securitization Entities, the sum of (a) the amount (whether positive or negative) equal to (i) the Monthly Fiscal Period Company Restaurant Accrual Profits Amount for such Monthly Fiscal Period minus (ii) the Monthly Fiscal Period Estimated Company Restaurant Profits Amount for such Monthly Fiscal Period plus (b) the unpaid amount of all Monthly Fiscal Period Company Restaurant Profits True- up Amounts for all prior Monthly Fiscal Periods.

"Monthly Fiscal Period Estimated Company Restaurant Profits Amount" means, with respect to each Monthly Fiscal Period of the Securitization Entities, the lesser of (or, at the option of the Issuer, the greater of) (x) an estimate of the Monthly Fiscal Period Company Restaurant Accrual Profits Amount for such period and (y) an estimate of the Monthly Fiscal Period Company Restaurant Cash Profits Amount for such period, in each case, as set forth in the relevant Monthly Manager's Certificate.

"Monthly Management Fee" has the meaning set forth in the Management Agreement.

"Monthly Manager's Certificate" has the meaning specified in Section 4.1(a) of the Base Indenture.

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"Mortgages" means the mortgages or deeds of trust, in form reasonably acceptable to the Issuer, the Control Party and the Trustee, required, pursuant to Section 8.38 of the Base Indenture, to be prepared, executed and delivered by the applicable Guarantor to the Control Party (with a copy to the Trustee) (for the benefit of the Secured Parties) to hold in escrow with respect to each New Owned Real Property.

"Mortgage Preparation Event" means the occurrence following any Rapid Amortization Event (for which the Trustee receives notice) or following any date of measurement upon which a Cash Flow Sweeping Event has occurred and is continuing.

"Mortgage Recordation Event" means, in the event that any Rapid Amortization Event occurs (or is continuing) on or following the 120$^{th}$ day following the occurrence of a Mortgage Preparation Event, the Control Party's delivery of the Mortgages to the applicable recording office for recordation within five (5) Business Days of receiving direction of the Controlling Class Representative (unless such recordation requirement is waived by the Controlling Class Representative).

"Mortgage Recordation Fees" means any fees, taxes or other amounts required to be paid to any applicable Governmental Authority, or any expenses incurred by the Trustee or the Control Party, as applicable, in connection with the recording of any Mortgages as required by the Base Indenture.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and contributed to for any employees of the Manager.

"Net Cash Flow" means, with respect to any Quarterly Payment Date and the immediately preceding Quarterly Collection Period, the amount (not less than zero) equal to:

(a) the Retained Collections with respect to such Quarterly Collection Period; minus

(b) the amount (without duplication) equal to the sum of payments pursuant to priorities (i), (ii), (iii), (iv) and (v) of the Priority of Payments.

"New Company Restaurant Asset" means all Company Restaurant Assets acquired by a Securitization Entity following the Closing Date.

"New Company Restaurant Leases" means all Company Restaurant Leases entered into by a Securitization Entity following the Series 2024-1 Closing Date.

"New Company Restaurants" means all Company Restaurants acquired by a Securitization Entity following the Closing Date.

"New Development Agreements" means all Development Agreements and related guaranty agreements entered into by a Securitization Entity following the Closing Date.

"New Equipment Leases" means all Equipment Leases and related guaranty agreements entered into by a Securitization Entity following the Closing Date.

"New Franchise Agreements" means all Franchise Agreements and related guaranty agreements entered into by a Securitization Entity following the Closing Date, in its capacity as franchisor for Branded Restaurants.

"New Franchised Restaurant Leases" means all Franchised Restaurant Leases and related documents acquired by a Securitization Entity following the Closing Date.

"New Franchisee Notes" means all Franchisee Notes and related guaranty and collateral agreements entered into by a Securitization Entity following the Closing Date.

"New Owned Real Property" means all Owned Real Property and related agreements acquired by a Securitization Entity following the Closing Date.

"New Product Sourcing Agreement" means all Product Sourcing Agreements entered into by a Securitization Entity following the Closing Date.

"New Product Sourcing Assets" means all Product Sourcing Assets and related agreements entered into by a Securitization Entity following the Closing Date.

"New Real Estate Asset" means collectively, the New Owned Real Property, the New Franchised Restaurant Leases and the New Company Restaurant Leases.

"New York UCC" has the meaning set forth in Section 5.7(b) of the Base Indenture.

"Non-Securitization Entity" means any Twin Hospitality Affiliate that is not a Securitization Entity.

"Note Owner" means, with respect to a Note, the Person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Clearing Agency that holds the Book-Entry Note, or on the books of a Person holding an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

"Note Rate" means, with respect to any Series, Class, Subclass or Tranche of Notes, the annual rate at which interest (other than contingent or additional interest) accrues on the Notes of such Series, Class, Subclass or Tranche of Notes (or the formula on the basis of which such rate will be determined) as stated in the Series Supplement.

"Note Register" means the register maintained pursuant to Section 2.5(a) of the Base Indenture, providing for the registration of the Notes and transfers and exchanges thereof, subject to such reasonable regulations as the Issuer may prescribe.

"Note Registrar" has the meaning specified in Section 2.5(a) of this Base Indenture.

"Noteholder" or "Holder" means the Person in whose name a Note is registered in the Note Register.

"Noteholder Certificate" has the meaning specified in Section 11.5 of the Base Indenture.

"Notes" has the meaning specified in the recitals to the Base Indenture.

"Notes Discharge Date" means, with respect to any Class or Series of Notes, the first date on which such Class or Series of Notes is no longer Outstanding.

"Obligations" means (a) all principal, interest and premium, if any, at any time and from time to time, owing by the Issuer on the Notes or owing by the Guarantors pursuant to the Guarantee and Collateral Agreement or the Limited Guarantor pursuant to the Limited Guaranty, (b) the payment and performance of all other obligations, covenants and liabilities of the Issuer or the Guarantors arising under the Indenture, the Back-Up Management Agreement, the Notes, any other Indenture Document, the Control Party Agreement or of the Guarantors under the Guarantee and Collateral Agreement or the Limited Guarantor under the Limited Guaranty, (c) the obligation of the Issuer to pay to the Trustee all fees, expenses and indemnification amounts payable to the Trustee under the Indenture and the other Transaction Documents to which it is a party and all Mortgage Recordation Fees when due and payable as provided in the Indenture, (d) the obligation of the Issuer to pay to the Control Party and the Controlling Class Representative all fees, expenses and indemnification amounts payable to the Control Party and the Controlling Class Representative under the Indenture and the other Transaction Documents to which it is a party and (e) the obligation of the Issuer to pay to the Back-Up Manager all fees, expenses and indemnification amounts payable to the Back-Up Manager under the Indenture, the Back-Up Management Agreement and the other Transaction Documents.

"Officer's Certificate" means a certificate signed by an Authorized Officer of the party delivering such certificate.

"Opinion of Counsel" means a written opinion from legal counsel who is reasonably acceptable to the addressees. Unless otherwise specified, the counsel may be an employee of, or in-house counsel to, the Securitization Entities, Twin Hospitality, the Manager or the Back-Up Manager, as the case may be.

"Optional Scheduled Principal Payment" means, each principal payment with respect to any Series of Notes, or Class, Subclass or Tranche thereof identified as an "Optional Scheduled Principal Payment" in the Series Supplement.

"Outstanding" means, with respect to the Notes, as of any time, all of the Notes of any one or more Series, as the case may be, theretofore authenticated and delivered under the Indenture except:

(i) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation, including any such Notes delivered to the Note Registrar by a Twin Hospitality TP Entity or an Affiliate;

(ii) Notes, or portions thereof, for whose payment or redemption funds in the necessary amount have been theretofore irrevocably deposited with the Trustee in trust for the Noteholders of such Notes pursuant to the Indenture; provided that, if such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture;

(iii) Notes in exchange for, or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture, unless proof reasonably satisfactory to the Trustee is presented that any such Notes are held by a holder in due course or Protected Purchaser;

(iv) Notes that have been defeased in accordance with the Indenture; and

(v) Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes have been issued as provided in the Indenture;

provided that, (A) in determining whether the Noteholders of the requisite Outstanding Principal Amount have given any request, demand, authorization, direction, notice, consent, waiver or vote under the Indenture: (x) Notes owned by the Securitization Entities or any other obligor upon the Notes or any Affiliate of any of them shall be disregarded and deemed not to be Outstanding, (y) Notes held in any accounts with respect to which the Manager or any Affiliate thereof exercises discretionary voting authority shall be disregarded and deemed not to be Outstanding and (z) the portion of the Outstanding Principal Amount of the Exchangeable Notes allocable to any Class of Exchange Notes shall be included in the principal amount of such Class of Exchange Notes; provided, further, that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or vote, only Notes as described under clause (x), (y) or (z) above that a Trust Officer actually knows to be so owned shall be so disregarded; and (B) Notes owned in the manner indicated in clause (x) or (y) above that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not a Securitization Entity or any other obligor or the Manager, an Affiliate thereof, or an account for which the Manager or an Affiliate of the Manager exercises discretionary voting authority.

"Outstanding Principal Amount" means, with respect to (i) any Class of Exchange Notes, at any time, the aggregate principal amount Outstanding of such Class of Exchange Notes at such time and (ii) any Class of Exchangeable Notes, at any time, the sum of the aggregate principal amount Outstanding of each constituent Class of Exchange Notes (whether or not represented by such Exchangeable Notes). Any reduction in the Outstanding Principal Amount of a Class of Exchange Notes will reduce the Outstanding Principal Amount of the Class of the Exchangeable Notes in each corresponding Exchangeable Combination dollar-for-dollar regardless of whether any exchange has occurred so that the aggregate Outstanding Principal Amount of the Classes of Exchange Notes will at all times reflect the Outstanding Principal Amount of the Class of Exchangeable Notes in each corresponding Exchangeable Combination.

"Owned Real Property" means the real property (including the land, buildings and fixtures) owned in fee (as of the Closing Date) by a Securitization Entity.

"P&I DSCR" means an amount calculated as of any Quarterly Calculation Date by dividing (x) the Net Cash Flow over the four (4) immediately preceding Quarterly Collection Periods most recently ended by (y) an amount equal to the Debt Service times four (4); provided that, for purposes of calculating the P&I DSCR as of the first four (4) Quarterly Calculation Dates:

(a) "Net Cash Flow" for the Quarterly Collection Period ended December 31, 2023 shall be deemed to be $23,675,945.35, "Net Cash Flow" for the Quarterly Collection Period ended March 31, 2024 shall be deemed to be $16,854,109.70, "Net Cash Flow" for the Quarterly Collection Period ended June 30, 2024 shall be deemed to be $16,000,196.53, "Net Cash Flow" for the Quarterly Collection Period ended September 29, 2024 shall be deemed to be $14,005,628.88 and "Net Cash Flow" from September 30, 2024 through the Closing Date shall be deemed to be $9,429,367.81; provided that, for the avoidance of doubt, the foregoing Net Cash Flow amounts shall be subject to pro forma adjustments in accordance with the Indenture with respect to any pro forma events occurring after the date of the Base Indenture; and

(b) the Debt Service due during such period for purposes of clause (ii) shall be deemed to equal the Debt Service for the most recently ended Quarterly Collection Period times four (and for the first Quarterly Collection Period, the Debt Service measured for such Quarterly Collection Period shall be adjusted as set forth in the definition of such term to account for the irregular number of days in such Quarterly Collection Period).

"Pass-Through Amount" means amounts in respect of sales Taxes and other comparable Taxes, payroll Taxes, wage garnishments and other amounts received by Company Restaurants that are due and payable to a Governmental Authority or other unaffiliated third party.

"Patents" means United States and non-U.S. patents, (including, during the term of the patent, the inventions claimed thereunder), patent disclosures, industrial designs, inventions (whether or not patentable or reduced to practice), invention disclosures, and applications, divisions, continuations, continuations-in-part, provisionals, reexaminations and reissues for any of the foregoing.

"Paying Agent" has the meaning specified in Section 2.5(a) of the Base Indenture.

"PBGC" means the Pension Benefit Guarantee Corporation or any entity succeeding to all or any of its functions under ERISA.

"Pension Plan" means any "employee pension benefit plan," as such term is defined in Section 3(2) of ERISA (other than a Multiemployer Plan), which is subject to Title IV of ERISA and to which any company in the same Controlled Group as the Manager has liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA for any time within the preceding five (5) years or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

"Permitted Asset Dispositions" has the meaning set forth in Section 8.16 of the Base Indenture.

"Permitted Liens" means (a) Liens for (i) Taxes, assessments or other governmental charges not delinquent by more than 30 days or (ii) Taxes, assessments or other charges being contested in good faith and by appropriate action and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, (b) all Liens created or permitted under the Transaction Documents in favor of the Trustee for the benefit of the Secured Parties, (c) restrictions under federal, state or foreign securities laws on the transfer of securities, (d) any Liens arising under law or pursuant to documentation governing permitted accounts in connection with the Securitization Entities' cash management system, (e) Liens arising from (i) judgment, decrees or attachments in circumstances not constituting an Event of Default or (ii) notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate action and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, (f) Liens arising in connection with any Capitalized Lease Obligations, sale-leaseback transaction or in connection with any Indebtedness, in each case that is permitted under the Indenture, (g) Liens imposed by law, constituting landlord's, carriers', warehousemen's, mechanics', materialmen's, workmen's, repairmen's, supplier's, construction or other like Liens, securing obligations that are not overdue by more than 30 days or that are being contested in good faith by appropriate action and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, (h) pledges and deposits and other Liens securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to any Securitization Entity in the ordinary course of its business, (i) pledges and deposits and other Liens to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capitalized Lease Obligations), statutory obligations, surety and appeal bonds, performance and return of money bonds, bids, leases, government contracts, agreements with utilities, and other obligations of a like nature (including letters of credit in lieu of any such bonds or to support the issuance thereof), in each case to the extent such deposits and other Liens are incurred in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business, (j) Liens arising by operation of law in the United States under Article 2 of the UCC in favor of a reclaiming seller of goods or buyer of goods, (k) any interest or title of a ground lessor or any other lessor, sublessor or licensor under any ground leases or any other leases, subleases or licenses entered into by any Securitization Entity in the ordinary course of business, and all Liens suffered or created by any such ground lessor or any other lessor, sublessor or licensor (or any predecessor in interest) with respect to any such interest or title in the real property which is subject thereof, (l) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks and other financial institutions not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposits, sweep accounts, reserve accounts or similar accounts of any Securitization Entity to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of any Securitization Entity, including with respect to credit card charge-backs and similar obligations, or (iii) relating to purchase orders and other agreements entered into with customers, suppliers or service providers of any Securitization Entity in the ordinary course of business, (m) leases or subleases, and licenses or sublicenses (including with respect to any real property, fixtures, furnishings, equipment, vehicles or other personal property, or intellectual property) and covenants not to sue of or under intellectual property or software or other technology, granted to others in the ordinary course of business or otherwise not interfering in any material respect with the business of any Securitization Entity, (n) Liens arising from precautionary UCC financing statements (or other similar filings in other applicable jurisdictions) regarding operating leases or other obligations incurred in the ordinary course of business and not constituting Indebtedness, (o) Liens securing insurance premiums financing arrangements; provided that such Liens are limited to the applicable unearned insurance premiums, (p) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale or purchase of goods by any Securitization Entity in the ordinary course of business, (q) Liens relating to any financing in respect of a Prospective Company Restaurant Property or Company Restaurant Build-Out in an amount equal to $5,000,000 or less per property or $25,000,000 or less in aggregate for all properties, (r) Liens relating to any financing in respect of a Prospective Company Restaurant Property or Company Restaurant Build-Out in an amount equal to more than $5,000,000 per property or more than $25,000,000 in aggregate for all properties, which, in each case, has been approved by the Control Party (at the direction of the Controlling Class Representative), and (s) Liens that attach to or otherwise encumber any Collateral or other assets in an aggregate outstanding amount not exceeding $1,000,000 at any time.

"Permitted Uses" means, with respect to the use of funds in the Permitted Uses Account, the following purposes: (i) payment or reimbursement of the costs and expenses associated with the conversion of the Branded Restaurant in Lakeland, Florida to a Twin Peaks Restaurant, (ii) cost or reimbursement of costs associated with building the Terrel corporate store, (iii) cost or reimbursement of costs associated with building the McKinney corporate store, (iv) payment or reimbursement of the costs and expenses associated with the conversion of the Branded Restaurant in Brandon, Florida to a Twin Peaks Restaurant, (v) payment or reimbursement of the costs and expenses associated with the conversion of the Branded Restaurant in Tampa, Florida to a Twin Peaks Restaurant, (vi) payment or reimbursement of the costs and expenses associated with the conversion of the Branded Restaurant in Kissimmee, Florida to a Twin Peaks Restaurant, and/or (vii) cost, up to $1,000,000 per Franchised Restaurant, associated with opening a Franchised Restaurant, which shall be released after such Franchised Restaurant has been contributed into the Securitization Transaction.

"Permitted Uses Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I LLC Permitted Uses Account", maintained by the Trustee pursuant to Section 5.3(a) of the Base Indenture or any successor securities account maintained pursuant to Section 5.3(a) of the Base Indenture.

"Person" means an individual, corporation (including a business trust), partnership, limited liability partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), other entity, unincorporated association or government or any agency or political subdivision thereof.

"Plan" means (i) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (ii) a "plan" (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code and (iii) an entity whose underlying assets include the assets of an employee benefit plan or plan.

"Post-Anticipated Repayment Date Additional Interest" means any Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest, Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest, Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest and/or Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest.

"Potential Manager Termination Event" means any occurrence or event which, with the giving of notice, the passage of time or both, would constitute a Manager Termination Event.

"Potential Rapid Amortization Event" means any occurrence or event which, with the giving of notice, the passage of time or both, would constitute a Rapid Amortization Event.

"Prime Rate" means the rate of interest publicly announced from time to time by a commercial bank mutually agreed upon by the Manager and the Control Party as its reference rate, base rate or prime rate.

"Principal Payment Account" means each of the Super Senior Notes Principal Payment Account, the Senior Notes Principal Payment Account, the Senior Subordinated Notes Principal Payment Account, and the Subordinated Notes Principal Payment Account.

"Principal Terms" has the meaning specified in Section 2.3 of the Base Indenture.

"Priority of Payments" means the allocation and payment obligations described in Section 5.10 of the Base Indenture as supplemented by the allocation and payment obligations with respect to each Series of Notes described in each Series Supplement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Proceeds" has the meaning specified in Section 9-102(a)(64) of the applicable UCC.

"Product Sourcing Advance" has the meaning specified in the Management Agreement.

"Product Sourcing Agreements" means all agreements for (a) the manufacture and production of Products and (b) the sale of Products to Distributors including the Distribution Agreement for the manufacture and supply of products for re-sale to certain Franchisees, Company Restaurants or any other Persons.

"Product Sourcing Assets" means, with respect to each Guarantor, (i) the Product Sourcing Agreements and all Product Sourcing Payments thereon; (ii) the New Product Sourcing Agreements and all Product Sourcing Payments thereon; (iii) all rights to enter into New Product Sourcing Agreements and (iv) any and all other property of every nature, now or hereafter transferred, mortgaged, pledged, or assigned as security for payment or performance of any obligation of any Person to such Guarantor under the Product Sourcing Agreements and all guarantees of such obligations and the rights evidenced by or reflected in the Product Sourcing Agreements, in each case together with all payments, proceeds and accrued and future rights to payment thereon.

"Product Sourcing Payments" means all amounts payable to a Guarantor by Distributors with respect to purchases of Products.

"Products" means any good sold by any Distributor to a Licensee or any other Person pursuant to current practices, the Product Sourcing Agreement or otherwise.

"Prospective Company Restaurant Properties" mean (i) any real property acquired by a Securitization Entity before, on or after the Closing Date with which the Manager intends to enter into or did enter into a sale-lease back transaction with the purpose of opening a Company Restaurant, (ii) any real property currently or previously leased by a Securitization Entity which the Manager intends to improve or has improved to become a Company Restaurant and (iii) any existing Company Restaurants which the Manager intends to or did improve for purposes of a conversion to another Brand.

"Protected Purchaser" has the meaning specified in Section 8-303 of the UCC.

"pro forma event" has the meaning set forth in Section 14.18 of the Base Indenture.

"PTO" means the U.S. Patent and Trademark Office and any successor U.S. Federal office.

"Qualified Equity Offering" means a public or private offering or issuance by Twin Hospitality Group Inc. of its common equity securities (including securities convertible into or exchangeable for its common equity securities) for cash, excluding (i) any offer, grant or issuance of securities pursuant to a stock option or equity incentive plan approved by the Board of Directors of Twin Hospitality Group Inc. for the benefit of its officers, directors or employees, (ii) any issuance of securities as consideration for the consummation of any merger or acquisition, partnership, joint venture or strategic alliance for primarily non-capital raising purposes, and (iii) the issuance of equity securities upon exercise or conversion of any options, warrants or convertible securities from time to time outstanding.

"Qualified Equity Offering Additional Interest" means any Super Senior Notes Quarterly Qualified Equity Offering Additional Interest, Senior Notes Quarterly Qualified Equity Offering Additional Interest and/or Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest.

"Qualified Equity Offering Proceeds" means amounts received from the net proceeds received by Twin Hospitality Group Inc. pursuant to a Qualified Equity Offering.

"Qualified Institution" means a depository institution organized under the laws of the United States of America or any state thereof or incorporated under the laws of a foreign jurisdiction with a branch or agency located in the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities that at all times has the Required Rating and, in the case of any such institution organized under the laws of the United States of America, whose deposits are insured by the FDIC.

"Quarterly Calculation Date" means the date four (4) Business Days prior to each Quarterly Payment Date. Any reference to a Quarterly Calculation Date relating to a Quarterly Payment Date means the Quarterly Calculation Date occurring in the same calendar month as the Quarterly Payment Date and any reference to a Quarterly Calculation Date relating to a Quarterly Collection Period means the Quarterly Collection Period most recently ended on or prior to the related Quarterly Payment Date.

"Quarterly Collection Period" means each period commencing on and including the first day of a Quarterly Fiscal Period and ending on but excluding the first day of the immediately following Quarterly Fiscal Period, except that the first Quarterly Collection Period will commence on and include the Closing Date, and end on December 25, 2024.

"Quarterly Compliance Certificate" has the meaning specified in Section 4.1(d) of the Base Indenture.

"Quarterly Fiscal Period" means the following quarterly fiscal periods of the Twin Hospitality TP Entities: (a) four 13-week quarters of the Twin Hospitality TP Entities in connection with their 52-week fiscal years and (b) three 13-week quarters and one 14 week quarter of the Twin Hospitality TP Entities in connection with their 53-week fiscal years. The last day of the fourth Quarterly Fiscal Period of each fiscal year of the Twin Hospitality TP Entities is the Sunday nearest to December 31, but in no event later than December 31. References to "weeks" mean the Twin Hospitality TP Entities' fiscal weeks, which commence on each Monday of a calendar week and end immediately prior to the Monday of the following calendar week.

"Quarterly Noteholders' Report" means, with respect to any Series of Notes, a statement substantially in the form of an Exhibit to the Series Supplement, including the Manager's statement specified in such exhibit.

"Quarterly Payment Date" means, unless otherwise specified in any Series Supplement for the related Series of Notes, the 25th day of each of the following calendar months: January, April, July and October, or if such date is not a Business Day, the next succeeding Business Day, commencing on January 27, 2025. Any reference to a Quarterly Collection Period relating to a Quarterly Payment Date means the Quarterly Collection Period most recently ended prior to such Quarterly Payment Date, and any reference to an Interest Accrual Period relating to a Quarterly Payment Date means the Interest Accrual Period most recently ended prior to such Quarterly Payment Date.

"Rapid Amortization Event" has the meaning specified in Section 9.1 of the Base Indenture.

"Rapid Amortization Period" means the period commencing on the date on which a Rapid Amortization Event occurs and ending on the earlier to occur of the waiver of the occurrence of such Rapid Amortization Event in accordance with Section 9.7 of the Base Indenture and the date on which there are no Notes Outstanding.

"Real Estate Assets" means the Owned Real Property, the Franchised Restaurant Leases and the Company Restaurant Leases.

"Rebate Agreements" means collectively, the (i) Beverage Marketing Agreement, dated December 16, 2013, as amended July 1, 2023, between The Coca-Cola Company, acting by and through its Coca-Cola North America Group and Twin Restaurant, LLC, (ii) the Fountain Support Agreement, dated June 28, 2021, between Dr Pepper/Seven Up, Inc., a Dr Pepper Snapple Group company and Twin Restaurants, LLC, (iii) the Product and Services Supply Agreement, dated August 1, 2021, between Ecolab, Inc. and Twin Restaurant, LLC, (iv) the Agreement for Designation as Approved Distributor, dated August 29, 2023, between Twin Restaurant Holding, LLC and Twin Restaurant Holding, LLC and Sysco Corporation, and (v) the McIlhenny Agreement.

"Record Date" means, with respect to any Quarterly Payment Date, Optional Prepayment Date or Additional Payment Date, the close of business on the 20th day of the calendar month in which such Quarterly Payment Date falls, or Optional Prepayment Date or Additional Payment Date occurs.

"Release Request" means, with respect to any request from the Manager for a release of funds from the Permitted Uses Account, a written request substantially in the form of Exhibit C hereto.

"Reportable Event" means a "reportable event," within the meaning of Section 4043 of ERISA, with respect to a Pension Plan as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified of such event.

"Required Rating" means (i) a short-term certificate of deposit rating from Moody's of "P-1" and (ii) a long-term unsecured debt rating of not less than "Baa1" by Moody's.

"Required Reserve Amount" means, with respect to any Series, Class, Subclass or Tranche of Notes, the amount specified as the Required Reserve Amount for such Series, Class, Subclass or Tranche of Notes in the Series Supplement.

"Requirements of Law" means, with respect to any Person or any of its property, the certificate of incorporation or articles of association and by-laws, limited liability company agreement, partnership agreement or other organizational or governing documents of such Person or any of its property, and any law, treaty, rule or regulation, or determination of any arbitrator or Governmental Authority, in each case applicable to, or binding upon, such Person or any of its property or to which such Person or any of its property is subject, whether federal, state, local or foreign (including usury laws, the Federal Truth in Lending Act, state franchise laws and retail installment sales acts).

"Reserve Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Reserve Account", maintained by the Trustee pursuant to Section 5.2(a) of the Base Indenture or any successor securities account maintained pursuant to Section 5.2(a) of the Base Indenture.

"Reserve Account Deficit Amount" means as of any date of determination, the excess, if any, of the Required Reserve Amount over the amount on deposit in the Reserve Account.

"Reserve Account Withdrawal Amount" means, with respect to any Monthly Allocation Date, the lesser of (x) any shortfall in the amount of Retained Collections available to pay the amounts pursuant to priorities (i) through (xi) of the Priority of Payments (taking into account application of Retained Collections pursuant to the Priority of Payments and ignoring any provision which otherwise limits the amounts described in such priorities to the amount of funds available) and (y) the amount on deposit in the Reserve Account on such Monthly Allocation Date prior to application of amounts on deposit therein.

"Residual Amount" means for any Monthly Allocation Date with respect to any Quarterly Collection Period the amount, if any, by which the amount allocated to the Collection Account on such Monthly Allocation Date exceeds the sum of the amounts to be paid and/or allocated on such Monthly Allocation Date pursuant to priorities (i) through (xxv) of the Priority of Payments; provided, if, as of any date of determination, the P&I DSCR calculation is maintained or improved as a result of an equity contribution to the Issuer, the Residual Amount shall be reduced to the Residual Amount that would have been paid absent such equity contribution; provided further, the amount of such reduction shall be deposited into the Reserve Account and released to the Collection Account only upon the P&I DSCR calculation being satisfied without giving any effect to any equity contributions by the Manager.

"Restaurant Operating Expenses" means (a) operating expenses that are incurred by or allocated, in accordance with the Managing Standard, to Company Restaurants in the ordinary course of business relating to the operation of the Company Restaurants, such as the cost of goods sold, labor (including wages, workers' compensation-related expenses and other labor-related expenses for employees in respect of Company Restaurants), repair and maintenance expenses, insurance (including self-insurance), (b) local advertising expenses and Advertising Fees allocable to the Company Restaurants, (c) lease payments to third party landlords with respect to the Company Restaurants, (d) Pass-Through Amounts with respect to the Company Restaurants, (e) debt service and other amounts required to be paid in respect of Prospective Company Restaurant Properties and (f) amounts required to be paid with respect to the Company Restaurants in connection with the Company Restaurant Royalty Payments, if any.

"Retained Collections" means, with respect to any specified period of time, the amount equal to (i) Collections received over such period minus without duplication (ii) the Excluded Amounts, Excess Amounts and Qualified Equity Offering Proceeds over such period and amounts withdrawn from the Concentration Account pursuant to Section 5.9(b)(i)-(iii) herein. For the purposes of calculating the P&I DSCR, Retained Collections will include any waived Management Fees and will be deemed to exclude any equity contributions, amounts released from the Reserve Account, proceeds of equity sales, Qualified Equity Offering Proceeds, Asset Disposition Proceeds, Indemnification Amounts, Insurance/Condemnation Proceeds and any other non-recurring payments or proceeds with respect to the Collateral or received from the Guarantors.

"Reversed ACH Remittance" means, with respect to any Monthly Collection Period, an ACH remittance, check, wire transfer, credit, payment order or other deposit relating to any Monthly Collection Period that is reversed, returned, adjusted or subject to chargeback, or any item subject to a claim for breach of transfer or presentment warranty under the Uniform Commercial Code, clearing house operating rules or the National Automated Clearing House Association, during such Monthly Collection Period.

"S&P" means S&P Global Ratings, or any successor thereto.

"Sale and Contribution Agreement (Issuer)" means the Sale and Contribution Agreement, dated as of the Closing Date, between FAT Brands and Twin Hospitality, pertaining to the Issuer.

"Scheduled Principal Payments" means, with respect to any Series, Class of any Series of Notes, or Subclass or Tranche thereof, any payments scheduled to be made pursuant to the Series Supplement that reduce the amount of principal Outstanding with respect to such Series, Class, Subclass or Tranche on a periodic basis that are identified as "Scheduled Principal Payments" in the Series Supplement.

"Scheduled Principal Payments Deficiency Event" means, with respect to any Quarterly Collection Period, as of the last Monthly Allocation Date with respect to such Quarterly Collection Period, the occurrence of the following event: the amount of funds on deposit in the Super Senior Notes Principal Payment Account after the last Monthly Allocation Date with respect to such Quarterly Collection Period is less than the Super Senior Notes Aggregate Scheduled Principal Payments for the next succeeding Quarterly Payment Date.

"Scheduled Principal Payments Deficiency Notice" has the meaning specified in Section 4.1(e) of the Base Indenture.

"SEC" means the United States Securities and Exchange Commission.

"Secured Parties" means the (i) Trustee, (ii) the Noteholders, (iii) the Control Party, (iv) the Manager and (v) the Back-Up Manager, together with their respective successors and assigns.

"Securities Intermediary" has the meaning set forth in Section 5.7(a) of the Base Indenture.

"Securitization Entities" means, collectively, the Issuer and the Guarantors. For the avoidance of doubt, Twin Hospitality does not and shall not at any time constitute a "Securitization Entity".

"Securitization IP" means all Intellectual Property (including After-Acquired Securitization IP but excluding the Excluded IP) created, developed, authored, acquired or owned by or on behalf of or licensed to or on behalf of Twin Hospitality or its direct or indirect Subsidiaries reading on or embodied in (i) any of the Brands, (ii) products or services sold or distributed under any of the Brands, (iii) the Branded Restaurants, and (iv) the Twin Hospitality TP Systems.

"Securitization Operating Expense Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I LLC Securitization Operating Expense Account" maintained by the Trustee for the benefit of the Secured Parties pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Securitization Operating Expenses" means all expenses incurred by the Securitization Entities and payable to third parties in connection with the maintenance and operation of the Securitization Entities and the transactions contemplated by the Transaction Documents to which it is a party (other than those paid for from the Concentration Account as described in the Indenture or otherwise payable under any other step in the Priority of Payments or Company Restaurant Account), including, without limitation, (i) accrued and unpaid taxes (other than federal, state and local income taxes), filing fees and registration fees payable by the Securitization Entities to any federal, state or local governmental authority; (ii) fees and expenses payable to (A) the Back-Up Manager as Back-Up Manager Fees, (B) independent certified public accountants (including, for the avoidance of doubt, any incremental auditor costs) or external legal counsel and (C) any stock exchange on which the Notes may be listed; (iii) the indemnification obligations of the Securitization Entities under the Transaction Documents to which it is a party (including any interest thereon at a rate equal to the Prime Rate plus 3.0% per annum, if applicable); and (iv) independent director and manager fees.

"Securitization Transactions" means the transactions contemplated by the Transaction Documents including, without limitation, the contribution to the applicable Securitization Entities of the Contributed Assets and the proceeds thereof on the Series Closing Dates and the issuance and sale of each Series of Notes on the related Series Closing Date in the manner provided in the applicable Transaction Documents.

"Senior Leverage Ratio" means, as of any date of determination, the ratio of (a)(i) the aggregate principal amount of each Series of Super Senior Notes and Senior Notes Outstanding as of the end of the most recently ended Quarterly Fiscal Period less (ii) the sum of (x) the cash and cash equivalents of the Securitization Entities credited to the Reserve Account as of the end of the most recently ended Quarterly Fiscal Period and (y) the cash and cash equivalents of the Securitization Entities maintained in the Management Accounts as of the end of the most recently ended Quarterly Fiscal Period that, pursuant to a Monthly Manager's Certificate delivered on or prior to such date, will constitute the Residual Amount on the next succeeding Monthly Allocation Date to (b) Net Cash Flow for the preceding four Quarterly Collection Periods most recently ended as of such date and for which financial statements are required to be delivered. The Senior Leverage Ratio shall be calculated in accordance with Section 14.18(a) of the Base Indenture.

"Senior Noteholder" means any Holder of Senior Notes of any Series.

"Senior Notes" or "Class A-2-II Notes" means any Series or Class of any Series of Notes issued that are designated as "Class A-2-II" and identified as "Senior Notes" in the Series Supplement.

"Senior Notes Accrued Quarterly Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period, an amount equal to the lesser of (a) the sum of (i) one-third of the Senior Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Notes Accrued Quarterly Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Senior Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Notes Interest Payment Account with respect to the Senior Notes Quarterly Interest Amount on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one-third of the Senior Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Senior Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Notes Post-Anticipated Repayment Date Additional Interest Account with respect to Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest on each preceding Monthly Allocation Date with respect to the Quarterly Collection Period.

"Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount" means, for each Monthly Allocation Date with respect to an applicable Quarterly Collection Period, an amount equal to the lesser of (a) the sum of (i) one-third of the Senior Notes Aggregate Quarterly Qualified Equity Offering Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Senior Notes Aggregate Quarterly Qualified Equity Offering Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Notes Qualified Equity Offering Additional Interest Account with respect to Senior Notes Quarterly Qualified Equity Offering Date Additional Interest on each preceding Monthly Allocation Date with respect to the applicable Quarterly Collection Period.

"Senior Notes Accrued Scheduled Principal Payments Amount" means, for each Monthly Allocation Date with respect to any Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one third of the Senior Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Notes Accrued Scheduled Principal Payments Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) the Senior Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Notes Principal Payment Account with respect to Senior Notes Aggregate Scheduled Principal Payments on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Senior Notes Aggregate Quarterly Interest" means, for any Interest Accrual Period, with respect to all Senior Notes Outstanding, the aggregate Senior Notes Quarterly Interest Amount due and payable on all such Senior Notes with respect to such Interest Accrual Period.

"Senior Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to all Senior Notes Outstanding, the aggregate amount of Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest accrued on all such Senior Notes with respect to such Interest Accrual Period.

"Senior Notes Aggregate Quarterly Qualified Equity Offering Additional Interest" means, for any Interest Accrual Period, with respect to all Senior Notes Outstanding, the aggregate amount of Senior Notes Quarterly Qualified Equity Offering Additional Interest accrued on all such Senior Notes with respect to such Interest Accrual Period.

"Senior Notes Aggregate Scheduled Principal Payments" means, for any Quarterly Payment Date, with respect to all Senior Notes Outstanding, the aggregate amount of Senior Notes Scheduled Principal Payments Amounts due and payable on all such Senior Notes on such Quarterly Payment Date.

"Senior Notes Interest Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Notes Interest Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Senior Notes Post-Anticipated Repayment Date Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Notes Post-Anticipated Repayment Date Additional Interest Account, maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Senior Notes Principal Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Notes Principal Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Senior Notes Qualified Equity Offering Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Notes Qualified Equity Offering Additional Interest Account" maintained by the Trustee for the benefit of the Secured Parties pursuant to Section 5.5 of this Base Indenture or any successor securities account maintained pursuant to Section 5.5 of this Base Indenture.

"Senior Notes Quarterly Interest Amount" means with respect to each Quarterly Payment Date, the aggregate amount of interest due and payable, with respect to the related Interest Accrual Period, on the Senior Notes that is identified as a "Senior Notes Quarterly Interest Amount" in the Series Supplement (other than any Post-Anticipated Repayment Date Additional Interest or Qualified Equity Offering Additional Interest); provided, that if, on any Quarterly Payment Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Senior Notes Quarterly Interest Amount for such Quarterly Payment Date or other date of determination in accordance with the terms and provisions of the Series Supplement; provided, further, that any amount identified as "Post-Anticipated Repayment Date Additional Interest" or "Qualified Equity Offering Additional Interest" in any Series Supplement shall under no circumstances be deemed to constitute part of the "Senior Notes Quarterly Interest Amount."

"Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Senior Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Senior Notes that is identified as "Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest" in the Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the Series Supplement; provided further that any amount identified as "Senior Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Senior Notes Quarterly Qualified Equity Offering Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Senior Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Senior Notes that is identified as "Senior Notes Quarterly Qualified Equity Offering Additional Interest" in the applicable Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Senior Notes Quarterly Qualified Equity Offering Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided further that any amount identified as "Senior Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Senior Notes Quarterly Qualified Equity Offering Additional Interest."

"Senior Notes Scheduled Principal Payments Amounts" means, with respect to any Class of Senior Notes Outstanding, any Scheduled Principal Payments with respect to such Class of Senior Notes.

"Senior Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Senior Notes Outstanding as calculated in connection with any Quarterly Payment Date (1) the amount, if any, by which (a) the Senior Notes Aggregate Scheduled Principal Payments for such Class of Notes exceeds (b) the sum of (i) the amount of funds on deposit with respect to such Class of Notes in the Senior Notes Principal Payment Account plus (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Senior Notes Aggregate Scheduled Principal Payments for such Class of Notes on such Quarterly Payment Date in accordance with the Indenture, plus (2) any Senior Notes Aggregate Scheduled Principal Payments due but unpaid from any previous Quarterly Payment Dates.

"Senior Subordinated Notes" means any issuance of Notes under the Indenture by the Issuer that are part of a Class with an alphanumerical designation that contains any letter from "B" through "L" of the alphabet.

"Senior Subordinated Noteholders" means, collectively, all holders of Senior Subordinated Notes.

"Senior Subordinated Notes Accrued Quarterly Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period, an amount equal to the lesser of (a) the sum of (i) one-third of the Senior Subordinated Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Subordinated Notes Accrued Quarterly Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Senior Subordinated Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Subordinated Notes Interest Payment Account with respect to the Senior Subordinated Notes Quarterly Interest Amount on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Senior Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one-third of the Senior Subordinated Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Senior Subordinated Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account with respect to Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest on each preceding Monthly Allocation Date with respect to the Quarterly Collection Period.

"Senior Subordinated Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount" means, for each Monthly Allocation Date with respect to an applicable Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one-third of the Senior Subordinated Notes Aggregate Quarterly Qualified Equity Offering Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Subordinated Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Senior Subordinated Notes Aggregate Quarterly Qualified Equity Offering Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account with respect to Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest on each preceding Monthly Allocation Date with respect to the applicable Quarterly Collection Period.

"Senior Subordinated Notes Accrued Scheduled Principal Payments Amount" means, for each Monthly Allocation Date with respect to any Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one third of the Senior Subordinated Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period and (ii) the Carryover Senior Subordinated Notes Accrued Scheduled Principal Payments Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) the Senior Subordinated Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Senior Subordinated Notes Principal Payment Account with respect to Senior Subordinated Notes Aggregate Scheduled Principal Payments on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Senior Subordinated Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to all Senior Subordinated Notes Outstanding, the aggregate amount of Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest accrued on all such Senior Subordinated Notes with respect to such Interest Accrual Period.

"Senior Subordinated Notes Aggregate Quarterly Qualified Equity Offering Additional Interest" means, for any Interest Accrual Period, with respect to all Senior Subordinated Notes Outstanding, the aggregate amount of Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest accrued on all such Senior Subordinated Notes with respect to such Interest Accrual Period.

"Senior Subordinated Notes Interest Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Subordinated Notes Interest Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Senior Subordinated Notes Interest Shortfall Amount" has the meaning set forth in Section 5.11(b)(iii)(B) of the Base Indenture.

"Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account, maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Senior Subordinated Notes Principal Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Subordinated Notes Principal Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Senior Subordinated Notes Qualified Equity Offering Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Senior Subordinated Notes Qualified Equity Offering Additional Interest Account" maintained by the Trustee for the benefit of the Secured Parties pursuant to Section 5.5 of this Base Indenture or any successor securities account maintained pursuant to Section 5.5 of this Base Indenture.

"Senior Subordinated Notes Quarterly Interest Amount" means, with respect to each Quarterly Payment Date, the aggregate amount of interest due and payable, with respect to the related Interest Accrual Period, on any Class of Senior Subordinated Notes Outstanding that is identified as "Senior Subordinated Notes Quarterly Interest Amount" in the applicable Series Supplement (other than any Post-Anticipated Repayment Date Additional Interest or Qualified Equity Offering Additional Interest); provided, that if, on any Quarterly Payment Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Senior Subordinated Notes Quarterly Interest Amount for such Quarterly Payment Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided, further, that any amount identified as "Post-Anticipated Repayment Date Additional Interest" or "Qualified Equity Offering Additional Interest" in any Series Supplement shall under no circumstances be deemed to constitute part of the "Senior Subordinated Notes Quarterly Interest Amount."

"Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Senior Subordinated Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Senior Subordinated Notes that is identified as "Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest" in the applicable Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided further that any amount identified as "Senior Subordinated Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Senior Subordinated Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Senior Subordinated Notes that is identified as "Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest" in the applicable Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided further that any amount identified as "Senior Subordinated Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Senior Subordinated Notes Quarterly Qualified Equity Offering Additional Interest."

"Senior Subordinated Notes Scheduled Principal Payment Amounts" means, with respect to any Class of Senior Subordinated Notes Outstanding, any Scheduled Principal Payments with respect to such Class of Senior Subordinated Notes.

"Senior Subordinated Notes Scheduled Principal Payment Deficiency Amount" has the meaning specified in the Series Supplement, with respect to any Series of Senior Subordinated Notes.

"Series 2024-1 Notes" has the meaning set forth in the Series Supplement.

"Series Account" means any account or accounts established pursuant to a Series Supplement for the benefit of a Series of Notes (or any Class thereof).

"Series Anticipated Repayment Date" means, with respect to each Series of Notes, or Class or Tranche thereof, the anticipated repayment date provided for in the Series Supplement for such Series of Notes, or Class or Tranche thereof.

"Series Closing Date" means, with respect to any Series, Class, Subclass or Tranche of Notes, the date of issuance of such Series, Class, Subclass or Tranche of Notes, as specified in the Series Supplement.

"Series Defeasance Date" has the meaning set forth in Section 12.1(c) of the Base Indenture.

"Series Distribution Account" means, with respect to any Series of Notes or any Class of any Series of Notes, an account established to receive distributions to be paid to the Noteholders of such Class or such Series of Notes pursuant to the Series Supplement, if any.

"Series Legal Final Maturity Date" means, with respect to any Series, the "Series Legal Final Maturity Date" set forth in the Series Supplement.

"Series Obligations" means, with respect to a Series of Notes, (a) all principal, interest, premiums and make-whole payments, at any time and from time to time, owing by the Issuer on such Series of Notes or owing by the Guarantors pursuant to the Guarantee and Collateral Agreement on such Series of Notes and (b) the payment and performance of all other obligations, covenants and liabilities of the Issuer or the Guarantors arising under the Indenture, the Back-Up Management Agreement, the Notes or any other Indenture Document, in each case, solely with respect to such Series of Notes.

"Series of Notes" or "Series" means each series of Notes issued and authenticated pursuant to the Base Indenture and the Series Supplement.

"Series Supplement" means a supplement to the Base Indenture complying (to the extent applicable) with the terms of Section 2.3 and Article XIII of the Base Indenture regarding the issuance of a new Series of Notes.

"Services" has the meaning set forth in the Management Agreement.

"Side Letter" means the Side Letter Agreement, dated November 21, 2024, by and among the Issuer, the Manager, FAT Brands and each Noteholder, as amended, supplemented or otherwise modified from time to time, pursuant to which the Issuer, the Manager and/or FAT Brands will agree to take or refrain from taking certain actions for the benefit of the Noteholders.

"Similar Law" means any federal, state, local or non-U.S. laws or regulations that are substantially similar to Section 406 of ERISA and/or Section 4975 of the Code.

"Software" has the meaning set forth in the definition of "Intellectual Property."

"Specified Bankruptcy Opinion Provisions" means the provisions contained in the legal opinion(s) delivered in connection with the issuance of each Series of Notes relating to the non-substantive consolidation of the Securitization Entities with Twin Hospitality.

"Specified Payment Amendment Provisions" has the meaning set forth in Section 13.2(a)(iii).

"Subclass" means, with respect to any Class of any Series of Notes, any one of the subclasses of Notes of such Class as specified in the Series Supplement.

"Subordinated Notes" means any issuance of Notes under the Indenture by the Issuer that are part of a Class with an alphanumerical designation that contains any letter from "M" through "Z" of the alphabet.

"Subordinated Noteholders" means, collectively, the holders of any Subordinated Notes.

"Subordinated Notes Accrued Quarterly Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period, an amount equal to the lesser of (a) the sum of (i) one-third of the Subordinated Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Subordinated Notes Accrued Quarterly Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Subordinated Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Subordinated Notes Interest Payment Account with respect to the Subordinated Notes Quarterly Interest Amount on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one-third of the Subordinated Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Subordinated Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account with respect to Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest on each preceding Monthly Allocation Date with respect to the Quarterly Collection Period.

"Subordinated Notes Accrued Scheduled Principal Payments Amount" means, for each Monthly Allocation Date with respect to any Quarterly Collection Period and any Subordinated Notes, the amount defined in the Series Supplement.

"Subordinated Notes Accrued Scheduled Principal Payments Amount" means, for each Monthly Allocation Date with respect to any Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one third of the Subordinated Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period and (ii) the Carryover Subordinated Notes Accrued Scheduled Principal Payments Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) the Subordinated Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Subordinated Notes Principal Payment Account with respect to the Subordinated Notes Aggregate Scheduled Principal Payments on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Subordinated Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to all Subordinated Notes Outstanding, the aggregate amount of Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest accrued on all such Subordinated Notes with respect to such Interest Accrual Period.

"Subordinated Notes Interest Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Subordinated Notes Interest Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Subordinated Notes Interest Shortfall Amount" has the meaning set forth in Section 5.11(b)(vii)(B) of the Base Indenture.

"Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account, maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Subordinated Notes Principal Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Subordinated Notes Principal Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Subordinated Notes Quarterly Interest Amount" means, for any Interest Accrual Period, with respect to any Class of Subordinated Notes Outstanding, the aggregate amount of interest due and payable, with respect to such Interest Accrual Period, on such Class of Subordinated Notes that is identified as a "Subordinated Notes Quarterly Interest Amount" in the applicable Series Supplement (other than any Post-Anticipated Repayment Date Additional Interest); provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest, fees or expenses cannot be ascertained, an estimate of such interest, fees or expenses will be used to calculate the Subordinated Notes Quarterly Interest Amount for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided, further, that any amount identified as "Post-Anticipated Repayment Date Additional Interest" in any Series Supplement shall under no circumstances be deemed to constitute part of the "Subordinated Notes Quarterly Interest Amount."

"Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Subordinated Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Subordinated Notes that is identified as "Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest" in the applicable Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided further that any amount identified as "Subordinated Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Subordinated Notes Scheduled Principal Payment Amounts" means, with respect to any Class of Subordinated Notes Outstanding, any Scheduled Principal Payments with respect to such Class of Subordinated Notes.

"Subordinated Notes Scheduled Principal Payment Deficiency Amount" has the meaning specified in the Series Supplement, with respect to any Series of Subordinated Notes.

"Subsidiary" means, with respect to any Person (herein referred to as the "parent"), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held by the parent or (b) that is, at the time any determination is being made, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Successor Manager" means any successor to the Manager appointed by the Control Party (acting at the direction of the Controlling Class Representative) upon the resignation, termination, replacement or removal of the Manager pursuant to the terms of the Management Agreement.

"Successor Manager Transition Expenses" means all costs and expenses incurred by a Successor Manager or the Interim Successor Manager in connection with the resignation, termination, removal or replacement of the Manager under the Management Agreement.

"Successor Control Party Transition Expenses" means all costs and expenses incurred by a successor Control Party in connection with the termination, removal and replacement of the Control Party under the Control Party Agreement.

"Super Senior Noteholder" means any Holder of Super Senior Notes of any Series.

"Super Senior Notes" or "Class A-2-I Notes" means any Series or Class of any Series of Notes issued that are designated as "Class A-2-I" and identified as "Super Senior Notes" in the Series Supplement.

"Super Senior Notes Accrued Quarterly Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period, an amount equal to the lesser of (a) the sum of (i) one-third of the Super Senior Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Super Senior Notes Accrued Quarterly Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Super Senior Notes Aggregate Quarterly Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Super Senior Notes Interest Payment Account with respect to the Super Senior Notes Quarterly Interest Amount on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Super Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount" means, for each Monthly Allocation Date with respect to a Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one-third of the Super Senior Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Super Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Super Senior Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account with respect to Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest on each preceding Monthly Allocation Date with respect to the Quarterly Collection Period.

"Super Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount" means, for each Monthly Allocation Date with respect to an applicable Quarterly Collection Period, an amount equal to the lesser of (a) the sum of (i) one-third of the Super Senior Notes Aggregate Quarterly Qualified Equity Offering Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period and (ii) the Carryover Super Senior Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) Super Senior Notes Aggregate Quarterly Qualified Equity Offering Additional Interest for the Interest Accrual Period ending in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Super Senior Notes Qualified Equity Offering Additional Interest Account with respect to Super Senior Notes Quarterly Qualified Equity Offering Date Additional Interest on each preceding Monthly Allocation Date with respect to the applicable Quarterly Collection Period.

"Super Senior Notes Accrued Scheduled Principal Payments Amount" means, for each Monthly Allocation Date with respect to any Quarterly Collection Period an amount equal to the lesser of (a) the sum of (i) one third of the Super Senior Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period and (ii) the Carryover Super Senior Notes Accrued Scheduled Principal Payments Amount for such Monthly Allocation Date and (b) the amount, if any, by which (i) the Super Senior Notes Aggregate Scheduled Principal Payments for the Quarterly Payment Date in the next succeeding Quarterly Collection Period exceeds (ii) the aggregate amount previously allocated to the Super Senior Notes Principal Payment Account with respect to Super Senior Notes Aggregate Scheduled Principal Payments on each preceding Monthly Allocation Date (or prefunded on the Closing Date) with respect to such Quarterly Collection Period.

"Super Senior Notes Aggregate Quarterly Interest" means, for any Interest Accrual Period, with respect to all Super Senior Notes Outstanding, the aggregate Super Senior Notes Quarterly Interest Amount due and payable on all such Super Senior Notes with respect to such Interest Accrual Period.

"Super Senior Notes Aggregate Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to all Super Senior Notes Outstanding, the aggregate amount of Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest accrued on all such Super Senior Notes with respect to such Interest Accrual Period.

"Super Senior Notes Aggregate Quarterly Qualified Equity Offering Additional Interest" means, for any Interest Accrual Period, with respect to all Super Senior Notes Outstanding, the aggregate amount of Super Senior Notes Quarterly Qualified Equity Offering Additional Interest accrued on all such Super Senior Notes with respect to such Interest Accrual Period.

"Super Senior Notes Aggregate Scheduled Principal Payments" means, for any Quarterly Payment Date, with respect to all Super Senior Notes Outstanding, the aggregate amount of Super Senior Notes Scheduled Principal Payments Amounts due and payable on all such Super Senior Notes on such Quarterly Payment Date.

"Super Senior Notes Interest Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Super Senior Notes Interest Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account, maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Super Senior Notes Principal Payment Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Super Senior Notes Principal Payment Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Super Senior Notes Qualified Equity Offering Additional Interest Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Super Senior Notes Qualified Equity Offering Additional Interest Account" maintained by the Trustee for the benefit of the Secured Parties pursuant to Section 5.5 of this Base Indenture or any successor securities account maintained pursuant to Section 5.5 of this Base Indenture.

"Super Senior Notes Quarterly Interest Amount" means with respect to each Quarterly Payment Date, the aggregate amount of interest due and payable, with respect to the related Interest Accrual Period, on the Super Senior Notes that is identified as a "Super Senior Notes Quarterly Interest Amount" in the Series Supplement (other than any Post-Anticipated Repayment Date Additional Interest or Qualified Equity Offering Additional Interest); provided, that if, on any Quarterly Payment Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Super Senior Notes Quarterly Interest Amount for such Quarterly Payment Date or other date of determination in accordance with the terms and provisions of the Series Supplement; provided, further, that any amount identified as "Post-Anticipated Repayment Date Additional Interest" or "Qualified Equity Offering Additional Interest" in any Series Supplement shall under no circumstances be deemed to constitute part of the "Super Senior Notes Quarterly Interest Amount."

"Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Super Senior Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Super Senior Notes that is identified as "Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest" in the Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the Series Supplement; provided further that any amount identified as "Super Senior Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Super Senior Notes Quarterly Qualified Equity Offering Additional Interest" means, for any Interest Accrual Period, with respect to any Class of Super Senior Notes Outstanding, the aggregate amount of interest accrued with respect to such Interest Accrual Period on each such Class of Super Senior Notes that is identified as "Super Senior Notes Quarterly Qualified Equity Offering Additional Interest" in the applicable Series Supplement; provided that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest cannot be ascertained, an estimate of such interest will be used to calculate the Super Senior Notes Quarterly Qualified Equity Offering Additional Interest for such Monthly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided further that any amount identified as "Super Senior Notes Quarterly Interest Amount" in any Series Supplement will under no circumstances be deemed to constitute "Super Senior Notes Quarterly Qualified Equity Offering Additional Interest."

"Super Senior Notes Scheduled Principal Payments Amounts" means, with respect to any Class of Super Senior Notes Outstanding, any Scheduled Principal Payments with respect to such Class of Super Senior Notes.

"Super Senior Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Super Senior Notes Outstanding as calculated in connection with any Quarterly Payment Date (1) the amount, if any, by which (a) the Super Senior Notes Aggregate Scheduled Principal Payments for such Class of Notes exceeds (b) the sum of (i) the amount of funds on deposit with respect to such Class of Notes in the Super Senior Notes Principal Payment Account plus (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Super Senior Notes Aggregate Scheduled Principal Payments for such Class of Notes on such Quarterly Payment Date in accordance with the Indenture, plus (2) any Super Senior Notes Aggregate Scheduled Principal Payments due but unpaid from any previous Quarterly Payment Dates.

"Supplement" means a Series Supplement or such other supplement to the Base Indenture or to any Series Supplement complying with the terms of Article XIII hereof and, if a supplement to a Series Supplement, the applicable terms of such Series Supplement.

"Supplemental Management Fee" means for each Monthly Allocation Date with respect to any Quarterly Collection Period the amount, approved in writing by the Control Party acting at the direction of the Controlling Class Representative, by which, with respect to any Quarterly Collection Period, (i) the expenses incurred or other amounts charged by the Manager since the beginning of such Quarterly Collection Period in connection with the performance of the Manager's obligations under the Management Agreement and the amount of any current or projected Tax Payment Deficiency, if applicable, *exceed* (ii) the Monthly Management Fees received and to be received by the Manager on such Monthly Allocation Date and each preceding Monthly Allocation Date with respect to such Quarterly Collection Period.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Tax" means (i) any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, environmental, customs duties, capital stock, profits, documentary, property, franchise, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, or other tax of any kind whatsoever, including any interest, penalty, fine, assessment or addition thereto and (ii) any transferee liability in respect of any items described in clause (i) above.

"Tax Information" means information and/or properly completed and signed tax certifications sufficient to eliminate the imposition of or to determine the amount of any withholding of tax, including backup withholding and withholding required pursuant to FATCA.

"Tax Lien Reserve Account" means the segregated, non-interest bearing trust account entitled "UMB Bank, N.A., as trustee f/b/o the Secured Parties, Twin Hospitality I, LLC Tax Lien Reserve Account", maintained by the Trustee pursuant to Section 5.5 of the Base Indenture or any successor securities account maintained pursuant to Section 5.5 of the Base Indenture.

"Tax Lien Reserve Amount" means any funds contributed by Twin Hospitality or a Subsidiary thereof to satisfy Liens filed by the IRS pursuant to Section 6323 of the Code against any Securitization Entity.

"Tax Opinion" means an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters to be delivered in connection with the issuance of the Notes to the effect that, for United States federal income tax purposes, (a) the Class A-2-I Notes and the Class A-2-II Notes will, and the Class B-2 Notes should be characterized as indebtedness as of the date of issuance, to the extent treated as beneficially owned by a person other than the Manager or an Affiliate of the Manager and (b) except with respect to any Additional Guarantor (including Additional Guarantors organized with the consent of the Control Party (acting at the direction of the Controlling Class Representative) pursuant to Section 8.34(b) of the Base Indenture) in existence as of the date of delivery of such opinion that will be treated as a corporation for United States federal income tax purposes, the Issuer organized in the United States, each other Securitization Entity organized in the United States in existence as of the date of the delivery of such opinion, and each other direct or indirect Subsidiary of the Issuer organized in the United States in existence as of the date of delivery of such opinion will not as of the date of issuance be classified as a corporation or as an association or a publicly traded partnership taxable as a corporation.

"Tax Payment Deficiency" means any Tax liability of Twin Hospitality (or, if Twin Hospitality is not the taxable parent entity of any Securitization Entity, such other taxable parent entity) (including Taxes imposed under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law)) attributable to the operations of the Securitization Entities or their direct or indirect Subsidiaries that the Manager determines cannot be satisfied by Twin Hospitality (or such other taxable parent entity) from its available funds.

"Title Policy" means an ALTA mortgagee title insurance policy issued by a title insurance company reasonably acceptable to the Control Party (it being understood that Old Republic Title Insurance Company shall be deemed acceptable to the Control Party) in an insured amount reasonably acceptable to Control Party, not to exceed 110% of the estimated value of the property, insuring the related Mortgage as a first priority mortgage lien, free and clear of all defects and encumbrances except Permitted Liens, and otherwise in form and substance reasonably satisfactory to the Control Party, and shall include such endorsements as are (i) reasonably requested by the Control Party and (ii) available at commercially reasonable rates.

"Trade Secrets" has the meaning set forth in the definition of "Intellectual Property".

"Trademarks" means all United States, state and non-U.S. trademarks, service marks, trade names, trade dress, designs, logos, slogans and other indicia of source or origin, whether registered or unregistered, registrations and pending applications to register the foregoing, internet domain names, and all goodwill of any business connected with the use thereof or symbolized thereby.

"Tranche" means with respect to any Class or Subclass of any Series of Notes, any one of the tranches of Notes of such Class or Subclass as specified in the Series Supplement.

"Transaction Documents" means the Indenture Documents, the Notes, each control agreement relating to an account, the Guarantee and Collateral Agreement, each Account Control Agreement, the Management Agreement, the Control Party Agreement, the Back-Up Management Agreement, the Contribution Agreement (TP Buyer), the Contribution Agreement (SB Equity), the Sale and Contribution Agreement (Issuer), the Side Letter, the Warrants, the Contingent Value Rights Agreement, the Limited Guaranty, the IP License Agreements, any note purchase agreement pursuant to which Notes are purchased, any Enhancement Agreement, Charter Documents, the organizational documents of the Securitization Entities and any additional document identified as a "Transaction Document" in the Series Supplement for any Series of Notes Outstanding and any other material agreements entered into, or certificates delivered, pursuant to the foregoing documents.

"Transaction Expenses" means all expenses and fees incurred in connection with the consummation of the transactions contemplated by the Indenture and application of the proceeds of the Notes, including, without limitation, professional, financing and accounting fees, costs and expenses, transfer taxes and any premiums, fees, discounts, expenses and losses (and any amortization thereof) payable in connection with a tender offer for and redemption or prepayment of Indebtedness (including amortization or write offs of debt issuance or deferred financing costs, premiums and prepayment penalties).

"Transition Plan" means a comprehensive plan created by the Back-Up Manager with the assistance and oversight of the Control Party to prepare for a transition to a Successor Manager, other than the Back-Up Manager, if the Manager is terminated following the occurrence of a Manager Termination Event.

"Trust Officer" means any officer within the corporate trust department of the Trustee, including any Senior Vice President, Vice President, Assistant Vice President or Assistant Treasurer of the Corporate Trust Office or any officer customarily performing functions similar to those performed by the person who at the time will be such officers, in each case having direct responsibility for the administration of this Indenture, and also, with respect to a particular matter, any officer to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with a particular subject.

"Trustee" means the party named as such in the Indenture acting in its capacity as trustee until a successor replaces it in accordance with the applicable provisions of the Indenture and thereafter means the successor serving thereunder. On the Closing Date, the Trustee shall be UMB Bank, N.A., a national banking association.

"Trustee Accounts" has the meaning set forth in Section 5.7(a) of the Base Indenture.

"Twin Hospitality" means Twin Hospitality Group Inc., a Delaware corporation, and its successors and assigns.

"Twin Hospitality Securitization Entities" means Twin Hospitality and each of its direct and indirect Subsidiaries (excluding any such Subsidiaries that are issuers or direct or indirect subsidiaries of such issuers in connection with any asset-backed securitization or financing).

"Twin Hospitality TP Entities" means Twin Hospitality and each of its direct and indirect Subsidiaries, now existing or hereafter created, other than the Twin Hospitality Securitization Entities.

"Twin Hospitality TP Systems" means the system of Branded restaurants operating under the Brands.

"Twin Hospitality TP Systemwide Sales" means, with respect to any Quarterly Calculation Date, aggregate Gross Sales (which will be permitted to include a good faith estimate (in accordance with the Managing Standard) of estimated Gross Sales of up to 10% of the total to the extent actual Gross Sales are not available as of such Quarterly Calculation Date) for all Branded Restaurants for the four (4) Quarterly Fiscal Periods ended immediately prior to such Quarterly Calculation Date.

"U.S. Dollars" or "$" refers to lawful money of the United States of America.

"UCC" means the Uniform Commercial Code as in effect from time to time in the specified jurisdiction or any applicable jurisdiction, as the case may be.

"UETA" has the meaning set forth in Section 14.11 of this Base Indenture.

"United States" or "U.S." means the United States of America, its fifty states and the District of Columbia.

"Warm Back-Up Management Duties" has the meaning set forth in the Back-Up Management Agreement.

**Exhibit A**

Form of Monthly Manager's Certificate

(Attached.)

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** _____, 20____ **TO** _____, 20____
**Monthly Allocation Date:** _____, 20____

**Quarterly Collection Period:** _____, 20____ **TO** _____, 20____
**Next Quarterly Payment Date:** _____, 20____

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**Collections and Retained Collections during Monthly Collection Period:**

| | |
|---|---|
| Collections | |
| Distributions from Guarantors | $ |
| Proceeds from disposition of Collateral required to be deposited | $ |
| Investment Income earned from funds on deposit in the following accounts, if applicable: | |
| Super Senior Notes Interest Payment Account | $ |
| Senior Notes Interest Payment Account | $ |
| Senior Subordinated Notes Interest Payment Account | $ |
| Subordinated Notes Interest Payment Account | $ |
| Super Senior Notes Principal Payment Account | $ |
| Senior Notes Principal Payment Account | $ |
| Senior Subordinated Notes Principal Payment Account | $ |
| Subordinated Notes Principal Payment Account | $ |
| Securitization Operating Expenses Account | $ |
| Reserve Account | $ |
| Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Senior Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Super Senior Notes Qualified Equity Offering Additional Interest Account | $ |
| Senior Notes Qualified Equity Offering Additional Interest Account | $ |
| Senior Subordinated Notes Qualified Equity Offering Additional Interest Account | $ |
| Tax Lien Reserve Account | $ |
| Concentration Account | $ |
| Other accounts subject to an Account Control Agreement | $ |
| Equity Contributions made to Issuer | $ |
| Excluded Amounts | $ |
| Amounts released from Reserve Account | $ |
| Any Insurance/Condemnation Proceeds, Asset Disposition Proceeds or Qualified Equity Offering Proceeds required to be deposited | $ |
| Other payments or proceeds received with respect to the Collateral | $ |
| Other amounts | $ |
| **Total Collections during Monthly Collection Period** | **$** |
| Excluded Amounts | |
| Advertising Fees | $ |
| Fees and expenses paid by or on behalf of any Guarantor in connection with Securitization IP | $ |
| Account expenses and fees paid to banks pursuant to Management Accounts | $ |
| Insurance and condemnation proceeds payable to Franchisees | $ |
| Withholding, sales, or other taxes | $ |
| Amounts paid by Guarantors for corporate services provided by the Manager | $ |
| Proceeds of directors' and officers' insurance | $ |
| Transfers to Concentration Account or Collection Account not permitted by law | $ |
| Proceeds of any offer and sale of Notes except if refinancing existing Notes | $ |
| Equity proceeds | $ |
| Insurance and condemnation proceeds payable to third-parties, the Manager or the Securitization Entities | $ |
| Rebates, credits and any other amounts paid by or on behalf of the Manager to any Guarantor in connection with any Rebate Agreement or agreements related thereto | $ |
| Distributor Costs of Goods Sold, Distribution Operating Expenses, Distributor Franchisee Rebates and Distribution Center Expenses | $ |
| Other Amounts | $ |
| **Total Excluded Amounts during Monthly Collection Period** | **$** |
| Total Collections during Monthly Collection Period | $ |
| Less: Total Excluded Amounts during Monthly Collection Period | $ |
| **Total Retained Collections during Monthly Collection Period (To be deposited to the Collection Account)** | **$** |

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

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**Fees, Expenses and Annual Cap Accruals:**

| | |
|---|---|
| **Fees and Expenses payable on Monthly Allocation Date:** | |
| Trustee fees, expenses, and indemnities | $ |
| Control Party fees, expenses, and indemnities | $ |
| Control Party expenses and indemnities incurred without direction from Controlling Class Representative | $ |
| Manager Advances | $ |
| Successor Manager Transition Expenses | $ |
| Monthly Management Fee | $ |
| Securitization Operating Expenses | |
| Accrued and unpaid taxes, filings fees, and registration fees | $ |
| Fees and expenses to the Back-Up Manager | $ |
| Fees and expenses to independent accountants, auditors and external legal counsel | $ |
| Stock exchange fees related to exchanges where Notes may be listed | $ |
| Indemnification obligations of the Securitization Entities | $ |
| Independent Director and Independent Manager Fees | $ |
| Other Securitization Operating Expenses | $ |
| **Total Fees and Expenses payable on Monthly Allocation Date:** | **$** |

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** _____, 20____ **TO** _____, 20____
**Monthly Allocation Date:** _____, 20____

**Quarterly Collection Period:** _____, 20____ **TO** _____, 20____
**Next Quarterly Payment Date:** _____, 20____

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| | | |
|---|---|---|
| **Accruals towards Annual Caps on Fees and Expenses:** | | |
| *Trustee and Control Party Fees, Expenses, and Indemnities* | | |
| Cumulative Annual Balance as of Prior Monthly Collection Period | $ | |
| Additions during current Monthly Collection Period | $ | |
| Cumulative Annual Balance as of end of Current Monthly Collection Period | $ | |
| *Annual Calendar Year Cap* | *$* | *250,000* |
| ***Control Party Expenses and Indemnities incurred without direction from Controlling Class Representative*** | | |
| Cumulative Annual Balance as of Prior Monthly Collection Period | $ | |
| Additions during current Monthly Collection Period | $ | |
| Cumulative Annual Balance as of end of Current Monthly Collection Period | $ | |
| *Annual Calendar Year Cap* | *$* | *200,000* |
| ***Securitization Operating Expenses*** | | |
| Cumulative Annual Balance as of Prior Monthly Collection Period | $ | |
| Additions during current Monthly Collection Period | $ | |
| Cumulative Annual Balance as of end of Current Monthly Collection Period | $ | |
| *Annual Rolling Cap Beginning on Closing Date* | *$* | |

**Monthly Allocation of Funds:**

**Deposits to the Collection Account of Investment Income from Eligible Investments of funds in the following accounts:**

| | |
|---|---|
| Super Senior Notes Interest Payment Account | $ |
| Senior Notes Interest Payment Account | $ |
| Senior Subordinated Notes Interest Payment Account | $ |
| Subordinated Notes Interest Payment Account | $ |
| Super Senior Notes Principal Payment Account | $ |
| Senior Notes Principal Payment Account | $ |
| Senior Subordinated Notes Principal Payment Account | $ |
| Subordinated Notes Principal Payment Account | $ |
| Super Senior Notes Qualified Equity Offering Additional Interest Account | $ |
| Senior Notes Qualified Equity Offering Additional Interest Account | $ |
| Senior Subordinated Notes Qualified Equity Offering Additional Interest Account | $ |
| Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Senior Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account | $ |
| Securitization Operating Expense Account | $ |
| Reserve Account | $ |
| Tax Lien Reserve Account | $ |
| Other accounts subject to an Account Control Agreement | $ |
| **Total Investment Income on deposit to be transferred by Trustee to the Collection Account** | **$** |

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** _____, 20____ **TO** _____, 20____
**Monthly Allocation Date:** _____, 20____

**Quarterly Collection Period:** _____, 20____ **TO** _____, 20____
**Next Quarterly Payment Date:** _____, 20____

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| **Triggers:** | |
|---|---|
| Cash Sweeping Period | Yes / No |
| Cash Flow Sweeping Percentage, if applicable | [ ]% |
| Rapid Amortization Period | Yes / No |
| Manager Termination Event | Yes / No |
| Event of Default | Yes / No |
| Level I Qualified Equity Offering Trigger Event | Yes / No |
| Level II Qualified Equity Offering Trigger Event | Yes / No |

**Monthly Priority of Payment Allocation:**

| | |
|---|---|
| **Retained Collections plus Reserve Account Withdrawal Amount, less** | **$** |
| **First,** | |
| ● Reimbursement of Trustee fees, expenses, Mortgage Recordation Fees and indemnities to Trustee; | $ |
| ● Reimbursement of Control Party fees, expenses, and indemnities to Control Party; | $ |
| ● Reimbursement of Control Party expenses and indemnities incurred without direction from Controlling Class Representative to Control Party; | $ |
| **Second,** | |
| ● Reimbursement of Manager Advances to Manager; | $ |
| **Third,** | |
| ● Payment of Successor Manager Transition Expenses, if any, to Successor Manager; | $ |

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

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**Fourth,**

- Payment of Monthly Management Fee to Manager; $

**Fifth,**

- pro rata, (A) Deposit of Capped Securitization Operating Expenses to Securitization Operating Expense Account, (B) reimbursement of Controlling Class Representative fees, expenses, and indemnities to Controlling Class Representative; and (C) after a Mortgage Recordation Event, all Mortgage Recordation Fees due and owing to the Control Party $

**Sixth,**

- pro rata, (A) Deposit of Super Senior Notes Accrued Quarterly Interest Amount to Super Senior Notes Interest Payment Account; and (B) deposit of Super Senior Notes Qualified Equity Offering Additional Interest Amount to the Super Senior Notes Qualified Equity Offering Additional Interest Account $

**Seventh,**

- Deposit of Super Senior Notes Accrued Scheduled Principal Payment to Super Senior Notes Principal Payment Account; $
- Deposit of Super Senior Notes Scheduled Principal Payment Deficiency Amount to Super Senior Notes Principal Payment Account; $
- Deposit of Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds or any Qualified Equity Offering Proceeds to Super Senior Notes Principal Payment Account; $
- In the case of any Qualified Equity Offering Proceeds, deposit of amount necessary to reduce the Outstanding Principal Amount of each Class of Super Senior Notes to zero to Super Senior Notes Principal Payment Account; $

**Eighth,**

- pro rata, (A) Deposit of Senior Notes Accrued Quarterly Interest Amount to Senior Notes Interest Payment Account; and (B) deposit of Senior Notes Qualified Equity Offering Additional Interest Amount to the Senior Notes Qualified Equity Offering Additional Interest Account $

**Ninth,**

- Deposit of Senior Notes Accrued Scheduled Principal Payment to Senior Notes Principal Payment Account; $
- Deposit of Senior Notes Scheduled Principal Payment Deficiency Amount to Senior Notes Principal Payment Account; $
- Deposit of Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds or any Qualified Equity Offering Proceeds to Senior Notes Principal Payment Account; $
- In the case of any Qualified Equity Offering Proceeds, deposit of amount necessary to reduce the Outstanding Principal Amount of each Class of Senior Notes to zero to Senior Notes Principal Payment Account;

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

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**Tenth,**

- Deposit of Senior Subordinated Notes Accrued Quarterly Interest Amount to Senior Subordinated Interest Payment Account $

**Eleventh,**

- Deposit of Senior Subordinated Notes Accrued Scheduled Principal Payment Amount to Senior Subordinated Notes Principal Payment Account; $
- Deposit of Senior Subordinated Notes Scheduled Principal Payment Deficiency Amount to Senior Subordinated Notes Principal Payment Account; $
- Deposit of Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceeds or any Qualified Equity Offering Proceeds to Senior Subordinated Notes Principal Payment Account; $
- In the case of any Qualified Equity Offering Proceeds, deposit of amount necessary to reduce the Outstanding Principal Amount of each Class of Senior Subordinated Notes to zero to Senior Subordinated Notes Principal Payment Account;

**Twelfth,**

- Deposit of Reserve Account Deficient Amount to Reserve Account; $

**Thirteenth,**

- If a Cash Flow Sweeping Period is continuing, deposit the lesser of (a) the product of the Cash Flow Sweeping percentage and the funds available in the Collection Account after application of priorities (i) - (xii) or (b) the aggregate Outstanding Principal Amount of each Class of Super Senior Notes to Super Senior Notes Principal Payment Account; $

**Fourteenth,**

- If a Cash Flow Sweeping Period is continuing, deposit the lesser of (a) the product of the Cash Flow Sweeping percentage and the funds available in the Collection Account after application of priorities (i) - (xii) subtracted by the amounts paid in priority (xiii), if any, or (b) the aggregate Outstanding Principal Amount of each Class of Senior Notes to Senior Notes Principal Payment Account; $

**Fifteenth,**

- If a Cash Flow Sweeping Period is continuing, deposit the lesser of (a) the product of the Cash Flow Sweeping percentage and the funds available in the Collection Account after application of priorities (i) - (xii) subtracted by the amounts paid in priorities (xiii) and (xiv), if any, or (b) the aggregate Outstanding Principal Amount of the Senior Subordinated Notes to Senior Subordinated Notes Principal Payment Account; $

**Sixteenth,**

- If a Rapid Amortization Period is continuing, deposit 100% of amounts remaining in Collection Account 1st to each Class of Super Senior Notes to Super Senior Notes Principal Payment Account;
- 2nd to each Class of Senior Notes to Senior Notes Payment Account; and
- 3rd to each Class of Senior Subordinated Notes to Senior Subordinated Notes Payment Account; $

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

**Seventeenth,**

- Deposit of Subordinated Notes Accrued Quarterly Interest Amount to Subordinated Notes Interest Payment Account; $

**Eighteenth,**

- Deposit of Subordinated Notes Accrued Scheduled Principal Payment Amount to Subordinated Notes Principal Payment Account; $
- Deposit of Subordinated Notes Scheduled Principal Payment Deficiency Amount to Subordinated Notes Principal Payment Account; $
- Deposit of Indemnification Amounts, Insurance/Condemnation Proceeds, Asset Disposition Proceed or any Qualified Equity Offering Proceeds to Subordinated Notes Principal Payment Account; $
- In the case of any Qualified Equity Offering Proceeds, deposit of amount necessary to reduce the Outstanding Principal Amount of each Class of Subordinated Notes to zero to Subordinated Notes Principal Payment Account;

**Nineteenth,**

- to pay the Supplemental Management Fee to the Manager; $

**Twentieth,**

- If a Rapid Amortization Period is continuing, deposit 100% of amounts remaining in Collection Account to each Class of Subordinated Notes to Subordinated Notes Principal Payment Account; $

**Twenty-first,**

- Payment of pro rata, any Trustee expenses due not previously paid in priority (i) to Trustee; and $
    - any Control Party Expenses due not previously paid in priority (i) to Control Party; and $
    - Deposit of any Securitization Operating Expenses accrued but unpaid in priority (v) to Securitization Operating Expense Account; $

**Twenty-second,**

- Allocate to the Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account any Super Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for any Class of Super Senior Notes for such Monthly Allocation Date;

**Twenty-third,**

- Allocate to the Senior Notes Post-Anticipated Repayment Date Additional Interest Account any Senior Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for any Class of Senior Notes for such Monthly Allocation Date;

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

**Twenty-fourth,**

- Pro rata, allocate to the Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account any Senior Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for any Class of Senior Subordinated Notes for such Monthly Allocation Date;

- Pro rata, allocate to the Senior Subordinated Notes Qualified Equity Offering Additional Interest Account any Senior Subordinated Notes Accrued Quarterly Qualified Equity Offering Additional Interest Amount for any Class of Senior Subordinated Notes for such Monthly Allocation Date

**Twenty-fifth,**

- Allocate to the Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account any Subordinated Notes Accrued Quarterly Post-Anticipated Repayment Date Additional Interest Amount for any Class of Subordinated Notes for such Monthly Allocation Date; and $

**Twenty-sixth,**

- Payment of 100% of Residual Amount at the direction of Issuer. $

*In the event that any Exchange Notes have been exchanged for the related Class of Exchangeable Notes in an Exchangeable Combination, such Class of Exchangeable Notes received in such an exchange shall be entitled to a proportionate share of the interest and principal payments, as applicable, otherwise allocable to the Exchange Notes that were exchanged for the Exchangeable Notes, in accordance with the payment priorities set forth above.*

**Payments from the Collection Account to the following parties:**

| | |
|---|---|
| Trustee | $ |
| Control Party | $ |
| Manager | $ |
| Successor Manager, if any | $ |
| Other | $ |
| **Total payments to be made by Trustee from the Collection Account** | **$** |

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

| | |
|---|---|
| **Deposits from the Collection Account to the following accounts and allocations:** | |
| Accrual of interest related to Series 20__-_ Class A-2-I Notes | |
| **Super Senior Notes Interest Payment Account** | **$** |
| Accrual of interest related to Series 20__-_ Class A-2-II Notes | |
| **Senior Notes Interest Payment Account** | **$** |
| Accrual of interest related to Series 20__-_ Class B-2 Notes | $ |
| **Senior Subordinated Notes Interest Payment Account** | **$** |
| Accrual of interest related to Series 20__-_ Class M-2 Notes | $ |
| **Subordinated Notes Interest Payment Account** | **$** |
| Principal payments to Series 20__-_ Class A-2-I Notes | |
| **Super Senior Notes Principal Payment Account** | **$** |
| Principal payments to Series 20__-_ Class A-2-II Notes | |
| **Senior Notes Principal Payment Account** | **$** |
| Principal payments to Series 20__-_ Class B-2 Notes | $ |
| **Senior Subordinated Notes Principal Payment Account** | **$** |
| Principal payments to Series 20__-_ Class M-2 Notes | $ |
| **Subordinated Notes Principal Payment Account** | **$** |
| Additional interest payments to Series 20__-_ Class A-2-I Notes | $ |
| **Super Senior Notes Post-Anticipated Repayment Date Additional Interest Account** | **$** |
| Additional interest payments to Series 20__-_ Class A-2-II Notes | $ |
| **Senior Notes Post-Anticipated Repayment Date Additional Interest Account** | **$** |
| Additional interest payments to Series 20__-_ Class B-2 Notes | $ |
| **Senior Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account** | **$** |
| Additional interest payments to Series 20__-_ Class M-2 Notes | $ |
| **Subordinated Notes Post-Anticipated Repayment Date Additional Interest Account** | **$** |
| Additional interest payments to Series 20__-_ Class A-2-I Notes | $ |
| **Super Senior Notes Qualified Equity Offering Additional Interest Account** | **$** |
| Additional interest payments to Series 20__-_ Class A-2-II Notes | $ |
| **Senior Notes Qualified Equity Offering Additional Interest Account** | **$** |
| Additional interest payments to Series 20__-_ Class B-2 Notes | $ |
| **Senior Subordinated Notes Qualified Equity Offering Additional Interest Account** | **$** |
| **Securitization Operating Expense Account** | $ |

**TWIN HOSPITALITY GROUP INC.**
**MONTHLY MANAGER'S CERTIFICATE**

**Monthly Collection Period:** **_____, 20____ TO _____, 20____**
**Monthly Allocation Date:** **_____, 20____**

**Quarterly Collection Period:** **_____, 20____ TO _____, 20____**
**Next Quarterly Payment Date:** **_____, 20____**

| | |
|---|---|
| **Payments from the Securitization Operating Expense Account to the following parties:** | |
| Back-up Manager | $ |
| Independent accountants, auditors and external legal counsel | $ |
| Independent Director and Independent Manager | $ |
| Other | $ |
| **Total payments to be made by Trustee from the Securitization Operating Expense Account** | **$** |

| | |
|---|---|
| **Reserve Account Amounts:** | |
| **Available Required Reserve Amount as of Prior Monthly Allocation Date** | **$** |
| Deposits into Reserve Account during Monthly Collection Period | **$** |
| Less releases from Required Reserve Amount | **$** |
| **Available Required Reserve Amount as of Current Monthly Allocation Date** | **$** |

IN WITNESS HEREOF, the undersigned has duly executed and delivered this Monthly Manager's Certificate

this _____

Twin Hospitality Group Inc. as Manager on behalf of Issuer, Twin Hospitality I, LLC, and certain subsidiaries thereto,

by: _____

**Exhibit B**

Form of Investor Request Certification

UMB Bank, N.A.
100 William Street, Suite 1850
New York, NY 10038
Attention: Michele Voon
Email: xxxxxxxxxxx

Pursuant to Section 4.4 of the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, as Issuer, and UMB Bank, N.A., as Trustee and Securities Intermediary (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"), the undersigned hereby certifies and agrees to the following conditions. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed thereto in Annex A to the Base Indenture.

1. The undersigned is a [Noteholder][Note Owner][prospective purchaser] of Series [ ] [ ]% Fixed Rate [Super] [Senior] [Subordinate] Secured Notes, Class _-_. In the case that the undersigned is a Note Owner, the undersigned is a beneficial owner of Notes. In the case that the undersigned is a prospective purchaser, the undersigned has been designated by a Noteholder or Note Owner as a prospective transferee of Notes.

2. The undersigned is requesting all information and copies of all documents that the Trustee is required to deliver to such Noteholder, Note Owner or prospective purchaser, as the case may be, pursuant to Section 4.4 of the Base Indenture. In the case that the undersigned is a Noteholder, Note Owner or a prospective purchaser, pursuant to Section 4.4 of the Base Indenture, the undersigned is also requesting access for the undersigned to the password-protected area of the Trustee's website at www.debtx.com (or such other address as the Trustee may specify from time to time) relating to the Notes.

3. The undersigned is requesting such information solely for use in evaluating the undersigned's investment, or possible investment in the case of a prospective purchaser, in the Notes.

4. The undersigned is not a Competitor.

5. The undersigned understands that [the documents it has requested][and][the Trustee's website] contains confidential information.

6. In consideration of the Trustee's disclosure to the undersigned, the undersigned will keep the information strictly confidential, and such information will not be disclosed by the undersigned or by its officers, directors, partners, employees, agents or representatives in any manner whatsoever, without the prior written consent of the Manager or used for any purpose other than evaluating the undersigned's investment or possible investment in the Notes; provided, however, that the undersigned shall be permitted to disclose such information: (A) to (1) those personnel employed by it who need to know such information which have agreed to keep such information confidential and to treat the information as confidential information, (2) its attorneys and outside auditors which have agreed to keep such information confidential and to treat the information as confidential information, or (3) a regulatory or self-regulatory authority pursuant to applicable law or regulation or (B) by judicial process; provided, that it may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions and any related tax strategies to the extent necessary to prevent the transaction from being described as a "confidential transaction" under U.S. Treasury Regulations Section 1.6011-4(b)(3).

7. The undersigned will not use or disclose the information in any manner which could result in a violation of any provision of the 1933 Act or the Exchange Act or would require registration of any non-registered security pursuant to the 1933 Act.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed hereto by its duly authorized officer.

Name of [Noteholder][Note Owner][prospective purchaser]

By: _____ Date: _____
Name:
Title:

**Exhibit C**

**RELEASE REQUEST**

Reference is made to the Base Indenture, dated as of November 21, 2024 (as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Base Indenture"), between Twin Hospitality I, LLC (f/k/a Fat Brands Twin Peaks I, LLC), a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as trustee (in such capacity, the "Trustee"), and as securities intermediary. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Base Indenture.

Pursuant to Section 5.3(c) of the Base Indenture, the Manager, on behalf of the Issuer, desires that the Trustee release funds in the Permitted Uses Account to the Manager solely for further application to Permitted Uses in accordance with the applicable terms and conditions of the Base Indenture on [mm/dd/yy] (the "Release Date"):

1. Amount Requested: $ [___,___,___]

The Manager hereby certifies that:

(i) as of the Release Date, each Transaction Documents is in full force and effect and no provision thereof has been amended, restated, supplemented, modified or waived in any material respect without the consent of the parties thereto;

(ii) as of the Release Date, the representations and warranties made by the Issuer and the Manager contained in the Transaction Documents to which they are a party are true and correct in all material respects on and as of such Release Date to the same extent as though made on and as of such date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date; and

(iii) as of the Release Date, after giving effect to the requested release of funds from the Permitted Uses Account on the Release Date, no event has occurred and is continuing or would result from the consummation of the borrowing contemplated hereby that would constitute an Event of Default.

Date: [mm/dd/yy]

**TWIN HOSPITALITY I, LLC**
**as Issuer**

By: _____
Name:
Title:

**TWIN HOSPITALITY GROUP INC.**
**as Manager**

By: _____
Name:
Title:

**Exhibit D**

**[Reserved]**

**Exhibit E**

**[Reserved]**

**Exhibit F**

**[Reserved]**

**Exhibit G**

Form of Noteholder Certification

Sent to:

Re: Request to Communicate with Noteholders

Reference is made to Section 11.5(b) of the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, as Issuer, and UMB Bank, N.A., as Trustee and Securities Intermediary (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"). Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed thereto in Annex A to the Base Indenture.

The undersigned hereby certify that they are Noteholders who collectively hold beneficial interests of not less than $_____ in aggregate principal amount of Notes.

The undersigned wish to communicate with other Noteholders with respect to their rights under the Indenture or under the Notes and hereby request that the Trustee deliver the enclosed notice or communication to all other Noteholders.

The undersigned agree to indemnify the Trustee for its costs and expenses in connection with the delivery of the enclosed notice or communication.

Dated: _____
Signed: _____
Printed Name: _____
Dated: _____
Signed: _____
Printed Name: _____

Enclosure(s): [ ]

**Exhibit H**

Form of Transferee Certification

Sent to: UMB Bank, N.A., as Trustee

Twin Hospitality I, LLC, as Issuer

Re: Transfer of [Insert Series and Class] Notes of Twin Hospitality I, LLC

Reference is made to Section 2.8(g) of the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, as Issuer, and UMB Bank, N.A., as Trustee and Securities Intermediary (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"). Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed thereto in Annex A to the Base Indenture.

In connection with the transfer of [Insert Series and Class] Notes, the undersigned hereby certifies as follows:

(1) It is not a member of an "expanded group" (within the meaning of Section 385 of the Code and the regulations thereunder) that includes a domestic corporation (as determined for U.S. federal income tax purposes) if such domestic corporation, directly or indirectly (through one or more entities that are treated for U.S. federal income tax purposes as partnerships, disregarded entities, or grantor trusts) owns membership interests of the Issuer; provided that it may acquire Notes in violation of this restriction if it provides the Issuer (a copy of which the Issuer shall provide to the Trustee) with an opinion of nationally recognized tax counsel experienced in such matters reasonably acceptable to the Issuer to the effect that the acquisition or transfer of such Notes will not cause such Notes to be treated as equity pursuant to Section 385 of the Code and the regulations thereunder.

(2) If it is classified for U.S. federal income tax purposes as a partnership, subchapter S corporation or grantor trust then (A) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 50% of the value of its interest in such person attributable to the aggregate interest of such person in the combined value of the Notes (and/or any equity interests in the Issuer for U.S. federal income tax purposes), and (B) it is not and will not be a principal purpose of the arrangement involving the investment of such person in any Note and/or equity interests of the Issuer to permit the Issuer to satisfy the "private placement" safe harbor of Treasury Regulation Section 1.7704-1(h).

(3) It will not directly or indirectly sell, encumber, assign, participate, pledge, hypothecate, rehypothecate, exchange or otherwise dispose of, suffer the creation of a lien on, or transfer or convey (each, a "Transfer") the Notes (or any interest therein described in Treasury Regulation Section 1.7704-1(a)(2)(i)(B)) in any manner or cause the Notes (or any interest therein) to be marketed, in each case, (i) on or through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704(b) of the Code and Treasury Regulation Sections 1.7704-1(b) and 1.7704-1(c), including, without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations, or (ii) if such Transfer would cause the combined number of holders of the Notes and any other equity interests in the Issuer for U.S. federal income tax purposes to be held by more than 100 persons in accordance with Treasury Regulation Section 1.7704-1(h).

(4) It will not enter into any financial instrument the payments on which are, or the value of which is, determined in whole or in part by reference to the Notes or the Issuer (including the amount of distributions on the Notes or any equity interests in the Issuer for U.S. federal income tax purposes, the value of the Issuer's assets, or the result of the Issuer's operations), or any contract that otherwise is described in Treasury Regulation Section 1.7704-1(a)(2)(i)(B).

(5) Its beneficial interest in the Note is not and will not be in an amount that is less than the applicable Minimum Denomination, and it does not and will not hold any beneficial interest in the Note on behalf of any person whose beneficial interest in the Note is in an amount that is less than the applicable Minimum Denomination. It will not acquire or Transfer any beneficial interest in the Note or enter into any financial instrument or contract the value of which is determined by reference in whole or in part to any Note, in each case, if the effect of doing so would be that the beneficial interest of any person in a Note would be in an amount that is less than the applicable Minimum Denomination. For this purpose, the "Minimum Denomination" is $100,000 for the Class A-2-I Notes and the Class A-2-II Notes, $1,500,000 for the Class B-2 Notes (provided up to one Holder purchasing Class B-2 Notes on the Series Closing Date will be permitted to hold such Class B-2 Notes in a minimum denomination of $1,000,000), $2,000,000 for the Class M-2 Notes, $1,500,000 for the Class A2IIB2 Notes and $2,000,000 for the Class A2IIB2M2 Notes.

(6) It will not take any action that could cause, and will not omit to take any action, which omission would cause, the Issuer to become taxable as a corporation for U.S. federal income tax purposes.

The undersigned agrees to indemnify the Trustee for its costs and expenses in connection with the delivery of the enclosed notice or communication.

Dated: _____

Signed: _____

Printed Name: _____

Dated: _____

Signed: _____

Printed Name: _____

*If transferee is unable to provide any of the representations set forth in paragraphs (2) through (4) above, the transfer may still be registered if transferee provides to the Issuer written advice of Katten Muchin Rosenman LLP or an opinion of other nationally recognized U.S. tax counsel experienced in such matters, to the effect that the acquisition or transfer of Notes will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

**Exhibit I-1**

## FORM OF NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS

This NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS (the "Notice") is made and entered into as of [_____], by and between [FRANCHISE ENTITY], a _____ located at _____ ("Grantor"), in favor of UMB BANK, N.A., a national banking association ("UMB"), as trustee located at _____ ("Trustee").

WHEREAS, Grantor is the owner of the United States trademarks and service marks set forth in Schedule 1 attached hereto, including the associated registrations and applications for registration set forth in Schedule 1 attached hereto (collectively, the "Trademarks") and the goodwill connected with the use of or symbolized by such Trademarks; and

WHEREAS, pursuant to the Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among the Grantor and certain other "Guarantors" from time to time a party thereto, each as a Guarantor, and the Trustee (the "Guarantee and Collateral Agreement"), to secure the Obligations, Grantor has granted to the Trustee for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under certain intellectual property of Grantor, including the Trademarks and the goodwill connected with the use of or symbolized by the Trademarks, and the right to bring an action at law or in equity for any infringement, misappropriation, dilution or other violation thereof, and to collect all damages, settlements and proceeds derived from or related thereto, and, to the extent not otherwise included, all payments, proceeds, supporting obligations and accrued and future rights to payment with respect to the foregoing (collectively the "Trademark Collateral"); and

WHEREAS, pursuant to Section 4.6 of the Guarantee and Collateral Agreement, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the PTO to confirm, evidence and perfect the security interest in the Trademark Collateral granted under the Guarantee and Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to all applicable terms and conditions of the Indenture and the Guarantee and Collateral Agreement, which are incorporated by reference as if fully set forth herein, to secure the Obligations, Grantor hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under the Trademark Collateral, to the extent now owned or at any time hereafter acquired by Grantor; provided that the grant of security interest hereunder shall not include any application for registration of a Trademark that would be invalidated, canceled, voided or abandoned due to the grant and/or enforcement of such security interest, including intent-to-use applications filed with the PTO pursuant to 15 U.S.C. Section 1051(b) prior to the filing of a statement of use or amendment to allege use pursuant to 15 U.S.C. Section 1051(c) or (d), provided that at such time that the grant and/or enforcement of the security interest will not cause such Trademark to be invalidated, cancelled, voided or abandoned such Trademark application will not be excluded from this Notice.

Capitalized terms used in this Notice (including the preamble and the recitals hereto), and not defined in this Notice, shall have the meanings assigned to such terms in Annex A attached to the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as Trustee and Securities Intermediary (the "Indenture").

1. The parties intend that this Notice is for recordation purposes. The terms of this Notice shall not modify the applicable terms and conditions of the Indenture or the Guarantee and Collateral Agreement, which govern the Trustee's interest in the Trademark Collateral and which shall control in the event of any conflict. Grantor hereby acknowledges the sufficiency and completeness of this Notice to create a security interest in the Trademark Collateral in favor of the Trustee for the benefit of the Secured Parties, and Grantor hereby requests the PTO to file and record this Notice together with the annexed Schedule 1.

2. Grantor and Trustee hereby acknowledge and agree that the grant of security interest in, to and under the Trademark Collateral made hereby may be terminated only in accordance with the terms of the Indenture and the Guarantee and Collateral Agreement and shall terminate automatically upon the termination of the Indenture or the Guarantee and Collateral Agreement.

3. THIS NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN LIMITATION SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

4. This Notice may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS to be duly executed by its duly authorized officer as of the date and year first written above.

[FRANCHISE ENTITY]

By: _____
Name:
Title:

**Schedule 1**
**Trademarks**

Exhibit I-1-4

**Exhibit I-2**

## FORM OF NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS

This NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS (the "Notice") is made and entered into as of [_____], by and between [FRANCHISE ENTITY], a _____ located at _____ ("Grantor"), in favor of UMB BANK, N.A., a national banking association ("UMB"), as trustee located at _____ ("Trustee").

WHEREAS, Grantor is the owner of the United States patents and patent applications set forth in Schedule 1 attached hereto (collectively, the "Patents"); and

WHEREAS, pursuant to the Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among the Grantor and certain other "Guarantors" from time to time a party thereto, each as a Guarantor, and the Trustee ("Guarantee and Collateral Agreement"), to secure the Obligations, Grantor has granted to the Trustee for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under certain intellectual property of Grantor, including the Patents and the right to bring an action at law or in equity for any infringement, misappropriation or other violation thereof, and to collect all damages, settlements and proceeds derived from or related thereto, and, to the extent not otherwise included, all payments, proceeds, supporting obligations and accrued and future rights to payment with respect to the foregoing (collectively, the "Patent Collateral"); and

WHEREAS, pursuant to Section 4.6 of the Guarantee and Collateral Agreement, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the PTO to confirm, evidence and perfect the security interest in the Patent Collateral granted under the Guarantee and Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to all applicable terms and conditions of the Indenture and the Guarantee and Collateral Agreement, which are incorporated by reference as if fully set forth herein, to secure the Obligations, Grantor hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under the Patent Collateral, to the extent now owned or at any time hereafter acquired by Grantor.

Capitalized terms used in this Notice (including the preamble and the recitals hereto), and not defined in this Notice, shall have the meanings assigned to such terms in Annex A attached to the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as Trustee and Securities Intermediary (the "Indenture").

1. The parties intend that this Notice is for recordation purposes. The terms of this Notice shall not modify the applicable terms and conditions of the Indenture or the Guarantee and Collateral Agreement, which govern the Trustee's interest in the Patent Collateral and which shall control in the event of any conflict. Grantor hereby acknowledges the sufficiency and completeness of this Notice to create a security interest in the Patent Collateral in favor of the Trustee for the benefit of the Secured Parties, and Grantor hereby requests the PTO to file this Notice together with the annexed Schedule 1.

2. Grantor and Trustee hereby acknowledge and agree that the grant of security interest in, to and under the Patent Collateral made hereby may be terminated only in accordance with the terms of the Indenture and the Guarantee and Collateral Agreement and shall terminate automatically upon the termination of the Indenture or the Guarantee and Collateral Agreement.

3. THIS NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

4. This Notice may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS to be duly executed by its duly authorized officer as of the date and year first written above.

[FRANCHISE ENTITY]

By: _____
Name:
Title:

**Schedule 1**
**Patents and Patent Applications**

Exhibit I-2-3

**Exhibit I-3**

## FORM OF NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS

This NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS (the "Notice") is made and entered into as of [_____], by and between [FRANCHISE ENTITY], a _____ located at _____ ("Grantor"), in favor of UMB BANK, N.A., a national banking association ("UMB"), as trustee located at _____ ("Trustee").

WHEREAS, Grantor is the owner of the United States copyright registrations set forth in Schedule 1 attached hereto (collectively, the "Copyrights"); and

WHEREAS, pursuant to the Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among the Grantor and certain other "Guarantors" from time to time a party thereto, each as a Guarantor, and the Trustee (the "Guarantee and Collateral Agreement"), to secure the Obligations, Grantor has granted to the Trustee for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under certain intellectual property of Grantor, including the Copyrights and the right to bring an action at law or in equity for any infringement, misappropriation or other violation thereof, and to collect all damages, settlements and proceeds derived from or related thereto, and, to the extent not otherwise included, all payments, proceeds, supporting obligations, and accrued and future rights to payment with respect to the foregoing (collectively, the "Copyright Collateral"); and

WHEREAS, pursuant to Section 4.6 of the Guarantee and Collateral Agreement, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the United States Copyright Office to confirm, evidence and perfect the security interest in the Copyright Collateral granted under the Guarantee and Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to all applicable terms and conditions of the Indenture and the Guarantee and Collateral Agreement, which are incorporated by reference as if fully set forth herein, to secure the Obligations, Grantor hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under the Copyright Collateral, to the extent now owned or at any time hereafter acquired by Grantor.

Capitalized terms used in this Notice (including the preamble and the recitals hereto), and not defined in this Notice, shall have the meanings assigned to such terms in Annex A attached to the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as Trustee and Securities Intermediary (the "Indenture").

1. The parties intend that this Notice is for recordation purposes. The terms of this Notice shall not modify the applicable terms and conditions of the Indenture or the Guarantee and Collateral Agreement, which govern the Trustee's interest in the Copyright Collateral and which shall control in the event of any conflict. Grantor hereby acknowledges the sufficiency and completeness of this Notice to create a security interest in the Copyright Collateral in favor of the Trustee for the benefit of the Secured Parties, and Grantor hereby requests the Copyright Office to file and record this Notice together with the annexed Schedule 1.

2. Grantor and Trustee hereby acknowledge and agree that the grant of security interest in, to and under the Copyright Collateral made hereby may be terminated only in accordance with the terms of the Indenture and the Guarantee and Collateral Agreement and shall terminate automatically upon the termination of the Indenture or the Guarantee and Collateral Agreement.

3. THIS NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN LIMITATION SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

4. This Notice may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS to be duly executed by its duly authorized officer as of the date and year first written above.

[FRANCHISE ENTITY]

By: _____
Name:
Title:

**Schedule 1**
**Copyrights**

**Exhibit J-1**

**FORM OF SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS**

This SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS (the "Notice") is made and entered into as of [_____], by and between [FRANCHISE ENTITY], a _____ located at _____ ("Grantor"), in favor of UMB BANK, N.A., a national banking association ("UMB"), as trustee located at _____ ("Trustee").

WHEREAS, Grantor is the owner of the United States trademarks and service marks set forth in Schedule 1 attached hereto, including the associated registrations and applications for registration set forth in Schedule 1 attached hereto (collectively, the "Trademarks") and goodwill connected with the use of or symbolized by such Trademarks; and

WHEREAS, pursuant to the Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among the Grantor and certain other "Guarantors" from time to time a party thereto, each as a Guarantor, and the Trustee (the "Guarantee and Collateral Agreement"), to secure the Obligations, Grantor has granted to the Trustee for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under certain intellectual property of Grantor, including the Trademarks and the goodwill connected with the use of or symbolized by the Trademarks and the right to bring an action at law or in equity for any infringement, misappropriation or other violation thereof, and to collect all damages, settlements and proceeds derived from or related thereto, and, to the extent not otherwise included, all payments, proceeds, supporting obligations, and accrued and future rights to payment with respect to the foregoing (collectively the "Trademark Collateral"); and

WHEREAS, pursuant to Section 8.25(e) of the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as Trustee and Securities Intermediary (the "Indenture"), and Section 3.5 of the Guarantee and Collateral Agreement, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the PTO to confirm, evidence and perfect the security interest in the Trademark Collateral granted under the Guarantee and Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to all applicable terms and conditions of the Indenture and the Guarantee and Collateral Agreement, which are incorporated by reference as if fully set forth herein, to secure the Obligations Grantor hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in the Trademark Collateral, to the extent now owned or at any time hereafter acquired by Grantor; provided that the grant of security interest hereunder shall not include any application for registration of a Trademark that would be invalidated, canceled, voided or abandoned due to the grant and/or enforcement of such security interest, including, intent-to-use applications filed with the PTO pursuant to 15 U.S.C. Section 1051 (b) prior to the filing of a statement of use or amendment to allege use pursuant to 15 U.S.C. Section 1051 (c) or (d), provided that, at such time as the grant and/or enforcement of the security interest will not cause such Trademark to be invalidated, cancelled, voided or abandoned such Trademark will not be excluded from this Notice.

Capitalized terms used in this Notice (including the preamble and the recitals hereto), and not defined in this Notice, shall have the meanings assigned to such terms in Annex A attached to the Indenture (as defined above).

1. The parties intend that the Trademark Collateral subject to this Notice is to be considered as After-Acquired Securitization IP under the Indenture and the Guarantee and Collateral Agreement and that this Notice is for recordation purposes. The terms of this Notice shall not modify the applicable terms and conditions of the Indenture or the Guarantee and Collateral Agreement, which govern the Trustee's interest in the Trademark Collateral and which shall control in the event of any conflict. Grantor hereby acknowledges the sufficiency and completeness of this Notice to create a security interest in the Trademark Collateral in favor of the Trustee for the benefit of the Secured Parties, and Grantor hereby requests the PTO to file and record this Notice together with the annexed Schedule 1.

2. Grantor and the Trustee hereby acknowledge and agree that the grant of security interest in, to and under the Trademark Collateral made hereby may be terminated only in accordance with the terms of the Indenture and the Guarantee and Collateral Agreement and shall terminate automatically upon the termination of the Indenture or the Guarantee and Collateral Agreement.

3. THIS NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

4. This Notice may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS to be duly executed by its duly authorized officer as of the date and year first written above.

[FRANCHISE ENTITY]

By: _____
Name:
Title:

**Schedule 1**
**Trademarks**

Exhibit J-1-3

**Exhibit J-2**

**FORM OF SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS**

This SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS (the "Notice") is made and entered into as of [_____], by and between [FRANCHISE ENTITY], a _____ located at _____ ("Grantor"), in favor of UMB BANK, N.A., a national banking association ("UMB"), as trustee located at _____ ("Trustee").

WHEREAS, Grantor is the owner of the United States patents and patent applications set forth in Schedule 1 attached hereto (collectively, the "Patents"); and

WHEREAS, pursuant to the Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among Grantor and certain other "Guarantors" from time to time a party thereto, each as a Guarantor, and the Trustee (the "Guarantee and Collateral Agreement"), to secure the Obligations, Grantor has granted to the Trustee for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under certain intellectual property of Grantor, including the Patents and the right to bring an action at law or in equity for any infringement, misappropriation or other violation thereof, and to collect all damages, settlements and proceeds derived from or related thereto, and, to the extent not otherwise included, all payments, proceeds, supporting obligations and accrued and future rights to payment with respect to the foregoing (collectively, the "Patent Collateral"); and

WHEREAS, pursuant to Section 8.25(e) of the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as Trustee and Securities Intermediary (the "Indenture"), and Section 3.5 of the Guarantee and Collateral Agreement, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of recording the same with the PTO to confirm, evidence and perfect the security interest in the Patent Collateral granted under the Guarantee and Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to all applicable terms and conditions of the Indenture and the Guarantee and Collateral Agreement, which are incorporated by reference as if fully set forth herein, to secure the Obligations Grantor hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest under the Patent Collateral, to the extent now owned or at any time hereafter acquired by Grantor.

Capitalized terms used in this Notice (including the preamble and the recitals hereto), and not defined in this Notice shall have the meanings assigned to such terms in Annex A attached to the Indenture (as defined above).

1. The parties intend that the Patent Collateral subject to this Notice is to be considered as After-Acquired Securitization IP under the Indenture and the Guarantee and Collateral Agreement and that this Notice is for recordation purposes. The terms of this Notice shall not modify the applicable terms and conditions of the Indenture or the Guarantee and Collateral Agreement, which govern the Trustee's interest in the Patent Collateral and which shall control in the event of any conflict. Grantor hereby acknowledges the sufficiency and completeness of this Notice to create a security interest in the Patent Collateral in favor of the Trustee for the benefit of the Secured Parties, and Grantor hereby requests the PTO to file and record this Notice together with the annexed Schedule 1.

2. Grantor and the Trustee hereby acknowledge and agree that the grant of security interest in, to and under the Patent Collateral made hereby may be terminated only in accordance with the terms of the Indenture and the Guarantee and Collateral Agreement and shall terminate automatically upon the termination of the Indenture or the Guarantee and Collateral Agreement.

3. THIS NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

4. This Notice may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS to be duly executed by its duly authorized officer as of the date and year first written above.

[FRANCHISE ENTITY]

By: _____
Name:
Title:

**Schedule 1**

**Patents and Patent Applications**

Exhibit J-2-3

**Exhibit J-3**

**FORM OF SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS**

This SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS (the "Notice") is made and entered into as of [_____], by and between [FRANCHISE ENTITY], a _____ located at _____ ("Grantor"), in favor of UMB BANK, N.A., a national banking association ("UMB"), as trustee located at _____ ("Trustee").

WHEREAS, Grantor is the owner of the United States copyrights (including the associated registrations and applications for registration) set forth in Schedule 1 attached hereto (collectively, the "Copyrights"); and

WHEREAS, pursuant to the Guarantee and Collateral Agreement, dated as of November 21, 2024, by and among the Grantor and certain other "Guarantors" from time to time a party thereto, each as a Guarantor, and the Trustee (the "Guarantee and Collateral Agreement"), to secure the Obligations, Grantor has granted to the Trustee for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest in, to and under certain intellectual property of Grantor, including the Copyrights and the right to bring an action at law or in equity for any infringement, misappropriation or other violation thereof, and to collect all damages, settlements and proceeds derived from or related thereto, and, to the extent not otherwise included, all payments, proceeds, supporting obligations, and accrued and future rights to payment with respect to the foregoing (collectively, the "Copyright Collateral"); and

WHEREAS, pursuant to Section 8.25(e) of the Base Indenture, dated as of November 21, 2024, by and among Twin Hospitality I, LLC, a Delaware limited liability company, (the "Issuer"), and UMB Bank, N.A., as Trustee and Securities Intermediary (the "Indenture"), and Section 3.5 of the Guarantee and Collateral Agreement, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the United States Copyright Office (the "Copyright Office") to confirm, evidence and perfect the security interest in the Copyright Collateral granted under the Guarantee and Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to all applicable terms and conditions of the Indenture and the Guarantee and Collateral Agreement, which are incorporated by reference as if fully set forth herein, to secure the Obligations, Grantor hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in Grantor's right, title and interest under the Copyright Collateral, to the extent now owned or at any time hereafter acquired by Grantor.

Capitalized terms used in this Notice (including the preamble and the recitals hereto), and not defined in this Notice, shall have the meanings assigned to such terms in Annex A attached to the Indenture (as defined above).

1. The parties intend that the Copyright Collateral subject to this Notice is to be considered as After-Acquired Securitization IP under the Indenture and the Guarantee and Collateral Agreement and that this Notice is for recordation purposes. The terms of this Notice shall not modify the applicable terms and conditions of the Indenture or the Guarantee and Collateral Agreement, which govern the Trustee's interest in the Copyright Collateral and which shall control in the event of any conflict. Grantor hereby acknowledges the sufficiency and completeness of this Notice to create a security interest in the Copyright Collateral in favor of the Trustee for the benefit of the Secured Parties, and Grantor hereby requests the Copyright Office to file and record this Notice together with the annexed Schedule 1.

3. Grantor and the Trustee hereby acknowledge and agree that the grant of security interest in, to and under the Copyright Collateral made hereby may be terminated only in accordance with the terms of the Indenture and the Guarantee and Collateral Agreement and shall terminate automatically upon the termination of the Indenture or the Guarantee and Collateral Agreement.

2. THIS NOTICE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

3. This Notice may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this SUPPLEMENTAL NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS to be duly executed by its duly authorized officer as of the date and year first written above.

[FRANCHISE ENTITY]

By: _____
Name:
Title:

**Schedule 1**
**Copyrights**

Exhibit J-3-3

**Exhibit 10.9**

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**TWIN HOSPITALITY I, LLC,**

**as Issuer**

**and**

**UMB BANK, N.A.,**

**as Trustee**

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**SERIES 2024-1 SUPPLEMENT**

**Dated as of November 21, 2024**

**to**

**BASE INDENTURE**

**Dated as of November 21, 2024**

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$12,124,000.00 Series 2024-1 9.00% Fixed Rate Super Senior Secured Notes, Class A-2-I
$269,257,000.00 Series 2024-1 9.00% Fixed Rate Senior Secured Notes, Class A-2-II
$57,619,000.00 Series 2024-1 10.00% Fixed Rate Senior Subordinated Secured Notes, Class B-2
$77,711,000.00 Series 2024-1 11.00% Fixed Rate Subordinated Secured Notes, Class M-2
$326,876,000.00 Series 2024-1 Fixed Rate Exchangeable Secured Notes, Class A2IIB2
$404,587,000.00 Series 2024-1 Fixed Rate Exchangeable Secured Notes, Class A2IIB2M2

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**ANNEXES**



**EXHIBITS**

SERIES 2024-1 SUPPLEMENT, dated as of November 21, 2024 (this "Series 2024-1 Supplement"), by and between Twin Hospitality I, LLC (f/k/a Fat Brands Twin Peaks I, LLC) (the "Issuer"), and UMB Bank, N.A., as trustee (in such capacity, the "Trustee"), to the Base Indenture, dated as of November 21, 2024 (as the same may be amended, amended and restated, modified or supplemented from time to time, exclusive of Series Supplements, the "Base Indenture"), by and among the Issuer and UMB Bank, N.A., as Trustee and as Securities Intermediary.

## PRELIMINARY STATEMENT

WHEREAS, Sections 2.2 and 13.1 of the Base Indenture provide, among other things, that the Issuer and the Trustee may at any time and from time to time enter into a Series Supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes (as defined in Annex A of the Base Indenture) upon satisfaction of the conditions set forth therein; and

WHEREAS, all such conditions have been met or waived by the Control Party (as directed by the Controlling Class Representative) for the issuance of the Series of Notes authorized hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

## DESIGNATION

There is hereby created a Series of Notes to be issued pursuant to the Base Indenture and this Series 2024-1 Supplement, and such Series of Notes shall be designated as the Series 2024-1 Notes. On the Series 2024-1 Closing Date, the issuer shall issue three (3) Classes of Exchange Notes of such Series and two (2) Classes of Exchangeable Notes of such Series as follows: (a) Series 2024-1 9.00% Fixed Rate Super Senior Secured Notes, Class A-2-I (as referred to herein, such Class or Notes thereof, as the context requires, the "Series 2024-1 Class A-2-I Notes"), (b) Series 2024-1 9.00% Fixed Rate Senior Secured Notes, Class A-2-II (as referred to herein, such Class or Notes thereof, as the context requires, the "Series 2024-1 Class A-2-II Notes"), (c) Series 2024-1 10.00% Fixed Rate Senior Subordinated Secured Notes, Class B-2 (as referred to herein, such Class or Notes thereof, as the context requires, the "Series 2024-1 Class B-2 Notes"), (d) Series 2024-1 11.00% Fixed Rate Subordinated Secured Notes, Class M-2 (as referred to herein, such Class or Notes thereof, as the context requires, the "Series 2024-1 Class M-2 Notes" and together with the Series 2024-1 Class A-2-I Notes, Series 2024-1 Class A-2-II Notes and Series 2024-1 Class B-2 Notes, the "Exchange Notes"), (e) Series 2024-1 Fixed Rate Exchangeable Secured Notes, Class A2IIB2 (the "Series 2024-1 Class A2IIB2 Notes" or "Class A2IIB2 Notes"), and (f) Series 2024-1 Fixed Rate Exchangeable Secured Notes, Class A2IIB2M2 (the "Series 2024-1 Class A2IIB2M2 Notes" or "Class A2IIB2M2 Notes" and together with the Series 2024-1 Class A2IIB2 Notes, the "Exchangeable Notes" and the Exchange Notes together with the Exchangeable Notes, the "Series 2024-1 Notes" or "Notes").

## ARTICLE I

## DEFINITIONS; RULES OF CONSTRUCTION

All capitalized terms used herein (including in the preamble and the recitals hereto) and not otherwise defined herein shall have the meanings assigned to such terms in the Series 2024-1 Supplemental Definitions List attached hereto as Annex A (the "Series 2024-1 Supplemental Definitions List") as such Series 2024-1 Supplemental Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof. All capitalized terms not otherwise defined herein or therein, and the term "written" or "in writing", shall have the meanings assigned thereto in the Base Indenture or the Base Indenture Definitions List attached to the Base Indenture as Annex A thereto, as such Base Indenture or Base Indenture Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the Base Indenture. Unless otherwise specified herein, all Article, Exhibit, Section or Subsection references herein shall refer to Articles, Exhibits, Sections or Subsections of this Series 2024-1 Supplement. Unless otherwise stated herein, as the context otherwise requires or if such term is otherwise defined in the Base Indenture, each capitalized term used or defined herein shall relate only to the Series 2024-1 Notes and not to any other Series of Notes issued by the Issuer. The rules of construction set forth in Section 1.4 of the Base Indenture shall apply for all purposes under this Series 2024-1 Supplement.

## ARTICLE II

## AUTHORIZATION AND DETAILS

Section 2.1 Authorization of the Series 2024-1 Notes. The following Series 2024-1 Notes are hereby authorized to be issued in the form of typewritten Notes representing Book-Entry Notes: (i) the Series 2024-1 Class A-2-I Notes in the aggregate principal amount of $12,124,000.00, (ii) the Series 2024-1 Class A-2-II Notes in the aggregate principal amount of $269,257,000.00, (iii) the Series 2024-1 Class B-2 Notes in the aggregate principal amount of $57,619,000.00, (iv) the Series 2024-1 Class M-2 Notes in the aggregate principal amount of $77,711,000.00, (v) the Series 2024-1 Class A2IIB2 Notes in the aggregate principal amount of $326,876,000.00 and (vi) the Series 2024-1 Class A2IIB2M2 Notes in the aggregate principal amount of $404,587,000.00. The Series 2024-1 Notes will be the only Series of Notes to be issued by the Issuer pursuant to this Series 2024-1 Supplement or the Base Indenture.

Section 2.2 Details of the Series 2024-1 Notes. The Series 2024-1 Series Notes shall be subject to the terms of the Base Indenture applicable to the Notes as described therein, as modified herein, and shall bear interest as set forth in Section 3.4 of this Series 2024-1 Supplement.

Section 2.3 Denominations. The Series 2024-1 Class A-2-I Notes shall be issued in minimum denominations of $100,000.00, the Series 2024-1 Class A-2-II Notes shall be issued in minimum denominations of $100,000.00, the Series 2024-1 Class B-2 Notes shall be issued in minimum denominations of $1,500,000.00 (provided up to one Holder purchasing Series 2024-1 Class B-2 Notes on the Series 2024-1 Closing Date will be permitted to hold such Series 2024-1 Class B-2 Notes in a minimum denomination of $1,000,000), the Series 2024-1 Class M-2 Notes shall be issued in minimum denominations of $2,000,000.00, the Series 2024-1 Class A2IIB2 Notes shall be issued in minimum denominations of $1,500,000.00, the Series 2024-1 Class A2IIB2M2 Notes shall be issued in minimum denominations of $2,000,000.00 and, in each case, integral multiples of $1,000 in excess thereof.

Section 2.4 Monthly Allocation Dates. For the avoidance of doubt, the Monthly Allocation Dates and the date of delivery of the Monthly Manager's Certificate through the Series 2024-1 Class A-2-I Legal Final Maturity Date, the Series 2024-1 Class A-2-II Legal Final Maturity Date, the Series 2024-1 Class B-2 Legal Final Maturity Date and the Series 2024-1 Class M-2 Legal Final Maturity Date are as set forth in Annex B of this Series 2024-1 Supplement.

## ARTICLE III

## SERIES 2024-1 ALLOCATIONS; PAYMENTS

With respect to the Series 2024-1 Notes only, the following shall apply:

Section 3.1 Allocations of Net Proceeds with Respect to the Series 2024-1 Notes. The Series 2024-1 Notes will be the only Series of Notes to be issued by the Issuer pursuant to this Series 2024-1 Supplement or the Base Indenture. On the Series 2024-1 Closing Date, the Issuer will issue the Series 2024-1 Notes pursuant to the Base Indenture and this Series 2024-1 Supplement and will make a distribution of the net proceeds of the issuance and sale of the Series 2024-1 Notes to the Manager, which intends to apply such net proceeds to, among other things, to (i) fund the Reserve Account in an amount equal to $7,771,548, (ii) pay fees and expenses related to the offering of the Series 2024-1 Notes, (iii) satisfy and discharge the obligations of the Issuer under the Previous Indenture, and (iv) fund the Permitted Uses Account in an amount equal to all net proceeds remaining after giving effect to clauses (i) through (iii).

Section 3.2 Reserved.

Section 3.3 Certain Distributions to Series 2024-1 Noteholders. On each Quarterly Payment Date, based solely upon the most recent Quarterly Noteholders' Report in the form attached hereto as Exhibit C and as required under Section 4.1(c) of the Base Indenture, the Trustee shall, in accordance with Section 6.1 of the Base Indenture, remit (i) to the Series 2024-1 Super Senior Noteholders the amounts withdrawn from the Super Senior Notes Interest Payment Account, Super Senior Notes Principal Payment Account or otherwise, as applicable, pursuant to Section 5.11 of the Base Indenture or otherwise, for the payment of interest and fees and, to the extent applicable, principal or other amounts in respect of the Series 2024-1 Class A-2-I Notes on such Quarterly Payment Date, (ii) to the Series 2024-1 Senior Noteholders the amounts withdrawn from the Senior Notes Interest Payment Account, Senior Notes Principal Payment Account or otherwise, as applicable, pursuant to Section 5.11 of the Base Indenture or otherwise, for the payment of interest and fees and, to the extent applicable, principal or other amounts in respect of the Series 2024-1 Class A-2-II Notes on such Quarterly Payment Date, (iii) to the Series 2024-1 Senior Subordinated Noteholders, the amounts withdrawn from the Senior Subordinated Notes Interest Payment Account, Senior Subordinated Notes Principal Payment Account or otherwise, as applicable, pursuant to Section 5.11 of the Base Indenture or otherwise, for the payment of interest and, to the extent applicable, principal or other amounts in respect of the Series 2024-1 Class B-2 Notes on such Quarterly Payment Date and (iv) to the Series 2024-1 Subordinated Noteholders, the amounts withdrawn from the Subordinated Notes Interest Payment Account, Subordinated Notes Principal Payment Account or otherwise, as applicable, pursuant to Section 5.11 of the Base Indenture or otherwise, for the payment of interest and, to the extent applicable, principal or other amounts in respect of the Series 2024-1 Class M-2 Notes on such Quarterly Payment Date.

Section 3.4 Series 2024-1 Interest.

(a) Series 2024-1 Class A-2 Notes Interest

(i) Series 2024-1 Class A-2-I Notes Interest. From the Series 2024-1 Closing Date until the Outstanding Principal Amount of the Series 2024-1 Class A-2-I Notes has been paid in full, the Outstanding Principal Amount of the Series 2024-1 Class A-2-I Notes will accrue interest for each Interest Accrual Period (after giving effect to all payments of principal made to the Noteholders as of the first day of such Interest Accrual Period, and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class A-2-I Notes during such Interest Accrual Period) at the Series 2024-1 Class A-2-I Note Rate. Such accrued interest will be due and payable in arrears on each Quarterly Payment Date, from amounts that are made available for payment thereof (i) on any related Monthly Allocation Date in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture, commencing on the Initial Quarterly Payment Date; provided that in any event all accrued but unpaid interest shall be due and payable in full on the Series 2024-1 Class A-2-I Legal Final Maturity Date or on any other day on which all of the Series 2024-1 Class A-2-I Outstanding Principal Amount is required to be paid in full. To the extent any interest accruing at the applicable Series 2024-1 Class A-2-I Note Rate is not paid when due, such unpaid interest will accrue interest at the Series 2024-1 Class A-2-I Note Rate. All computations of interest at the Series 2024-1 Class A-2-I Note Rate shall be made on a 30/360 Day Basis.

(ii) Series 2024-1 Class A-2-II Notes Interest. From the Series 2024-1 Closing Date until the Outstanding Principal Amount of the Series 2024-1 Class A-2-II Notes has been paid in full, the Outstanding Principal Amount of the Series 2024-1 Class A-2-II Notes will accrue interest for each Interest Accrual Period (after giving effect to all payments of principal made to the Noteholders as of the first day of such Interest Accrual Period, and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class A-2-II Notes during such Interest Accrual Period) at the Series 2024-1 Class A-2-II Note Rate. Such accrued interest will be due and payable in arrears on each Quarterly Payment Date, from amounts that are made available for payment thereof (i) on any related Monthly Allocation Date in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture, commencing on the Initial Quarterly Payment Date; provided that in any event all accrued but unpaid interest shall be due and payable in full on the Series 2024-1 Class A-2-II Legal Final Maturity Date or on any other day on which all of the Series 2024-1 Class A-2-II Outstanding Principal Amount is required to be paid in full. To the extent any interest accruing at the applicable Series 2024-1 Class A-2-II Note Rate is not paid when due, such unpaid interest will accrue interest at the Series 2024-1 Class A-2-II Note Rate. All computations of interest at the Series 2024-1 Class A-2-II Note Rate shall be made on a 30/360 Day Basis.

(b) Series 2024-1 Class B-2 Notes Interest. From the Series 2024-1 Closing Date until the Outstanding Principal Amount of the Series 2024-1 Class B-2 Notes has been paid in full, the Outstanding Principal Amount of the Series 2024-1 Class B-2 Notes will accrue interest for each Interest Accrual Period (after giving effect to all payments of principal made to the Noteholders as of the first day of such Interest Accrual Period, and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class B-2 Notes during such Interest Accrual Period) at the Series 2024-1 Class B-2 Note Rate. Such accrued interest will be due and payable in arrears on each Quarterly Payment Date, from amounts that are made available for payment thereof (i) on any related Monthly Allocation Date in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture, commencing on the Initial Quarterly Payment Date; provided that in any event all accrued but unpaid interest shall be due and payable in full on the Series 2024-1 Class B-2 Legal Final Maturity Date or on any other day on which all of the Series 2024-1 Class B-2 Outstanding Principal Amount is required to be paid in full. To the extent any interest accruing at the applicable Series 2024-1 Class B-2 Note Rate is not paid when due, such unpaid interest will accrue interest at the Series 2024-1 Class B-2 Note Rate. All computations of interest at the Series 2024-1 Class B-2 Note Rate shall be made on a 30/360 Day Basis.

(c) Series 2024-1 Class M-2 Notes Interest. From the Series 2024-1 Closing Date until the Outstanding Principal Amount of the Series 2024-1 Class M-2 Notes has been paid in full, the Outstanding Principal Amount of the Series 2024-1 Class M-2 Notes will accrue interest for each Interest Accrual Period (after giving effect to all payments of principal made to the Series 2024-1 Class M-2 Noteholders as of the first day of such Interest Accrual Period, and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class M-2 Notes during such Interest Accrual Period) at the Series 2024-1 Class M-2 Note Rate. Such accrued interest will be due and payable in arrears on each Quarterly Payment Date, from amounts that are made available for payment thereof: (i) on any related Monthly Allocation Date in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture, commencing on the Initial Quarterly Payment Date; provided that in any event, all accrued but unpaid interest shall be due and payable in full on the Series 2024-1 Class M-2 Legal Final Maturity Date or on any other day on which all of the Series 2024-1 Class M-2 Outstanding Principal Amount is required to be paid in full. To the extent any interest accruing at the applicable Series 2024-1 Class M-2 Note Rate is not paid when due, such unpaid interest will accrue interest at the Series 2024-1 Class M-2 Note Rate. All computations of interest at the Series 2024-1 Class M-2 Note Rate shall be made on a 30/360 Day Basis.

(d) Series 2024-1 Post-Anticipated Repayment Date Additional Interest.

(i) Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest. From and after the Series 2024-1 Anticipated Repayment Date, if the Series 2024-1 Final Payment of the Class A-2-I Notes, the Class A-2-II Notes, the Class B-2 Notes and/or the Class M-2 Notes has not been made, then additional interest will accrue on the (i) Series 2024-1 Class A-2-I Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class A-2-I Quarterly Post-Anticipated Repayment Date Additional Interest Rate") equal to 5.0% (such additional interest, the "Series 2024-1 Class A-2-I Quarterly Post-Anticipated Repayment Date Additional Interest") (ii) Series 2024-1 Class A-2-II Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class A-2-II Quarterly Post-Anticipated Repayment Date Additional Interest Rate") equal to 5.0% (such additional interest, the "Series 2024-1 Class A-2-II Quarterly Post-Anticipated Repayment Date Additional Interest"), (iii) Series 2024-1 Class B-2 Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest Rate") equal to 5.0% (such additional interest, the "Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest") and (iv) Series 2024-1 Class M-2 Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class M-2 Quarterly Post-Anticipated Repayment Date Additional Interest Rate") equal to 5.0% (such additional interest, the "Series 2024-1 Class M-2 Quarterly Post-Anticipated Repayment Date Additional Interest", and collectively, with the Series 2024-1 Class A-2-I Quarterly Post-Anticipated Repayment Date Additional Interest, the Series 2024-1 Class A-2-II Quarterly Post-Anticipated Repayment Date Additional Interest and the Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest, the "Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest"), respectively. All computations of Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest shall be made on a 30/360 Day Basis and will be due and payable on any Quarterly Payment Date to the extent allocated in accordance with the Priority of Payments

(ii) Payment of Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest. Any Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest will be due and payable on each applicable Quarterly Payment Date from amounts that are made available for payment thereof (A) on any related Monthly Allocation Date in accordance with the Priority of Payments and (B) on such Quarterly Payment Date in accordance with the Priority of Payments and Section 5.11 of the Base Indenture, in the amount so made available. The failure to pay any Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest in excess of available amounts in accordance with the foregoing (other than on the Series 2024-1 Legal Final Maturity Date) will not be an Event of Default and interest will not accrue on any unpaid portion thereof; provided that in any event all accrued but unpaid Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest shall be due and payable in full on the Series 2024-1 Legal Final Maturity Date, on any Series 2024-1 Prepayment Date with respect to a prepayment in full of the related Class of the Series 2024-1 Notes or otherwise as part of any Series 2024-1 Final Payment.

(e) Series 2024-1 Quarterly Qualified Equity Offering Additional Interest.

(i) If, as of any Level I QEO Quarterly Payment Date, $25,000,000 of aggregate Qualified Equity Offering Proceeds are not used to prepay the Outstanding Principal Amount of the Notes on or prior to such Level I QEO Quarterly Payment Date (a "Level I Qualified Equity Offering Trigger Event"), then additional interest will accrue until such Level I Qualified Equity Offering Trigger Event is cured, including retroactively for the immediately preceding Quarterly Collection Period most recently ended on the (i) Series 2024-1 Class A-2-I Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class A-2-I Quarterly Qualified Equity Offering Additional Interest Rate") equal to 3.0% (such additional interest, the "Series 2024-1 Class A-2-I Quarterly Qualified Equity Offering Additional Interest"), (ii) Series 2024-1 Class A-2-II Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class A-2-II Quarterly Qualified Equity Offering Additional Interest Rate") equal to 3.0% (such additional interest, the "Series 2024-1 Class A-2-II Quarterly Qualified Equity Offering Additional Interest") and (iii) Series 2024-1 Class B-2 Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class B-2 Quarterly Qualified Equity Offering Additional Interest Rate") equal to 2.0% (such additional interest, the "Series 2024-1 Class B-2 Quarterly Qualified Equity Offering Additional Interest", and together, with the Series 2024-1 Class A-2-I Quarterly Qualified Equity Offering Additional Interest and the Series 2024-1 Class A-2-II Quarterly Qualified Equity Offering Additional Interest, the "Series 2024-1 Quarterly Qualified Equity Offering Additional Interest"). All such computations of Series 2024-1 Quarterly Qualified Equity Offering Additional Interest shall be made on a 30/360 Day Basis;

(ii) If, as of any Level II QEO Quarterly Payment Date, $75,000,000, inclusive of any amounts prepaid in accordance with the foregoing paragraph, of aggregate Qualified Equity Offering Proceeds are not used to prepay the Outstanding Principal Amount of the Notes on or prior to such Level II QEO Quarterly Payment Date (a "Level II Qualified Equity Offering Trigger Event" and, together with the Level I Qualified Equity Offering Trigger Event, a "Qualified Equity Offering Trigger Event"), then the Series 2024-1 Class A-2-I Quarterly Qualified Equity Offering Additional Interest, the Series 2024-1 Class A-2-II Quarterly Qualified Equity Offering Additional Interest and the Series 2024-1 Class B-2 Quarterly Qualified Equity Offering Additional Interest will accrue until such Level II Qualified Equity Offering Trigger Event is cured, including retroactively for the immediately preceding Quarterly Collection Period most recently ended. All such computations of Series 2024-1 Quarterly Qualified Equity Offering Additional Interest shall be made on a 30/360 Day Basis.

(iii) Any Series 2024-1 Quarterly Qualified Equity Offering Additional Interest will be due and payable on each applicable Quarterly Payment Date from amounts that are made available for payment thereof (i) on any related Monthly Allocation Date in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with the Priority of Payments and Section 5.11 of the Base Indenture (Quarterly Payment Date Applications), in the amount so made available. The failure to pay any Series 2024-1 Quarterly Qualified Equity Offering Additional Interest in excess of available amounts in accordance with the foregoing (other than on the Series 2024-1 Legal Final Maturity Date) will not be an Event of Default and interest will not accrue on any unpaid portion thereof; provided that in any event all accrued but unpaid Series 2024-1 Quarterly Qualified Equity Offering Additional Interest shall be due and payable in full on the Series 2024-1 Legal Final Maturity Date, on any Series 2024-1 Prepayment Date with respect to a prepayment in full of the related Class of the Series 2024-1 Notes or otherwise as part of any Series 2024-1 Final Payment.

(f) Initial Interest Accrual Period. The initial Interest Accrual Period for the Series 2024-1 Notes shall commence on (and include) the Series 2024-1 Closing Date and end on (but exclude) January 25, 2025.

(g) Exchangeable Notes Interest. Each Class of Exchangeable Notes will bear interest at a rate equal to the weighted average of the interest rate on the Classes of the corresponding Exchange Notes based on the outstanding principal amount of such Classes of Exchange Notes for the related Interest Accrual Period.

Section 3.5 Payment of Principal.

(a) Payment of Series 2024-1 Class A-2-I Note Principal.

(i) Principal Payment at Legal Maturity. The Series 2024-1 Class A-2-I Outstanding Principal Amount shall be due and payable in full on the Series 2024-1 Class A-2-I Legal Final Maturity Date. The Series 2024-1 Class A-2-I Outstanding Principal Amount is not prepayable, in whole or in part, except as set forth in the Base Indenture and this Section 3.5.

(ii) Series 2024-1 Anticipated Repayment Date. The Series 2024-1 Class A-2-I Final Payment Date is anticipated to occur on the Quarterly Payment Date occurring in October 2027 (such date, the "Series 2024-1 Class A-2-I Anticipated Repayment Date").

(iii) Payment of Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Amounts. Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Amounts will be due and payable on each applicable Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture.

(b) Payment of Series 2024-1 Class A-2-II Note Principal.

(i) Principal Payment at Legal Maturity. The Series 2024-1 Class A-2-II Outstanding Principal Amount shall be due and payable in full on the Series 2024-1 Class A-2-II Legal Final Maturity Date. The Series 2024-1 Class A-2-II Outstanding Principal Amount is not prepayable, in whole or in part, except as set forth in the Base Indenture and this Section 3.5.

(ii) Series 2024-1 Anticipated Repayment Date. The Series 2024-1 Class A-2-II Final Payment Date is anticipated to occur on the Quarterly Payment Date occurring in October 2027 (such date, the "Series 2024-1 Class A-2-II Anticipated Repayment Date").

(iii) Payment of Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Amounts. Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Amounts will be due and payable on each applicable Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture.

(c) Payment of Series 2024-1 Class B-2 Note Principal.

(i) Principal Payment at Legal Maturity. The Series 2024-1 Class B-2 Outstanding Principal Amount shall be due and payable in full on the Series 2024-1 Class B-2 Legal Final Maturity Date. The Series 2024-1 Class B-2 Outstanding Principal Amount is not prepayable, in whole or in part, except as set forth in the Base Indenture and this Section 3.5.

(ii) Series 2024-1 Anticipated Repayment Date. The Series 2024-1 Class B-2 Final Payment Date is anticipated to occur on the Quarterly Payment Date occurring in October 2027 (such date, the "Series 2024-1 Class B-2 Anticipated Repayment Date").

(iii) Payment of Series 2024-1 Class B-2 Notes Scheduled Principal Payment Amounts. Series 2024-1 Class B-2 Notes Scheduled Principal Payment Amounts will be due and payable on each applicable Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture.

(d) Payment of Series 2024-1 Class M-2 Note Principal.

(i) Principal Payment at Legal Maturity. The Series 2024-1 Class M-2 Outstanding Principal Amount shall be due and payable in full on the Series 2024-1 Class M-2 Legal Final Maturity Date. The Series 2024-1 Class M-2 Outstanding Principal Amount is not prepayable, in whole or in part, except as set forth in the Base Indenture and this Section 3.5.

(ii) Series 2024-1 Anticipated Repayment Date. The Series 2024-1 Class M-2 Final Payment Date is anticipated to occur on the Quarterly Payment Date occurring in October 2027 (such date, the "Series 2024-1 Class M-2 Anticipated Repayment Date").

(iii) Payment of Series 2024-1 Class M-2 Notes Scheduled Principal Payment Amounts. Series 2024-1 Class M-2 Notes Scheduled Principal Payment Amounts will be due and payable on each applicable Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture.

(e) Rapid Amortization of Series 2024-1 Notes. During any Rapid Amortization Period, principal payments shall be due and payable on each Quarterly Payment Date on the applicable Classes of Series 2024-1 Notes as and when amounts are made available for payment thereof (i) on any related Monthly Allocation Date, in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture. Such payments shall be ratably allocated among the Series 2024-1 Noteholders within each applicable Class based on their respective portion of the Series 2024-1 Outstanding Principal Amount of such Class.

(f) Optional Prepayment.

(i) Optional Prepayment of Series 2024-1 Class A-2-I Notes. Subject to Section 5.12(b) of the Base Indenture and Section 3.5(i), the Issuer shall have the option to prepay (including with the proceeds of equity contributions, refinancings and public or private sales of equity in the Issuer including any Qualified Equity Offering) the Outstanding Principal Amount of the Series 2024-1 Class A-2-I Notes in whole or in part (each such prepayment, a "Series 2024-1 Class A-2-I Prepayment") on any Quarterly Payment Date that is specified as the Series 2024-1 Class A-2-I Prepayment Date in the applicable Prepayment Notice (each, a "Class A-2-I Optional Prepayment Date"); provided that no such optional prepayment of the Series 2024-1 Class A-2-I Notes may be made unless the below conditions shall be satisfied:

(A) subject to Section 5.12(b) of the Base Indenture, in the case of a prepayment of the Series 2024-1 Class A-2-I Notes in part:

a. the amounts on deposit in the Indenture Trust Accounts, the Super Senior Notes Interest Payment Account, the Super Senior Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class A-2-I Notes, are sufficient to pay the amount of such prepayment as of Quarterly Payment Date, and

b. the amounts on deposit in, or allocable to the Super Senior Notes Interest Payment Account and the Super Senior Notes Principal Payment Account and other available amounts to be distributed on the Quarterly Payment Date which coincides with such Class A-2-I Optional Prepayment Date are sufficient to pay the Super Senior Prepayment Condition Amounts on such Quarterly Payment Date; and

(B) subject to Section 5.12(b) of the Base Indenture, in the case of an optional prepayment of the Series 2024-1 Class A-2-I Notes in whole:

a. the amounts on deposit in the Indenture Trust Accounts, the Super Senior Notes Interest Payment Account, the Super Senior Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class A-2-I Notes, are sufficient to pay all outstanding monetary Obligations (including unreimbursed Manager Advances) in respect of the Series 2024-1 Class A-2-I Notes set forth in the Priority of Payments after giving effect to the applicable allocations set forth therein on such Class A-2-I Optional Prepayment Date, including unpaid interest accrued in respect of the period prior to such Class A-2-I Optional Prepayment Date and the Super Senior Prepayment Condition Amounts on such Quarterly Payment Date, and

b. the amounts on deposit in the Collection Account, the Indenture Trust Accounts or otherwise available are reasonably expected by the Manager to be sufficient to pay the Super Senior Prepayment Condition Amounts, other than with respect to the Series 2024-1 Class A-2-I Notes, on such Class A-2-I Optional Prepayment Date, if such date is a Quarterly Payment Date, or, in each case, any shortfalls in such amounts (in a. or b. above) have been deposited to the applicable accounts.

(ii) Optional Prepayment of Series 2024-1 Class A-2-II Notes. Subject to Section 5.12(b) of the Base Indenture and Section 3.5(i), the Issuer shall have the option to prepay (including with the proceeds of equity contributions, refinancings and public or private sales of equity in the Issuer including any Qualified Equity Offering) the Outstanding Principal Amount of the Series 2024-1 Class A-2-II Notes in whole or in part (each such prepayment, a "Series 2024-1 Class A-2-II Prepayment") on any Quarterly Payment Date that is specified as the Series 2024-1 Class A-2-II Prepayment Date in the applicable Prepayment Notice (each, a "Class A-2-II Optional Prepayment Date"); provided that no such optional prepayment of the Series 2024-1 Class A-2-II Notes may be made unless (a) the Series 2024-1 Class A-2-I Notes are a Defeased Class or (b) the Issuer simultaneously makes an optional prepayment of a principal amount of Series 2024-1 Class A-2-I Notes in accordance with Section 3.5(f)(i) of this Series 2024-1 Supplement at least equal to the lesser of (x) the outstanding principal amount of the Series 2024-1 Class A-2-I Notes and (y) principal amount of Series 2024-1 Class A-2-II Notes that the Issuer has elected to prepay, provided that following a Series Anticipated Repayment Date for any Series of Notes that remains Outstanding, all optional prepayments must be applied first, to Super Senior Notes and second, to Senior Notes; and provided further that the following conditions shall be satisfied:

(A) subject to Section 5.12(b) of the Base Indenture, in the case of a prepayment of the Series 2024-1 Class A-2-II Notes in part:

a. the amounts on deposit in the Indenture Trust Accounts, the Senior Notes Interest Payment Account, the Senior Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class A-2-II Notes, are sufficient to pay the amount of such prepayment as of Quarterly Payment Date, and

b. the amounts on deposit in, or allocable to the Senior Notes Interest Payment Account and the Senior Notes Principal Payment Account and other available amounts to be distributed on the Quarterly Payment Date which coincides with such Class A-2-II Optional Prepayment Date are sufficient to pay the Senior Prepayment Condition Amounts on such Quarterly Payment Date; and

(B) subject to Section 5.12(b) of the Base Indenture, in the case of an optional prepayment of the Series 2024-1 Class A-2-II Notes in whole:

a. the amounts on deposit in the Indenture Trust Accounts, the Senior Notes Interest Payment Account, the Senior Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class A-2-II Notes, are sufficient to pay all outstanding monetary Obligations (including unreimbursed Manager Advances) in respect of the Series 2024-1 Class A-2-II Notes set forth in the Priority of Payments after giving effect to the applicable allocations set forth therein on such Class A-2-II Optional Prepayment Date, including unpaid interest accrued in respect of the period prior to such Class A-2-II Optional Prepayment Date and the Senior Prepayment Condition Amounts on such Quarterly Payment Date, and

b. the amounts on deposit in the Collection Account, the Indenture Trust Accounts or otherwise available are reasonably expected by the Manager to be sufficient to pay the Senior Prepayment Condition Amounts, other than with respect to the Series 2024-1 Class A-2-II Notes, on such Class A-2-II Optional Prepayment Date, if such date is a Quarterly Payment Date, or, in each case, any shortfalls in such amounts (in a. or b. above) have been deposited to the applicable accounts.

(iii) Optional Prepayment of Series 2024-1 Class B-2 Notes. Subject to Section 5.12(b) of the Base Indenture and Section 3.5(i), the Issuer shall have the option to prepay (including with the proceeds of equity contributions, refinancings and public or private sales of equity in the Issuer including any Qualified Equity Offering) the Outstanding Principal Amount of the Series 2024-1 Class B-2 Notes in whole or in part (each such prepayment a "Series 2024-1 Class B-2 Prepayment") on any Quarterly Payment Date that is specified as the Series 2024-1 Class B-2 Prepayment Date in the applicable Prepayment Notice (each, a "Class B-2 Optional Prepayment Date"); provided that no such optional prepayment of the Series 2024-1 Class B-2 Notes may be made unless (a) the Series 2024-1 Class A-2-I Notes and the Series 2024-1 Class A-2-II Notes are each a Defeased Class or (b) the Issuer simultaneously makes an optional prepayment of a principal amount of Series 2024-1 Class A-2-I Notes and the Series 2024-1 Class A-2-II Notes in accordance with Section 3.5(f)(i) and Section 3.5(f)(ii) of this Series 2024-1 Supplement at least equal to the lesser of: (A) with respect to the Series 2024-1 Class A-2-I Notes, (x) the outstanding principal amount of the Series 2024-1 Class A-2-I Notes and (y) principal amount of Series 2024-1 Class B-2 Notes that the Issuer has elected to prepay; and (B) with respect to the Series 2024-1 Class A-2-II Notes, (x) the outstanding principal amount of the Series 2024-1 Class A-2-II Notes and (y) principal amount of Series 2024-1 Class B-2 Notes that the Issuer has elected to prepay, provided that following a Series Anticipated Repayment Date for any Series of Notes that remains Outstanding, all optional prepayments must be applied first, to Super Senior Notes, second, to Senior Notes and third, to Senior Subordinated Notes; and provided further that the following conditions shall be satisfied:

(A) subject to Section 5.12(b) of the Base Indenture, in the case of a prepayment of the Series 2024-1 Class B-2 Notes in part:

a. the amounts on deposit in the Indenture Trust Accounts, the Senior Subordinated Notes Interest Payment Account, the Senior Subordinated Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class B-2 Notes, are sufficient to pay the amount of such prepayment as of Quarterly Payment Date, and

b. the amounts on deposit in, or allocable to, the Senior Subordinated Notes Interest Payment Account and the Senior Subordinated Notes Principal Payment Account and other available amounts to be distributed on the Quarterly Payment Date which coincides with such Class B-2 Optional Prepayment Date are sufficient to pay the Prepayment Condition Amounts on such Quarterly Payment Date; and

(B) subject to Section 5.12(b) of the Base Indenture, in the case of an optional prepayment of the Series 2024-1 Class B-2 Notes in whole:

a. the amounts on deposit in the Indenture Trust Accounts, the Senior Subordinated Notes Interest Payment Account, the Senior Subordinated Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class B-2 Notes, are sufficient to pay all outstanding monetary Obligations (including unreimbursed Manager Advances) in respect of the Series 2024-1 Class B-2 Notes set forth in the Priority of Payments after giving effect to the applicable allocations set forth therein on such Class B-2 Optional Prepayment Date, including unpaid interest accrued in respect of the period prior to such Class B-2 Optional Prepayment Date; and

b. the amounts on deposit in the Collection Account, the Indenture Trust Accounts or otherwise available are reasonably expected by the Manager to be sufficient to pay the Prepayment Condition Amounts, other than with respect to the Series 2024-1 Class B-2 Notes, on such Class B-2 Optional Prepayment Date, if such date is a Quarterly Payment Date, or, in each case, any shortfalls in such amounts (in a. or b. above) have been deposited to the applicable accounts.

(iv) Optional Prepayment of Series 2024-1 Class M-2 Notes. Subject to Section 5.12(b) of the Base Indenture and Section 3.5(i), the Issuer shall have the option to prepay (including with the proceeds of equity contributions, refinancings and public or private sales of equity in the Issuer including any Qualified Equity Offering) the Outstanding Principal Amount of the Series 2024-1 Class M-2 Notes in whole or in part (each such prepayment a "Series 2024-1 Class M-2 Prepayment") on any Quarterly Payment Date that is specified as the Series 2024-1 Class M-2 Prepayment Date in the applicable Prepayment Notice (each, a "Class M-2 Optional Prepayment Date"); provided that no such optional prepayment of the Series 2024-1 Class M-2 Notes may be made unless (a) the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes and the Series 2024-1 Class B-2 Notes are each a Defeased Class or (b) the Issuer simultaneously makes an optional prepayment of a principal amount of Series 2024-1 Class A-2-I Notes, Series 2024-1 Class A-2-II Notes and Series 2024-1 Class B-2 Notes in accordance with Section 3.5(f)(i), Section 3.5(f)(ii) and Section 3.5(f)(iii) of this Series 2024-1 Supplement at least equal to the lesser of: (A) with respect to the Series 2024-1 Class A-2-I Notes, (x) the outstanding principal amount of the Series 2024-1 Class A-2-I Notes and (y) principal amount of Series 2024-1 Class B-2 Notes that the Issuer has elected to prepay; (B) with respect to the Series 2024-1 Class A-2-II Notes, (x) the outstanding principal amount of the Series 2024-1 Class A-2-II Notes and (y) principal amount of Series 2024-1 Class B-2 Notes that the Issuer has elected to prepay; and (C) with respect to the Series 2024-1 Class B-2 Notes, (x) the outstanding principal amount of the Series 2024-1 Class B-2 Notes and (y) principal amount of Series 2024-1 Class M-2 Notes that the Issuer has elected to prepay, provided further that following a Series Anticipated Repayment Date for any Series of Notes that remains Outstanding, all optional prepayments must be applied first, to Super Senior Notes, second, to Senior Notes, third, to Senior Subordinated Notes and fourth, to Subordinated Notes, and provided further that the following conditions shall be satisfied:

(A) subject to Section 5.12(b) of the Base Indenture, in the case of a prepayment of the Series 2024-1 Class M-2 Notes in part:

a. the amounts on deposit in the Indenture Trust Accounts, the Subordinated Notes Interest Payment Account, the Subordinated Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class M-2 Notes, are sufficient to pay the amount of such prepayment as of Quarterly Payment Date, and

b. the amounts on deposit in, or allocable to, the Subordinated Notes Interest Payment Account and the Subordinated Notes Principal Payment Account and other available amounts to be distributed on the Quarterly Payment Date which coincides with such Class M-2 Optional Prepayment Date are sufficient to pay the Prepayment Condition Amounts on such Quarterly Payment Date; and

(B) subject to Section 5.12(b) of the Base Indenture, in the case of an optional prepayment of the Series 2024-1 Class M-2 Notes in whole:

a. the amounts on deposit in the Indenture Trust Accounts, the Subordinated Notes Interest Payment Account, the Subordinated Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class M-2 Notes, are sufficient to pay all outstanding monetary Obligations (including unreimbursed Manager Advances) in respect of the Series 2024-1 Class M-2 Notes set forth in the Priority of Payments after giving effect to the applicable allocations set forth therein on such Class M-2 Optional Prepayment Date, including unpaid interest accrued in respect of the period prior to such Class M-2 Optional Prepayment Date; and

b. the amounts on deposit in the Collection Account, the Indenture Trust Accounts or otherwise available are reasonably expected by the Manager to be sufficient to pay the Prepayment Condition Amounts, other than with respect to the Series 2024-1 Class M-2 Notes, on such Class M-2 Optional Prepayment Date, if such date is a Quarterly Payment Date, or, in each case, any shortfalls in such amounts (in a. or b. above) have been deposited to the applicable accounts.

(g) Notices of Prepayments.

(i) The Issuer shall give prior written notice (each, a "Prepayment Notice") at least fifteen (15) Business Days but not more than twenty (20) Business Days prior to any Series 2024-1 Prepayment with respect to any Class pursuant to Section 3.5(f) to each Series 2024-1 Noteholder affected by such Series 2024-1 Prepayment, the Trustee and the Control Party; provided that at the request of the Issuer, such notice to the affected Series 2024-1 Noteholders shall be given by the Trustee in the name and at the expense of the Issuer.

(ii) With respect to each such Series 2024-1 Prepayment, the related Prepayment Notice shall, in each case, specify (A) the Series 2024-1 Prepayment Date on which such prepayment will be made, which in all cases shall be a Business Day, and (B) the Series 2024-1 Prepayment Amount.

(iii) Any such optional prepayment and Prepayment Notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control. The Issuer shall have the option to provide in any Prepayment Notice that the payment of the amounts set forth in Section 3.5(f) and the performance of the Issuer's obligations with respect to such optional prepayment may be performed by another Person.

(iv) The Issuer shall have the option, by written notice to the Trustee, the Control Party and the affected Noteholders, to revoke, or amend the Series 2024-1 Prepayment Date set forth in, any Prepayment Notice relating to an optional prepayment at any time up to the fifth Business Day before the Series 2024-1 Prepayment Date set forth in such Prepayment Notice; provided that at the request of the Issuer, such notice to the affected Series 2024-1 Noteholders shall be given by the Trustee in the name and at the expense of the Issuer.

(h) Series 2024-1 Prepayments. Subject to Section 3.5(g), on each Series 2024-1 Prepayment Date with respect to any Series 2024-1 Prepayment, the Series 2024-1 Prepayment Amount shall be due and payable.

(i) Distributions of Optional Prepayments

(i) Distributions of Optional Prepayments of Series 2024-1 Notes.

(A) No later than five (5) Business Days prior to the Series 2024-1 Prepayment Date for each Series 2024-1 Prepayment to be made pursuant to Section 3.5(h), the Issuer shall provide the Trustee with a written report instructing the Trustee to deposit the amounts set forth in such report, which shall include such amounts set forth in Section 3.5(f)(i)(B)a, Section 3.5(f)(ii)(B)a and Section 3.5(f)(iii)(B)a, as applicable, and in each case due and payable to the applicable Noteholders on such Series 2024-1 Prepayment Date. Such written report may be consolidated with additional payment instructions as necessary to effect other distributions occurring on, or substantially concurrently with, such Series 2024-1 Prepayment Date.

(B) On the Series 2024-1 Prepayment Date for each Series 2024-1 Prepayment to be made pursuant to Section 3.5(f), the Trustee shall, in accordance with Section 6.1 of the Base Indenture (except that, notwithstanding anything to the contrary therein, references to the distributions being made on a Quarterly Payment Date shall be deemed to be references to distributions made on such Series 2024-1 Prepayment Date and references to the Record Date shall be deemed to be references to the Prepayment Record Date), distribute to the Noteholders of record of the applicable Class on the preceding Prepayment Record Date on a pro rata basis, based on their respective portion of the Outstanding Principal Amount of the applicable Class of Notes the amount specified in the written report delivered in accordance with Section 3.5(i)(i)(A) in order to pay (without duplication) (A) the applicable portion of such Outstanding Principal Amount, and (B) in the case of an optional prepayment in whole, the outstanding monetary Obligations described in Section 3.5(f)(i)(B)a, Section 3.5(f)(ii)(B)a and Section 3.5(f)(iii)(B)a, as applicable, in each case due and payable on such Series 2024-1 Prepayment Date.

(j) Series 2024-1 Notices of Final Payment. The Issuer shall notify the Trustee and the Manager of the Series 2024-1 Final Payment Date of a Class of Notes on or before the Prepayment Record Date preceding such Series 2024-1 Prepayment Date; provided, however, that with respect to any Series 2024-1 Final Payment that is made in connection with any mandatory or optional prepayment in full, the Issuer shall not be obligated to provide any additional notice to the Trustee of such Series 2024-1 Final Payment beyond the notice required to be given in connection with such prepayment pursuant to Section 3.5(g). The Trustee shall provide any written notice required under this Section 3.5(j) to each Person in whose name such Series 2024-1 Notes are registered at the close of business on such Prepayment Record Date of the Series 2024-1 Prepayment Date that will be the Series 2024-1 Final Payment Date for such Class of Notes. Such written notice to be sent to the Series 2024-1 Noteholders shall be made at the expense of the Issuer and shall be mailed by the Trustee within five (5) Business Days of receipt of notice from the Issuer indicating that the Series 2024-1 Final Payment will be made and shall specify that such Series 2024-1 Final Payment will be payable only upon presentation and surrender of the related Series 2024-1 Notes, which such surrender shall also constitute a general release by the applicable Noteholder from any claims against the Issuer, the Manager, the Trustee and their affiliates, and shall specify the place where the related Series 2024-1 Notes may be presented and surrendered for such Series 2024-1 Final Payment.

Section 3.6 Manager. Pursuant to the Management Agreement, the Manager has agreed to provide certain reports, notices, instructions and other services on behalf of the Issuer. The Series 2024-1 Noteholders by their acceptance of the Series 2024-1 Notes consent to the provision of such reports and notices to the Trustee by the Manager in lieu of the Issuer.

Section 3.7 Other Agreements. In accordance with Section 8.22 of the Base Indenture, for the avoidance of doubt, the Securitization Entities shall be permitted to enter into or be a party to certain letters of credit relating to self-insurance in respect of Company Restaurants and any other Company Restaurant Expenses.

## ARTICLE IV

## FORM OF SERIES 2024-1 NOTES

Section 4.1 Issuance of Series 2024-1 Global Notes.

(a) The Series 2024-1 Class A-2-I Notes may be offered and sold in the applicable Series 2024-1 Class A-2-I Initial Principal Amount on the Series 2024-1 Closing Date by the Issuer. The Series 2024-1 Class A-2-II Notes may be offered and sold in the applicable Series 2024-1 Class A-2-II Initial Principal Amount on the Series 2024-1 Closing Date by the Issuer. The Series 2024-1 Class B-2 Notes may be offered and sold in the applicable Series 2024-1 Class B-2 Initial Principal Amount on the Series 2024-1 Closing Date by the Issuer. The Series 2024-1 Class M-2 Notes may be offered and sold in the applicable Series 2024-1 Class M-2 Initial Principal Amount on the Series 2024-1 Closing Date by the Issuer. The Series 2024-1 Class A2IIB2 Notes and the Series 2024-1 Class A2IIB2M2 Notes may be offered and sold in the applicable principal amounts provided in Exhibit D; provided, that for any such Exchangeable Notes offered and sold on the Series 2024-1 Closing Date, Exchange Notes with an aggregate principal amount equal to the principal amount of such Exchangeable Notes issued on the Series 2024-1 Closing Date will be deemed to have been exchanged for such Exchangeable Notes on the Series 2024-1 Closing Date in the relevant Exchangeable Combination. The Series 2024-1 Notes will be "restricted securities" issued pursuant to the provisions of Rule 506 (b) of Regulation D under Section 4(a)(2) of the 1933 Act sold only to QIBs purchasing for their own account or the account of one or more Persons, each of which is a QIB. The Series 2024-1 Notes will be resold only to the Issuer or its Affiliates or (A) in the United States, to Persons who are not Competitors and who are QIBs purchasing for their own account or the account of one or more other Persons, each of which is a QIB, in reliance on Rule 144A and (B) outside the United States, to Persons who are not Competitors and who are not a U.S. person (as defined in Regulation S) (a "U.S. Person") in reliance on Regulation S, purchasing for their own account or the account of one or more other Persons, each of which is a non-U.S. Person. The Series 2024-1 Notes may thereafter be transferred in reliance on Rule 144A and/or Regulation S and in accordance with the procedure described herein. The Series 2024-1 Notes will be Book-Entry Notes and DTC will be the Depository for such Series 2024-1 Notes. The Applicable Procedures shall be applicable to transfers of beneficial interests in the Series 2024-1 Notes.

(b) Global Notes.

(i) Rule 144A Global Notes. The Series 2024-1 Notes offered and sold in their initial distribution in reliance upon Rule 144A will be issued in the form of one or more global notes in fully registered form, without coupons, substantially in the form set forth in Exhibit A-1 hereto, registered in the name of Cede & Co. ("Cede"), as nominee of DTC, and deposited with the Trustee, as custodian for DTC (collectively, for purposes of this Section 4.1 and Section 4.2, the "Rule 144A Global Notes"). The aggregate initial principal amount of the Rule 144A Global Notes of each Class may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, in connection with a corresponding decrease or increase in the aggregate initial principal amount of the corresponding Class of Temporary Regulation S Global Notes or Permanent Regulation S Global Notes, as hereinafter provided.

(ii) Regulation S Global Notes. Any Series 2024-1 Notes offered and sold on the Series 2024-1 Closing Date in reliance upon Regulation S will be issued in the form of one or more global notes in fully registered form, without coupons, substantially in the form set forth in Exhibit A-2 hereto, registered in the name of Cede, as nominee of DTC, and deposited with the Trustee, as custodian for DTC, for credit to the respective accounts at DTC of the designated agents holding on behalf of Euroclear or Clearstream. Until such time as the Restricted Period shall have terminated with respect to any Series 2024-1 Note, such Series 2024-1 Notes shall be referred to herein collectively, for purposes of this Section 4.1 and Section 4.2, as the "Temporary Regulation S Global Notes." After such time as the Restricted Period shall have terminated, the Temporary Regulation S Global Notes shall be exchangeable, in whole or in part, for interests in one or more permanent global notes in registered form without interest coupons, substantially in the form set forth in Exhibit A-3 hereto, as hereinafter provided (collectively, for purposes of this Section 4.1 and Section 4.2, the "Permanent Regulation S Global Notes"). The aggregate principal amount of the Temporary Regulation S Global Notes or the Permanent Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, in connection with a corresponding decrease or increase of aggregate principal amount of the corresponding Rule 144A Global Notes, as hereinafter provided.

(c) Definitive Notes. The Series 2024-1 Global Notes of each Class shall be exchangeable in their entirety for one or more definitive notes in registered form, without interest coupons (collectively, for purposes of this Section 4.1 and Section 4.2, the "Definitive Notes") pursuant to Section 2.13 of the Base Indenture and this Section 4.1(c) in accordance with their terms and, upon complete exchange thereof, such Series 2024-1 Global Notes shall be surrendered for cancellation at the applicable Corporate Trust Office.

Section 4.2 Transfer Restrictions of Series 2024-1 Global Notes.

(a) A Series 2024-1 Global Note may not be transferred, in whole or in part, to any Person other than DTC or a nominee thereof, or to a successor Depository or to a nominee of a successor Depository, and no such transfer to any such other Person may be registered; provided, however, that this Section 4.2(a) shall not prohibit any transfer of any Series 2024-1 Note that is issued in exchange for a Series 2024-1 Global Note in accordance with Section 2.8 of the Base Indenture and shall not prohibit any transfer of a beneficial interest in a Series 2024-1 Global Note effected in accordance with the other provisions of this Section 4.2.

(b) The transfer by a Series 2024-1 Note Owner holding a beneficial interest in a Series 2024-1 Note of any Class in the form of a Rule 144A Global Note to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of such Class shall be made upon the deemed representation of the transferee that it is purchasing for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB and not a Competitor, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as such transferee has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(c) If a Series 2024-1 Note Owner holding a beneficial interest in a Series 2024-1 Note of such Class in the form of a Rule 144A Global Note wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the Temporary Regulation S Global Note of such Class, or to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Temporary Regulation S Global Note of such Class, such exchange or transfer may be effected, subject to the Applicable Procedures, only in accordance with the provisions of this Section 4.2(c). Upon receipt by the Note Registrar, at the applicable Corporate Trust Office, of (i) written instructions given in accordance with the Applicable Procedures from a Clearing Agency Participant directing the Note Registrar to credit or cause to be credited to a specified Clearing Agency Participant's account a beneficial interest in the Temporary Regulation S Global Note, in a principal amount equal to that of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the Clearing Agency Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the Clearing Agency Participant to be debited for, such beneficial interest and (iii) a certificate in substantially the form set forth in Exhibit B-1 hereto given by the Series 2024-1 Note Owner holding such beneficial interest in such Rule 144A Global Note, the Note Registrar shall instruct the Trustee, as custodian of DTC, to reduce the principal amount of the Rule 144A Global Note, and to increase the principal amount of the Temporary Regulation S Global Note, by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (which shall be the Clearing Agency Participant for Euroclear or Clearstream or both, as the case may be) a beneficial interest in the Temporary Regulation S Global Note having a principal amount equal to the amount by which the principal amount of such Rule 144A Global Note was reduced upon such exchange or transfer.

(d) If a Series 2024-1 Note Owner holding a beneficial interest in a Rule 144A Global Note of any Class wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the Permanent Regulation S Global Note of such Class, or to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Permanent Regulation S Global Note of such Class, such exchange or transfer may be effected, subject to the Applicable Procedures, only in accordance with the provisions of this Section 4.2(d). Upon receipt by the Note Registrar, at the applicable Corporate Trust Office, of (i) written instructions given in accordance with the Applicable Procedures from a Clearing Agency Participant directing the Note Registrar to credit or cause to be credited to a specified Clearing Agency Participant's account a beneficial interest in the Permanent Regulation S Global Note in a principal amount equal to that of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the Clearing Agency Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the Clearing Agency Participant to be debited for, such beneficial interest and (iii) a certificate in substantially the form of Exhibit B-2 hereto given by the Series 2024-1 Note Owner holding such beneficial interest in such Rule 144A Global Note, the Note Registrar shall instruct the Trustee, as custodian of DTC, to reduce the principal amount of such Rule 144A Global Note, and to increase the principal amount of the Permanent Regulation S Global Note, by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (which shall be the Clearing Agency Participant for Euroclear or Clearstream or both, as the case may be) a beneficial interest in the Permanent Regulation S Global Note having a principal amount equal to the amount by which the principal amount of such Rule 144A Global Note was reduced upon such exchange or transfer.

(e) If a Series 2024-1 Note Owner holding a beneficial interest in a Temporary Regulation S Global Note or a Permanent Regulation S Global Note wishes at any time to exchange its interest in such Temporary Regulation S Global Note or such Permanent Regulation S Global Note for an interest in the Rule 144A Global Note, or to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note, such exchange or transfer may be effected, subject to the Applicable Procedures, only in accordance with the provisions of this Section 4.2(e). Upon receipt by the Note Registrar, at the applicable Corporate Trust Office, of (i) written instructions given in accordance with the Applicable Procedures from a Clearing Agency Participant directing the Note Registrar to credit or cause to be credited to a specified Clearing Agency Participant's account a beneficial interest in the Rule 144A Global Note of the applicable Class in a principal amount equal to that of the beneficial interest in such Temporary Regulation S Global Note or such Permanent Regulation S Global Note, as the case may be, to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the Clearing Agency Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the Clearing Agency Participant to be debited for, such beneficial interest and (iii) with respect to a transfer of a beneficial interest in such Temporary Regulation S Global Note (but not such Permanent Regulation S Global Note), a certificate in substantially the form set forth in Exhibit B-3 hereto given by such Series 2024-1 Note Owner holding such beneficial interest in such Temporary Regulation S Global Note, the Note Registrar shall instruct the Trustee, as custodian of DTC, to reduce the principal amount of such Temporary Regulation S Global Note or such Permanent Regulation S Global Note, as the case may be, and to increase the principal amount of such Rule 144A Global Note, by the principal amount of the beneficial interest in such Temporary Regulation S Global Note or such Permanent Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (which shall be the Clearing Agency Participant for DTC) a beneficial interest in such Rule 144A Global Note having a principal amount equal to the amount by which the principal amount of such Temporary Regulation S Global Note or such Permanent Regulation S Global Note, as the case may be, was reduced upon such exchange or transfer.

(f) In the event that a Series 2024-1 Global Note of any Class or any portion thereof is exchanged for a Series 2024-1 Note of such Class other than Series 2024-1 Global Notes, such other Series 2024-1 Notes may in turn be exchanged (upon transfer or otherwise) for Series 2024-1 Notes of such Class that are not Series 2024-1 Global Notes or for a beneficial interest in a Series 2024-1 Global Note of such Class (if any is then outstanding) only in accordance with such procedures as may be adopted from time to time by the Issuer and the Note Registrar, which shall be substantially consistent with the provisions of Section 4.2(a) through Section 4.2(e) and Section 4.2(g) (including the certification requirement intended to ensure that transfers and exchanges of beneficial interests in a Series 2024-1 Global Note comply with Rule 144A or Regulation S under the 1933 Act, as the case may be) and any Applicable Procedures.

(g) Until the termination of the Restricted Period with respect to any Series 2024-1 Note, interests in the Temporary Regulation S Global Notes representing such Series 2024-1 Note may be held only through Clearing Agency Participants acting for and on behalf of Euroclear and Clearstream; provided that this Section 4.2(g) shall not prohibit any transfer in accordance with Section 4.2(d). After the expiration of the applicable Restricted Period, interests in the Permanent Regulation S Global Notes may be transferred without requiring any certifications other than those set forth in this Section 4.2.

(h) The Series 2024-1 Notes Rule 144A Global Notes, the Series 2024-1 Notes Temporary Regulation S Global Notes and the Series 2024-1 Notes Permanent Regulation S Global Notes shall bear the following legend:

> THE ISSUANCE AND SALE OF THIS [RULE 144A] [TEMPORARY REGULATION S] [PERMANENT REGULATION S] SERIES 2024-1 CLASS [A-2-I][A-2-II][B-2][M-2] [A2IIB2] [A2IIB2M2] NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER RELEVANT JURISDICTION, AND TWIN HOSPITALITY I, LLC (THE "ISSUER") HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"). THIS NOTE OR ANY INTEREST HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER OR AN AFFILIATE THEREOF, (B) IN THE UNITED STATES, TO A PERSON WHO IS NOT A COMPETITOR AND IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE 1933 ACT ("RULE 144A"), ACTING FOR ITS OWN ACCOUNT OR ONE OR MORE ACCOUNTS WITH RESPECT TO WHICH SUCH PERSON EXERCISES SOLE INVESTMENT DISCRETION OR (C) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NOT A COMPETITOR AND IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S UNDER THE 1933 ACT ("REGULATION S"), ACTING FOR ITS OWN ACCOUNT OR ONE OR MORE ACCOUNTS WITH RESPECT TO WHICH SUCH PERSON EXERCISES SOLE INVESTMENT DISCRETION, NONE OF WHICH ARE A U.S. PERSON, IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, AND, IN EACH CASE, IN COMPLIANCE WITH THE CERTIFICATIONS AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR THE UNITED STATES AND ANY OTHER RELEVANT JURISDICTION.

BY ITS ACQUISITION OR ACCEPTANCE HEREOF, THE HOLDER (IF NOT THE ISSUER OR AN AFFILIATE OF THE ISSUER) REPRESENTS THAT (A) IT IS NOT A COMPETITOR AND IS (X) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OR (Y) NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, AS APPLICABLE, (B) IT IS NOT A COMPETITOR AND IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER PERSON WHICH IS EITHER (X) A QUALIFIED INSTITUTIONAL BUYER OR (Y) NOT A U.S. PERSON, AND IN EACH CASE WITH RESPECT TO WHICH IT EXERCISES SOLE INVESTMENT DISCRETION, (C) IT AND EACH ACCOUNT FOR WHICH IT IS PURCHASING WILL HOLD AND TRANSFER AT LEAST THE MINIMUM DENOMINATION OF NOTES, (D) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS NOTES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (E) IT WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREES.

EACH PERSON (IF NOT THE ISSUER OR AN AFFILIATE OF THE ISSUER) TAKING DELIVERY OF THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO HAVE MADE THE APPLICABLE REPRESENTATIONS AND AGREEMENTS REFERRED TO IN THE INDENTURE. EACH PERSON TAKING DELIVERY OF THIS NOTE OR AN INTEREST IN THIS NOTE IN THE FORM OF AN INTEREST IN A [TEMPORARY REGULATION S GLOBAL NOTE] [RULE 144A GLOBAL NOTE] OR [PERMANENT REGULATION S GLOBAL NOTE] WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE REQUIRED TO MAKE THE APPLICABLE REPRESENTATIONS AND AGREEMENTS REFERRED TO IN THE INDENTURE.

ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO ANY PERSON CAUSING SUCH VIOLATION, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY; PROVIDED, HOWEVER, THAT THE PRECEDING PORTION OF THIS SENTENCE SHALL NOT OPERATE TO INVALIDATE ANY OTHERWISE BONA FIDE TRANSFER TO AN ELIGIBLE TRANSFEREE WHERE A PREVIOUS ERRONEOUSLY REGISTERED TRANSFEROR IN THE CHAIN OF TITLE OF SUCH TRANSFEREE WOULD HAVE BEEN INELIGIBLE SOLELY ON ACCOUNT OF BEING A COMPETITOR.

IF THIS NOTE WAS ACQUIRED IN THE UNITED STATES, AND THE HOLDER IS DETERMINED TO BE A COMPETITOR OR NOT TO HAVE BEEN A QUALIFIED INSTITUTIONAL BUYER AT THE TIME OF ACQUISITION OF THIS NOTE, THE ISSUER HAS THE RIGHT TO REQUIRE SUCH HOLDER TO SELL THIS NOTE TO A PURCHASER WHO IS NOT A COMPETITOR AND IS A QUALIFIED INSTITUTIONAL BUYER. THE ISSUER ALSO HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER TO A PERSON WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER OR WHO IS A COMPETITOR.

IF THIS NOTE WAS ACQUIRED OUTSIDE THE UNITED STATES, AND THE HOLDER IS DETERMINED TO BE A COMPETITOR OR TO HAVE BEEN A "U.S. PERSON" AT THE TIME OF ACQUISITION OF THIS NOTE, THE ISSUER HAS THE RIGHT TO REQUIRE SUCH HOLDER TO SELL THIS NOTE TO A PURCHASER WHO IS NOT A COMPETITOR AND IS NOT A "U.S. PERSON." THE ISSUER ALSO HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER TO A PERSON WHO IS A "U.S. PERSON" OR WHO IS A COMPETITOR.

BY ACCEPTING THIS NOTE, EACH HOLDER COVENANTS THAT IT WILL NOT AT ANY TIME PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THE LATEST MATURING NOTE, INSTITUTE AGAINST, OR JOIN WITH ANY OTHER PERSON IN INSTITUTING AGAINST, ANY SECURITIZATION ENTITY ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS, OR OTHER PROCEEDINGS, UNDER ANY FEDERAL OR STATE BANKRUPTCY OR SIMILAR LAW.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY ("DTC"), A NEW YORK CORPORATION, 55 WATER STREET, NEW YORK, NEW YORK 10041, OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE ISSUER OR THE NOTE REGISTRAR, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER, CEDE & CO., HAS AN INTEREST HEREIN.

[THIS [RULE 144A][TEMPORARY REGULATION S] [PERMANENT REGULATION S] GLOBAL SERIES 2024-1 CLASS [A-2-I] [A-2-II][B-2][M-2] [A2IIB2] [A2IIB2M2] NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT" AS DEFINED IN SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY OBTAIN INFORMATION REGARDING THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, THE ISSUE PRICE, THE ISSUE DATE AND THE YIELD TO MATURITY BY CONTACTING THE MANAGER AT TWIN HOSPITALITY GROUP INC., 5151 BELT LINE ROAD, SUITE 1200, DALLAS, TEXAS 75254, ATTENTION: ROB ROSEN AND KEN KUICK.]

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[EXCHANGE NOTES ONLY] THIS NOTE IS AN EXCHANGE NOTE AND, SUBJECT TO THE TERMS AND CONDITIONS OF THE INDENTURE, MAY BE EXCHANGED FOR ONE OR MORE EXCHANGEABLE NOTES IN AN EXCHANGEABLE COMBINATION DESCRIBED THEREIN.

[EXCHANGEABLE NOTES ONLY] THIS NOTE IS AN EXCHANGEABLE NOTE AND, SUBJECT TO THE TERMS AND CONDITIONS OF THE INDENTURE, MAY BE EXCHANGED FOR ONE OR MORE EXCHANGE NOTES IN AN EXCHANGEABLE COMBINATION DESCRIBED THEREIN.

(i) The Series 2024-1 Temporary Regulation S Global Notes shall also bear the following legend:

UNTIL FORTY (40) DAYS AFTER THE ORIGINAL ISSUE DATE OF THE NOTES (THE "RESTRICTED PERIOD") IN CONNECTION WITH THE OFFERING OF THE NOTES IN THE UNITED STATES FROM OUTSIDE OF THE UNITED STATES, THE SALE, PLEDGE OR TRANSFER OF THIS NOTE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE, ACKNOWLEDGES THAT SUCH HOLDER IS EITHER NOT A "U.S. PERSON" OR THE ISSUER OR AN AFFILIATE OF THE ISSUER, AND THAT THIS NOTE HAS NOT BEEN REGISTERED UNDER THE 1933 ACT, AND AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE TRANSFERRED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A HOLDER THAT IS NOT A "U.S. PERSON" OR TO THE ISSUER OR AN AFFILIATE OF THE ISSUER AND IN COMPLIANCE WITH THE 1933 ACT AND OTHER APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES GOVERNING THE OFFER AND SALE OF SECURITIES, AND PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD, ONLY (I) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE 1933 ACT OR (II) PURSUANT TO AND IN ACCORDANCE WITH RULE 144A UNDER THE 1933 ACT.

(j) The required legends set forth above shall not be removed from the applicable Series 2024-1 Notes except as provided herein. The legend required for a Series 2024-1 Rule 144A Global Note may be removed from such Series 2024-1 Notes Rule 144A Global Note if there is delivered to the Issuer and the Note Registrar such satisfactory evidence, which may include an Opinion of Counsel, as may be reasonably required by the Issuer that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Series 2024-1 Notes Rule 144A Global Note will not violate the registration requirements of the 1933 Act. Upon provision of such satisfactory evidence, the Trustee at the direction of the Issuer (or the Manager, on its behalf), shall authenticate and deliver in exchange for such Series 2024-1 Rule 144A Global Note a Series 2024-1 Note or Series 2024-1 Notes of the applicable Class having an equal aggregate principal amount that does not bear such legend. If such a legend required for a Series 2024-1 Rule 144A Global Note has been removed from a Series 2024-1 Note as provided above, no other Series 2024-1 Note issued in exchange for all or any part of such Series 2024-1 Note shall bear such legend, unless the Issuer has reasonable cause to believe that such other Series 2024-1 Note is a "restricted security" within the meaning of Rule 144 under the 1933 Act and instructs the Trustee to cause a legend to appear thereon.

Section 4.3 Exchange Procedures.

(a) General Procedures. Pursuant to the procedures and subject to the fees set forth herein, the Exchange Notes and/or the Exchangeable Notes may be exchanged in accordance with the Exchangeable Combinations shown on Exhibit D, in whole or in part, at any time on or after their applicable date of issuance. Exhibit D describes the characteristics of the Exchangeable Notes and the available Exchangeable Combinations of Exchange Notes and Exchangeable Notes. Exchanges of Exchange Notes and Exchangeable Notes may occur repeatedly pursuant to the procedures set forth herein.

(b) Exchange of Notes.

(i) Upon the presentation and surrender to the Trustee by any Noteholder or Note Owner of its Exchange Notes or Exchangeable Notes, as applicable, in the appropriate Exchangeable Combination as set forth on Exhibit D, the Exchange Notes and the Exchangeable Notes, as applicable, shall be exchangeable on the books and records of the Trustee and DTC for the Exchangeable Notes or Exchange Notes, as applicable, in accordance with the terms and conditions set forth in, and otherwise in accordance with the procedures specified in, this Article IV, on or after the Series 2024-1 Closing Date.

(ii) The Exchange Notes and/or Exchangeable Notes may be exchanged only in the applicable Exchangeable Combination and only in the same proportions as the then-current aggregate Outstanding Amounts of the Classes of Notes being exchanged. For the avoidance of doubt, in connection with exchanging an Exchange Note for an Exchangeable Note, such Noteholder must present and surrender to the Trustee all Exchange Notes in a specific Exchangeable Combination in order to receive the applicable Exchangeable Note.

(iii) For any Exchangeable Notes issued on the Series 2024-1 Closing Date, Exchange Notes with an aggregate principal amount equal to the principal amount of such Exchangeable Notes issued on the Series 2024-1 Closing Date will be deemed to have been exchanged for such Exchangeable Notes on the Series 2024-1 Closing Date in the relevant Exchangeable Combination.

(iv) There shall be no limitation on the number of exchanges authorized pursuant to this Indenture.

(c) Procedures for Exchange.

(i) In order to effect an exchange of Exchange Notes and/or Exchangeable Notes (except with respect to the exchange of any Exchangeable Combination of Exchange Notes for the corresponding Exchangeable Notes on the Series 2024-1 Closing Date), the Noteholder or the Note Owner, as applicable, shall deliver a notice in the form set forth in Exhibit E attached hereto (an "Exchange Letter") to the Trustee, by e-mail at xxxxxxxxxxx, no later than three (3) Business Days before the proposed date on which the Noteholder or the Note Owner, as applicable, proposes to make the exchange (the "Exchange Date"). The Exchange Date may occur on any Business Day other than a day that is within five (5) Business Days prior to any Quarterly Payment Date. Notwithstanding anything herein to the contrary, other than exchanges that take place on the Series 2024-1 Closing Date in connection with the initial issuance of the Notes, no exchanges of Exchange Notes and/or Exchangeable Notes may occur until after the fifth ($5^{th}$) Business Day following the Series 2024-1 Closing Date in accordance with the requirements set forth herein. The Exchange Letter delivered by the Noteholder or the Note Owner, as applicable, pursuant to this Section 4.3(c)(i) must be signed by two officers authorized to execute on behalf of such Noteholder or Note Owner, as applicable (which the Trustee shall be entitled to conclusively rely on without investigation).

(ii) Notwithstanding any other provision herein set forth, unless waived by the Trustee in its sole discretion, a fee shall be payable by the exchanging Noteholder or Note Owner, as applicable, to the Trustee in connection with each exchange equal to $2,500 (the "Exchange Fee"). Such fee must be received by the Trustee prior to the Exchange Date or such exchange shall not be effected. In addition, any Noteholder or Note Owner, as applicable, wishing to effect an exchange must pay any other expenses related to such exchange, including any fees charged by DTC.

(iii) After receiving the Exchange Letter, the Trustee will e-mail the Noteholder or the Note Owner, as applicable, with wire payment instructions relating to the Exchange Fee. The Trustee and the Noteholder or the Note Owner, as applicable, will utilize the "Deposit Withdrawal System" at DTC to exchange the corresponding Exchange Notes and Exchangeable Notes. The certification shall become irrevocable on the second (2nd) Business Day prior to the proposed Exchange Date.

(iv) For the avoidance of doubt, the Trustee (in each of its respective capacities, including, but not limited to, its capacities as Note Registrar and Paying Agent) shall be entitled to conclusively rely on, and shall be fully protected in relying and acting on, the certifications and/or notifications set forth herein.

(d) Payments.

(i) The Paying Agent will make the first payment on an Exchange Note or Exchangeable Note received in an exchange transaction on the Quarterly Payment Date following the date of exchange to the Noteholder of record as of the related Record Date.

(ii) In the event that Exchange Notes have been exchanged for the corresponding Exchangeable Notes in one of the Exchangeable Combinations listed on Exhibit D hereto (it being understood that for all purposes of this Indenture, Exchangeable Notes issued on the Series 2024-1 Closing Date shall be deemed to have been issued in exchange for the corresponding Exchange Notes), the Exchangeable Notes received in such an exchange will be entitled to a proportionate share of the interest, principal and other payments otherwise allocable to the Classes of Exchange Notes so exchanged.

(iii) Outstanding Amounts of each Class of Exchange Notes represented by Exchangeable Notes, and the rights and obligations of the Noteholders of such Classes of Exchange Notes (including, without limitation, with respect to any payments to such Classes of Exchange Notes or notices or consents to be given by such holders), will include the rights and obligations of the holders of the Exchangeable Notes to the extent of the Outstanding Amounts of any such Classes of Exchange Notes (in all cases, without duplication).

(iv) The Noteholders of the Exchangeable Notes shall be entitled to participate in any consent of, or any direction or objection by, the Noteholders of the corresponding Classes of Exchange Notes to the extent of the Outstanding Amount of any such Classes of Exchange Notes represented by the corresponding Exchangeable Notes.

(v) All references in this Indenture to payments of, or amounts owing in respect of, principal of or interest on the Notes shall include the respective portions of principal of or interest on any Class A-2-I Notes, Class A-2-II Notes, Class B-2 Notes and Class M-2 Notes represented by Exchangeable Notes.

Section 4.4 Note Owner Representations and Warranties. Each Person who becomes a Note Owner of a beneficial interest in a Series 2024-1 Note pursuant to the Offering Memorandum will be deemed to represent, warrant and agree on the date such Person acquires any interest in any such Series 2024-1 Note as follows:

(a) With respect to any sale of Series 2024-1 Notes pursuant to Rule 144A, it is a QIB pursuant to Rule 144A, and is aware that any sale of Series 2024-1 Notes to it will be made in reliance on Rule 144A. Its acquisition of Series 2024-1 Notes in any such sale will be for its own account or for the account of another QIB.

(b) With respect to any sale of Series 2024-1 Notes pursuant to Regulation S, at the time the buy order for such Series 2024-1 Notes was originated, it was outside the United States and the offer was made to a Person who is not a U.S. Person, and was not purchasing for the account or benefit of a U.S. Person.

(c) It will, and each account for which it is purchasing will, (i) hold and transfer at least the minimum denomination of Series 2024-1 Notes set forth in Section 2.3 of this Series 2024-1 Supplement and (ii) the Exchangeable Notes are issued and may only be held in permitted denominations of the corresponding Classes of Exchange Notes.

(d) It understands that the Issuer, the Controlling Class Representative and the Manager may receive a list of participants holding positions in the Series 2024-1 Notes from one or more book-entry depositories.

(e) It understands that the Manager, the Controlling Class Representative and the Issuer may receive (i) a list of Note Owners that have requested access to the Trustee's password-protected website or that have voluntarily registered as a Note Owner with the Trustee and (ii) copies of Noteholder confirmations of representations and warranties executed to obtain access to the Trustee's password-protected website.

(f) It will provide to each person to whom it transfers Series 2024-1 Notes notices of any restrictions on transfer of such Series 2024-1 Notes.

(g) It understands that (i) the Series 2024-1 Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the 1933 Act, (ii) the Series 2024-1 Notes have not been registered under the 1933 Act, (iii) the Series 2024-1 Notes may be offered, resold, pledged or otherwise transferred only to (a) in the United States, Persons who are not Competitors and who are QIBs, purchasing for their own account or the account of one or more other Persons, each of which is a QIB, (b) outside the United States, Persons who are not Competitors and who are not "U.S. Persons" in offshore transactions in reliance on Regulation S under the 1933 Act, purchasing for their own account or the account of one or more other Persons, each of which is a non-U.S. Person, or (c) the Issuer or an Affiliate of the Issuer, in each case, in accordance with any applicable securities laws of any state of the United States and any other relevant jurisdiction, and (iv) it will, and each subsequent holder of a Series 2024-1 Note is required to, notify any subsequent purchaser of a Series 2024-1 Note of the resale restrictions set forth in clause (iii) above.

(h) It understands that the certificates evidencing the Rule 144A Global Notes will bear legends substantially similar to those set forth in Section 4.2(h).

(i) It understands that the certificates evidencing the Temporary Regulation S Global Notes will bear legends substantially similar to those set forth in Sections 4.2(h) and Section 4.2(i), as applicable.

(j) It understands that the certificates evidencing the Permanent Regulation S Global Notes will bear legends substantially similar to those set forth in Section 4.2(h).

(k) Either (i) it is not, and it is not acquiring or holding the Series 2024-1 Notes (or any interest therein) for or on behalf of, or with the assets of, a Plan or a governmental, church or non-U.S. plan that is subject to any Similar Law, or (ii) for the Series 2024-1 Class A-2-I Notes and the Series 2024-1 Class A-2-II Notes only, its acquisition, holding and disposition of the Series 2024-1 Class A-2-I Notes (or any interest therein) or the Series 2024-1 Class A-2-II Notes (or any interest therein), as applicable, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law, as applicable.

(l) It understands that any subsequent transfer of the Series 2024-1 Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and it agrees to be bound by, and not to resell, pledge or otherwise transfer the Series 2024-1 Notes or any interest therein except in compliance with, such restrictions and conditions and the 1933 Act.

(m) It is not a Competitor.

(n) It will strictly comply with this Series 2024-1 Supplement and the Base Indenture as to treatment of Noteholders of Exchangeable Notes as directly owning the separate Classes of Exchange Notes corresponding to such Exchangeable Notes, in each case for purposes of U.S. federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as provided in this Series 2024-1 Supplement and the Base Indenture.

Section 4.5 Limitation on Liability. None of the Issuer, the Manager, the Trustee or any Paying Agent or any of their respective Affiliates shall have any responsibility or liability with respect to (i) any aspects of the records maintained by DTC or its nominee or any of the Agent Members relating to or for payments made thereby on account of beneficial interests in a Rule l44A Global Note or a Regulation S Global Note or (ii) any records maintained by the Noteholder with respect to the beneficial holders thereof or payments made thereby on account of beneficial interests held therein. Notwithstanding anything to the contrary contained herein or in the Base Indenture, the Trustee (including in its capacity as Note Registrar and Paying Agent) shall have no responsibility or liability with respect to (i) transfers of beneficial interests within a Rule 144A Global Note or a Regulation S Global Note or (ii) monitoring or inquiring into or verifying compliance by a Noteholder or Note Owner with the representations, covenants or restrictions set forth in this Series 2024-1 Supplement, the Base Indenture or the Notes.

## ARTICLE V

## GENERAL

Section 5.1 Information. On or before the third (3rd) Business Day prior to each Quarterly Payment Date, the Issuer shall furnish, or cause to be furnished, a Quarterly Noteholders' Report with respect to the Series 2024-1 Notes to the Trustee and the Back-Up Manager, substantially in the form of Exhibit C hereto, setting forth, inter alia, the following information with respect to such Quarterly Payment Date and all other information required pursuant to Section 5.11 of the Base Indenture:

(i) the total amount available to be distributed to Series 2024-1 Noteholders on such Quarterly Payment Date;

(ii) the amount of such distribution allocable to the payment of interest on each Class of the Series 2024-1 Notes;

(iii) the amount of such distribution allocable to the payment of principal of each Class of the Series 2024-1 Notes;

(iv) [Reserved];

(v) whether, to the Actual Knowledge of the Issuer, any Potential Rapid Amortization Event, Rapid Amortization Event, Default, Event of Default, Potential Manager Termination Event or Manager Termination Event has occurred and is continuing as of the related Quarterly Calculation Date or any Cash Flow Sweeping Period is in effect, as of such Quarterly Calculation Date;

(vi) the P&I DSCR for such Quarterly Payment Date and the three Quarterly Payment Dates immediately preceding such Quarterly Payment Date;

(vii) the amount of Twin Hospitality TP Systemwide Sales as of the related Quarterly Calculation Date; and

(viii) the amount on deposit in the Reserve Account as of the close of business on the last Business Day of the preceding Quarterly Collection Period.

Any Series 2024-1 Noteholder may obtain copies of each Quarterly Noteholders' Report in accordance with the procedures set forth in Section 4.4 of the Base Indenture.

Section 5.2 Exhibits. The annexes, exhibits and schedules attached hereto and listed on the table of contents hereto supplement the annexes, exhibits and schedules included in the Base Indenture.

Section 5.3 Ratification of Base Indenture. As supplemented by this Series 2024-1 Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by this Series 2024-1 Supplement shall be read, taken and construed as one and the same instrument.

Section 5.4 [Reserved].

Section 5.5 Counterparts. This Series 2024-1 Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 5.6 Governing Law. THIS SERIES 2024-1 SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

Section 5.7 Amendments. This Series 2024-1 Supplement may not be modified or amended except in accordance with the terms of the Base Indenture.

Section 5.8 Termination of Series Supplement; Defeasance.

(a) This Series 2024-1 Supplement shall cease to be of further effect when (i) all Outstanding Series 2024-1 Notes theretofore authenticated and issued have been delivered (other than destroyed, lost, or stolen Series 2024-1 Notes that have been replaced or paid) to the Trustee for cancellation and (ii) the Issuer has paid all sums payable hereunder; provided that any provisions of this Series 2024-1 Supplement required for the Series 2024-1 Final Payment to be made shall survive until the Series 2024-1 Final Payment is paid to the Series 2024-1 Noteholders. In accordance with Section 6.1(a) of the Base Indenture, the final principal payment due on each Series 2024-1 Note shall only be paid upon due presentment and surrender of such Note for cancellation in accordance with the provisions of such Note at the applicable Corporate Trust Office, which such surrender shall also constitute a general release by the applicable Noteholder from any claims against the Issuer, the Manager, the Trustee and their affiliates.

(b) In addition to (and notwithstanding) the terms of Section 12.1 of the Base Indenture, upon the payment in full (whether optional or mandatory) or a redemption in full of a particular Class of Series 2024-1 Notes (the "Defeased Class") as provided hereunder, the Obligations of the Issuer and the Guarantors under the Transaction Documents in respect of such Defeased Class shall be terminated.

Section 5.9 Limited Recourse. The obligations of the Issuer under this Series 2024-1 Supplement are solely the limited liability company obligations of the Issuer, and the Issuer shall be liable for claims hereunder only to the extent that funds or assets are available to pay such claims pursuant to this Series 2024-1 Supplement.

Section 5.10 Entire Agreement. This Series 2024-1 Supplement, together with the exhibits and schedules hereto and the other Indenture Documents, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and other writings with respect thereto.

Section 5.11 Control Party Protections. In taking or refraining from taking any action hereunder, the Control Party shall be entitled to the rights, protections, benefits, immunities and indemnities afforded to the Control Party under this Series 2024-1 Supplement and the other Transaction Documents *mutatis mutandis*.

**[Signature Pages Follow]**

IN WITNESS WHEREOF, each of the Issuer and the Trustee have caused this Series 2024-1 Supplement to be duly executed by its respective duly authorized officer as of the day and year first written above.

TWIN HOSPITALITY I, LLC
(f/k/a FAT BRANDS TWIN PEAKS I, LLC),
as Issuer

By: */s/ Robert G. Rosen*
Name: Robert G. Rosen
Title: Chief Executive Officer

UMB BANK, N.A., in its capacity as Trustee

By: */s/ Michele Voon*
Name: Michele Voon
Title: Senior Vice President

CONSENT OF CONTROL PARTY:

The undersigned, as Control Party, hereby consents to the execution and delivery of this Series 2024-1 Supplement by the parties hereto, and as Control Party hereby directs the Trustee to execute and deliver this Series 2024-1 Supplement.

CITADEL SPV LLC, in its capacity as Control Party

By: */s/ Orlando Figueroa*
Name: Orlando Figueroa
Title: President

**ANNEX A**

SERIES 2024-1

SUPPLEMENTAL DEFINITIONS LIST

"30/360 Day Basis" means the accrual of interest calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Agent Members" means members of, or participants in, DTC.

"Change in Law" means (a) any law, rule or regulation or any change therein or in the interpretation or application thereof (whether or not having the force of law), in each case, adopted, issued or occurring after the Series 2024-1 Closing Date or (b) any request, guideline or directive (whether or not having the force of law) from any government or political subdivision or agency, authority, bureau, central bank, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not a Governmental Authority) which is responsible for the establishment or interpretation of national or international accounting principles, in each case, whether foreign or domestic (each, an "Official Body") charged with the administration, interpretation or application thereof, or the compliance with any request or directive of any Official Body (whether or not having the force of law) made, issued or occurring after the Series 2024-1 Closing Date.

"Change of Control" has the meaning ascribed to such term in the Management Agreement.

"Clearstream" means Clearstream Luxembourg.

"Defeased Class" has the meaning set forth in Section 5.8(b) of this Series 2024-1 Supplement.

"Definitive Notes" has the meaning set forth in Section 4.1(c) of this Series 2024-1 Supplement.

"DTC" means The Depository Trust Company, and any successor thereto, as the initial Clearing Agency.

"Euroclear" means Euroclear Bank, S.A./N.A., or any successor thereto, as operator of Euroclear System.

"Exchange Date" has the meaning set forth in Section 4.3(c)(i) of this Series 2024-1 Supplement.

"Exchange Fee" has the meaning set forth in Section 4.3(c)(ii) of this Series 2024-1 Supplement.

"Exchange Letter" has the meaning set forth in Section 4.3(c)(i) of this Series 2024-1 Supplement.

"Exchange Notes" means, collectively, each of the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes, the Series 2024-1 Class B-2 Notes and the Series 2024-1 Class M-2 Notes.

"Exchangeable Combination" means each permissible exchange combination described in Exhibit D hereto.

"Exchangeable Notes" means the Series 2024-1 Class A2IIB2 Notes and the Series 2024-1 Class A2IIB2M2 Notes.

"Initial Purchaser" means Jefferies LLC.

"Initial Quarterly Payment Date" means January 27, 2025.

"Level I QEO Quarterly Payment Date" means the Quarterly Payment Date occurring in April 2025, July 2025 and October 2025.

"Level II QEO Quarterly Payment Date" means the Quarterly Payment Date occurring in January 2026 and each Quarterly Payment Date thereafter.

"Level I Qualified Equity Offering Trigger Event" means, as of any Level I QEO Quarterly Payment Date, the failure to use $25,000,000 in aggregate Qualified Equity Offering Proceeds to prepay the Outstanding Principal Amount of the Notes on or prior to such Level I QEO Quarterly Payment Date.

"Level II Qualified Equity Offering Trigger Event" means, as of any Level II QEO Quarterly Payment Date, the failure to use $75,000,000 in aggregate Qualified Equity Offering Proceeds to prepay the Outstanding Principal Amount of the Notes on or prior to such Level II QEO Quarterly Payment Date.

"Monthly Allocation Date" means each of the dates set forth in the schedule of Monthly Manager's Certificates delivery dates and Monthly Allocation Dates in the Series Supplement.

"Offering Memorandum" means the Offering Memorandum for the offering of the Series 2024-1 Notes, dated November 15, 2024, prepared by the Issuer.

"Official Body" has the meaning set forth in the definition of "Change in Law."

"Outstanding Principal Amount" means, with respect to (i) any Class of Exchange Notes, at any time, the aggregate principal amount Outstanding of such Class of Exchange Notes at such time and (ii) any Class of Exchangeable Notes, at any time, the sum of the aggregate principal amount Outstanding of each constituent Class of Exchange Notes (whether or not represented by such Exchangeable Notes). Any reduction in the Outstanding Principal Amount of a Class of Exchange Notes will reduce the Outstanding Principal Amount of the Class of the Exchangeable Notes in each corresponding Exchangeable Combination dollar-for-dollar regardless of whether any exchange has occurred so that the aggregate Outstanding Principal Amount of the Classes of Exchange Notes will at all times reflect the Outstanding Principal Amount of the Class of Exchangeable Notes in each corresponding Exchangeable Combination.

"Permanent Regulation S Global Notes" has the meaning set forth in Section 4.1(b) of this Series 2024-1 Supplement.

"Prepayment Condition Amounts" means (i) the Super Senior Prepayment Condition Amounts, the Senior Prepayment Condition Amounts and the Senior Subordinated Prepayment Condition Amounts and (ii) as of any Quarterly Payment Date, the aggregate amount due and payable to all of the Noteholders as of such Quarterly Payment Date.

"Prepayment Notice" has the meaning set forth in Section 3.5(g) of this Series 2024-1 Supplement.

"Prepayment Record Date" means, with respect to the date of any Series 2024-1 Prepayment, the last day of the calendar month immediately preceding the date of such Series 2024-1 Prepayment unless such last day is less than ten (10) Business Days prior to the date of such Series 2024-1 Prepayment, in which case the "Prepayment Record Date" will be the date that is ten (10) Business Days prior to the date of such Series 2024-1 Prepayment.

"Qualified Equity Offering Trigger Event" has the meaning set forth in Section 3.4(e)(ii) of this Series 2024-1 Supplement.

"Qualified Institutional Buyer" or "QIB" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"Regulation S" means Regulation S promulgated under the 1933 Act.

"Regulation S Global Notes" means, collectively, the Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes.

"Required Reserve Amount" means, as of each Quarterly Calculation Date, the quotient of: (A) the sum of (i)(a) the Series 2024-1 Class A-2-I Outstanding Principal Amount (after giving effect to all principal payments made on the related Quarterly Payment Date), times (b) the Series 2024-1 Class A-2-I Note Rate (after giving effect to all principal payments made on the related Quarterly Payment Date), plus (ii)(a) the Series 2024-1 Class A-2-II Outstanding Principal Amount (after giving effect to all principal payments made on the related Quarterly Payment Date), times (b) the Series 2024-1 Class A-2-II Note Rate, plus (iii)(a) the Series 2024-1 Class B-2 Outstanding Principal Amount (after giving effect to all principal payments made on the related Quarterly Payment Date), times (b) the Series 2024-1 Class B-2 Note Rate, divided by (B) 4.

"Restricted Period" means, with respect to any Series 2024-1 Notes sold pursuant to Regulation S, the period commencing on the Series 2024-1 Closing Date and ending on the 40th day after the Series 2024-1 Closing Date.

"Rule 144A" means Rule 144A promulgated under the 1933 Act.

"Rule 144A Global Notes" has the meaning set forth in Section 4.1(b) of this Series 2024-1 Supplement.

"Senior Prepayment Condition Amounts" means, as of any Quarterly Payment Date, the aggregate amount due and payable to all of the Super Senior Noteholders and Senior Noteholders as of such Quarterly Payment Date.

"Senior Subordinated Prepayment Condition Amounts" means, as of any Quarterly Payment Date, the aggregate amount due and payable to all of the Super Senior Noteholders, Senior Noteholders and Senior Subordinated Noteholders as of such Quarterly Payment Date.

"Series 2024-1 Anticipated Repayment Date" means the Series 2024-1 Class A-2-I Anticipated Repayment Date, the Series 2024-1 Class A-2-II Anticipated Repayment Date, Series 2024-1 Class B-2 Anticipated Repayment Date and Series 2024-1 Class M-2 Anticipated Repayment Date. For purposes of the Base Indenture, the "Series 2024-1 Anticipated Repayment Date" shall be deemed to be a "Series Anticipated Repayment Date".

"Series 2024-1 Class A-2-I Anticipated Repayment Date" has the meaning set forth in Section 3.5(a)(ii) of this Series 2024-1 Supplement. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-I Anticipated Repayment Date" shall be deemed to be a "Series Anticipated Repayment Date".

"Series 2024-1 Class A-2-I Initial Principal Amount" means, the aggregate initial outstanding principal amount of the Class A-2-I Notes as of the 2024-1 Closing Date, which is $12,124,000.00.

"Series 2024-1 Class A-2-I Legal Final Maturity Date" means the Quarterly Payment Date occurring on October 26, 2054. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-I Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2024-1 Class A-2-I Note Rate" means, (i) prior to the Series 2024-1 Class A-2-I Anticipated Repayment Date, 9.00% per annum, compounded quarterly and (ii) on and after the Series 2024-1 Class A-2-I Anticipated Repayment Date, 14.00% per annum, compounded quarterly.

"Series 2024-1 Class A-2-I Noteholder" means the Person in whose name a Series 2024-1 Class A-2-I Note is registered in the Note Register.

"Series 2024-1 Class A-2-I Notes" has the meaning specified in the "Designation" of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Amount" means, (i) on each Quarterly Payment Date prior to the Quarterly Payment Date occurring in April 2025, an amount equal to zero percent (0.00%) of the Series 2024-1 Class A-2-I Initial Principal Amount and (ii) on each Quarterly Payment Date on and following the Quarterly Payment Date occurring in April 2025, an amount equal to two point seventy-five percent (2.75%) of the Series 2024-1 Class A-2-I Initial Principal Amount. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Amounts" shall be deemed to be "Scheduled Principal Payments."

"Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Quarterly Payment Date, if on any Quarterly Calculation Date, (a) the sum of (i) the amount of funds on deposit in the Super Senior Notes Principal Payment Account with respect to the Series 2024-1 Class A-2-I Notes and (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Series 2024-1 Class A-2-I Notes Scheduled Principal Payments with respect to the Series 2024-1 Class A-2-I Notes on such Quarterly Payment Date is less than (b) the sum of (i) the Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Amount due and payable, if any, on such Quarterly Payment Date plus any Series 2024-1 Class A-2-I Notes Scheduled Principal Payment Amounts due but unpaid from any previous Quarterly Payment Dates and (ii) the amount of funds on deposit in the Super Senior Notes Principal Payment Account with respect to such amounts set forth in clause (b)(i) and allocated to the Series 2024-1 Class A-2-I Notes, the amount of such deficiency.

"Series 2024-1 Class A-2-I Outstanding Principal Amount" means, on any date, an amount equal to (a) the Series 2024-1 Class A-2-I Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to the payment of Series 2024-1 Class A-2-I Notes Scheduled Principal Payments Amounts, a prepayment, a purchase and cancellation, a redemption or otherwise) made to Series 2024-1 Class A-2-I Noteholders on or prior to such date. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-I Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2024-1 Class A-2-I Prepayment" has the meaning set forth in Section 3.5(f)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-I Quarterly Interest Amount" means, for each Interest Accrual Period, an amount equal to the accrued interest at the applicable Series 2024-1 Class A-2-I Note Rate on the Series 2024-1 Class A-2-I Outstanding Principal Amount (as of the first day of such Interest Accrual Period after giving effect to all payments of principal (if any) made to such Series 2024-1 Class A-2-I Noteholders as of such day and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class A-2-I Notes during such Interest Accrual Period). For purposes of the Base Indenture, "Series 2024-1 Class A-2-I Quarterly Interest Amount" shall be deemed to be a "Super Senior Notes Quarterly Interest Amount."

"Series 2024-1 Class A-2-I Quarterly Post-Anticipated Repayment Date Additional Interest" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement. For purposes of the Base Indenture, Series 2024-1 Class A-2-I Quarterly Post-Anticipated Repayment Date Additional Interest shall be deemed to be "Super Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Series 2024-1 Class A-2-I Quarterly Post-Anticipated Repayment Date Additional Interest Rate" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-I Quarterly Qualified Equity Offering Additional Interest" has the meaning set forth in Section 3.4(e)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-I Quarterly Qualified Equity Offering Additional Interest Rate" has the meaning set forth in Section 3.4(e)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-II Anticipated Repayment Date" has the meaning set forth in Section 3.5(b)(ii) of this Series 2024-1 Supplement. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-II Anticipated Repayment Date" shall be deemed to be a "Series Anticipated Repayment Date".

"Series 2024-1 Class A-2-II Initial Principal Amount" means, the aggregate initial outstanding principal amount of the Class A-2-II Notes as of the 2024-1 Closing Date, which is $269,257,000.00.

"Series 2024-1 Class A-2-II Legal Final Maturity Date" means the Quarterly Payment Date occurring on October 26, 2054. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-II Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2024-1 Class A-2-II Note Rate" means, (i) prior to the Series 2024-1 Class A-2-II Anticipated Repayment Date, 9.00% per annum, compounded quarterly and (ii) on and after the Series 2024-1 Class A-2-II Anticipated Repayment Date, 14.00% per annum, compounded quarterly.

"Series 2024-1 Class A-2-II Noteholder" means the Person in whose name a Series 2024-1 Class A-2-II Note is registered in the Note Register.

"Series 2024-1 Class A-2-II Notes" has the meaning specified in the "Designation" of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Amount" means, (i) on each Quarterly Payment Date prior to the Quarterly Payment Date occurring in April 2025, an amount equal to zero percent (0.00%) of the Series 2024-1 Class A-2-II Initial Principal Amount and (ii) on each Quarterly Payment Date on and following the Quarterly Payment Date occurring in April 2025, an amount equal to two point seventy-five percent (2.75%) of the Series 2024-1 Class A-2-II Initial Principal Amount. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Amounts" shall be deemed to be "Scheduled Principal Payments."

"Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Quarterly Payment Date, if on any Quarterly Calculation Date, (a) the sum of (i) the amount of funds on deposit in the Senior Notes Principal Payment Account with respect to the Series 2024-1 Class A-2-II Notes and (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Series 2024-1 Class A-2-II Notes Scheduled Principal Payments with respect to the Series 2024-1 Class A-2-II Notes on such Quarterly Payment Date is less than (b) the sum of (i) the Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Amount due and payable, if any, on such Quarterly Payment Date plus any Series 2024-1 Class A-2-II Notes Scheduled Principal Payment Amounts due but unpaid from any previous Quarterly Payment Dates and (ii) the amount of funds on deposit in the Senior Notes Principal Payment Account with respect to such amounts set forth in clause (b)(i) and allocated to the Series 2024-1 Class A-2-II Notes, the amount of such deficiency.

"Series 2024-1 Class A-2-II Outstanding Principal Amount" means, on any date, an amount equal to (a) the Series 2024-1 Class A-2-II Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to the payment of Series 2024-1 Class A-2-II Notes Scheduled Principal Payments Amounts, a prepayment, a purchase and cancellation, a redemption or otherwise) made to Series 2024-1 Class A-2-II Noteholders on or prior to such date. For purposes of the Base Indenture, the "Series 2024-1 Class A-2-II Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2024-1 Class A-2-II Prepayment" has the meaning set forth in Section 3.5(f)(ii) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-II Quarterly Interest Amount" means, for each Interest Accrual Period, an amount equal to the accrued interest at the applicable Series 2024-1 Class A-2-II Note Rate on the Series 2024-1 Class A-2-II Outstanding Principal Amount (as of the first day of such Interest Accrual Period after giving effect to all payments of principal (if any) made to such Series 2024-1 Class A-2-II Noteholders as of such day and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class A-2-II Notes during such Interest Accrual Period). For purposes of the Base Indenture, "Series 2024-1 Class A-2-II Quarterly Interest Amount" shall be deemed to be a "Senior Notes Quarterly Interest Amount."

"Series 2024-1 Class A-2-II Quarterly Post-Anticipated Repayment Date Additional Interest" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement. For purposes of the Base Indenture, Series 2024-1 Class A-2-II Quarterly Post-Anticipated Repayment Date Additional Interest shall be deemed to be "Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Series 2024-1 Class A-2-II Quarterly Post-Anticipated Repayment Date Additional Interest Rate" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-II Quarterly Qualified Equity Offering Additional Interest" has the meaning set forth in Section 3.4(e)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class A-2-II Quarterly Qualified Equity Offering Additional Interest Rate" has the meaning set forth in Section 3.4(e)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class B-2 Anticipated Repayment Date" has the meaning set forth in Section 3.5(c)(ii) of this Series 2024-1 Supplement. For purposes of the Base Indenture, the "Series 2024-1 Class B-2 Anticipated Repayment Date" shall be deemed to be a "Series Anticipated Repayment Date".

"Series 2024-1 Class B-2 Initial Principal Amount" means, the aggregate initial outstanding principal amount of the Class B-2 Notes as of the 2024-1 Closing Date, which is $57,619,000.00.

"Series 2024-1 Class B-2 Legal Final Maturity Date" means the Quarterly Payment Date occurring on October 26, 2054. For purposes of the Base Indenture, the "Series 2024-1 Class B-2 Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2024-1 Class B-2 Note Rate" means, (i) prior to the Series 2024-1 Class B-2 Anticipated Repayment Date, 10.00% per annum, compounded quarterly and (ii) on and after the Series 2024-1 Class B-2 Anticipated Repayment Date, 15.00% per annum, compounded quarterly.

"Series 2024-1 Class B-2 Noteholder" means the Person in whose name a Series 2024-1 Class B-2 Note is registered in the Note Register.

"Series 2024-1 Class B-2 Notes" has the meaning specified in the "Designation" of this Series 2024-1 Supplement.

"Series 2024-1 Class B-2 Notes Scheduled Principal Payment Amount" means, (i) on each Quarterly Payment Date prior to the Quarterly Payment Date occurring in April 2025, an amount equal to zero percent (0.00%) of the Series 2024-1 Class B-2 Initial Principal Amount and (ii) on each Quarterly Payment Date on and following the Quarterly Payment Date occurring in April 2025, an amount equal to two percent (2.00%) of the Series 2024-1 Class B-2 Initial Principal Amount. For purposes of the Base Indenture, the "Series 2024-1 Class B-2 Notes Scheduled Principal Payment Amounts" shall be deemed to be "Scheduled Principal Payments."

"Series 2024-1 Class B-2 Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Quarterly Payment Date, if on any Quarterly Calculation Date, (a) the sum of (i) the amount of funds on deposit in the Senior Subordinated Notes Principal Payment Account with respect to the Series 2024-1 Class B-2 Notes and (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Series 2024-1 Class B-2 Notes Scheduled Principal Payments with respect to the Series 2024-1 Class B-2 Notes on such Quarterly Payment Date is less than (b) the sum of (i) the Series 2024-1 Class B-2 Notes Scheduled Principal Payment Amount due and payable, if any, on such Quarterly Payment Date plus any Series 2024-1 Class B-2 Notes Scheduled Principal Payment Amounts due but unpaid from any previous Quarterly Payment Dates and (ii) the amount of funds on deposit in the Senior Subordinated Notes Principal Payment Account with respect to such amounts set forth in clause (b)(i) and allocated to the Series 2024-1 Class B-2 Notes, the amount of such deficiency.

"Series 2024-1 Class B-2 Outstanding Principal Amount" means, on any date, an amount equal to (a) the Series 2024-1 Class B-2 Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to the payment of Series 2024-1 Class B-2 Notes Scheduled Principal Payments Amounts, a prepayment, a purchase and cancellation, a redemption or otherwise) made to Series 2024-1 Class B-2 Noteholders on or prior to such date. For purposes of the Base Indenture, the "Series 2024-1 Class B-2 Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2024-1 Class B-2 Prepayment" has the meaning set forth in Section 3.5(f)(iii) of this Series 2024-1 Supplement.

"Series 2024-1 Class B-2 Quarterly Interest Amount" means, for each Interest Accrual Period, an amount equal to the accrued interest at the applicable Series 2024-1 Class B-2 Note Rate on the Series 2024-1 Class B-2 Outstanding Principal Amount (as of the first day of such Interest Accrual Period after giving effect to all payments of principal (if any) made to such Series 2024-1 Class B-2 Noteholders as of such day and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class B-2 Notes during such Interest Accrual Period). For purposes of the Base Indenture, "Series 2024-1 Class B-2 Quarterly Interest Amount" shall be deemed to be a "Senior Subordinated Notes Quarterly Interest Amount."

"Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement. For purposes of the Base Indenture, Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest shall be deemed to be "Senior Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest Rate" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class B-2 Quarterly Qualified Equity Offering Additional Interest" has the meaning set forth in Section 3.4(e)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class B-2 Quarterly Qualified Equity Offering Additional Interest Rate" has the meaning set forth in Section 3.4(e)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Class M-2 Anticipated Repayment Date" has the meaning set forth in Section 3.5(d)(ii) of this Series 2024-1 Supplement. For purposes of the Base Indenture, the "Series 2024-1 Class M-2 Anticipated Repayment Date" shall be deemed to be a "Series Anticipated Repayment Date".

"Series 2024-1 Class M-2 Initial Principal Amount" means, the aggregate initial outstanding principal amount of the Class M-2 Notes as of the 2024-1 Closing Date, which is $77,711,000.00.

"Series 2024-1 Class M-2 Legal Final Maturity Date" means the Quarterly Payment Date occurring on October 26, 2054. For purposes of the Base Indenture, the "Series 2024-1 Class M-2 Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2024-1 Class M-2 Note Rate" means, (i) prior to the Series 2024-1 Class M-2 Anticipated Repayment Date, 11.00% per annum, compounded quarterly and (ii) on and after the Series 2024-1 Class M-2 Anticipated Repayment Date, 16.00% per annum, compounded quarterly.

"Series 2024-1 Class M-2 Noteholder" means the Person in whose name a Series 2024-1 Class M-2 Note is registered in the Note Register.

"Series 2024-1 Class M-2 Notes" has the meaning specified in the "Designation" of this Series 2024-1 Supplement.

"Series 2024-1 Class M-2 Notes Scheduled Principal Payment Amount" means, (i) on each Quarterly Payment Date prior to the Quarterly Payment Date occurring in April 2025, an amount equal to zero percent (0.00%) of the Series 2024-1 Class M-2 Initial Principal Amount and (ii) on each Quarterly Payment Date on and following the Quarterly Payment Date occurring in April 2025, an amount equal to zero percent (0.00%) of the Series 2024-1 Class M-2 Initial Principal Amount. For purposes of the Base Indenture, the "Series 2024-1 Class M-2 Notes Scheduled Principal Payment Amounts" shall be deemed to be "Scheduled Principal Payments."

"Series 2024-1 Class M-2 Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Quarterly Payment Date, if on any Quarterly Calculation Date, (a) the sum of (i) the amount of funds on deposit in the Subordinated Notes Principal Payment Account with respect to the Series 2024-1 Class M-2 Notes and (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Series 2024-1 Class M-2 Notes Scheduled Principal Payments with respect to the Series 2024-1 Class M-2 Notes on such Quarterly Payment Date is less than (b) the sum of (i) the Series 2024-1 Class M-2 Notes Scheduled Principal Payment Amount due and payable, if any, on such Quarterly Payment Date plus any Series 2024-1 Class M-2 Notes Scheduled Principal Payment Amounts due but unpaid from any previous Quarterly Payment Dates and (ii) the amount of funds on deposit in the Subordinated Notes Principal Payment Account with respect to such amounts set forth in clause (b)(i) and allocated to the Series 2024-1 Class M-2 Notes, the amount of such deficiency.

"Series 2024-1 Class M-2 Outstanding Principal Amount" means, on any date, an amount equal to (a) the Series 2024-1 Class M-2 Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to the payment of Series 2024-1 Class M-2 Notes Scheduled Principal Payments Amounts, a prepayment, a purchase and cancellation, a redemption or otherwise) made to the Series 2024-1 Class M-2 Noteholders on or prior to such date. For purposes of the Base Indenture, the "Series 2024-1 Class M-2 Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2024-1 Class M-2 Prepayment" has the meaning set forth in Section 3.5(f)(iv) of this Series 2024-1 Supplement.

"Series 2024-1 Class M-2 Quarterly Interest Amount" means, for each Interest Accrual Period, an amount equal to the accrued interest at the applicable Series 2024-1 Class M-2 Note Rate on the Series 2024-1 Class M-2 Outstanding Principal Amount (as of the first day of such Interest Accrual Period after giving effect to all payments of principal (if any) made to such Series 2024-1 Class M-2 Noteholders as of such day and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class M-2 Notes during such Interest Accrual Period). For purposes of the Base Indenture, "Series 2024-1 Class M-2 Quarterly Interest Amount" shall be deemed to be a "Subordinated Notes Quarterly Interest Amount."

"Series 2024-1 Class M-2 Quarterly Post-Anticipated Repayment Date Additional Interest" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement. For purposes of the Base Indenture, Series 2024-1 Class B-2 Quarterly Post-Anticipated Repayment Date Additional Interest shall be deemed to be "Subordinated Notes Quarterly Post-Anticipated Repayment Date Additional Interest."

"Series 2024-1 Class M-2 Quarterly Post-Anticipated Repayment Date Additional Interest Rate" has the meaning set forth in Section 3.4(d)(i) of this Series 2024-1 Supplement.

"Series 2024-1 Closing Date" means November 21, 2024.

"Series 2024-1 Final Payment" means as to any Class of Notes, the payment of all accrued and unpaid interest on and principal of all Outstanding Series 2024-1 Notes of such Class.

"Series 2024-1 Final Payment Date" means as to any Class of Notes, the date on which the Series 2024-1 Final Payment with respect to such Class is made.

"Series 2024-1 Global Notes" means, collectively, the Regulation S Global Notes and the Rule 144A Global Notes.

"Series 2024-1 Ineligible Account" has the meaning set forth in Section 3.10 of this Series 2024-1 Supplement.

"Series 2024-1 Legal Final Maturity Date" means the Quarterly Payment Date occurring on October 26, 2054. For purposes of the Base Indenture, the "Series 2024-1 Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2024-1 Noteholders" means, collectively, the Series 2024-1 Class A-2-I Noteholders, the Series 2024-1 Class A-2-II Noteholders, the Series 2024-1 Class B-2 Noteholders and the Series 2024-1 Class M-2 Noteholders.

"Series 2024-1 Note Owner" means, with respect to a Series 2024-1 Note that is a Book-Entry Note, the Person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Clearing Agency that holds such Book-Entry Note, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

"Series 2024-1 Notes" means, collectively, the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes, the Series 2024-1 Class B-2 Notes and the Series 2024-1 Class M-2 Notes.

"Series 2024-1 Outstanding Principal Amount" means, with respect to any date, the Series 2024-1 Class A-2-I Outstanding Principal Amount, the Series 2024-1 Class A-2-II Outstanding Principal Amount, the Series 2024-1 Class B-2 Outstanding Principal Amount or the Series 2024-1 Class M-2 Outstanding Principal Amount, as applicable.

"Series 2024-1 Prepayment" means a Series 2024-1 Class A-2-I Prepayment, a Series 2024-1 Class A-2-II Prepayment, a Series 2024-1 Class B-2 Prepayment or a Series 2024-1 Class M-2 Prepayment, as applicable.

"Series 2024-1 Prepayment Amount" means the aggregate principal amount of the applicable Class of Notes to be prepaid on any Series 2024-1 Prepayment Date, together with all accrued and unpaid interest thereon to such date.

"Series 2024-1 Prepayment Date" means the date on which any prepayment on the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes, the Series 2024-1 Class B-2 Notes or the Series 2024-1 Class M-2 Notes is made pursuant to Section 3.5(f) of this Series 2024-1 Supplement, which shall be, with respect to any Series 2024-1 Prepayment Amount pursuant to Section 3.5(f), the Quarterly Payment Date specified as such in the applicable Prepayment Notice.

"Series 2024-1 Quarterly Post-Anticipated Repayment Date Additional Interest" means interest accruing on the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes, the Series 2024-1 Class B-2 Notes and/or the Series 2024-1 Class M-2 Notes from and after the Anticipated Repayment Date if the Series 2024-1 Final Payment of the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes, the Series 2024-1 Class B-2 Notes and/or the Series 2024-1 Class M-2 Notes, respectively, has not been made.

"Series 2024-1 Quarterly Qualified Equity Offering Additional Interest" means interest on the Series 2024-1 Class A-2-I Notes, the Series 2024-1 Class A-2-II Notes and the Series 2024-1 Class B-2 Notes (i) if, as of any Level I QEO Quarterly Payment Date, $25,000,000 of aggregate Qualified Equity Offering Proceeds are not used to prepay the Outstanding Principal Amount of the Notes on or prior to such Level I QEO Quarterly Payment Date, accruing until such Level I Qualified Equity Offering Trigger Event is cured, including for the immediately preceding Quarterly Collection Period most recently ended or (ii) if, as of any Level II QEO Quarterly Payment Date, $75,000,000, inclusive of any amounts prepaid in accordance with the foregoing clause (i), of aggregate Qualified Equity Offering Proceeds are not used to prepay the Outstanding Principal Amount of the Notes on or prior to such Level I QEO Quarterly Payment Date, accruing until such Level II Qualified Equity Offering Trigger Event is cured, including for the immediately preceding Quarterly Collection Period most recently ended.

"Series 2024-1 Securities Intermediary" has the meaning set forth in Section 3.8(a) of this Series 2024-1 Supplement.

"Series 2024-1 Senior Notes" means the Series 2024-1 Class A-2-II Notes.

"Series 2024-1 Super Senior Notes" means the Series 2024-1 Class A-2-I Notes.

"Series 2024-1 Supplement" means this Series 2024-1 Supplement, dated as of the Series 2024-1 Closing Date by and among the Issuer and Trustee, as amended, supplemented or otherwise modified from time to time.

"Super Senior Prepayment Condition Amounts" means, as of any Quarterly Payment Date, the aggregate amount due and payable to all of the Super Senior Noteholders as of such Quarterly Payment Date.

"Temporary Regulation S Global Notes" has the meaning set forth in Section 4.1(b) of this Series 2024-1 Supplement.

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"U.S. Person" has the meaning set forth in Regulation S under the Securities Act.

| Fiscal QE Date | Prior Three Monthly Collection Period End Dates | | | Record Date | Quarterly Calculation Date | Quarterly Noteholders' Report Date | Quarterly Payment Date |
|---|---|---|---|---|---|---|---|
| Last Sunday of Each 13 Week Quarter | All included in each respective quarterly collection period | | | 20th Calendar Day of Month in which Quarterly Payment Date Falls | 4 Business Days Prior to Quarterly Payment Date | 3 Business Days Prior to Quarterly Payment Date | 25th Calendar Day of the following Months (April, July October January) (if not Business Day, following Business Day) |
| | Month 1 | Month 2 | Month 3 | | | | |
| Sunday, December 29, 2024 | Sunday, October 27, 2024 | Sunday, November 24, 2024 | Sunday, December 29, 2024 | Monday, January 20, 2025 | Tuesday, January 21, 2025 | Wednesday, January 22, 2025 | Monday, January 27, 2025 |
| Sunday, March 30, 2025 | Sunday, January 26, 2025 | Sunday, February 23, 2025 | Sunday, March 30, 2025 | Sunday, April 20, 2025 | Monday, April 21, 2025 | Tuesday, April 22, 2025 | Friday, April 25, 2025 |
| Sunday, June 29, 2025 | Sunday, April 27, 2025 | Sunday, May 25, 2025 | Sunday, June 29, 2025 | Sunday, July 20, 2025 | Monday, July 21, 2025 | Tuesday, July 22, 2025 | Friday, July 25, 2025 |
| Sunday, September 28, 2025 | Sunday, July 27, 2025 | Sunday, August 24, 2025 | Sunday, September 28, 2025 | Monday, October 20, 2025 | Tuesday, October 21, 2025 | Wednesday, October 22, 2025 | Monday, October 27, 2025 |
| Sunday, December 28, 2025 | Sunday, October 26, 2025 | Sunday, November 23, 2025 | Sunday, December 28, 2025 | Tuesday, January 20, 2026 | Tuesday, January 20, 2026 | Wednesday, January 21, 2026 | Monday, January 26, 2026 |
| Sunday, March 29, 2026 | Sunday, January 25, 2026 | Sunday, February 22, 2026 | Sunday, March 29, 2026 | Monday, April 20, 2026 | Tuesday, April 21, 2026 | Wednesday, April 22, 2026 | Monday, April 27, 2026 |
| Sunday, June 28, 2026 | Sunday, April 26, 2026 | Sunday, May 24, 2026 | Sunday, June 28, 2026 | Monday, July 20, 2026 | Tuesday, July 21, 2026 | Wednesday, July 22, 2026 | Monday, July 27, 2026 |

| Monthly Manager Certificate Date | Monthly Allocation Date |
|---|---|
| 5 Business Days Prior to Monthly Allocation Date | 2nd Friday Following Fiscal Month End (if not Business Day, following Business Day) |
| Friday, November 29, 2024 | Friday, December 6, 2024 |
| Friday, January 3, 2025 | Friday, January 10, 2025 |
| Friday, January 31, 2025 | Friday, February 7, 2025 |
| Friday, February 28, 2025 | Friday, March 7, 2025 |
| Friday, April 4, 2025 | Friday, April 11, 2025 |
| Friday, May 2, 2025 | Friday, May 9, 2025 |
| Friday, May 30, 2025 | Friday, June 6, 2025 |
| Thursday, July 3, 2025 | Friday, July 11, 2025 |
| Friday, August 1, 2025 | Friday, August 8, 2025 |
| Friday, August 29, 2025 | Friday, September 5, 2025 |
| Friday, October 3, 2025 | Friday, October 10, 2025 |
| Friday, October 31, 2025 | Friday, November 7, 2025 |
| Friday, November 28, 2025 | Friday, December 5, 2025 |
| Friday, January 2, 2026 | Friday, January 9, 2026 |
| Friday, January 30, 2026 | Friday, February 6, 2026 |
| Friday, February 27, 2026 | Friday, March 6, 2026 |
| Friday, April 3, 2026 | Friday, April 10, 2026 |
| Friday, May 1, 2026 | Friday, May 8, 2026 |
| Friday, May 29, 2026 | Friday, June 5, 2026 |
| Thursday July 2, 2026 | Friday July 10, 2026 |

**Exhibit 10.10**

GUARANTEE AND COLLATERAL AGREEMENT

made by

THE GUARANTORS PARTY HERETO,

each as a Guarantor

in favor of

UMB BANK, NATIONAL ASSOCIATION,
as Trustee

Dated as of November 21, 2024

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**GUARANTEE AND COLLATERAL AGREEMENT**

GUARANTEE AND COLLATERAL AGREEMENT (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), dated as of November 21, 2024, is made by the undersigned guarantors (collectively, the "Guarantors") in favor of UMB Bank, National Association, a national banking association, as trustee under the Indenture referred to below (in such capacity, together with its successors, the "Trustee") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, Twin Hospitality I, LLC, a Delaware limited liability company (the "Issuer") and the Trustee have entered into that certain Base Indenture, dated November 21, 2024 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, exclusive of any Series Supplements, the "Base Indenture" and, together with all Series Supplements, the "Indenture"), providing for the issuance from time to time of one or more Series of Notes thereunder; and

WHEREAS, in connection with the Indenture, the parties hereto have agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby agrees with the Trustee, for the benefit of the Secured Parties, as follows:

**SECTION 1**

**DEFINED TERMS; RULES OF CONSTRUCTION**

1.1 Definitions; Rules of Construction.

(a) Unless otherwise defined herein, terms defined in the Base Indenture Definitions List attached to the Base Indenture as Annex A thereto and used herein shall have the meanings given to them in such Base Indenture Definitions List.

(b) Any terms used in this Agreement (including, without limitation, for purposes of Section 3) that are defined in the UCC and pertain to Collateral shall be construed and defined as set forth in the UCC, unless otherwise defined herein.

(c) The following terms shall have the following meanings for purposes of this Agreement:

"Collateral" has the meaning assigned to such term in Section 3.1(a).

"Issuer Obligations" means all Obligations owed by the Issuer to the Secured Parties under the Indenture and the other Transaction Documents.

"Other Currency" has the meaning assigned to such term in Section 8.12.

"Termination Date" has the meaning assigned to such term in Section 2.1(d).

(d) The rules of construction set forth in Section 1.4 of the Base Indenture shall apply for all purposes under this Agreement.

**SECTION 2**

**GUARANTEE**

2.1 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Trustee, for the benefit of the Secured Parties, the prompt and complete payment and performance by the Issuer when due (whether at the stated maturity, by acceleration or otherwise, but after giving effect to all applicable grace or cure periods) of the Issuer Obligations. In furtherance of the foregoing and not in limitation of any other right that the Trustee or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Issuer to pay any Issuer Obligation when and as the same shall become due, but after giving effect to all applicable grace or cure periods, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby jointly and severally promises to and shall forthwith pay, or cause to be paid, to the Trustee for distribution to the applicable Secured Parties in accordance with the Indenture, in cash, the amount of such unpaid Issuer Obligations. This is a guarantee of payment and not merely of collection.

(b) Anything herein or in any other Transaction Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Transaction Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors.

(c) Each Guarantor agrees that the Issuer Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Trustee or any other Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until the date (the "Termination Date") on which this Agreement ceases to be of further effect in accordance with Article XII of the Base Indenture, notwithstanding that from time to time prior thereto the Issuer may be free from any Issuer Obligations.

(e) No payment made by the Issuer, any of the Guarantors, any other guarantor or any other Person or received or collected by the Trustee or any other Secured Party from the Issuer, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Issuer Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Issuer Obligations or any payment received or collected from such Guarantor in respect of the Issuer Obligations), remain liable hereunder for the Issuer Obligations up to the maximum liability of such Guarantor hereunder until the Termination Date.

2.2 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Trustee or any other Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Trustee or any other Secured Party against the Issuer or any other Guarantor or any collateral security or guarantee or right of offset held by the Trustee or any other Secured Party for the payment of the Issuer Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Issuer or any other Guarantor in respect of payments made by such Guarantor hereunder, until the Termination Date. If any amount shall be paid to any Guarantor on account of such subrogation, contribution or reimbursement rights at any time when all of the Issuer Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Trustee and the other Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Trustee in the exact form received by such Guarantor (duly endorsed by such Guarantor to the Trustee, if required), to be applied against the Issuer Obligations, whether matured or unmatured, in such order as the Trustee may determine in accordance with the Indenture.

2.3 Amendments, etc. with respect to the Issuer Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Issuer Obligations made by the Trustee or any other Secured Party may be rescinded by the Trustee or such other Secured Party and any of the Issuer Obligations continued, and the Issuer Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Trustee or any other Secured Party, and the Base Indenture and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, from time to time, and any collateral security, guarantee or right of offset at any time held by the Trustee or any other Secured Party for the payment of the Issuer Obligations may be sold, exchanged, waived, surrendered or released (it being understood that this Section 2.3 is not intended to affect any rights or obligations set forth in any other Transaction Document).

2.4 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Issuer Obligations and notice of or proof of reliance by the Trustee or any other Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Issuer Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2 and the grant of the security interests pursuant to Section 3; and all dealings between the Issuer and any of the Guarantors, on the one hand, and the Trustee and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have occurred or been consummated in reliance upon the guarantee contained in this Section 2 and the grant of the security interests pursuant to Section 3. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Issuer or any of the Guarantors with respect to the Issuer Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 and the grant of the security interests pursuant to Section 3 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Indenture or any other Transaction Document, any of the Issuer Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Trustee or any other Secured Party, (b) any defense, set-off or counterclaim (other than a defense of full payment or performance) which may at any time be available to or be asserted by the Issuer or any other Person against the Trustee or any other Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Issuer or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Issuer for the Issuer Obligations, or of such Guarantor under the guarantee contained in this Section 2 and the grant of the security interests pursuant to Section 3, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Trustee or any other Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Issuer, any other Guarantor or any other Person or against any collateral security or guarantee for the Issuer Obligations or any right of offset with respect thereto, and any failure by the Trustee or any other Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Issuer, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Issuer, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Trustee or any other Secured Party against any Guarantor. Neither the Trustee nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Issuer Obligations or for the guarantee contained in this Section 2 or any property subject thereto. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.5 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Issuer Obligations is rescinded or must otherwise be restored or returned by the Trustee or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Issuer or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Issuer or any Guarantor or any substantial part of their respective property, or otherwise, all as though such payments had not been made.

2.6 Payments. Each Guarantor hereby guarantees that payments hereunder shall be paid to the Trustee without set-off or deduction or counterclaim in immediately available funds in Dollars at the office of the Trustee.

2.7 Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the Issuer's and each other Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Issuer Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that neither the Trustee nor any other Secured Party shall have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

**SECTION 3**

**SECURITY**

3.1 Grant of Security Interest.

(a) To secure the Obligations, each Guarantor hereby pledges, assigns, conveys, delivers, transfers and sets over to the Trustee, for the benefit of the Secured Parties, and hereby grants to the Trustee, for the benefit of the Secured Parties, a security interest in such Guarantor's right, title and interest in, to and under all of the following property to the extent now owned or at any time hereafter acquired by such Guarantor (collectively, the "Collateral"):

(i) the Securitization IP and the right to bring an action at law or in equity for any infringement, misappropriation, dilution or other violation thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlements and proceeds relating thereto;

(ii) (A) the Franchisee Notes, if any, and the Equipment Leases, if any; and (B)(i) the Franchise Agreements and all Franchisee Payments thereon; (ii) the Development Agreements and all Franchisee Payments thereon; (iii) the New Franchise Agreements and all Franchisee Payments thereon; (iv) the New Development Agreements and all Franchisee Payments thereon; (v) all rights to enter into New Franchise Agreements and New Development Agreements; (vi) any and all other property of every nature, now or hereafter transferred, mortgaged, pledged, or assigned as security for payment or performance of any obligation of the Franchisees or other Persons, as applicable, to such Guarantor under the Franchise Agreements or the Development Agreements and all guarantees of such obligations and the rights evidenced by or reflected in the Franchise Agreements or the Development Agreements;

(iii) (i) the Product Sourcing Agreements and all Product Sourcing Payments thereon; (ii) the New Product Sourcing Assets and all Product Sourcing Payments thereon; (iii) all rights to enter into New Product Sourcing Agreements; and (iv) any and all other property of every nature, now or hereafter transferred, mortgaged, pledged, or assigned as security for payment or performance of any obligation of any Person to such Guarantor under the Product Sourcing Agreements and all guarantees of such obligations and the rights evidenced by or reflected in the Product Sourcing Agreements;

(iv) any Owned Real Property and any New Owned Real Property;

(v) the Franchisee Lease Payments received under the Franchised Restaurant Leases;

(vi) the IP License Agreements, all related payments thereon and all rights thereunder;

(vii) (i) the Material Contracts (in each case, to the extent contributed to or entered into by such Company Restaurant Guarantor), all related payments thereon and all rights to enter into Material Contracts; (ii) the Company Restaurants and all Company Restaurant Assets relating thereto; and (iii) the New Company Restaurants and all New Company Restaurant Assets relating thereto;

(viii) each Account and all amounts or other property on deposit in or otherwise credited to such Accounts;

(ix) the books and records (whether in physical, electronic or other form), including those books and records maintained by the Manager on behalf of the Guarantors relating to the Guarantor Assets, the Product Sourcing Assets and the Securitization IP;

(x) the rights, powers, remedies and authorities of the Guarantors under (i) each of the Transaction Documents (other than the Indenture and the Notes) to which they are a party and (ii) each of the documents relating to the Guarantor Assets and Product Sourcing Assets to which it is a party;

(xi) any and all other property of the Guarantors now or hereafter acquired, including, without limitation, all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment, fixtures, general intangibles, instruments, inventory, securities, securities accounts and other investment property and letter-of-credit rights (in each case, as defined in the New York UCC); and

(xii) all payments, proceeds, supporting obligations and accrued and future rights to payment with respect to the foregoing;

provided, that the Collateral shall exclude the Collateral Exclusions. The Trustee, on behalf of the Secured Parties, acknowledges that it shall have no security interest in any Collateral Exclusions.

(b) The foregoing grant is made in trust to secure the Obligations and to secure compliance with the provisions of this Agreement, all as provided in this Agreement. The Trustee, on behalf of the Secured Parties, acknowledges such grant, accepts the trusts under this Agreement in accordance with the provisions of this Agreement and agrees to perform its duties required in this Agreement. The Collateral shall secure the Obligations equally and ratably without prejudice, priority or distinction (except, with respect to any Series of Notes, as otherwise stated in the applicable Series Supplement or in the applicable provisions of the Base Indenture).

(c) In addition, pursuant to and within the time periods specified in Section 8.38 of the Base Indenture, each applicable Guarantor shall execute and deliver to the Control Party (with a copy to the Trustee), for the benefit of the Secured Parties, a Mortgage with respect to each New Owned Real Property acquired by such Guarantor (and to the extent necessary, any Contributed Owned Real Property), which shall be delivered to the Control Party or its agent to be held in escrow; provided and notwithstanding any other provision of the Base Indenture, that Prospective Company Restaurant Properties will not be subject to such requirement. Upon the occurrence of a Mortgage Recordation Event, unless such Mortgage Recordation Event is waived by the Control Party (at the direction of the Controlling Class Representative), the Control Party or its agent, at the direction of the Controlling Class Representative, will deliver the Mortgages within five (5) Business Days to the applicable recording office for recordation in accordance with Section 8.38 of the Base Indenture. Notwithstanding the foregoing, no Lien will be granted to the Trustee for the benefit of the Secured Parties on any New Owned Real Property until such time as the Mortgages are required to be delivered in accordance with the Indenture.

3.2 Certain Rights and Obligations of the Guarantors Unaffected.

(a) Notwithstanding the grant of the security interest in the Collateral hereunder to the Trustee, on behalf of the Secured Parties, the Guarantors acknowledge that the Manager, on behalf of the Securitization Entities, including, without limitation, any Guarantors that are Guarantors, shall, subject to the terms and conditions of the Management Agreement, nevertheless have the right, subject to the Trustee's right to revoke such right, in whole or in part, in the event of the occurrence of an Event of Default, (i) to give, in accordance with the Managing Standard, all consents, requests, notices, directions, approvals, extensions or waivers, if any, which are required or permitted to be given by any Guarantor under the Collateral Documents to which it is a party, and to enforce all rights, remedies, powers, privileges and claims of each Guarantor under the Collateral Documents to which it is a party, (ii) to give, in accordance with the Managing Standard, all consents, requests, notices, directions and approvals, if any, which are required or permitted to be given by any Guarantor under any IP License Agreement to which it is a party and to enforce all rights, remedies, powers, privileges and claims of such Guarantor thereunder and (iii) to take any other actions required or permitted to be taken by a Guarantor under the terms of the Management Agreement.

(b) The grant of the security interest by the Guarantors in the Collateral to the Trustee on behalf of and for the benefit of the Secured Parties hereunder shall not (i) relieve any Guarantor from the performance of any term, covenant, condition or agreement on such Guarantor's part to be performed or observed under or in connection with any of the Collateral Documents to which it is a party or (ii) impose any obligation on the Trustee or any of the Secured Parties to perform or observe any such term, covenant, condition or agreement on any Guarantor's part to be so performed or observed or impose any liability on the Trustee or any of the other Secured Parties for any act or omission on the part of such Guarantor or from any breach of any representation or warranty on the part of such Guarantor.

(c) Each Guarantor hereby jointly and severally agrees to indemnify and hold harmless the Trustee and each Secured Party (including its respective directors, officers, employees and agents) from and against any and all losses, liabilities (including liabilities for penalties), claims, demands, actions, suits, judgments, reasonable and documented out-of-pocket costs and expenses arising out of or resulting from the security interest granted hereby, whether arising by virtue of any act or omission on the part of such Guarantor or otherwise, including, without limitation, the reasonable and documented out-of-pocket costs, expenses and disbursements (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Secured Party in enforcing this Agreement or any other Transaction Document or preserving any of its rights to, or realizing upon, any of the Collateral; provided, however, that the foregoing indemnification shall not extend to any action by the Trustee or any other Secured Party which constitutes gross negligence, bad faith or willful misconduct by the Trustee or any Secured Party or any other indemnified person hereunder. The indemnification provided for in this Section 3.2 shall survive the removal of, or a resignation by, such Person as Trustee as well as the termination of this Agreement. No amounts shall be required to be paid under this Section 3.2(c) in duplication of amounts paid under Section 3.2(c) of the Base Indenture.

3.3 Performance of Collateral Documents. Upon the occurrence of a default or breach (after giving effect to any applicable grace or cure periods) by any Person party to (a) a Collateral Transaction Document to which a Guarantor is a party or (b) a Collateral Franchise Business Document to which a Guarantor is a party (only if a Manager Termination Event or an Event of Default has occurred and is continuing), promptly following a request from the Trustee to do so and at such Guarantors' expense, each such Guarantor shall take all such lawful action as permitted under this Agreement as the Trustee (acting at the direction of the Control Party (at the direction of the Controlling Class Representative)) may reasonably request to compel or secure the performance and observance by such Person of its obligations to such Guarantor, and to exercise any and all rights, remedies, powers and privileges lawfully available to such Guarantor to the extent and in the manner directed by the Trustee (acting at the direction of the Control Party (at the direction of the Controlling Class Representative)), including, without limitation, the transmission of notices of default and the institution of legal or administrative actions or proceedings to compel or secure performance by such Person of its obligations thereunder. If (i) a Guarantor shall have failed, within fifteen (15) Business Days of receiving the direction of the Trustee, to take commercially reasonable action to accomplish such directions of the Trustee, (ii) a Guarantor refuses to take any such action, as reasonably determined by the Control Party in good faith, or (iii) the Control Party (at the direction of the Controlling Class Representative) reasonably determines that such action must be taken immediately, in any such case the Control Party (at the direction of the Controlling Class Representative) may, but shall not be obligated to, take, and the Trustee shall take (if so directed by the Control Party (at the direction of the Controlling Class Representative)), at the expense of the Guarantors, such previously directed action and any related action permitted under this Agreement which the Control Party (at the direction of the Controlling Class Representative) thereafter determines is appropriate (without the need under this provision or any other provision under this Agreement to direct such Guarantor to take such action), on behalf of such Guarantor and the Secured Parties. No amounts shall be required to be paid under this Section 3.3 in duplication of amounts paid under Section 3.3 of the Base Indenture.

3.4 Stamp, Other Similar Taxes and Filing Fees. The Guarantors shall jointly and severally indemnify and hold harmless the Trustee and each other Secured Party from any present or future claim for liability for any stamp, documentary or other similar tax, and any penalties or interest and expenses with respect thereto, that may be assessed, levied or collected by any jurisdiction in connection with this Agreement, any other Transaction Document or any Collateral. The Guarantors shall pay, and jointly and severally indemnify and hold harmless each Secured Party against, any and all amounts in respect of all search, filing, recording and registration fees, taxes, excise taxes and other similar imposts that may be payable or determined to be payable in respect of the execution, delivery, performance and/or enforcement of this Agreement or any other Transaction Document. No amounts shall be required to be paid under this Section 3.4 in duplication of amounts paid under Section 3.4 of the Base Indenture.

3.5 Authorization to File Financing Statements; Other Filing and Recording Documents.

(a) Each Guarantor hereby irrevocably authorizes the Control Party on behalf of the Secured Parties at any time and from time to time to file or record in any filing office in any applicable jurisdiction financing statements and other filing or recording documents or instruments (or, with respect to the Mortgages, upon the occurrence of a Mortgage Recordation Event, unless such Mortgage Recordation Event is waived by the Control Party (at the direction of the Controlling Class Representative)) with respect to the Collateral, including, without limitation, any and all Securitization IP (to the extent set forth in Sections 8.25(c) and 8.25(e) of the Base Indenture), to perfect the security interests of the Trustee for the benefit of the Secured Parties under this Agreement. Each Guarantor authorizes the filing of any such financing statement, document or instrument naming the Trustee as secured party and indicating that the Collateral includes (a) "all assets" or words of similar effect or import regardless of whether any particular assets comprised in the Collateral fall within the scope of Article 9 of the UCC, including, without limitation, any and all Securitization IP or (b) as being of an equal or lesser scope or with greater detail. Each Guarantor agrees to furnish any information necessary to accomplish the foregoing promptly upon the Control Party's request. Each Guarantor also hereby ratifies and authorizes the filing by or on behalf of the Trustee, for the benefit of the Secured Parties, of any financing statement with respect to the Collateral made prior to the date hereof.

(b) Each Guarantor acknowledges that the Collateral may include certain rights of such Guarantor as a secured party under the Transaction Documents. To the extent a Guarantor is a secured party under the Transaction Documents, such Guarantor hereby irrevocably appoints the Trustee as its representative with respect to all financing statements filed to perfect or record evidence of such security interests and authorizes the Control Party on behalf of and for the benefit of the Secured Parties to make such filings as it deems necessary to reflect the Trustee as secured party of record with respect to such financing statements.

## SECTION 4

## REPRESENTATIONS AND WARRANTIES

Each Guarantor hereby represents and warrants, for the benefit of the Trustee and the other Secured Parties, as follows as of the Closing Date and as of each Series Closing Date thereafter:

4.1 Existence and Power. Each Guarantor (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) is duly qualified to do business as a foreign entity and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under the Transaction Documents make such qualification necessary, except to the extent that the failure to so qualify would not reasonably be likely to result in a Material Adverse Effect, and (c) has all limited liability company, corporate or other powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and for purposes of the transactions contemplated by this Agreement and the other Transaction Documents, except to the extent the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

4.2 Company and Governmental Authorization. The execution, delivery and performance by each Guarantor of this Agreement and the other Transaction Documents to which it is a party (a) is within such Guarantor's limited liability company, corporate or other powers and has been duly authorized by all necessary limited liability company, corporate or other action, (b) requires no action by or in respect of, or filing with, any Governmental Authority which has not been obtained (other than any actions or filings that may be undertaken after the Closing Date pursuant to the terms of the Base Indenture or any other Transaction Document, including actions or filings with respect to any Mortgages) and (c) does not contravene, or constitute a default under, any Requirements of Law with respect to such Guarantor or any Contractual Obligation with respect to such Guarantor or result in the creation or imposition of any Lien on any property of any Guarantor, except for Liens created by this Agreement or the other Transaction Documents, except in the case of clauses (b) and (c) above, solely with respect to the Contribution Agreements, the violation of which could not reasonably be expected to have a Material Adverse Effect. This Agreement and each of the other Transaction Documents to which each Guarantor is a party has been executed and delivered by a duly Authorized Officer of such Guarantor.

4.3 No Consent. Except as set forth on Schedule 7.3 to the Base Indenture, no consent, action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the valid execution and delivery by each Guarantor of this Agreement or any Transaction Document to which it is a party or for the performance of any of the Guarantors' obligations hereunder or thereunder other than such consents, approvals, authorizations, registrations, declarations or filings (a) as shall have been obtained or made by such Guarantor prior to the Closing Date or as are permitted to be obtained subsequent to the Closing Date in accordance with Section 4.6 hereof or Sections 7.13, 8.25, or 8.38 of the Base Indenture or (b) relating to the performance of any Collateral Franchise Business Document the failure of which to obtain is not reasonably likely to have a Material Adverse Effect.

4.4 Binding Effect. This Agreement, and each other Transaction Document to which a Guarantor is a party, is a legal, valid and binding obligation of each such Guarantor enforceable against such Guarantor in accordance with its terms (except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity, or by an implied covenant of good faith and fair dealing).

4.5 Subsidiaries. The Guarantors do not and shall not own any Subsidiaries other than Subsidiaries that are Guarantors.

4.6 Security Interests.

(a) Each Guarantor owns and has good title to its Collateral, free and clear of all Liens other than Permitted Liens. Except in the case of the New Real Estate Assets and Prospective Company Restaurant Properties included in the Collateral, this Agreement constitutes a valid and continuing Lien on the Collateral in favor of the Trustee on behalf of and for the benefit of the Secured Parties, which Lien on the Collateral has been perfected and is prior to all other Liens (other than Permitted Liens), and is enforceable as such as against creditors of and purchasers from each Guarantor in accordance with its terms (except, in each case, as described on Schedule 7.13(a) of the Base Indenture and subject to Sections 8.25(c), 8.25(e), and 8.38 of the Base Indenture, or as is permitted under this Section 4.6(a)), except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. Except as set forth on Schedule 7.13(a) of the Base Indenture, the Guarantors have received all consents and approvals required by the terms of the Collateral to the pledge of the Collateral to the Trustee hereunder and the Guarantors have filed, or shall have caused, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the first-priority security interest (subject to Permitted Liens) in the Collateral (other than the Owned Real Property, any New Owned Real Property and any Prospective Company Restaurant Property) granted to the Trustee hereunder no later than ten (10) days after the Closing Date or such Series Closing Date; provided, that with respect to Intellectual Property, New Real Estate Assets or Prospective Company Restaurant Property included in the Collateral the Guarantors shall only take such action necessary to perfect such first-priority security interest consistent with and subject to the obligations and time periods set forth in Sections 8.25(c), 8.25(e), or 8.38 of the Base Indenture, as applicable.

(b) Other than the security interest granted to the Trustee hereunder, pursuant to the other Transaction Documents or any other Permitted Lien, none of the Guarantors has pledged, assigned, sold or granted a security interest in the Collateral. All action necessary (including the filing of UCC-1 financing statements and filings with the PTO and the United States Copyright Office) to protect and evidence the Trustee's security interest in the Collateral in the United States has been, or shall be, duly and effectively taken consistent with and subject to the obligations set forth in Section 4.6(a) above and Sections 8.25(c), 8.25(e) or 8.38 of the Base Indenture, except as described on Schedule 7.13(a) to the Base Indenture. No security agreement, financing statement, equivalent security or lien instrument or continuation statement authorized by any Guarantor and listing such Guarantor as debtor covering all or any part of the Collateral is on file or of record in any jurisdiction, except in respect of Permitted Liens or such as may have been filed, recorded or made by such Guarantor in connection with a Contribution Agreement or in favor of the Trustee on behalf of the Secured Parties in connection with this Agreement, and no Guarantor has authorized any such filing.

(c) All authorizations in this Agreement for the Trustee to endorse checks, instruments and securities and to execute financing statements, continuation statements, security agreements and other instruments with respect to the Collateral and to take such other actions with respect to the Collateral authorized by this Agreement are powers coupled with an interest and are irrevocable.

(d) Notwithstanding anything to the contrary herein, the Guarantors make no representation as to the validity, effectiveness, priority or enforceability of any grant of security interest in any real property assets under Section 3, including, in each case, the New Real Estate Assets or the Prospective Company Restaurant Properties, or the perfection thereof, which in each case shall be governed by the Mortgages, if applicable.

4.7 Other Representations. All representations and warranties of or about each Guarantor (if made by the Issuer) made in the Base Indenture and in each other Transaction Document to which the Issuer or such Guarantor is a party are true and correct (i) if qualified as to materiality, in all respects, and (ii) if not qualified as to materiality, in all material respects (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct in all respects or in all material respects, as applicable, as of such earlier date) and are repeated herein as though fully set forth herein.

**SECTION 5**

**COVENANTS**

5.1 [Reserved].

5.2 Defaults or Events of Default; Covenants in Base Indenture and Other Transaction Documents. Each Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor; provided that, for the avoidance of doubt, such taking or refraining from taking such action shall result in an Event of Default under the Indenture subject to the applicable cure periods set forth thereunder. All covenants of each Guarantor made in the Base Indenture and in each other Transaction Document are repeated herein as though fully set forth herein.

5.3 Further Assurances.

(a) Each Guarantor shall do such further acts and things, and execute and deliver to the Trustee and the Control Party such additional assignments, agreements, powers and instruments, as are necessary or desirable to obtain or maintain the security interest of the Trustee in the Collateral on behalf of the Secured Parties as a perfected security interest subject to no prior Liens (other than Permitted Liens), to carry into effect the purposes of this Agreement or the other Transaction Documents or to better assure and confirm unto the Trustee, the Control Party the Noteholders or the other Secured Parties their rights, powers and remedies hereunder including, without limitation, the filing of any financing or continuation statements or amendments under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby, except as set forth on Schedule 8.11 to the Base Indenture, and in each case subject to Sections 8.25(c), 8.25(e), or 8.38 of the Base Indenture. The Guarantors intend the security interests granted pursuant to this Agreement in favor of the Secured Parties to be prior to all other Liens (other than Permitted Liens) in respect of the Collateral, and each Guarantor shall take all actions necessary to obtain and maintain, in favor of the Trustee for the benefit of the Secured Parties, a first lien on and a first priority, perfected security interest in the Collateral (except with respect to Permitted Liens and except as set forth on Schedule 8.11 of the Base Indenture or in Sections 8.25 or 8.38 of the Base Indenture). If any Guarantor fails to perform any of its agreements or obligations under this Section 5.3(a), then the Control Party may perform such agreement or obligation, and the expenses of the Control Party incurred in connection therewith shall be payable by the Guarantors (without duplication amounts paid under Section 8.11 of the Base Indenture) upon the Control Party's demand therefor. The Control Party is hereby authorized to execute and file any financing statements, continuation statements, amendments or other instruments necessary or appropriate to perfect or maintain the perfection of the Trustee's security interest in the Collateral.

(b) If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note, chattel paper or other instrument, such note, chattel paper or instrument shall be deemed to be held in trust and immediately pledged and within two (2) Business Days physically delivered to the Trustee hereunder, and shall, subject to the rights of any Person in whose favor a prior Lien has been perfected, be duly endorsed in a manner satisfactory to the Trustee and delivered to the Trustee promptly; provided, that no Guarantor shall be required to deliver any Franchisee Note or Equipment Lease.

(c) Notwithstanding the provisions set forth in clauses (a) and (b) above, the Guarantors shall not be required to perfect any security interest in any fixtures (other than through a central filing of a UCC financing statement), any Franchisee promissory notes or, except as provided in Section 8.38 to the Base Indenture, any New Real Estate Assets or Prospective Company Restaurant Properties.

(d) The Guarantors, upon obtaining an interest in any commercial tort claim or claims (as such term is defined in the New York UCC), shall comply with Section 8.11(d) of the Base Indenture.

(e) Each Guarantor shall warrant and defend the Trustee's right, title and interest in and to the Collateral and the income, distributions and Proceeds thereof, for the benefit of the Trustee on behalf of the Secured Parties, against the claims and demands of all Persons whomsoever.

5.4 Legal Name, Location Under Section 9-301 or 9-307. Each Guarantor shall comply with the terms of Section 8.19 of the Base Indenture if it changes its location (within the meaning of Section 9-301 or 9-307 of the applicable UCC) or its legal name.

5.5 Management Accounts. To the extent that it owns any Management Account (including any lock-box related thereto), each Guarantor shall comply with Section 5.1 of the Base Indenture with respect to each such Management Account (including any lock-box related thereto).

## SECTION 6

## REMEDIAL PROVISIONS

6.1 Rights of the Control Party and Trustee upon Event of Default.

(a) Proceedings To Collect Money. In case any Guarantor shall fail forthwith to pay any amounts due on this Guarantee upon demand, the Trustee at the direction of the Control Party (subject to Section 11.4(e) of the Base Indenture, at the direction of the Controlling Class Representative), in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against any Guarantor and collect in the manner provided by law out of the property of any Guarantor, wherever situated, the moneys adjudged or decreed to be payable.

(b) Other Proceedings. If and whenever an Event of Default shall have occurred and be continuing, the Trustee, at the direction of the Control Party (subject to Section 11.4(e) of the Base Indenture, at the direction of the Controlling Class Representative), shall take one or more of the following actions:

(i) proceed to protect and enforce its rights and the rights of the Noteholders and the other Secured Parties, by such appropriate Proceedings as the Control Party (at the direction of the Controlling Class Representative) shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Agreement or any other Transaction Document or in aid of the exercise of any power granted therein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Agreement or any other Transaction Document or by law, including any remedies of a secured party under Requirements of Law;

(ii) (A) direct the Guarantors to exercise (and each Guarantor agrees to exercise) all rights, remedies, powers, privileges and claims of any Guarantor against any party to any Collateral Document to which such Guarantor is a party arising as a result of the occurrence of such Event of Default or otherwise, including the right or power to take any action to compel performance or observance by any such party of its obligations to any Guarantor, and any right of any Guarantor to take such action independent of such direction shall be suspended, and (B) if (x) the Guarantors shall have failed, within ten (10) Business Days of receiving the direction of the Trustee (given at the direction of the Control Party (at the direction of the Controlling Class Representative)), to take commercially reasonable action to accomplish such directions of the Trustee, (y) any Guarantor refuses to take such action or (z) the Control Party (at the direction of the Controlling Class Representative) reasonably determines that such action must be taken immediately, take (or the Control Party on behalf of the Trustee shall take) such previously directed action (and any related action as permitted under this Agreement thereafter determined by the Trustee or the Control Party to be appropriate without the need under this provision or any other provision under this Agreement to direct the Guarantors to take such action);

(iii) institute Proceedings from time to time for the complete or partial foreclosure of this Agreement or, to the extent applicable, any other Transaction Document, with respect to the Collateral; provided that the Trustee shall not be required to take title to any real property in connection with any foreclosure or other exercise of remedies hereunder or under such Transaction Documents and title to such property shall instead be acquired in an entity designated and (unless owned by a third party) controlled by the Control Party; and/or

(iv) sell all or a portion of the Collateral at one or more public or private sales called and conducted in any manner permitted by law; provided, however, that the Trustee shall not proceed with any such sale without the prior written consent of the Control Party (at the direction of the Controlling Class Representative) and the Trustee shall provide notice to the Guarantors and each Holder of Notes of a proposed sale of Collateral.

(c) Sale of Collateral. In connection with any sale of the Collateral hereunder (which may proceed separately and independently from the exercise of remedies under the Indenture), under any Mortgage or under any judgment, order or decree in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement or any other Transaction Document:

(i) any of the Trustee, any Noteholder, any Enhancement Provider and/or any other Secured Party may bid for and purchase the property being sold, and upon compliance with the terms of the sale may hold, retain, possess and dispose of such property in its own absolute right without further accountability;

(ii) the Trustee (at the direction of the Control Party (at the direction of the Controlling Class Representative)) may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(iii) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of any Guarantor of, in and to the property so sold shall be divested; and such sale shall be a perpetual bar both at law and in equity against such Guarantor, its successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof from, through or under such Guarantor or its successors or assigns; and

(iv) the receipt of the Trustee or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Trustee or of such officer thereof, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof.

(d) Application of Proceeds. Any amounts obtained by the Trustee or the Control Party on account of or as a result of the exercise by the Trustee or the Control Party of any right hereunder shall be held by the Trustee as additional collateral for the repayment of the Obligations, shall be deposited into the Collection Account and shall be applied as provided in the priority set forth in the Priority of Payments; provided that unless otherwise provided in this Section 6 or Article IX of the Base Indenture, with respect to any distribution to any Class of Notes, notwithstanding the provisions of Article V of the Base Indenture, such amounts shall be distributed sequentially in order of alphabetical (as opposed to alphanumerical) designation and pro rata among each Class of Notes of the same alphabetical designation based upon the Outstanding Principal Amount of the Notes of each such Class.

(e) Additional Remedies. In addition to any rights and remedies now or hereafter granted hereunder or under applicable law with respect to the Collateral, the Trustee shall have all of the rights and remedies of a secured party under the UCC as enacted in any applicable jurisdiction.

(f) Proceedings. The Trustee may maintain a Proceeding even if it does not possess any of the Notes or does not produce any of them in the Proceeding, and any such Proceeding instituted by the Trustee shall be in its own name as trustee. All remedies are cumulative to the extent permitted by law.

(g) Power of Attorney. To the fullest extent permitted by applicable law, each Guarantor hereby grants to the Trustee an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the PTO, United States Copyright Office, any similar office or agency in each foreign country in which any Securitization IP is located, or any other Governmental Authority in order to effect an absolute assignment of all right, title and interest in or to any Securitization IP, and record the same.

6.2 Waiver of Appraisal, Valuation, Stay and Right to Marshaling. To the extent it may lawfully do so, each Guarantor for itself and for any Person who may claim through or under it hereby:

(a) agrees that neither it nor any such Person shall step up, plead, claim or in any manner whatsoever take advantage of any appraisal, valuation, stay, extension or redemption laws, now or hereafter in force in any jurisdiction, which may delay, prevent or otherwise hinder (i) the performance, enforcement or foreclosure of this Agreement, (ii) the sale of any of the Collateral or (iii) the putting of the purchaser or purchasers thereof into possession of such property immediately after the sale thereof;

(b) waives all benefit or advantage of any such laws;

(c) waives and releases all rights to have the Collateral marshaled upon any foreclosure, sale or other enforcement of this Agreement; and

(d) consents and agrees that, subject to and in accordance with the terms of the Base Indenture and this Agreement, all the Collateral may at any such sale be sold by the Trustee as an entirety or in such portions as the Trustee may (upon direction by the Control Party (acting at the direction of the Controlling Class Representative)) determine.

6.3 Limited Recourse. Notwithstanding any other provision of this Agreement or any other Transaction Document or otherwise, the liability of the Guarantors to the Noteholders and any other Secured Parties under or in relation to this Agreement or any other Transaction Document or otherwise, is limited in recourse to the Collateral. The proceeds of the Collateral having been applied in accordance with the terms hereof, none of the Noteholders or any other Secured Parties shall be entitled to take any further steps against any Guarantor to recover any sums due but still unpaid hereunder, under the Notes or under any of the other agreements or documents described in this Section 6.3, all claims in respect of which shall be extinguished.

6.4 Optional Preservation of the Collateral. If the maturity of the Outstanding Notes of each Series has been accelerated pursuant to Section 9.2 of the Base Indenture following an Event of Default, and such declaration and its consequences have not been rescinded and annulled, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative), subject to the other terms and provisions hereof and of the Base Indenture, shall elect to maintain possession of such portion, if any, of the Collateral as the Control Party (acting at the direction of the Controlling Class Representative) shall in its discretion determine.

6.5 Control by the Control Party. Notwithstanding any other provision hereof, the Control Party (subject to Section 11.4(e) of the Base Indenture, at the direction of the Controlling Class Representative) may cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercise any trust or power conferred on the Trustee; provided that:

(a) such direction of time, method and place shall not be in conflict with any rule of law, the Indenture, this Agreement or any other Indenture Document;

(b) the Control Party (at the direction of the Controlling Class Representative) may take any other action deemed proper by the Control Party (at the direction of the Controlling Class Representative) that is not inconsistent with such direction (as the same may be modified by the Control Party (at the direction of the Controlling Class Representative)); and

(c) such direction shall be in writing;

provided, further, that, subject to Section 10.1 of the Base Indenture, the Trustee need not take any action that it determines might involve it in liability unless it has received an indemnity for such liability as provided in the Base Indenture. The Trustee shall take no action referred to in this Section 6.5 unless instructed to do so by the Control Party (at the direction of the Controlling Class Representative).

6.6 The Trustee May File Proofs of Claim. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel), the Noteholders and any other Secured Party (as applicable) allowed in any judicial proceedings relative to any Guarantor (or any other obligor upon the Notes), its creditors or its property, and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claim and any custodian in any such judicial proceeding is hereby authorized by each Noteholder and each other Secured Party to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Noteholders or any other Secured Party, to pay the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.5 of the Base Indenture. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.5 of the Base Indenture out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money and other properties which any of the Noteholders or any other Secured Party may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder or any other Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Noteholder or any other Secured Party, or to authorize the Trustee to vote in respect of the claim of any Noteholder or any other Secured Party in any such proceeding.

6.7 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Agreement or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of any undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.7 does not apply to a suit by the Trustee, a suit by a Noteholder pursuant to Section 9.9 of the Base Indenture or a suit by Noteholders of more than 10% of the Aggregate Outstanding Principal Amount of all Series of Notes.

6.8 Restoration of Rights and Remedies. If the Trustee, any Noteholder or any other Secured Party has instituted any Proceeding to enforce any right or remedy under this Agreement or any other Transaction Document and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder or other Secured Party, then and in every such case the Trustee and the Noteholders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee, the Noteholders and the other Secured Parties shall continue as though no such Proceeding had been instituted.

6.9 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes or any other Secured Party is intended to be exclusive of any other right or remedy, and every right or remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under this Agreement or any other Transaction Document or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under this Agreement or any other Transaction Document, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

6.10 Delay or Omission Not Waiver. No delay or omission of the Trustee, the Control Party, the Controlling Class Representative, any Holder of any Note or any other Secured Party to exercise any right or remedy accruing upon any Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default or an acquiescence therein. Every right and remedy given by this Section 6 or by law to the Trustee, the Control Party, the Controlling Class Representative, the Holders of Notes or any other Secured Party may be exercised from time to time to the extent not inconsistent with the Indenture or this Agreement, and as often as may be deemed expedient, by the Trustee, the Control Party, the Controlling Class Representative, the Holders of Notes or any other Secured Party, as the case may be.

6.11 Waiver of Stay or Extension Laws. Each Guarantor covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Agreement or any other Transaction Document; and each Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantages of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, the Control Party or the Controlling Class Representative, but shall suffer and permit the execution of every such power as though no such law had been enacted.

## SECTION 7

## THE TRUSTEE'S AUTHORITY

Each Guarantor acknowledges that the rights and responsibilities of the Trustee under this Agreement with respect to any action taken by the Trustee or the exercise or non-exercise by the Trustee of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Trustee and the other Secured Parties, be governed by the Indenture and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Trustee and the Guarantors, the Trustee shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, it being understood that the Trustee (at the direction of the Control Party (at the direction of the Controlling Class Representative)) and the Control Party (at the direction of the Controlling Class Representative) directly shall be the only parties entitled to exercise remedies under this Agreement; and no Guarantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority. In its execution of this Agreement and performance hereunder, the Trustee shall be entitled to all of the rights, protections, immunities and indemnities afforded to it under the Indenture.

## SECTION 8

## MISCELLANEOUS

8.1 Amendments. None of the terms or provisions of this Agreement may be amended, supplemented, waived or otherwise modified except in accordance with Article XIII of the Base Indenture, provided, that the execution and delivery of any Assumption Agreement in accordance with Section 8.11 of this Agreement shall be deemed not to constitute an amendment.

8.2 Notices.

(a) Any notice or communication by any Guarantor or the Trustee to any other party hereto shall be in writing and delivered in person, delivered by e-mail (provided that any e-mail notice to the Trustee shall be in the form of an attachment of a .pdf or similar file), posted on a password protected internet website for which the recipient has granted access or mailed by first-class mail (registered or certified, return receipt requested), facsimile or overnight air courier guaranteeing next day delivery, to such other party's address:

If to a Guarantor:

[INSERT NAME OF GUARANTOR]
c/o Twin Hospitality Group Inc.
9720 Wilshire Blvd., Suite 500
Beverly Hills, CA 90212
Attention: Investor Relations

If to the Trustee:

UMB BANK, NATIONAL ASSOCIATION
100 William Street, Suite 1850
New York, NY 10038
Attention: Michele Voon

(b) The Guarantors or the Trustee by notice to each other party may designate additional or different addresses for subsequent notices or communications.

(c) Any notice (i) given in person shall be deemed delivered on the date of delivery of such notice, (ii) given by first-class mail shall be deemed given five (5) days after the date that such notice is mailed, (iii) delivered by facsimile shall be deemed given on the date of delivery of such notice, (iv) delivered by overnight air courier shall be deemed delivered one (1) Business Day after the date that such notice is delivered to such overnight courier, (v) when posted on a password-protected website shall be deemed delivered after notice of such posting has been provided to the recipient and (vi) delivered by email shall be deemed delivered on the date of delivery of such notice.

(d) Notwithstanding any provisions of this Agreement to the contrary, the Trustee shall have no liability based upon or arising from the failure to receive any notice required by or relating to this Agreement or any other Transaction Document.

8.3 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

8.4 Successors. All agreements of each of the Guarantors in this Agreement and each other Transaction Document to which it is a party shall bind its successors and assigns; provided, however, no Guarantor may assign its obligations or rights under this Agreement or any other Transaction Document, except with the written consent of the Control Party. All agreements of the Trustee in the Indenture and in this Agreement shall bind its successors as permitted by the Transaction Documents.

8.5 Severability. In case any provision in this Agreement or any other Transaction Document shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.6 Counterpart Originals. The parties may sign any number of copies of this Agreement. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement for all purposes. Signatures of the parties hereto transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and any related document, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Agreement, any addendum or amendment hereto or any related document necessary may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("UETA") and any applicable state law. Electronic signature shall mean any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto.

8.7 Table of Contents, Headings, etc. The Table of Contents and headings of the Sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

8.8 Recording of Agreement. If this Agreement is subject to recording in any appropriate public recording offices, such recording is to be effected by the Guarantors and at their expense accompanied by an Opinion of Counsel (which may be counsel to the Guarantors or any other counsel reasonably acceptable to the Control Party (at the direction of the Controlling Class Representative)) to the effect that such recording is necessary either for the protection of the Secured Parties or for the enforcement of any right or remedy granted to the Trustee under this Agreement.

8.9 Waiver of Jury Trial. EACH OF THE GUARANTORS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

8.10 Submission to Jurisdiction; Waivers. Each of the Guarantors and the Trustee hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York sitting in New York County, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Guarantors or the Trustee, as the case may be, at its address set forth in Section 8.2 or at such other address of which the Trustee shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.10 any special, exemplary, punitive or consequential damages.

8.11 Additional Guarantor. Each Additional Guarantor that is designated to be an Additional Guarantor pursuant to Section 8.34 of the Base Indenture shall become a Guarantor for all purposes of this Agreement upon execution and delivery by such Additional Guarantor of an Assumption Agreement in substantially the form of Exhibit A hereto. Upon the execution and delivery by any Additional Guarantor of such an Assumption Agreement, the supplemental schedules attached to such Assumption Agreement shall be incorporated into and become a part of and supplement the Schedules to this Agreement and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant to each Assumption Agreement.

8.12 Currency Indemnity. Each Guarantor shall make all payments of amounts owing by it hereunder in Dollars. If a Guarantor makes any such payment to the Trustee or any other Secured Party in a currency (the "Other Currency") other than Dollars (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of such party hereunder in respect of such amount owing only to the extent of the amount of Dollars which the Trustee or such Secured Party is able to purchase, with the amount it receives on the date of receipt. If the amount of Dollars which the Trustee or such Secured Party is able to purchase is less than the amount of such currency originally so due in respect of such amount, such Guarantor shall indemnify and save the Trustee or such Secured Party, as applicable, harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, shall survive termination hereof, shall apply irrespective of any indulgence granted by the Trustee or such Secured Party and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

8.13 Acknowledgment of Receipt; Waiver. Each Guarantor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

8.14 Termination; Partial Release.

(a) On the Termination Date, the Collateral shall be automatically released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Trustee and each Guarantor shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Guarantors. At the request and sole expense of any Guarantor following any such termination, the Trustee shall deliver to such Guarantor any Collateral held by the Trustee hereunder, and execute and deliver to such Guarantor such documents as such Guarantor shall reasonably request to evidence such termination.

(b) Any partial release of Collateral hereunder requested by the Issuer in connection with any Permitted Asset Disposition shall be governed by Section 14.17 of the Base Indenture.

8.15 Third Party Beneficiary. Each of the Secured Parties and the Controlling Class Representative is an express third party beneficiary of this Agreement.

8.16 Entire Agreement. This Agreement, together with the schedule hereto, the Indenture and the other Transaction Documents, contain a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and writings with respect thereto.

[*Signature pages follow*]

IN WITNESS WHEREOF, each of the Guarantors and the Trustee has caused this Guarantee and Collateral Agreement to be duly executed and delivered by its duly authorized officer as of the date first above written.

**GUARANTORS:**

TP FRANCHISE AUSTIN, LLC
TP FRANCHISE ROUND ROCK, LLC
TP FRANCHISE VENTURE I, LLC
TP TEXAS BEVERAGES, LLC
TPJV2, LLC
TWIN PEAKS BUYER, LLC
TWIN RESTAURANT, LLC
TWIN RESTAURANT AMARILLO, LLC
TWIN RESTAURANT AMARILLO BEVERAGE HOLDING, LLC
TWIN RESTAURANT AMARILLO MANAGEMENT, LLC
TWIN RESTAURANT BEVERAGE - TEXAS, LLC
TWIN RESTAURANT BEVERAGE HOLDING, LLC
TWIN RESTAURANT BRANDON, LLC
TWIN RESTAURANT BROOMFIELD, LLC
TWIN RESTAURANT BURLESON, LLC
TWIN RESTAURANT BURLESON BEVERAGE HOLDING, LLC
TWIN RESTAURANT BURLESON MANAGEMENT, LLC
TWIN RESTAURANT CENTENNIAL, LLC
TWIN RESTAURANT DENVER, LLC
TWIN RESTAURANT DENVER, LLC
TWIN RESTAURANT DEVELOPMENT, LLC
TWIN RESTAURANT EL PASO, LLC
TWIN RESTAURANT EL PASO BEVERAGE HOLDING, LLC
TWIN RESTAURANT FL PAYROLL, LLC
TWIN RESTAURANT FRANCHISE, LLC
TWIN RESTAURANT FRISCO, LLC
TWIN RESTAURANT GRAND PRAIRIE, LLC
TWIN RESTAURANT GRAND PRAIRIE BEVERAGE HOLDING, LLC
TWIN RESTAURANT GRAND PRAIRIE MANAGEMENT, LLC
TWIN RESTAURANT HOLDING, LLC
TWIN RESTAURANT INTERNATIONAL FRANCHISE, LLC
TWIN RESTAURANT INVESTMENT COMPANY, LLC
TWIN RESTAURANT INVESTMENT COMPANY II, LLC
TWIN RESTAURANT IP, LLC
TWIN RESTAURANT JV MANAGEMENT, LLC
TWIN RESTAURANT LAKELAND, LLC
TWIN RESTAURANT LEWISVILLE, LLC
TWIN RESTAURANT LITTLE ROCK, LLC
TWIN RESTAURANT LIVE OAK, LLC

TWIN RESTAURANT LIVE OAK BEVERAGE HOLDING, LLC
TWIN RESTAURANT LIVE OAK MANAGEMENT, LLC
TWIN RESTAURANT LIVE OAK RE, LLC
TWIN RESTAURANT LV -2 LLC
TWIN RESTAURANT MCKINNEY, LLC
TWIN RESTAURANT MCKINNEY BEVERAGE HOLDING, LLC
TWIN RESTAURANT MCKINNEY RE, LLC
TWIN RESTAURANT MIDLAND, LLC
TWIN RESTAURANT MIDLAND BEVERAGE HOLDING, LLC
TWIN RESTAURANT N IRVING, LLC
TWIN RESTAURANT N IRVING BEVERAGE HOLDING, LLC
TWIN RESTAURANT NORTHLAKE, LLC
TWIN RESTAURANT OAKBROOK, LLC
TWIN RESTAURANT ODESSA, LLC
TWIN RESTAURANT ODESSA BEVERAGE HOLDING, LLC
TWIN RESTAURANT PARK NORTH, LLC
TWIN RESTAURANT PARK NORTH BEVERAGE HOLDING, LLC
TWIN RESTAURANT PARK NORTH MANAGEMENT, LLC
TWIN RESTAURANT PLANO, LLC
TWIN RESTAURANT RE, LLC
TWIN RESTAURANT S FORT WORTH, LLC
TWIN RESTAURANT S FORT WORTH BEVERAGE HOLDING, LLC
TWIN RESTAURANT SAN ANGELO, LLC
TWIN RESTAURANT SAN ANGELO BEVERAGE HOLDING, LLC
TWIN RESTAURANT SAN ANGELO MANAGEMENT, LLC
TWIN RESTAURANT SAN ANTONIO, LLC
TWIN RESTAURANT SAN ANTONIO BEVERAGE HOLDING, LLC
TWIN RESTAURANT SAN MARCOS, LLC
TWIN RESTAURANT SAN MARCOS BEVERAGE HOLDING, LLC
TWIN RESTAURANT SAN MARCOS MANAGEMENT, LLC
TWIN RESTAURANT SARASOTA, LLC
TWIN RESTAURANT SARASOTA RE, LLC
TWIN RESTAURANT SUNLAND PARK, LLC
TWIN RESTAURANT SUNLAND PARK BEVERAGE HOLDING, LLC
TWIN RESTAURANT TERRELL, LLC
TWIN RESTAURANT TERRELL BEVERAGE HOLDING, LLC
TWIN RESTAURANT TERRELL RE, LLC
TWIN RESTAURANT VIVA LAS VEGAS, LLC
TWIN RESTAURANT WARRENVILLE, LLC
TWIN RESTAURANT WESTERN CENTER, LLC
TWIN RESTAURANT WESTERN CENTER BEVERAGE HOLDING, LLC
TWIN RESTAURANT WESTOVER, LLC
TWIN RESTAURANT WESTOVER BEVERAGE HOLDING, LLC
TWIN RESTAURANT JV HOLDING, LLC
BARBEQUE INTEGRATED, INC.
SMOKEY BONES (FLORIDA), LLC

GMR OF PENNSYLVANIA-SB PROPERTIES, LLC
INTEGRATED CARD SOLUTIONS, LLC

By: */s/ Joseph Hummel*

Name: Joseph Hummel

Title: Authorized Person of Barbeque Integrated, Inc., Smokey Bones (Florida), LLC, GMR of Pennsylvania-SB Properties, LLC and Integrated Card Solutions, LLC and President of all other Guarantor Entities

AGREED AND ACCEPTED

UMB BANK, NATIONAL ASSOCIATION,
in its capacity as Trustee

By: */s/ Michele Voon*
Name: Micele Voon
Title: Senior Vice President

Schedule 4.5

**GUARANTOR OWNERSHIP RELATIONSHIPS**

| PLEDGED ENTITY | OWNED BY | PERCENTAGE OWNERSHIP |
|---|---|---|
| Twin Hospitality I, LLC | Twin Hospitality Group Inc. | 100% |
| TP Franchise Austin, LLC | TP Franchise Venture I, LLC | 100% |
| TP Franchise Round Rock, LLC | TP Franchise Venture I, LLC | 100% |
| TP Franchise Venture I, LLC | Twin Restaurant Holding, LLC | 100% |
| TP Texas Beverages, LLC | TP Franchise Venture I, LLC | 100% |
| TPJV2, LLC | Twin Restaurant JV Holding, LLC | 100% |
| Twin Peaks Buyer, LLC | Twin Hospitality I, LLC | 100% |
| Twin Restaurant, LLC | Twin Restaurant Holding, LLC | 100% |
| Twin Restaurant Amarillo, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Amarillo Beverage Holding, LLC | Twin Restaurant Amarillo Management, LLC | 100% |
| Twin Restaurant Amarillo Management, LLC | Twin Restaurant Amarillo, LLC | 100% |
| Twin Restaurant Beverage - Texas, LLC | Twin Restaurant Beverage Holding, LLC | 100% |
| Twin Restaurant Beverage Holding, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Brandon, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Broomfield, LLC | Twin Restaurant Denver, LLC (TX) | 100% |
| Twin Restaurant Burleson, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Burleson Beverage Holding, LLC | Twin Restaurant Burleson Management, LLC | 100% |
| Twin Restaurant Burleson Management, LLC | Twin Restaurant Burleson, LLC | 100% |
| Twin Restaurant Centennial, LLC | Twin Restaurant Denver, LLC (TX) | 100% |
| Twin Restaurant Denver, LLC (CO) | Twin Restaurant Denver, LLC (TX) | 100% |
| Twin Restaurant Denver, LLC (TX) | Twin Restaurant Investment Company, LLC | 100% |
| Twin Restaurant Development, LLC | Twin Restaurant Holding, LLC | 100% |
| Twin Restaurant El Paso, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant EL Paso Beverage Holding, LLC | Twin Restaurant El Paso, LLC | 100% |
| Twin Restaurant FL Payroll, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Franchise, LLC | Twin Restaurant Holding, LLC | 100% |
| Twin Restaurant Frisco, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Grand Prairie, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Grand Prairie Beverage Holding, LLC | Twin Restaurant Grand Prairie Management, LLC | 100% |

| | | |
|---|---|---|
| Twin Restaurant Grand Prairie Management, LLC | Twin Restaurant Grand Prairie, LLC | 100% |
| Twin Restaurant Holding, LLC | Twin Peaks Buyer, LLC | 100% |
| Twin Restaurant International Franchise, LLC | Twin Restaurant Franchise, LLC | 100% |
| Twin Restaurant Investment Company, LLC | Twin Restaurant Development, LLC | 100% |
| Twin Restaurant Investment Company II, LLC | Twin Restaurant Development, LLC | 100% |
| Twin Restaurant IP, LLC | Twin Restaurant Holding, LLC | 100% |
| Twin Restaurant JV Management, LLC | Twin Restaurant JV Holding, LLC | 100% |
| Twin Restaurant Lakeland, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Lewisville, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Little Rock, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant Live Oak, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Live Oak Beverage Holding, LLC | Twin Restaurant Live Oak Management, LLC | 100% |
| Twin Restaurant Live Oak Management, LLC | Twin Restaurant Live Oak, LLC | 100% |
| Twin Restaurant Live Oak RE, LLC | Twin Restaurant RE, LLC | 100% |
| Twin Restaurant LV -2 LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant McKinney, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant McKinney Beverage Holding, LLC | Twin Restaurant McKinney, LLC | 100% |
| Twin Restaurant McKinney RE, LLC | Twin Restaurant RE, LLC | 100% |
| Twin Restaurant Midland, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Midland Beverage Holding, LLC | Twin Restaurant Midland, LLC | 100% |
| Twin Restaurant N Irving, LLC | Twin Restaurant Investment Company, LLC | 100% |
| Twin Restaurant N Irving Beverage Holding, LLC | Twin Restaurant N Irving, LLC | 100% |
| Twin Restaurant Northlake, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Oakbrook, LLC | Twin Restaurant Investment Company II, LLC | 85.5% |
| Twin Restaurant Oakbrook, LLC | Twin Restaurant, LLC | 14.5% |
| Twin Restaurant Odessa, LLC | Twin Restaurant Investment Company, LLC | 100% |
| Twin Restaurant Odessa Beverage Holding, LLC | Twin Restaurant Odessa, LLC | 100% |
| Twin Restaurant Park North, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant Park North Beverage Holding, LLC | Twin Restaurant Park North Management, LLC | 100% |
| Twin Restaurant Park North Management, LLC | Twin Restaurant Park North, LLC | 100% |
| Twin Restaurant Plano, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant RE, LLC | Twin Restaurant Holding, LLC | 100% |

| | | |
|---|---|---|
| Twin Restaurant S Fort Worth, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant S Fort Worth Beverage Holding, LLC | Twin Restaurant S Fort Worth, LLC | 100% |
| Twin Restaurant San Angelo, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant San Angelo Beverage Holding, LLC | Twin Restaurant San Angelo Management, LLC | 100% |
| Twin Restaurant San Angelo Management, LLC | Twin Restaurant San Angelo, LLC | 100% |
| Twin Restaurant San Antonio, LLC | Twin Restaurant Investment Company, LLC | 100% |
| Twin Restaurant San Antonio Beverage Holding, LLC | Twin Restaurant San Antonio, LLC | 100% |
| Twin Restaurant San Marcos, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant San Marcos Beverage Holding, LLC | Twin Restaurant San Marcos Management, LLC | 100% |
| Twin Restaurant San Marcos Management, LLC | Twin Restaurant San Marcos, LLC | 100% |
| Twin Restaurant Sarasota, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Sarasota RE, LLC | Twin Restaurant RE, LLC | 100% |
| Twin Restaurant Sunland Park, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant Sunland Park Beverage Holding, LLC | Twin Restaurant Sunland Park, LLC | 100% |
| Twin Restaurant Terrell, LLC | Twin Restaurant, LLC | 100% |
| Twin Restaurant Terrell Beverage Holding, LLC | Twin Restaurant Terrell, LLC | 100% |
| Twin Restaurant Terrell RE, LLC | Twin Restaurant RE, LLC | 100% |
| Twin Restaurant Viva Las Vegas, LLC | Twin Restaurant Development, LLC | 100% |
| Twin Restaurant Warrenville, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant Western Center, LLC | Twin Restaurant Investment Company, LLC | 100% |
| Twin Restaurant Western Center Beverage Holding, LLC | Twin Restaurant Western Center, LLC | 100% |
| Twin Restaurant Westover, LLC | Twin Restaurant Investment Company II, LLC | 100% |
| Twin Restaurant Westover Beverage Holding, LLC | Twin Restaurant Westover, LLC | 100% |
| Twin Restaurant JV Holding, LLC | Twin Restaurant Holding, LLC | 100% |
| Barbeque Integrated, Inc. | Twin Hospitality I, LLC | 100% |
| Smokey Bones (Florida), LLC | Barbeque Integrated, Inc. | 100% |
| GMR of Pennsylvania—SB Properties, LLC | Barbeque Integrated, Inc. | 100% |
| Integrated Card Solutions, LLC | Barbeque Integrated, Inc. | 100% |

**Exhibit A to**

**Guarantee and Collateral Agreement**

ASSUMPTION AGREEMENT, dated as of _____, 20___ (this "Assumption Agreement"), made by _____ a _____ (the "Additional Guarantor"), in favor of UMB BANK, NATIONAL ASSOCIATION, as Trustee and securities intermediary under the Indenture referred to below (in such capacity, together with its successors, the "Trustee"). All capitalized terms not defined herein shall have the meaning ascribed to them in the Base Indenture Definitions List attached to the Base Indenture (as defined below) as Annex A thereto.

W I T N E S S E T H:

WHEREAS, Twin Hospitality I, LLC, a Delaware limited liability company (the "Issuer") and the Trustee have entered into that certain Base Indenture dated as of November 21, 2024 (the "Base Indenture" and, together with all Series Supplements, the "Indenture"), providing for the issuance from time to time of one or more Series of Notes thereunder; and

WHEREAS, in connection with the Base Indenture, the Guarantors and the Trustee entered into that certain Guarantee and Collateral Agreement, dated as of November 21, 2024 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time) (the "Guarantee and Collateral Agreement") in favor of the Trustee for the benefit of the Secured Parties;

WHEREAS, the Base Indenture requires the Additional Guarantors to become a party to the Guarantee and Collateral Agreement; and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Guarantor, as provided in Section 8.11 of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder. In furtherance of the foregoing, the Additional Guarantor, as security for the payment and performance in full of the Issuer Obligations, does (x) hereby create and grant to the Trustee for the benefit of the Secured Parties a security interest in all of the Additional Guarantor's right, title and interest in and to the Collateral of the Additional Guarantor in accordance with the terms of the Guarantee and Collateral Agreement and subject to the exceptions set forth therein and (y) jointly and severally with the other Guarantors, unconditionally and irrevocably hereby guarantee the prompt and complete payment and performance by the Issuer when due (whether at the stated maturity, by acceleration or otherwise, but after giving effect to all applicable grace periods) of the Issuer Obligations. Each reference to a "Guarantor" in the Guarantee and Collateral Agreement shall be deemed to include the Additional Guarantor. The Guarantee and Collateral Agreement is hereby incorporated herein by reference. The information set forth in Annex 1-A hereto (A) is true and correct as of the date hereof in all material respects and (B) is hereby added to the information set forth in Schedule 4.5 to the Guarantee and Collateral Agreement and such Schedule shall be deemed so amended. The Additional Guarantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Guarantee and Collateral Agreement applicable to it is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date. [The Additional Guarantor is designated as [a Franchise Entity] [an IP Guarantor] [a Company Restaurant Guarantor].]

2. Representations of Additional Guarantor. The Additional Guarantor represents and warrants to the Trustee for the benefit of the Secured Parties that this Assumption Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

3. Counterparts; Binding Effect. This Assumption Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which taken together shall constitute a single contract. This Assumption Agreement shall become effective when (a) the Trustee shall have received a counterpart of this Assumption Agreement that bears the signature of the Additional Guarantor and (b) the Trustee has executed a counterpart hereof. Delivery of an executed counterpart of a signature page of this Assumption Agreement by .pdf file in an email shall be effective as delivery of a manually executed counterpart of this Assumption Agreement. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Assumption Agreement and any related document, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Assumption Agreement, any addendum or amendment hereto or any related document necessary may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("UETA") and any applicable state law. Electronic signature shall mean any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto.

4. Full Force and Effect. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

5. Severability. In case any provision in this Agreement or any other Transaction Document shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6. Notices. All communications and notices hereunder shall be in writing and given as provided in Section 8.2 of the Guarantee and Collateral Agreement. All communications and notices hereunder to the Additional Guarantor shall be given to it at the address set forth under its signature below.

7. Fees and Expenses. The Additional Guarantor agrees to reimburse the Trustee for its reasonable and documented out-of-pocket expenses in connection with the execution and delivery of this Assumption Agreement, including the reasonable fees and disbursements of outside counsel for the Trustee.

**8. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GUARANTOR]

By: _____
Name:
Title:
Address:
Attention:
Email:

AGREED TO AND ACCEPTED

UMB BANK, NATIONAL ASSOCIATION,
in its capacity as Trustee

By: _____
Name:
Title:

**GUARANTOR OWNERSHIP RELATIONSHIPS**

| ENTITY | OWNED BY | SUBSIDIARIES |
|---|---|---|
| | | |
| | | |

**Exhibit 10.11**

# MANAGEMENT AGREEMENT

Dated as of November 21, 2024

by and among

TWIN HOSPITALITY I, LLC, as Issuer,

THE OTHER SECURITIZATION ENTITIES PARTY
HERETO FROM TIME TO TIME,

TWIN HOSPITALITY GROUP INC., as the Manager,

and

UMB BANK, N.A., as the Trustee

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**MANAGEMENT AGREEMENT**

This MANAGEMENT AGREEMENT, dated as of November 21, 2024 (the "**Closing Date**") (as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "**Agreement**"), is entered into by and among the following parties:

a) Twin Hospitality I, LLC, a Delaware limited liability company (together with its successors and assigns, the "**Issuer**");

b) Twin Restaurant N Irving Beverage Holding, LLC, a Texas limited liability company (the "**Brewery Guarantor**");

c) Twin Restaurant Franchise, LLC, a Delaware limited liability company, and Twin Restaurant International Franchise, LLC, a Texas limited liability company (each, a "**Franchise Entity**" and together with their respective successors and assigns, the "**Franchise Entities**");

d) TP Franchise Austin, LLC, a Texas limited liability company, TP Franchise Round Rock, LLC, a Texas limited liability company, TP Franchise Venture I, LLC, a Delaware limited liability company, TP Texas Beverages, LLC, a Texas limited liability company, Twin Peaks Buyer, LLC, a Delaware limited liability company, Twin Restaurant, LLC, a Delaware limited liability company, Twin Restaurant Amarillo, LLC, a Texas limited liability company, Twin Restaurant Amarillo Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Amarillo Management, LLC, a Texas limited liability company, Twin Restaurant Beverage - Texas, LLC, a Texas limited liability company, Twin Restaurant Beverage Holding, LLC, a Delaware limited liability company, Twin Restaurant Broomfield, LLC, a Colorado limited liability company, Twin Restaurant Burleson, LLC, a Texas limited liability company, Twin Restaurant Burleson Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Burleson Management, LLC, a Texas limited liability company, Twin Restaurant Centennial, LLC, a Colorado limited liability company, Twin Restaurant Denver, LLC, a Colorado limited liability company, Twin Restaurant Denver, LLC, a Texas limited liability company, Twin Restaurant Development, LLC, a Texas limited liability company, Twin Restaurant El Paso, LLC, a Texas limited liability company, Twin Restaurant EL Paso Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Frisco, LLC, a Delaware limited liability company, Twin Restaurant Grand Prairie, LLC, a Texas limited liability company, Twin Restaurant Grand Prairie Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Grand Prairie Management, LLC, a Texas limited liability company, Twin Restaurant Holding, LLC, a Delaware limited liability company, Twin Restaurant Investment Company, LLC, a Texas limited liability company, Twin Restaurant Investment Company II, LLC, a Texas limited liability company, Twin Restaurant IP, LLC, a Delaware limited liability company, Twin Restaurant Lewisville, LLC, a Delaware limited liability company, Twin Restaurant Little Rock, LLC, an Arkansas limited liability company, Twin Restaurant Live Oak, LLC, a Texas limited liability company, Twin Restaurant Live Oak Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Live Oak Management, LLC, a Texas limited liability company, Twin Restaurant LV -2 LLC, a Nevada limited liability company, Twin Restaurant Midland, LLC, a Texas limited liability company, Twin Restaurant Midland Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant N Irving, LLC, a Texas limited liability company, Twin Restaurant Oakbrook, LLC, an Illinois limited liability company, Twin Restaurant Odessa, LLC, a Texas limited liability company, Twin Restaurant Odessa Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Park North, LLC, a Texas limited liability company, Twin Restaurant Park North Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Park North Management, LLC, a Texas limited liability company, Twin Restaurant RE, LLC, a Texas limited liability company, Twin Restaurant S Fort Worth, LLC, a Texas limited liability company, Twin Restaurant S Fort Worth Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant San Angelo, LLC, a Texas limited liability company, Twin Restaurant San Angelo Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant San Angelo Management, LLC, a Texas limited liability company, Twin Restaurant San Antonio, LLC, a Texas limited liability company, Twin Restaurant San Antonio Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant San Marcos, LLC, a Texas limited liability company, Twin Restaurant San Marcos Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant San Marcos Management, LLC, a Texas limited liability company, Twin Restaurant Sunland Park, LLC, a Texas limited liability company, Twin Restaurant Sunland Park Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Viva Las Vegas, LLC, a Texas limited liability company, Twin Restaurant Warrenville, LLC, an Illinois limited liability company, Twin Restaurant Western Center, LLC, a Texas limited liability company, Twin Restaurant Western Center Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant Westover, LLC, a Texas limited liability company, Twin Restaurant Westover Beverage Holding, LLC, a Texas limited liability company, Twin Restaurant JV Holding, LLC, a Delaware limited liability company, TPJV2, LLC, a Delaware limited liability company, Twin Restaurant Brandon, LLC, a Delaware limited liability company, Twin Restaurant FL Payroll, LLC, a Delaware limited liability company, Twin Restaurant JV Management, LLC, a Delaware limited liability company, Twin Restaurant Lakeland, LLC, a Delaware limited liability company, Twin Restaurant Live Oak RE, LLC, a Texas limited liability company, Twin Restaurant McKinney, LLC, a Delaware limited liability company, Twin Restaurant McKinney Beverage Holding, LLC, a Delaware limited liability company, Twin Restaurant McKinney RE, LLC, a Delaware limited liability company, Twin Restaurant Northlake, LLC, a Texas limited liability company, Twin Restaurant Plano, LLC, a Texas limited liability company, Twin Restaurant Sarasota, LLC, a Delaware limited liability company, Twin Restaurant Sarasota RE, LLC, a Delaware limited liability company, Twin Restaurant Terrell, LLC, a Delaware limited liability company, Twin Restaurant Terrell Beverage Holding, LLC, a Delaware limited liability company, Twin Restaurant Terrell RE, LLC, a Delaware limited liability company, Barbeque Integrated, Inc., a Delaware corporation, Smokey Bones (Florida), LLC, a Delaware limited liability company, GMR of Pennsylvania-SB Properties, LLC, a Delaware limited liability company and Integrated Card Solutions, LLC, a Delaware limited liability company (together with the Brewery Guarantor, the Franchise Entities, each Additional Guarantor that may join this Agreement pursuant to Section 8.16 hereof and each of their respective successors and assigns, the "**Guarantors**" and, each, a "**Guarantor**", and the Guarantors together with the Issuer, the "**Securitization Entities**");

e) Twin Hospitality Group Inc., a Delaware corporation, as Manager (in its individual capacity and as Manager, together with its successors and assigns, the "**Manager**");

f) UMB Bank, N.A., not in its individual capacity but solely as the indenture trustee (together with its successor and assigns, the "**Trustee**"); and

g) consented to by Citadel SPV LLC, as Control Party.

Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms or incorporated by reference in Annex A to the Base Indenture (as defined below).

**RECITALS**

WHEREAS, the Issuer has entered into that certain Base Indenture, dated as of November 21, 2024, with the Trustee (together with the Series Supplements thereto, and as the same may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**Indenture**" or the "**Base Indenture**"), pursuant to which the Issuer is issuing the Series 2024-1 Class A-2-I Notes, Class A-2-II Notes, Class B-2 Notes, Class M-2 Notes, Class A2IIB2 Notes and Class A2IIB2M2 Notes, and may issue additional series of notes from time to time (collectively, the "**Notes**") on the terms described therein;

WHEREAS, the Issuer has granted to the Trustee on behalf of the Secured Parties a Lien in the Collateral owned by it pursuant to the terms of the Indenture;

WHEREAS, from and after the Closing Date, all New Assets have been and will continue to be originated by the Securitization Entities;

WHEREAS, each of the Securitization Entities desires to enter into this Agreement to provide for, among other things, the managing of the respective rights, powers, duties and obligations of the Securitization Entities under or in connection with the Company Restaurants (including the related Company Restaurant Assets), the Contribution Agreements, the Company Restaurant Leases, the Development Agreements, the Equipment Leases, the Franchise Agreements, the Franchisee Notes, the Product Sourcing Assets, the Real Estate Assets, the Securitization IP, the New Assets and each Securitization Entity's equity interests in each other Securitization Entity owned by it and in connection with any other assets acquired by or transferred to the Securitization Entities (collectively, the "**Managed Assets**"), and to enforce such Securitization Entity's rights and powers and perform such Securitization Entity's duties and obligations under the Managed Documents (as defined below) and the Transaction Documents to which it is party, all in accordance with the Managing Standard (as defined below);

WHEREAS, each of the Guarantors desires to appoint (or reappoint, as applicable) the Manager as its agent for providing comprehensive Intellectual Property services, including filing for registration, clearance, maintenance, protection, enforcement, licensing, and recording transfers of the Securitization IP in accordance with the Managing Standard and as provided in Section 2.1(c) and Section 4.3(b); and

WHEREAS, the Manager desires to enforce such rights and powers and perform such obligations and duties, all in accordance with the Managing Standard.

NOW THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth, the parties hereto agree as follows:

**Article I**
**DEFINITIONS**

Section 1.1 Certain Definitions. For all purposes of this Agreement, capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in Annex A to the Base Indenture. In addition, the following terms shall have the following meanings:

"**Acceptable Exchange**" means any of the following markets or exchanges on which the Pledged Shares are listed or quoted for trading on the date in question: the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock exchange, or the NYSE American or any other "national securities exchange" designated as such from time to time by the United States Securities and Exchange Commission and acceptable to the "Controlling Class Representative" (as defined under the FBRH Indenture).

"**Advertising Fees**" has the meaning set forth in Section 2.2(d).

"**Advertising Fund Account**" has the meaning set forth in Section 2.2(d).

"**After-Acquired Securitization IP**" means all Securitization IP acquired by a Guarantor after the Closing Date pursuant to an IP Licensing Agreement or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Beer Distributor**" means Ben E. Keith Company, a Texas corporation.

"**Branded Restaurant**" means collectively the Franchised Restaurants and the Company Restaurants.

"**Change in Management**" will occur if more than 50% of the Leadership Team is terminated and/or resigns within 12 months after the date of the occurrence of a Change of Control; provided, in each case, that termination and/or resignation of such officer will not include (i) a change in such officer's status in the ordinary course of succession so long as such officer remains affiliated with the Manager or its Subsidiaries as an officer or director, or in a similar capacity, (ii) retirement of any officer or (iii) death or incapacitation of any officer; provided further, and notwithstanding the foregoing, a "Change in Management" shall not be deemed to occur if arising from or in connection with a Qualified Equity Offering.

"**Change of Control**" means an event or a series of events by which (a) individuals who on the date hereof constituted the Board of Directors of the Manager, together with any new directors whose election by the Board of Directors or whose nomination for election by the equity holders of the Manager was approved by a majority of the directors then still in office who were either directors or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors of the Manager then in office or (b) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) other than FAT Brands or its Affiliates is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the issued and outstanding voting stock of the Manager; provided, and notwithstanding the foregoing, a "Change of Control" shall not be deemed to occur due to the reorganization transactions contemplated by the Manager prior to the Twin Peaks Listing Event as described in the Form 10 filed by the Manager on November 1, 2024.

"**Company Restaurant(s)**" means any Branded Restaurant(s) that are owned and operated by one or more Securitization Entities, including Branded Restaurants that a Securitization Entity reacquires from Franchisees from time to time.

"**Company Restaurant Account**" has the meaning set forth in Section 2.2(h).

"**Company Restaurant Assets"** means all of the assets owned by a Company Restaurant Guarantor associated with owning and operating the Company Restaurants (such as furnishings, cooking equipment, cooking supplies and computer equipment).

"**Company Restaurant Collections**" means all cash revenues (including gift card redemption amounts but excluding proceeds of the initial sale of gift cards), credit card and debit card proceeds generated by Company Restaurants including Pass-Through Amounts.

"**Company Restaurant Guarantors**" means (i) TP Franchise Austin, LLC, a Texas limited liability company; (ii) TP Franchise Round Rock, LLC, a Texas limited liability company; (iii) Twin Restaurant Amarillo, LLC, a Texas limited liability company; (iv) Twin Restaurant Broomfield, LLC, a Colorado limited liability company; (v) Twin Restaurant Burleson, LLC, a Texas limited liability company; (vi) Twin Restaurant Centennial, LLC, a Colorado limited liability company; (vii) Twin Restaurant Denver, LLC, a Colorado limited liability company; (viii) Twin Restaurant Denver, LLC, a Texas limited liability company; (ix) Twin Restaurant El Paso, LLC, a Texas limited liability company; (x) Twin Restaurant Frisco, LLC, a Delaware limited liability company; (xi) Twin Restaurant Grand Prairie, LLC, a Texas limited liability company; (xii) Twin Restaurant Lewisville, LLC, a Delaware limited liability company; (xiii) Twin Restaurant Little Rock, LLC, an Arkansas limited liability company; (xiv) Twin Restaurant Live Oak, LLC, a Texas limited liability company; (xv) Twin Restaurant LV -2, LLC, a Nevada limited liability company; (xvi) Twin Restaurant Midland, LLC, a Texas limited liability company; (xvii) Twin Restaurant N Irving, LLC, a Texas limited liability company; (xviii) Twin Restaurant Oakbrook, LLC, an Illinois limited liability company; (xix) Twin Restaurant Odessa, LLC, a Texas limited liability company; (xx) Twin Restaurant Park North, LLC, a Texas limited liability company; (xxi) Twin Restaurant S Fort Worth, LLC, a Texas limited liability company; (xxii) Twin Restaurant San Angelo, LLC, a Texas limited liability company; (xxiii) Twin Restaurant San Antonio, LLC, a Texas limited liability company; (xxiv) Twin Restaurant San Marcos, LLC, a Texas limited liability company; (xxv) Twin Restaurant Sunland Park, LLC, a Texas limited liability company; (xxvi) Twin Restaurant Warrenville, LLC, an Illinois limited liability company; (xxvii) Twin Restaurant Western Center, LLC, a Texas limited liability company; (xxviii) Twin Restaurant Westover, LLC, a Texas limited liability company; (xxix) TPJV2, LLC, a Delaware limited liability company; (xxx) Twin Restaurant Brandon, LLC, a Delaware limited liability company; (xxxi) Twin Restaurant JV Management, LLC, a Delaware limited liability company; (xxxii) Twin Restaurant Lakeland, LLC, a Delaware limited liability company; (xxxiii) Twin Restaurant McKinney, LLC, a Delaware limited liability company; (xxxiv) Twin Restaurant Northlake, LLC, a Texas limited liability company; (xxxv) Twin Restaurant Plano, LLC, a Texas limited liability company; (xxxvi) Twin Restaurant Terrell, LLC, a Delaware limited liability company; (xxxvii) Barbeque Integrated, Inc., a Delaware corporation; (xxxviii) Twin Restaurant Sarasota, LLC, a Delaware limited liability company; and (xxxix) any Additional Guarantor that is designated as a "Company Restaurant Guarantor".

"**Company Restaurant Leases**" means the leases from landlords related to properties on which Company Restaurants are located that were contributed to, distributed to or otherwise acquired by a Company Restaurant Guarantor on or prior to the Closing Date.

"**Company Restaurant Licenses**" means any IP license granted by a Guarantor with respect to a Company Restaurant.

"**Company Restaurant Royalty Payments**" means the royalty payments paid by the Company Restaurant Guarantors to the Concentration Account pursuant to the Management Agreement in an amount equal to 5% of Company Restaurant Collections.

"**Confidential Information**" means trade secrets and other information (including know how, ideas, techniques, recipes, formulas, customer lists, customer information, financial information, business methods and processes, marketing plans, specifications, and other similar information as well as internal materials prepared by the owner of such information containing or based, in whole or in part, on any such information) that is confidential and proprietary to its owner and that is disclosed by one party to an agreement to another party thereto whether in writing or disclosed orally, and whether or not designated as confidential.

"**Controlled Group**" means any group of trades or businesses (whether or not incorporated) under common control within the meaning of Section 4001(b)(1) of ERISA that is treated as a single employer for purposes of Section 302 or Title IV of ERISA.

"**Current Practice**" means, in respect of any action or inaction, the practices, standards and procedures of the Securitization Entities or the Manager on their behalf as performed on or that would have been performed immediately before the Closing Date.

"**Defective New Asset**" means any New Asset that does not satisfy the applicable representations and warranties of ARTICLE V hereof on the New Asset Addition Date for such New Asset.

"**Development Agreement**" means a development agreement for a Branded Restaurant pursuant to which a Franchisee, developer or other Person obtains the rights to develop (in order to operate as a Franchisee) one or more Branded Restaurants within a designated geographical area.

"**Discloser**" has the meaning set forth in Section 7.1.

"**Disentanglement**" has the meaning set forth in Section 6.3(a).

"**Disentanglement Period**" means the period commencing on the (A) delivery of the Termination Notice to the Manager (or date of automatic termination, upon the occurrence of any Manager Termination Event described in clauses (vi) or (vii) in the definition of Manager Termination Event) or (B) delivery of a resignation notice by the Manager and ending on the date on which a Successor Manager or the re-engaged Manager assumes all of the obligations of the Manager under this Agreement.

"**Distribution Agreement**" means the Distribution Agreement, dated January 27, 2014, between the Beer Distributor and the Brewery Guarantor, pursuant to which the Beer Distributor sells and distributes the Brewery's beer to Branded Restaurants in the State of Texas.

"**Distributor**" means any distributor (including the Beer Distributor) of Products to Franchisees, Company Restaurants or any other Persons.

"**Equipment Lease**" means any equipment lease pursuant to which a Franchisee leases from a Securitization Entity equipment used to operate a Branded Restaurant, together with any residual interest in the related equipment and any security interest in such equipment.

"**Final Offering Memorandum**" means the offering memorandum, dated as of November 20, 2024.

"**Franchise Agreements**" means a franchise agreement whereby a Franchisee agrees to operate a Branded Restaurant.

"**Franchise Entities**" has the meaning set forth in the preamble.

"**Franchised Restaurant Leases**" means (a) leases from landlords unaffiliated with the Securitization Entities in respect of which a Securitization Entity is the prime lessee and a Franchisee or other Person is the sub-lessee executed or acquired by such Securitization Entity and (b) leases or subleases in respect of which a Securitization Entity is the lessor or sublessor and a Franchisee or other Person is the lessee or sublessee.

"**Franchised Restaurants**" means a Branded Restaurant owned and operated by a Franchisee.

"**Franchisee Note**" means any franchisee note entered into by a Securitization Entity or any other franchisee note or other franchisee financing agreement entered into in order to finance the payment of franchisee fees or other amounts owing by a Franchisee.

"**Guarantors**" has the meaning set forth in the preamble.

"**Indemnitee**" has the meaning set forth in Section 2.7(a).

"**Indenture**" has the meaning set forth in the recitals.

"**Independent Auditors**" has the meaning set forth in Section 3.2.

"**IP License Agreement**" means any license to or for the use of Intellectual Property to which a Guarantor is a party.

"**IP Services**" means (i) performing and exercising each Guarantor's rights and obligations under any IP License Agreement (and any other agreements pursuant to which each Guarantor licenses the use of any Securitization IP); and (ii) acquiring, developing, managing, maintaining, protecting, enforcing, defending, licensing, sublicensing and undertaking such duties and services as may be necessary in connection with the Securitization IP and other intellectual property owned or held by each Guarantor, in each case in accordance with and subject to the terms of the Management Agreement (including the Managing Standard, unless a Guarantor determines, in its sole discretion, that additional action is necessary or desirable in furtherance of the protection of the Securitization IP, in which case the Manager shall perform such IP Services and additional related services as are reasonably requested by such Guarantor), the Indenture, the other Transaction Documents and the Managed Documents, as agent for the Guarantors, including the following activities: (a) searching, screening and clearing After-Acquired Securitization IP to assess patentability, registrability and the risk of potential infringement; (b) filing, prosecuting and maintaining applications and registrations for the Securitization IP in the applicable Guarantor's name throughout the world, including timely filing of evidence of use, applications for renewal and affidavits of use and/or incontestability, timely paying of all registration and maintenance fees, responding to third-party oppositions of applications or challenges to registrations, and responding to any office actions, reexaminations, interferences, "inter partes" reviews, post grant reviews, or other office or examiner requests, reviews, or requirements; (c) monitoring third-party use and registration of Trademarks and taking actions the Manager deems appropriate to oppose or contest the use and any application or registration for Trademarks that could reasonably be expected to infringe, dilute or otherwise violate the Securitization IP or the applicable Guarantor's rights therein; (d) confirming each Guarantor's legal title in and to any or all of the Securitization IP, including obtaining written assignments of Securitization IP to the applicable Guarantor and recording transfers of title in the appropriate intellectual property registry in the United States; (e) with respect to each Guarantor's rights and obligations under the IP License Agreement and any Transaction Documents, monitoring the licensee's use of each licensed Trademark and the quality of its goods and services offered in connection with such Trademarks, rendering any approvals (or disapprovals) that are required under the applicable license agreement(s), and employing reasonable means to ensure that any use of any such Trademarks by any such licensee satisfies the quality control standards and usage provisions of the applicable license agreement; (f) protecting, policing, and, in the event that the Manager becomes aware of any unlicensed copying, imitation, infringement, dilution, misappropriation, unauthorized use or other violation of the Securitization IP, or any portion thereof, enforcing such Securitization IP, including, (i) preparing and responding to cease-and-desist, demand and notice letters, and requests for a license; and (ii) commencing, prosecuting and/or resolving claims or suits involving imitation, infringement, dilution, misappropriation, the unauthorized use or other violation of the Securitization IP, and seeking monetary and equitable remedies as the Manager deems appropriate in connection therewith; provided that each Guarantor shall, and agrees to, join as a party to any such suits to the extent necessary to maintain standing; (g) performing such functions and duties, and preparing and filing such documents, as are required under the Indenture or any other Transaction Document to be performed, prepared and/or filed by the applicable Guarantor, including (i) executing and recording such financing statements (including continuation statements) or amendments thereof or supplements thereto or such other instruments as the Guarantors or the Control Party may, from time to time, reasonably request (consistent with the obligations of the Guarantors to perfect the Trustee's lien only in the United States) in connection with the security interests in the Securitization IP granted by each Guarantor to the Trustee under the Transaction Documents and (ii) preparing, executing and delivering grants of security interests or any similar instruments as the Securitization Entities or the Control Party may, from time to time, reasonably request (consistent with the obligations of the Guarantors to perfect the Trustee's lien only in the United States) that are intended to evidence such security interests in the Securitization IP and recording such grants or other instruments with the relevant Governmental Authority including the PTO and the United States Copyright Office; (h) taking such actions as any licensee under an IP License Agreement may request that are required by the terms, provisions and purposes of such IP License Agreement (or by any other agreements pursuant to which the applicable Guarantor licenses the use of any Securitization IP) to be taken by the applicable Guarantor, and preparing (or causing to be prepared) for execution by each Guarantor all documents, certificates and other filings as each Guarantor shall be required to prepare and/or file under the terms of such IP License Agreement (or such other agreements); (i) paying or causing to be paid or discharged, from funds of the Securitization Entities, any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the Securitization IP or contesting the same in good faith; (j) obtaining licenses of third party Intellectual Property for use and sublicense in connection with the Restaurant Business and the other assets of the Securitization Entities; (k) sublicensing the Securitization IP to suppliers, manufacturers, advertisers and other service providers in connection with the provision of products and services for use in the Restaurant Business; and (l) with respect to Trade Secrets and other confidential information of each Guarantor, taking all reasonable measures to maintain confidentiality and to prevent non-confidential disclosures.

"**Leadership Team**" means the persons holding the following offices immediately prior to the date of the occurrence of a Change of Control: Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, or any other position that contains substantially the same responsibilities as of any of the positions listed above.

"**Licensees**" means, collectively, the Franchisees and the Company Restaurant Guarantors.

"**Managed Assets**" has the meaning set forth in the recitals.

"**Managed Document**" means any contract, agreement, arrangement or undertaking relating to any of the Managed Assets, including the Contribution Agreements, the Franchise Documents, the Franchisee Notes, the Equipment Leases, the Product Sourcing Agreements and the IP License Agreements.

"**Manager**" means Manager, in its capacity as manager hereunder, unless a successor Person shall have become the Manager pursuant to the applicable provisions of the Indenture and this Agreement, and thereafter "Manager" shall mean such successor Person.

"**Manager Advance**" means any advance of funds made by the Manager to, or on behalf of, a Securitization Entity in connection with the operation of the Managed Assets.

"**Manager-Developed IP**" means all Intellectual Property (other than Excluded IP) created, developed, authored, acquired or owned by or on behalf of the Manager and related to (i) any of the Brands, (ii) products or services sold or distributed under any of the Brands, (iii) the Twin Hospitality Systems, or (iv) the Restaurant Business.

"**Manager Termination Event**" has the meaning set forth in Section 6.1(a).

"**Managing Standard**" means standards that (a) are consistent with Current Practice or, to the extent of changed circumstances, practices, technologies, strategies or implementation methods, consistent with the standards as the Manager would implement or observe if the Managed Assets were owned by the Manager at such time; (b) are consistent with Ongoing Practice; (c) will enable the Manager to comply in all material respects with all of the duties and obligations of the Securitization Entities under the Transaction Documents, the Managed Documents and the Franchised Restaurant Leases; (d) are in material compliance with all applicable Requirements of Law; and (e) with respect to the use and maintenance of the Guarantors' rights in and to the Securitization IP, are consistent with the standards imposed by the IP License Agreements.

"**Monthly Management Fee**" means, with respect to each Monthly Allocation Date, the amount of $291,667.66, subject to successive three percent (3%) annual increases; provided, with the consent of the Control Party, acting at the direction of the Controlling Class Representative, such Monthly Management Fee can be increased in the event there is a Successor Manager; provided, further, that such fee shall be waivable by the Manager in its sole discretion following the occurrence of a Twin Peaks Listing Event.

"**New Asset**" means a New Franchise Agreement, a New Development Agreement, a New Real Estate Asset, New Company Restaurant (including the related Company Restaurant Assets), a New Franchisee Note, a New Equipment Lease, a New Product Sourcing Asset or New Company Restaurant Lease entered into or acquired by a Securitization Entity after the Closing Date or any other Managed Asset contributed or otherwise entered into or acquired by the Securitization Entities after the Closing Date.

"**New Asset Addition Date**" means, with respect to any New Asset, the earliest of (i) the date on which such New Asset is acquired by the applicable Securitization Entity, (ii) the later of (a) the date upon which the closing occurs under the applicable contract giving rise to such New Asset and (b) the date upon which all of the diligence contingencies, if any, in the contract for purchase of the applicable New Asset expire and the Securitization Entity acquiring such New Asset no longer has the right to cancel such contract and (iii) if such New Asset is a New Franchise Agreement, New Development Agreement, New Franchisee Note or New Equipment Lease, the date on which the related Securitization Entity begins receiving payments from the applicable Franchisee in respect of such New Asset and (iv) if such New Asset is a New Product Sourcing Asset, the date on which such New Product Sourcing Asset is acquired or becomes effective in accordance with the terms thereof.

"**New Company Restaurant Leases**" means all Company Restaurant Leases entered into by a Securitization Entity following the Closing Date.

"**New Company Restaurants**" means all Company Restaurants acquired by a Securitization Entity following the Closing Date.

"**New Leased Real Property**" has the meaning set forth in Section 5.1(d).

"**New Development Agreements**" means all Development Agreements and related guaranty agreements entered into by a Securitization Entity following the Closing Date.

"**New Equipment Leases**" means all Equipment Leases and related guaranty agreements entered into by a Securitization Entity following the Closing Date.

"**New Franchise Agreements**" means all Franchise Agreements and related guaranty agreements entered into by a Securitization Entity following the Closing Date, in its capacity as franchisor for Branded Restaurants.

"**New Franchised Restaurant Leases**" means all Franchised Restaurant Leases and related documents acquired by a Securitization Entity following the Closing Date.

"**New Franchisee Notes**" means all Franchisee Notes and related guaranty and collateral agreements entered into by a Securitization Entity following the Closing Date.

"**New Owned Real Property**" means all Owned Real Property and related agreements acquired by a Securitization Entity following the Closing Date.

"**New Product Sourcing Agreement**" means all Product Sourcing Agreements entered into by a Securitization Entity following the Closing Date.

"**New Product Sourcing Assets**" means all Product Sourcing Assets and related agreements entered into by a Securitization Entity following the Closing Date.

"**New Real Estate Assets**" means collectively, the New Owned Real Property, the New Franchised Restaurant Leases and the New Company Restaurant Leases.

"**Notes**" has the meaning set forth in the preamble.

"**Offering Memorandum**" means, collectively, the Preliminary Offering Memorandum and the Final Offering Memorandum.

"**Ongoing Practice**" means, in respect of any action or inaction, practices, standards and procedures that are at least as favorable or beneficial as the practices, standards and procedures of any Company Restaurant Guarantor as performed with respect to any Branded Restaurant so long as such practices, standards and procedures with respect to any Branded Restaurant are applicable and reasonably practical to implement with respect to the Brands.

"**Owned Real Property**" means the real property (including the land, buildings and fixtures) owned in fee (as of the Closing Date) by a Securitization Entity.

"**Pledge Agreement**" means that certain Pledge and Security Agreement, to be dated on or about November 21, 2024, by FAT Brands Inc. in favor of UMB Bank, N.A., as trustee under the Base Indenture, dated as of July 10, 2023 (as amended, restated, modified or otherwise supplemented from time to time, the "FBRH Indenture"), between FB Resid Holdings I, LLC and UMB Bank, N.A., as trustee.

"**Pledged Shares**" means the shares of Class A Common Stock, par value $0.0001 per share, of Twin Hospitality Group Inc. (or its successor) that are owned by FAT Brands and not distributed to its shareholders at the time of the Twin Peaks Listing Event.

"**Pension Plan**" means any "employee pension benefit plan," as such term is defined in Section 3(2) of ERISA (other than a Multiemployer Plan), which is subject to Title IV of ERISA and to which any company in the same Controlled Group as the Manager has liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA for any time within the preceding five (5) years or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

"**Post-Opening Services**" means the services required to be performed under the applicable Franchise Documents by the applicable Securitization Entities after the initial opening of a Franchised Restaurant, in each case in accordance with and subject to the terms of this Agreement (including, for the avoidance of doubt, the Managing Standard), the Indenture, the other Transaction Documents and the Managed Documents, including, as may be required under the applicable Franchise Document, (a) meeting with the franchise association for each Brand; (b) providing such Franchisee with the standards established or approved by the applicable Guarantor for use of the applicable Brand; (c) establishing standards of quality, cleanliness, appearance and service at such Franchised Restaurant; (d) collecting and administering the Advertising Fees received pursuant to the applicable Franchise Agreements and the development of all national advertising and promotional programs for the applicable Brand and Branded Restaurants; (e) inspecting such Franchised Restaurant; (f) collecting and administering amounts received under Franchise Agreements in respect of any Brand technology fund and the development of certain of restaurant-level and above-restaurant-level technology systems; (g) providing such Franchisee with the Manager's ongoing training programs and materials designed for use in the Franchised Restaurants; and (h) such other post-opening services as are required to be performed under applicable Franchise Documents; provided that "Post-Opening Services" provided by the Manager hereunder shall not include any "add-on" type corporate services provided by Manager or any Subsidiary thereof to a Franchisee, whether pursuant to the related Franchise Agreement or otherwise, the cost of which is not included in the royalties payable to the relevant Guarantor under such Franchise Agreement, including, repairs and maintenance, gift card administration, employee training, point-of-sale system maintenance and support and development and maintenance of restaurant-level and above-restaurant-level technology systems and other information technology systems, including via any Franchisee supported Brand technology fund. The Manager provides very similar services after the opening of a Company Restaurant.

"**Power of Attorney**" means the authority granted by a Securitization Entity to the Manager pursuant to a Power of Attorney in substantially the form set forth as Exhibit A hereto.

"**Preliminary Offering Memorandum**" means the preliminary offering memorandum, dated as of November 14, 2024.

"**Pre-Opening Services**" means the services required to be performed under the applicable Franchise Documents by the applicable Securitization Entities prior to the initial opening of a Franchised Restaurant, in each case in accordance with and subject to the terms of this Agreement (including, for the avoidance of doubt, the Managing Standard), the Indenture, the other Transaction Documents and the Managed Documents, including, as required under the applicable Franchise Document, (a) providing the applicable Franchisee with standards for the design, construction, equipping and operation of such Franchised Restaurant and the approval of locations meeting such standards; (b) providing such Franchisee with the Manager's programs and materials designed for use in the Franchised Restaurants; (c) providing such Franchisee with manuals, operating guidelines and similar materials, as applicable; and (d) providing such Franchisee with such other assistance in the pre-opening, opening and initial operation of such Franchised Restaurant, as is required to be provided under applicable Franchise Documents; provided that "Pre-Opening Services" provided by the Manager hereunder shall not include any "add-on" type corporate services provided by Manager or any Subsidiary thereof to a Franchisee, whether pursuant to the related Franchise Agreement or otherwise, the cost of which is not included in the royalties payable to the relevant Guarantor under such Franchise Agreement, including, repairs and maintenance, gift card administration, employee training, point-of-sale system maintenance and support and development and maintenance of restaurant-level and above-restaurant-level technology systems and other information technology systems, including via any Franchisee supported Brand technology fund. The Manager provides very similar services prior to the opening of a Company Restaurant.

"**Product Sourcing Advance**" has the meaning ascribed to such term in Section 2.14.

"**Product Sourcing Agreements**" means all agreements for (a) the manufacture and production of Products and (b) the sale of Products to Distributors including the Distribution Agreement for the manufacture and supply of products for re-sale to certain Franchisees, Company Restaurants or any other Persons.

"**Product Sourcing Assets**" means, with respect to each Guarantor, (i) the Product Sourcing Agreements and all Product Sourcing Payments thereon; (ii) the New Product Sourcing Agreements and all Product Sourcing Payments thereon; (iii) all rights to enter into New Product Sourcing Agreements and (iv) any and all other property of every nature, now or hereafter transferred, mortgaged, pledged, or assigned as security for payment or performance of any obligation of any Person to such Guarantor under the Product Sourcing Agreements and all guarantees of such obligations and the rights evidenced by or reflected in the Product Sourcing Agreements, in each case together with all payments, proceeds and accrued and future rights to payment thereon.

"**Product Sourcing Payments**" means all amounts payable to a Guarantor by Distributors with respect to purchases of Products.

"**Products**" means any good sold by any Distributor to a Licensee or any other Person pursuant to current practices, a Product Sourcing Agreement or otherwise.

"**Qualified Equity Offering**" means a public or private offering or issuance by Twin Hospitality Group Inc. of its common equity securities (including securities convertible into or exchangeable for its common equity securities) for cash, excluding (i) any offer, grant or issuance of securities pursuant to a stock option or equity incentive plan approved by the Board of Directors of Twin Hospitality Group Inc. for the benefit of its officers, directors or employees, (ii) any issuance of securities as consideration for the consummation of any merger or acquisition, partnership, joint venture or strategic alliance for primarily non-capital raising purposes, and (iii) the issuance of equity securities upon exercise or conversion of any options, warrants or convertible securities from time to time outstanding.

"**Qualified Equity Offering Proceeds**" means amounts received from the net proceeds received by Twin Hospitality Group Inc. pursuant to a Qualified Equity Offering.

"**Real Estate Assets**" means the Owned Real Property, the Franchised Restaurant Leases and the Company Restaurant Leases.

"**Real Estate Services**" means acquiring, developing, managing, maintaining, protecting, enforcing, defending, leasing and undertaking such other duties and services as may be necessary in connection with the Real Estate Assets, on behalf of each Guarantor, in each case in accordance with and subject to the terms of this Agreement (including, for the avoidance of doubt, the Managing Standard), the Indenture, the other Transaction Documents and the Managed Documents, as agent for the Guarantors, including the following activities: (a) the negotiation, execution and recording (as appropriate) of leases, subleases, deeds and other contracts and agreements relating to the Real Estate Assets; (b) the management of the Real Estate Assets on behalf of each Guarantor, including (i) the management of the Owned Real Property and New Owned Real Property, (ii) the enforcement and exercise of each Guarantor's rights under each lease included in the Real Estate Assets, (iii) the payment, extension, renewal, modification, adjustment, prosecution, defense, compromise or submission to arbitration or mediation of any obligation, suit, liability, cause of action or claim, including taxes, relating to any Real Estate Assets and (iv) the collection of any amounts payable to each Guarantor under the Real Estate Assets, including rent; (c) causing each Guarantor to (i) acquire and enter into agreements to acquire Real Estate Assets and (ii) sell, assign, transfer, encumber or otherwise dispose of all or any portion of the Real Estate Assets in accordance with the Management Agreement and the Indenture; (iii) conduct environmental evaluation and remediation activities on any real property owned or leased by each Guarantor as deemed appropriate by the Manager or as otherwise required under applicable Requirements of Law; (iv) obtaining appropriate levels of title and property insurance with respect to each parcel of Owned Real Property and New Owned Real Property; provided that the level of title insurance maintained on the Closing Date for each parcel of Owned Real Property or the New Owned Real Property owned by a Guarantor on the Closing Date will be deemed to be the appropriate level of title insurance for such Owned Real Property and the New Owned Real Property (whether or not owned on the Closing Date) on and after the Closing Date for purposes of this clause (c); (d) making or causing to be made all repairs and replacements to the existing improvements and the construction of new improvements on the Real Estate Assets; (e) the employment of agents, managers, brokers or other Persons necessary or appropriate to acquire, dispose of, maintain, own, lease, manage and operate the Real Estate Assets; (f) paying or causing to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the Real Estate Assets or contesting the same in good faith; and (g) all other actions or decisions relating to the acquisition, disposition, amendment, termination, maintenance, ownership, leasing, sub-leasing, management and operation of the Real Estate Assets.

"**Recipient**" has the meaning ascribed to such term in Section 7.1.

"**Restaurant Business**" means the business of franchising, licensing or owning Branded Restaurants located in the United States, the manufacturing and sale of Products for use at Branded Restaurants located in the United States and the provision of ancillary goods and services in connection therewith.

"**Restaurant Operating Expenses**" means (a) operating expenses that are incurred by or allocated, in accordance with the Managing Standard, to Company Restaurants in the ordinary course of business relating to the operation of the Company Restaurants, such as the cost of goods sold, labor (including wages, workers' compensation-related expenses and other labor-related expenses for employees in respect of Company Restaurants), repair and maintenance expenses, insurance (including self-insurance), (b) local advertising expenses and Advertising Fees allocable to the Company Restaurants, (c) lease payments to third party landlords with respect to the Company Restaurants, (d) Pass-Through Amounts with respect to the Company Restaurants, (e) debt service and other amounts required to be paid in respect of Prospective Company Restaurant Properties and (f) amounts required to be paid with respect to the Company Restaurants in connection with the Company Restaurant Royalty Payments, if any.

"**Securitization Entities**" has the meaning set forth in the preamble.

"**Services**" means the servicing and administration by the Manager of the Managed Assets, in each case in accordance with and subject to the terms of the Management Agreement (including the Managing Standard), the Indenture, the other Transaction Documents and the Managed Documents for the applicable Securitization Entity, including, without limitation: (a) calculating and compiling information required in connection with any report or certificate to be delivered pursuant to the Transaction Documents; (b) preparing and filing all tax returns and tax reports required to be prepared by any Securitization Entity; (c) paying or causing to be paid or discharged, in each case from funds of the Securitization Entities, any and all taxes, charges and assessments required to be paid under applicable Requirements of Law by any Securitization Entity; (d) performing the duties and obligations of, and exercising and enforcing the rights of, the Securitization Entities under the Transaction Documents, including performing the duties and obligations of each applicable Securitization Entity under the IP License Agreements; (e) taking those actions that are required under the Transaction Documents and Requirements of Law to maintain continuous perfection (where applicable) and priority (subject to Permitted Liens and the exclusions from perfection requirements under the Indenture) of any Securitization Entity's and the Trustee's respective interests in the Collateral; (f) making or causing the collection of amounts owing under the terms and provisions of each Managed Document and the Transaction Documents, including managing (i) the applicable Securitization Entities' rights and obligations under the Franchise Agreements and the Development Agreements (including performing Pre-Opening Services and Post-Opening Services) and (ii) the right to approve amendments, waivers, modifications and terminations of (including extensions, modifications, write-downs and write-offs of obligations owing under) Franchise Documents and other Managed Documents (which amendments to Franchise Agreements may be effected by replacing such Franchise Agreement with a New Franchise Agreement on the then-current form of the applicable Franchise Agreement (which New Franchise Agreement may be executed by a different Franchise Entity than is party to such existing Franchise Agreement)) and to exercise all rights of the applicable Securitization Entities under such Franchise Documents and other Managed Documents; (g) performing due diligence with respect to, selecting and approving new Franchisees, performing due diligence with respect to and approving extensions of credit to Franchisees pursuant to New Franchisee Notes and New Equipment Leases and providing personnel to manage the due diligence, selection and approval process; (h) preparing New Assets, including, among other things, adopting variations to the forms of agreements used in documenting such agreements and preparing and executing documentation of assignments, transfers, terminations, renewals, site relocations and ownership changes, in all cases, subject to and in accordance with the terms of the Transaction Documents; (i) evaluating and approving assignments of Franchise Agreements, Development Agreements, Franchisee Notes and Equipment Leases (and related documents) to third-party franchisee candidates or existing Franchisees and, in accordance with the Managing Standard, arranging for the assignment of Franchise Agreements and related Guarantor Assets to a Non-Securitization Entity until such time as the applicable restaurant is re-franchised to a third party franchisee (a "**Reacquired Restaurant**"); (j) preparing and filing franchise disclosure documents with respect to New Assets complying with franchise industry specific government regulation and applicable Requirements of Law; (k) making Manager Advances and Product Sourcing Advances in its sole discretion; (l) administering the Advertising Fund Accounts and the Management Accounts; (m) performing the duties and obligations and enforcing the rights of the Securitization Entities under the Managed Documents, including entering into new Managed Documents from time to time; (n) arranging for legal services with respect to the Managed Assets, including with respect to the enforcement of the Managed Documents; (o) arranging for or providing accounting and financial reporting services; (p) administering payments from Franchisees and Company Restaurant Guarantors for the development of restaurant-level and above-restaurant-level technology systems; (q) performing due diligence with respect to, selecting and approving new manufacturers and distributors of Products and providing personnel to manage the due diligence, selection and approval process; (r) preparing Product Sourcing Agreements, subject to and in accordance with the terms of the Transaction Documents, and administering the purchase and sale of Products; (s) establishing and servicing supply chain programs with respect to the Branded Restaurants; (t) establishing and/or providing quality control services and standards for food, equipment, suppliers and distributors in connection with the Restaurant Business (including, without limitation, with respect to Product Sourcing Agreements) and monitoring compliance with such standards; (u) performing services with respect to the Product Sourcing Assets and the Brewery; (v) developing new products and services (or modifying any existing products and services) to be offered in connection with the Restaurant Business and the other assets of the Securitization Entities; (w) in connection with the Restaurant Business, developing, modifying, amending and disseminating (i) specifications for restaurant operations, (ii) manuals, operating guidelines and similar materials, as applicable, and (iii) new menu items; (x) performing services with respect to the Real Estate Assets as described below; (y) performing services with respect to the Company Restaurants and Company Restaurant Assets; (z) performing the IP Services; (aa) developing and administering advertising, marketing and promotional programs relating to the Brands and Branded Restaurants; (bb) cooperating with all reasonable requests of the Control Party and/or Back-Up Manager in connection with the performance by such parties of their respective obligations under the Transaction Documents; (cc) obtaining and maintaining applicable liquor licenses and perform any other services that the Manager deems necessary or advisable to operate the Company Restaurants; and (dd) performing such other services as may be necessary or appropriate from time to time and consistent with the Managing Standard and the Transaction Documents in connection with the Managed Assets.

"**Sub-manager**" has the meaning set forth in Section 2.10.

"**Sub-managing Arrangement**" means an arrangement whereby the Manager engages any other Person (including any Affiliate) to perform certain of its duties under this Agreement excluding the fundamental corporate functions of the Manager; provided that (i) area development agreements and master franchise arrangements with Franchisees and temporary arrangements with Franchisees with respect to the management of one or more Branded Restaurants immediately following the termination of the former Franchisee thereof, and (ii) any agreement between the Manager and third-party vendors pursuant to which the Manager purchases a specific product or service or outsources routine administrative functions shall not constitute a Sub-managing Arrangement.

"**Term**" has the meaning set forth in Section 8.1.

"**Termination Notice**" has the meaning set forth in Section 6.1(a).

"**Trustee**" has the meaning set forth in the preamble.

"**Twin Peaks Listing Event**" mean the date on which (i) the dividend of distribution of approximately 5% of the Class A common stock of Twin Hospitality Group Inc. to the shareholders of FAT Brands, (ii) commencing of trading of the Class A common stock of Twin Hospitality Group Inc. on an Acceptable Exchange, (iii) all filings related with respect to the foregoing required pursuant to the rules and regulations of the U.S. Securities and Exchange Commission are effective, (iv) the deposit of the Pledged Shares into the account specified in the Pledge Agreement and (v) the Pledge Agreement is in full force and effect.

Section 1.2 Other Defined Terms.

(a) Each term defined in the singular form in Section 1.1 or elsewhere in this Agreement shall mean the plural thereof when the plural form of such term is used in this Agreement and each term defined in the plural form in Section 1.1 shall mean the singular thereof when the singular form of such term is used herein.

(b) The words "hereof", "herein", "hereunder" and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references herein are references to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified.

(c) Unless as otherwise provided herein, the word "including" as used herein shall mean "including without limitation."

(d) All accounting terms not specifically or completely defined in this Agreement shall be construed in conformity with GAAP.

(e) Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any accounting computation is required to be made, for the purpose of this Agreement, such determination or calculation shall be made, to the extent applicable and except as otherwise specified in this Agreement or the other Transaction Documents, in accordance with GAAP. When used herein, the term "financial statement" shall include the notes and schedules thereto. All accounting determinations and computations hereunder shall be made without duplication.

Section 1.3 Other Terms. All terms used in Article 9 of the UCC as in effect from time to time in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.4 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

Section 1.5 Controlling Class Representative. To the broadest extent possible, the parties hereto agree and acknowledge that a Majority of Controlling Class may operate as the Controlling Class Representative under this Agreement and the other Transaction Documents, and any rights, powers, remedies or privileges of the Controlling Class Representative under this Agreement and the other Transaction Documents may also be exercised, enforced, enjoyed and received by the Majority of Controlling Class, including but not limited to, the authority to make decisions, provide consents, give directions, and take any other actions that the Controlling Class Representative is authorized or permitted to undertake under this Agreement and the other Transaction Documents.

## Article II
## ADMINISTRATION AND SERVICING OF MANAGED ASSETS

Section 2.1 Manager to Act as Manager.

(a) Engagement of the Manager. The Manager is hereby authorized by each Securitization Entity, and hereby agrees, to perform the Services (or refrain from the performance of the Services) subject to and in accordance with the Managing Standard and the terms of this Agreement, the other Transaction Documents and the Managed Documents. With respect to the IP Services, the Manager shall perform such IP Services in accordance with the Managing Standard and the IP License Agreements, unless a Guarantor determines, in its sole discretion, that additional action is necessary or desirable in furtherance of the protection of the Securitization IP, in which case the Manager shall perform such IP Services and additional related services as are reasonably requested by such Guarantor. The Manager, on behalf of the Securitization Entities, shall have full power and authority, acting alone and subject only to the specific requirements and prohibitions of this Agreement and in accordance with the Managing Standard, the Indenture and the other Transaction Documents, to do and take any and all actions, or to refrain from taking any such actions, and to do any and all things in connection with performing the Services that the Manager determines are necessary or desirable. Without limiting the generality of the foregoing, but subject to the provisions of this Agreement, the Indenture and the other Transaction Documents, including Section 2.8, the Manager, in connection with performing the Services, is hereby authorized and empowered to execute and deliver, in the Manager's own name (in its capacity as agent for the applicable Securitization Entity) or in the name of any Securitization Entity (pursuant to the applicable Power of Attorney), on behalf of any Securitization Entity any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Managed Assets. For the avoidance of doubt, the parties hereto acknowledge and agree that the Manager is providing Services directly to each applicable Securitization Entity. Nothing in this Agreement shall preclude the Securitization Entities from performing the Services or any other act on their own behalf at any time and from time to time.

(b) Actions to Perfect Liens. Subject to the terms of the Indenture, including any applicable Series Supplement, the Manager shall take those actions that are required under the Transaction Documents and Requirements of Law to maintain continuous perfection and priority (subject to Permitted Liens) of the Trustee's Lien in the Collateral. Without limiting the foregoing, the Manager shall file or cause to be filed with the appropriate government office the financing statements on Form UCC-1, and assignments of financing statements on Form UCC-3 required pursuant to Section 7.13 of the Base Indenture, and other filings requested by the Securitization Entities, the Control Party or the Back-Up Manager, to be filed in connection with the Contribution Agreements, the IP License Agreements, the Securitization IP, the Indenture and the other Transaction Documents.

(c) Ownership of Manager-Developed IP.

(i) The Manager acknowledges and agrees that all Securitization IP, including any Manager-Developed IP arising during the Term, shall, as between the parties, be owned by and inure exclusively to the applicable Guarantor. Any copyrightable material included in such Manager-Developed IP shall, to the fullest extent allowed by law, be considered a "work made for hire" as that term is defined in Section 101 of the U.S. Copyright Act of 1976, as amended, and owned by the applicable Guarantor. The Manager hereby irrevocably assigns and transfers, without further consideration, all right, title and interest in such Manager-Developed IP (and all goodwill connected with the use of and symbolized by Trademarks included therein) to the applicable Guarantor. Notwithstanding the foregoing, the Manager-Developed IP to be transferred to the applicable Guarantor shall include rights to use third party Intellectual Property only to the extent (but to the fullest extent) that such rights are assignable or sublicensable to the applicable Guarantor. All applications to register Manager-Developed IP shall be filed in the name of the applicable Guarantor.

(ii) The Manager agrees to cooperate in good faith with each Guarantor for the purpose of securing and preserving the Guarantor's rights in and to the applicable Manager-Developed IP, including executing any documents and taking any actions, at the Guarantor's reasonable request, or as deemed necessary or advisable by the Manager, to confirm, file and record in any appropriate registry the Guarantor's sole legal title in and to such Manager-Developed IP, it being acknowledged and agreed that any expenses in connection therewith shall be paid by the requesting Guarantor. The Manager hereby appoints each Guarantor as its attorney-in-fact authorized to execute such documents in the event that Manager fails to execute the same within twenty (20) days following the Guarantor's written request to do so (it being understood that such appointment is a power coupled with an interest and therefore irrevocable) with full power of substitution and delegation.

(d) Grant of Power of Attorney. In order to provide the Manager with the authority to perform and execute its duties and obligations as set forth herein, the Securitization Entities shall execute and deliver on the Closing Date a Power of Attorney in substantially the form set forth as Exhibit A hereto to the Manager, which Powers of Attorney shall terminate in the event that the Manager's rights under this Agreement are terminated as provided herein.

(e) Franchisee Insurance. The Manager acknowledges that, to the extent that it or any of its Affiliates is named as a "loss payee" or "additional insured" under any insurance policies of any Franchisee, it shall use commercially reasonable efforts to cause it to be so named in its capacity as the Manager on behalf of the applicable Guarantor, and the Manager shall promptly (i) deposit or cause to be deposited to the applicable Concentration Account or Collection Account any proceeds received by it or by any Securitization Entity or any other Affiliate under such insurance policies (other than amounts described in the following clause (ii)) and (ii) disburse to the applicable Franchisee any proceeds of any such insurance policies payable to such Franchisee pursuant to the applicable Franchise Agreement.

(f) Manager Insurance. The Manager agrees to maintain adequate insurance consistent with the type and amount maintained by the Manager as of the Closing Date, subject, in each case, to any adjustments or modifications made in accordance with the Managing Standard. Such insurance shall cover each of the Securitization Entities, as an additional insured, to the extent that such Securitization Entity has an insurable interest therein.

Section 2.2 Accounts.

(a) Collection of Payments; Remittances; Collection Account. The Manager shall maintain and manage the Management Accounts (and certain other accounts from time to time) in the name of, and for the benefit of, the Securitization Entities. The Manager shall (on behalf of the Securitization Entities) (i) cause the collection of Collections in accordance with the Managing Standard and subject to and in accordance with the Transaction Documents, (ii) make all deposits to and withdrawals from the Management Accounts in accordance with this Agreement (including the Managing Standard), the Indenture and the applicable Managed Documents, and (iii) make all deposits to the Collection Account in accordance with terms of the Indenture.

(b) Deposit of Misdirected Funds; No Commingling; Misdirected Payments. The Manager shall promptly deposit into the Concentration Account, the Collection Account, an Advertising Fund Account or such other appropriate account within three (3) Business Days immediately following Actual Knowledge of the Manager of the receipt thereof and in the form received with any necessary endorsement or in cash, all payments in respect of the Managed Assets incorrectly deposited into another account. In the event that any funds not constituting Collections are incorrectly deposited in any Account, the Manager shall promptly withdraw such amounts after obtaining Actual Knowledge thereof and shall pay such amounts to the Person legally entitled to such funds. Except as otherwise set forth herein, in the Base Indenture or in the Company Restaurant Licenses, the Manager shall not commingle any monies that relate to Managed Assets with its own assets and shall keep separate, segregated and appropriately marked and identified all Managed Assets and any other property comprising any part of the Collateral, and for such time, if any, as such Managed Assets or such other property are in the possession or control of the Manager to the extent such Managed Assets or such other property is Collateral, the Manager shall hold the same in trust for the benefit of the Trustee and the Secured Parties (or, following termination of the Indenture, the applicable Securitization Entity). Additionally, the Manager, promptly after obtaining Actual Knowledge thereof, shall notify the Trustee in the Monthly Manager's Certificate of any amounts incorrectly deposited into any Indenture Trust Account and instruct in the Monthly Manager's Certificate the prompt remittance by the Trustee of such funds from the applicable Indenture Trust Account to the Manager. The Trustee shall have no obligation to verify any information provided to it by the Manager in any Monthly Manager's Certificate and shall remit such funds to the Manager based solely on such Monthly Manager's Certificate.

(c) Investment of Funds in Management Accounts. The Manager shall have the right to invest and reinvest funds deposited in any Management Account in Eligible Investments. All income or other gain from such Eligible Investments will be credited to the related Management Account, and any loss resulting from such investments will be charged to the related Management Account.

(d) Advertising Funds. The Manager may, but shall not be required to, maintain advertising fund accounts (each, an "**Advertising Fund Account**") in the name of the Manager (or a Subsidiary thereof) for fees payable by Franchisees and Company Restaurant Guarantors to fund the national marketing and advertising activities and local advertising cooperatives with respect to each Brand (the "**Advertising Fees**"). Any Advertising Fees received in the Concentration Account or the Company Restaurant Account shall be transferred by the Manager to the applicable Advertising Fund Account. The Manager shall not make or permit or cause any other Person to make or permit any borrowings to be made or Liens to be levied against the Advertising Fund Accounts or the funds therein. The Manager shall apply the amount on deposit in each Advertising Fund Account solely to cover (a) the costs and expenses (including costs and expenses incurred prior to the Closing Date) associated with the administration of such account, (b) general and administrative expenses incurred by the Manager in respect of marketing and advertising activities for the applicable Brand to the extent reimbursable from the Advertising Fees in accordance with the applicable Franchise Agreements, and (c) costs and expenses related to the national and local marketing and advertising programs with respect to the Branded Restaurants. The Manager may make advances to fund deficits in the Advertising Fund Accounts from time to time to the extent that it reasonably expects to be reimbursed for such advances from the proceeds of future Advertising Fees, it being agreed that any such advances shall not constitute Manager Advances. The Manager, acting on behalf of the Securitization Entities, may in accordance with the Managing Standard and the terms of the Franchise Agreements, the Company Restaurant Licenses and the Management Agreement, as applicable, increase or reduce the Advertising Fees required to be paid by the Franchisees and Company Restaurants, respectively, pursuant to the terms of the Franchise Agreements, the Company Restaurant Licenses and the Management Agreement and in accordance with the Managing Standard.

(e) Brand Technology Funds. The Manager may, but shall not be required to, establish and maintain for each Brand technology accounts to hold certain amounts paid by Franchisees and Company Restaurants into any Brand technology fund for the development, maintenance and support of restaurant-level and above restaurant-level technology systems, including, without limitation, point-of-sale system, back of house, mobile order and/or mobile payment systems. The Manager shall not make or permit or cause any other Person to make or permit any borrowings to be made or Liens to be levied against any such accounts or the funds therein. The Manager, acting on behalf of the Securitization Entities, may in accordance with the Managing Standard and the terms of the Franchise Agreements, the Company Restaurant Licenses and the Management Agreement, as applicable, specify or subsequently increase or reduce the amounts required to be paid by the Franchisees and Company Restaurant Guarantors, respectively, into any such Brand technology fund pursuant to the terms of the Franchise Agreements, the Company Restaurant Licenses and the Management Agreement and in accordance with the Managing Standard.

(f) Gift Card Sales and Redemptions. The Manager will be responsible for administering the gift card programs of each Brand and will collect the proceeds of the initial sale of gift cards that are sold on the internet, at Company Restaurants, at third party retail locations or at other gift card vendors in one or more accounts in the name of the Manager (or a Subsidiary thereof). The Manager shall not make or permit or cause any other Person to make or permit any borrowings to be made or Liens to be levied against any such accounts or the funds therein. The Manager will reimburse the applicable Franchisee or Company Restaurant Guarantor with respect to the redemption of gift cards sold at these locations or any portion thereof in accordance with the Manager's normal practices and the Managing Standard. The proceeds of the initial sale of gift cards sold at Branded Restaurants will be held in accounts in the name of selling Franchisee or Company Restaurant Guarantor, and the Manager may engage a third-party vendor to administer reimbursements of the applicable Franchisee or Company Restaurant Guarantor with respect to the redemption of gift cards sold at Branded Restaurants.

(g) Tenant Improvement Funds. The Manager may, but shall not be required to, collect and administer tenant improvement allowances and similar amounts, if any, received from landlords with respect to the New Franchised Restaurant Leases. Any such amounts received from landlords shall be collected and maintained in one or more accounts in the name of the Manager, and will be utilized by the Manager for improvements, renovations or other capital expenditures in respect of real property subject to New Franchised Restaurant Leases or, to the extent any such funds represent a reimbursement of such expenditures previously made by the Manager, may be retained by the Manager. The Manager shall not make or permit or cause any other Person to make or permit any borrowings to be made or Liens to be levied against any such accounts or the funds therein. The Manager shall administer such amounts in accordance with the Managing Standard.

(h) Company Restaurant Account. The Company Restaurant Guarantors shall maintain an account designated as the "Company Restaurant Account" in the name and for the benefit of the Company Restaurant Guarantors (the "**Company Restaurant Account**"), which is funded with Company Restaurant Collections and certain other amounts related to the Company Restaurants. The Manager shall cause all revenue generated from the operation of the Company Restaurants to be deposited into the Company Restaurant Account as follows and otherwise in accordance with the terms of the Transaction Documents:

(i) all cash Company Restaurant Collections (other than gift card redemption amounts) generated by the Company Restaurants within two (2) Business Days following the receipt thereof at such Company Restaurants;

(ii) all credit card and debit card proceeds for Company Restaurant Collections at the Company Restaurants; provided that if such proceeds are not deposited directly into the Company Restaurant Account (including any applicable credit card and debit card sub-account of such Company Restaurant Account), such proceeds will be deposited into the applicable Company Restaurant Account within two (2) Business Days following receipt of such credit card and debit card proceeds; and

(iii) within ten (10) days of the redemption at the Company Restaurant of any gift card or any gift certificate or portion thereof under the gift card program, the amount of any such gift card or gift certificate redemption.

The Manager may withdraw available amounts on deposit in the Company Restaurant Account at any time in accordance with the Managing Standard and as otherwise set forth in the Transaction Documents in order to pay (or to reimburse itself to the extent it has paid) the Restaurant Operating Expenses. In consideration of the right to operate the Company Restaurants, each Company Restaurant Guarantor shall pay the Company Restaurant Royalty Payments to the Concentration Account on a monthly basis. On a monthly basis, the Manager shall cause the Guarantors to pay the Monthly Fiscal Period Company Restaurant Profits True-up Amounts and Monthly Fiscal Period Estimated Company Restaurant Profits Amounts in accordance with the Indenture and other Transaction Documents.

Section 2.3 Records.

(a) The Manager shall, in accordance with the Current Practice, retain all material data (including computerized records) relating directly to, or maintained in connection with, the servicing of the Managed Assets at its address indicated in Section 8.5 (or at an off-site storage facility reasonably acceptable to the Securitization Entities, the Back-Up Manager and the Control Party) or, upon thirty (30) days' notice to the Securitization Entities, the Rating Agencies, if any, the Control Party, the Back-Up Manager and the Trustee, at such other place where the servicing office of the Manager is located (provided that the servicing office of the Manager shall at all times be located in the United States), and shall give the Trustee, the Control Party and the Back-Up Manager access to all such data in accordance with the terms and conditions of the Transaction Documents; provided, however, that the Trustee shall not be obligated to verify, recalculate or review any such data. The Manager acknowledges that the applicable Guarantor or applicable Franchise Entities shall own the Intellectual Property rights in all such data.

(b) If the rights of Manager, as the initial Manager, shall have been terminated in accordance with Section 6.1 or if this Agreement shall have been terminated pursuant to Section 8.1, Manager, as the initial Manager, shall, upon demand of the Trustee (based upon the written direction of the Control Party, acting at the direction of the Controlling Class Representative), in the case of a termination pursuant to Section 6.1, or upon the demand of the Securitization Entities, in the case of a termination pursuant to Section 8.1, deliver to the Successor Manager (or Interim Successor Manager, as the case may be) all data in its possession or under its control (including computerized records) necessary or desirable for the servicing of the Managed Assets.

Section 2.4 Administrative Duties of Manager.

(a) Duties with Respect to the Transaction Documents. The Manager, in accordance with the Managing Standard, shall perform the duties of the applicable Securitization Entities under the Transaction Documents except for those duties that are required to be performed by the equity holders, stockholders, directors, or managers of such Securitization Entity pursuant to applicable Requirements of Law. In furtherance of the foregoing, the Manager shall consult with the managers or the directors, as the case may be, of the Securitization Entities as the Manager deems appropriate regarding the duties of the Securitization Entities under the Transaction Documents. The Manager shall monitor the performance of the Securitization Entities and, promptly upon obtaining Actual Knowledge thereof, shall advise the applicable Securitization Entity when action is necessary to comply with such Securitization Entity's duties under the Transaction Documents. The Manager shall prepare for execution by the Securitization Entities or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates, notices and opinions as it shall be the duty of the Securitization Entities to prepare, file or deliver pursuant to the Transaction Documents.

(b) Duties with Respect to the Securitization Entities. In addition to the duties of the Manager set forth in this Agreement or any of the Transaction Documents, the Manager, in accordance with the Managing Standard, shall perform such calculations and shall prepare for execution by the Securitization Entities or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates, notices and opinions as it shall be the duty of the Securitization Entities to prepare, file or deliver pursuant to applicable law, including, for the avoidance of doubt, securities laws and franchise laws. Pursuant to the directions of the Securitization Entities and in accordance with the Managing Standard, the Manager shall administer, perform or supervise the performance of such other activities in connection with the Securitization Entities as are not covered by any of the foregoing provisions and as are expressly requested by any Securitization Entity and are reasonably within the capability of the Manager.

(c) Duties with Respect to the Company Restaurant Guarantors. In addition to the duties of the Manager set forth in this Agreement or any of the Transaction Documents, the Manager shall perform all of the duties and obligations of the Company Restaurant Guarantors in connection with the operations and ownership of the Company Restaurants, including, without limitation, paying all applicable taxes, collecting revenues generated by the Company Restaurants, maintaining appropriate levels of property and casualty insurance and performing any other activities necessary or desirable for the operation of the Company Restaurants and the development, acquisition, closure and disposition of Company Restaurants, in each case as permitted or required under the Transaction Documents. The Manager shall hire, train and manage employees of the Company Restaurants, including the administration of personnel and human resources on behalf of the Company Restaurant Guarantors and negotiate with vendors, suppliers, distributors and other third parties on behalf of the Company Restaurant Guarantors in connection with the operation of Company Restaurants. Company Restaurant Assets such as furnishings, cooking equipment, cooking supplies and computer equipment are required to be selected and acquired by the Manager on behalf of the Company Restaurant Guarantors and disposed of in accordance with the terms of the other Transaction Documents. The Manager shall implement repairs, maintenance and re-modeling projects at Company Restaurants on behalf of the Company Restaurant Guarantors. The Manager shall obtain and maintain applicable liquor licenses and perform any other services that the Manager deems necessary or advisable to operate the Company Restaurants. The Manager shall develop and implement new menu items to be served at Company Restaurants. The Manager shall perform the duties and obligations and enforce the rights of the Company Restaurant Guarantors pursuant to the terms of the Transaction Documents.

(d) Records. The Manager shall maintain appropriate books of account and records relating to the Services performed under this Agreement, which books of account and records shall be accessible for inspection by the Securitization Entities during normal business hours and upon reasonable notice, and by the Trustee, the Control Party, the Back-Up Manager and the Controlling Class Representative in accordance with Section 3.1(e).

(a) Resignation or Removal of Controlling Class Representative. Pursuant to Section 11.1(d) of the Base Indenture, upon the resignation or removal of a Controlling Class Representative, the Manager shall assist the Issuer with appointing a successor Controlling Class Representative in accordance with the definition of "Controlling Class Representative" set forth in the Base Indenture.

Section 2.5 No Offset. The payment obligations of the Manager under this Agreement shall not be subject to, and the Manager hereby waives, in connection with the performance of such obligations, any right of offset that the Manager has or may have against the Trustee, the Control Party, the Back-Up Manager or the Securitization Entities, whether in respect of this Agreement, the other Transaction Documents or any document governing any Managed Asset or otherwise.

Section 2.6 Compensation and Expenses. As compensation for the performance of its obligations under this Agreement, the Manager shall receive the Monthly Management Fee and the Supplemental Management Fee, if any, on each Monthly Allocation Date out of amounts available therefore under the Indenture on such Monthly Allocation Date in accordance with the Priority of Payments. The Manager shall pay from its own funds all expenses it may incur in performing its obligations hereunder. The Manager may, in its sole discretion, waive payment of any Monthly Management Fee and/or any Supplemental Management Fee.

Section 2.7 Indemnification.

(a) The Manager agrees to indemnify and hold the Securitization Entities, the Trustee, the Back-Up Manager and the Control Party, and their respective members, officers, directors, managers, employees and agents (each, an "**Indemnitee**") harmless against all claims, losses, penalties, fines, forfeitures, liabilities, obligations, damages, actions, suits and related costs and judgments and other costs, fees and reasonable expenses, including reasonable and documented fees, out-of-pocket charges and disbursements of counsel (other than the allocated costs of in-house counsel), that any of them may incur as a result of (i) the failure of the Manager to perform or observe its obligations under this Agreement or any other Transaction Document to which it is a party in its capacity as Manager, (ii) the breach by the Manager of any representation, warranty or covenant under this Agreement or any other Transaction Document to which it is a party in its capacity as Manager; or (iii) the Manager's bad faith, negligence or willful misconduct in the performance of its duties under this Agreement and or the other Transaction Documents; provided, that the Manager shall have no obligation of indemnity to an Indemnitee to the extent any such claims, losses, penalties, fines, forfeitures, liabilities, obligations, damages, actions, suits and related costs and judgments and other costs, fees and reasonable expenses are caused by the bad faith, gross negligence, willful misconduct, or breach of this Agreement by such Indemnitee (unless caused by the Manager with respect to a Securitization Entity). In the event the Manager shall make an indemnification payment pursuant to this Section 2.7(a) the Manager shall promptly pay such indemnification payment directly to the applicable Indemnitee (or, if due to a Securitization Entity, shall deposit such indemnification payment directly to the Collection Account). Notwithstanding anything to the contrary in this Agreement, no indemnification payment shall be due from the Manager to the extent that it constitutes recourse for diminution in the market value of any Managed Assets from and after the Closing Date, other than as may be attributable to any of the foregoing limited circumstances.

(b) [RESERVED]

(c) [RESERVED]

(d) Any Indemnitee that proposes to assert the right to be indemnified under Section 2.7 shall promptly, after receipt of notice of the commencement of any action, suit or proceeding against such party in respect of which a claim is to be made against the Manager, notify the Manager of the commencement of such action, suit or proceeding, enclosing a copy of all papers served. In the event that any action, suit or proceeding shall be brought against any Indemnitee, such Indemnitee shall notify the Manager of the commencement thereof and the Manager shall be entitled to participate in, and to the extent that it shall wish, to assume the defense thereof, with its counsel reasonably satisfactory to such Indemnitee (which, in the case of a Securitization Entity, shall be reasonably satisfactory to the Control Party as well), and after notice from the Manager to such Indemnitee of its election to assume the defense thereof, the Manager shall not be liable to such Indemnitee for any legal expenses subsequently incurred by such Indemnitee in connection with the defense thereof; provided that the Trustee shall not be bound by this sentence except with its prior written consent, which may be withheld in its sole discretion; provided, further, that the Manager shall not enter into any settlement with respect to any claim or proceeding unless such settlement includes a release of such Indemnitee from all liability on claims that are the subject matter of such settlement; and provided, further, that the Indemnitee shall have the right to employ its own counsel in any such action the defense of which is assumed by the Manager in accordance with this Section 2.7(d), but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the employment of counsel by such Indemnitee has been specifically authorized by the Manager, (ii) the Manager is advised in writing by counsel to such Indemnitee or the Control Party that joint representation would give rise to a conflict of interest between such Indemnitee's position and the position of the Manager in respect of the defense of the claim, (iii) the Manager shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnitee in any such action or proceeding or (iv) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnitee and the Manager, and the Indemnitee shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Manager (in which case, the Indemnitee notifies the Manager in writing that it elects to employ separate counsel at the expense of the Manager, the reasonable fees and expenses of such Indemnitee's counsel shall be borne by the Manager and the Manager shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnitee, it being understood, however, that the Manager shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for such fees and expenses of more than one separate firm of attorneys at any time for the Indemnitee). The provisions of this Section 2.7 shall survive the termination of this Agreement or the earlier resignation or removal of any party hereto; provided, however, that no Successor Manager shall be liable under this Section 2.7 with respect to any Defective New Asset or any other matter occurring prior to its succession hereunder. Notwithstanding anything in this Section 2.7 to the contrary, any delay or failure by an Indemnitee in providing the Manager with notice of any action shall not relieve the Manager of its indemnification obligations except to the extent the Manager is materially prejudiced by such delay or failure of notice.

Section 2.8 Nonpetition Covenant. The Manager shall not, prior to the date that is one year and one day, or if longer, the applicable preference period then in effect, after the payment in full of the Outstanding Principal Amount of the Notes of each Series, petition or otherwise invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against any Securitization Entity under any insolvency law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of such Securitization Entity or any substantial part of its property, or ordering the winding up or liquidation of the affairs of such Securitization Entity.

Section 2.9 Franchisor Consent. Subject to the Managing Standard and the terms of the Indenture, the Manager shall have the authority, on behalf of the applicable Securitization Entities, to grant or withhold consents of the "franchisor" required under the Franchise Documents.

Section 2.10 Appointment of Sub-managers. The Manager may enter into Sub-managing Arrangements with third parties (including Affiliates) (each, a "**Sub-manager**") to provide the Services hereunder; provided, other than with respect to a Sub-managing Arrangement with an Affiliate of the Manager, that no Sub-managing Arrangement shall be effective unless and until (i) the Manager receives the consent of the Control Party, (ii) such sub-manager executes and delivers an agreement, in form and substance reasonably satisfactory to the Control Party, to perform and observe, or in the case of an assignment, an assumption by such successor entity of the due and punctual performance and observance of, the applicable covenants and conditions to be performed or observed by the Manager under this Agreement; provided that such Sub-managing Arrangement shall be terminable by the Control Party (acting at the direction of the Controlling Class Representative) upon a Manager Termination Event and shall contain disentanglement and transitional servicing provisions substantially similar to those provided in Section 6.3, (iii) a written notice has been provided to the Trustee, the Back-Up Manager and the Control Party and (iv) such Sub-managing Arrangement, or assignment and assumption by such Sub-manager, satisfies the Rating Agency Condition, if applicable. The Manager shall not enter into any Sub-managing Arrangement which delegates the performance of any fundamental business operations such as responsibility for the franchise development, operations and marketing strategies for the Brands and Branded Restaurants to any Person that is not an Affiliate without receiving the prior written consent of the Control Party. Notwithstanding anything to the contrary herein or in any Sub-managing Arrangement, the Manager shall remain primarily and directly liable for its obligations hereunder and in connection with any Sub-managing Arrangement.

Section 2.11 Insurance/Condemnation Proceeds. Upon receipt of any Insurance/Condemnation Proceeds, the Manager (on behalf of the Securitization Entities) shall deposit or cause the deposit of such Insurance/Condemnation Proceeds to a Management Account which shall be administered in accordance with the Indenture.

Section 2.12 Permitted Asset Dispositions. The Manager (acting on behalf of the Securitization Entities), in accordance with Section 8.16 of the Base Indenture and the Managing Standard, may dispose of property of the Securitization Entities from time to time pursuant to a Permitted Asset Disposition. Upon receipt of any proceeds from any Permitted Asset Disposition, the Manager (on behalf of the Securitization Entities) shall deposit or cause the deposit of such proceeds to a Management Account. Notwithstanding anything in this Agreement but subject to the terms of the Indenture with respect to Asset Disposition Proceeds, at the election of the Manager (on behalf of the applicable Securitization Entity) and so long as no Rapid Amortization Event shall have occurred and be continuing, the Manager (on behalf of the Securitization Entities) may reinvest such proceeds in Eligible Assets within one (1) calendar year following receipt of such proceeds (or, if any Securitization Entity (or the Manager on its behalf) shall have entered into a binding commitment to reinvest such proceeds in Eligible Assets within one (1) calendar year following receipt of such proceeds, within eighteen (18) calendar months following receipt of such proceeds) and/or may utilize such proceeds to pay, or to allocate funds to reimburse the Securitization Entities for amounts previously paid, for investments in Eligible Assets made within the twelve (12) month period prior to the receipt of such proceeds.

Section 2.13 Manager Advances. The Manager may, but shall not be obligated to, make Manager Advances in an amount equal to $5,000,000 or less, in its sole discretion, and in an amount greater than $5,000,000 with the approval of the Controlling Class Representative to, or on behalf of, any Securitization Entity, in connection with the operation of the Managed Assets. Manager Advances will accrue interest at the Advance Interest Rate and shall be reimbursable on each Monthly Allocation Date in accordance with the Priority of Payments.

Section 2.14 Product Sourcing Advances. In the event sufficient funds are not available for any Product Sourcing Payment, the Manager may, but is not obligated to, make an advance (each, a "**Product Sourcing Advance**") to fund such Product Sourcing Payment to the extent that it reasonably expects to be reimbursed for such advances from the proceeds of future Product Sourcing Payments, it being understood and agreed that any such advances shall not constitute Manager Advances. Each Product Sourcing Advance shall be repaid solely from Product Sourcing Payments received after the date of such Product Sourcing Advance in accordance with the Priority of Payments.

Section 2.15 Rebate Agreements. In connection with the Rebate Agreements, the Manager agrees that it shall not, without the prior written consent of the Control Party, amend the material terms of any Rebate Agreement or take or permit any action to be taken that would prevent any payments made under the Rebate Agreements from being made to the applicable Guarantor under the Rebate Agreements.

Section 2.16 Qualified Equity Offering Proceeds. Within two (2) Business Days of the Manager's receipt of Qualified Equity Offering Proceeds, the Manager shall deposit 75% of any Qualified Equity Offering Proceeds into the Collection Account, until an aggregate amount equal to $75,000,000 has been deposited thereto, for further distribution in accordance with the Indenture.

## Article III
## STATEMENTS AND REPORTS

Section 3.1 Reporting by the Manager.

(a) Reports Required Pursuant to the Indenture. The Manager, on behalf of the Securitization Entities, shall furnish, or cause to be furnished, to the Trustee and each recipient party specified in Article IV of the Indenture, all reports and notices required to be delivered to the Trustee and such recipient parties by any Securitization Entity pursuant to the Indenture (including pursuant to Article IV of the Base Indenture) or any other Transaction Document.

(b) Delivery of Financial Statements. The Manager shall provide the financial statements of Manager and the Securitization Entities as required under Section 4.1(g) and (h) of the Base Indenture.

(c) Franchisee Termination Notices. The Manager shall send to the Trustee and the Back-Up Manager, as soon as reasonably practicable but in no event later than fifteen (15) Business Days of the receipt thereof, a copy of any notices of termination of one or more Franchise Agreements sent by the Manager to any Franchisee unless (i) the related Franchised Restaurant(s) generated less than $500,000 in royalties during the immediately preceding fiscal year or (ii) the related Franchised Restaurant(s) continue to operate pursuant to an agreement between the related Guarantor or the Manager on its behalf and such Franchisee.

(d) Notice Regarding New Franchised Restaurant Leases. In the event that any Securitization Entity, or the Manager on behalf of any Securitization Entity, receives any written notice from a lessor of any lease included in the Real Estate Assets regarding the lack of payment or alleging any breach, violation or default under the applicable leases or action be taken to remedy a breach, violation or default, excluding any such notice in respect of non-monetary breach, violation or default as to which the Manager is contesting or expects to contest in good faith, the Manager shall promptly, but in any event within fifteen (15) Business Days from such receipt, notify the Trustee and the Control Party.

(e) Additional Information; Access to Books and Records. The Manager shall furnish from time to time such additional information regarding the Collateral or compliance with the covenants and other agreements of Manager and any Securitization Entity under the Transaction Documents as the Trustee, the Back-Up Manager or the Control Party may reasonably request, subject at all times to compliance with the Exchange Act, the Securities Act and any other applicable Requirements of Law. Subject to the Disclosure Exceptions and to reasonable requests of confidentiality including as required or imposed by law or by contract, the Manager will, and will cause each Securitization Entity to, permit, at reasonable times upon reasonable notice, the Control Party, the Back-Up Manager, the Controlling Class Representative and the Trustee or any Person appointed by any of them as its agent to visit and inspect any of its properties, examine its books and records and discuss its affairs with its officers, directors, managers, employees and independent certified public accountants (so long as the Manager has the opportunity to participate in such discussions with such accountants), and up to one such visit and inspection by each of the Control Party, the Controlling Class Representative, the Back-Up Manager and the Trustee, or any Person appointed by them shall be reimbursable as a Securitization Operating Expense per calendar year, with any additional visit or inspection by any such Person being at such Person's sole cost and expense; provided, however that during the continuance of a Warm Back-Up Management Trigger Event, a Rapid Amortization Event, a Default, or an Event of Default, or to the extent expressly required without the instruction of any other party under the terms of any Transaction Documents, any such Person may visit and conduct such activities at any time and all such visits and activities will constitute a Securitization Operating Expense. Notwithstanding the foregoing, the Manager shall not be required to disclose or make available communications protected by the attorney-client privilege. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, in no event shall the Manager or any other Securitization Entity be required to disclose or discuss, or permit the inspection, examination or making of extracts of, any records, books, information or account or other matter that constitutes a Disclosure Exception.

(f) Leadership Team Changes. The Manager shall promptly notify the Trustee and the Back-Up Manager of any termination or resignation of any persons included in the Leadership Team that occurs within 12 months following a Change of Control.

Section 3.2 Appointment of Independent Auditor. On or before the Closing Date, the Securitization Entities appointed a firm of independent public accountants of recognized national reputation that was reasonably acceptable to the Control Party to serve as the independent auditors ("**Independent Auditors**") for purposes of preparing and delivering the reports required by Section 3.3, and such Independent Auditors continue to serve in such capacity as of the Closing Date. It is hereby acknowledged that the accounting firm of CohnReznick LLP is acceptable for purposes of serving as Independent Auditors. The Securitization Entities may not remove the Independent Auditors without first giving thirty (30) days' prior written notice to the Independent Auditors, with a copy of such notice also given concurrently to the Trustee, the Rating Agencies, if any, the Control Party and the Manager (if applicable). Upon any resignation by such firm or removal of such firm, the Securitization Entities shall promptly appoint a successor thereto that shall also be a firm of independent public accountants of recognized national reputation to serve as the Independent Auditors hereunder. If the Securitization Entities shall fail to appoint a successor firm of Independent Auditors within thirty (30) days after the effective date of any such resignation or removal, the Control Party (acting at the direction of the Controlling Class Representative) shall promptly appoint a successor firm of independent public accountants of recognized national reputation that is reasonably satisfactory to the Manager to serve as the Independent Auditors hereunder. The fees of any Independent Auditors shall be payable by the Securitization Entities.

Section 3.3 Annual Accountants' Reports. The Manager shall furnish, or cause to be furnished to the Trustee, the Control Party, the Back-Up Manager (to the extent the Back-Up Manager is not providing such report) and the Rating Agencies, if any, within 120 days after the end of each fiscal year of the Manager, commencing with the fiscal year ending in December 2024, (i) a report of the Independent Auditors (who may also render other services to the Manager) or the Back-Up Manager summarizing the findings of a set of agreed-upon procedures performed by the Independent Auditors or the Back-Up Manager with respect to compliance with the Quarterly Noteholders' Reports for such fiscal year (or other period) with the standards set forth herein, and (ii) a report of the Independent Auditors or the Back-Up Manager to the effect that such firm has examined the assertion of the Manager's management as to its compliance with its management requirements for such fiscal year (or other period), and that (x) in the case of the Independent Auditors, such examination was made in accordance with standards established by the American Institute of Certified Public Accountants and (y) except as described in the report, management's assertion is fairly stated in all material respects. In the case of the Independent Auditors, the report will also indicate that the firm is independent of the Manager within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants (each, an "**Annual Accountants' Report**"). In the event such Independent Auditors require the Trustee to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 3.3, the Manager shall direct the Trustee in writing to so agree as to the procedures described therein; it being understood and agreed that the Trustee shall deliver such letter of agreement (which shall be in a form satisfactory to the Trustee) in conclusive reliance upon the direction of the Manager, and the Trustee has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

Section 3.4 Available Information. The Manager, on behalf of the Securitization Entities, shall make available the information requested by prospective purchasers necessary to satisfy the requirements of Rule 144A under the Securities Act and the 1940 Act, as amended. The Manager shall deliver such information, and shall promptly deliver copies of all Quarterly Noteholders' Reports and Annual Accountants' Reports, to the Trustee as contemplated by Section 4.1 and Section 4.4 of the Base Indenture, to enable the Trustee to redeliver such information to purchasers or prospective purchasers of the Notes.

## Article IV
## THE MANAGER

Section 4.1 Representations and Warranties Concerning the Manager. The Manager represents and warrants to each Securitization Entity and the Trustee, as of (i) the Closing Date and (ii) each date on which Excess Amounts or Residual Amounts are distributed by the Issuer, as follows:

(a) Organization and Good Standing. The Manager (i) is a corporation, duly formed and organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under the Transaction Documents make such qualification necessary and (iii) has the power and authority (x) to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted and (y) to perform its obligations under this Agreement, except in each case referred to in clause (ii) or (iii) to the extent that a failure to do so would not reasonably be expected to result in a Material Adverse Effect on the Manager.

(b) Power and Authority; No Conflicts. The execution and delivery by the Manager of this Agreement and its performance of, and compliance with, the terms hereof are within the power of the Manager and have been duly authorized by all necessary corporate action on the part of the Manager. Neither the execution and delivery of this Agreement, nor the consummation of the transactions herein, nor compliance with the provisions hereof, shall conflict with or result in a breach of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, any order of any Governmental Authority or any of the provisions of any Requirement of Law binding on the Manager or its properties, or the charter or bylaws or other organizational documents of the Manager, or any of the provisions of any material indenture, mortgage, lease, contract or other instrument to which the Manager is a party or by which it or its property is bound or result in the creation or imposition of any Lien upon any of its property pursuant to the terms of any such indenture, mortgage, leases, contract or other instrument, except to the extent such default, creation or imposition would not reasonably be expected to result in a Material Adverse Effect on the Manager, the Collateral, or the Securitization Entities.

(c) Consents. Except (i) for registrations as a franchise broker or franchise sales agent as may be required under state franchise statutes and regulations, (ii) to the extent that a state or foreign franchise law requires filing and other compliance actions by virtue of considering the Manager as a "subfranchisor", (iii) for any consents, licenses, approvals, authorizations, registrations, notifications, waivers or declarations that have been obtained or made and are in full force and effect and (iv) to the extent that a failure to do so would not reasonably be expected to result in a Material Adverse Effect on the Manager, the Collateral or the Securitization Entities, the Manager is not required to obtain the consent of any other party or the consent, license, approval or authorization of, or file any registration or declaration with, any Governmental Authority in connection with the execution, delivery or performance by the Manager of this Agreement, or the validity or enforceability of this Agreement against the Manager.

(d) Due Execution and Delivery. This Agreement has been duly executed and delivered by the Manager and constitutes a legal, valid and binding obligation of the Manager enforceable against the Manager in accordance with its terms (subject to applicable insolvency laws and to general principles of equity).

(e) No Litigation. There are no actions, suits, investigations or proceedings pending or, to the Actual Knowledge of the Manager, threatened in writing against or affecting the Manager, before or by any Governmental Authority having jurisdiction over the Manager or any of its properties or with respect to any of the transactions contemplated by this Agreement (i) asserting the illegality, invalidity or unenforceability, or seeking any determination or ruling that would affect the legality, binding effect, validity or enforceability of this Agreement or (ii) which would reasonably be expected to result in a Material Adverse Effect on the Manager, the Collateral or the Securitization Entities.

(f) Compliance with Requirements of Law. The Manager is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Manager, the Collateral or the Securitization Entities.

(g) No Default. The Manager is not in default under any agreement, contract, instrument or indenture to which the Manager is a party or by which it or its properties is or are bound, or with respect to any order of any Governmental Authority, except to the extent such default would not reasonably be expected to result in a Material Adverse Effect on the Manager or the Collateral; and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any Governmental Authority.

(h) Taxes. The Manager has filed or caused to be filed and shall file or cause to be filed all federal tax returns and all material state and other tax returns that are required to be filed except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect. The Manager has paid or caused to be paid, and shall pay or cause to be paid, all taxes owed by the Manager pursuant to said returns or pursuant to any assessments made against it or any of its property (other than any amount of tax the validity of which is currently being contested in good faith by appropriate action and with respect to which reserves in accordance with GAAP have been provided on the books of the Manager).

(i) Accuracy of Information. No written report, financial statements, certificate or other written information furnished (other than projections, budgets, other estimates and general market, industry and economic data) to the Control Party or the Back-Up Manager by or on behalf of the Manager in connection with the transactions contemplated hereby or pursuant to any provision of this Agreement or any other Transaction Document (when taken together with all other information furnished by or on behalf of the Manager to the Control Party or the Back-Up Manager, as the case may be), contains any material misstatement of fact as of the date furnished or omits to state any material fact necessary to make the statements therein not materially misleading in each case when taken as a whole and in the light of the circumstances under which they were made; and with respect to its projected financial information, the Manager represents only that such information was prepared in good faith based on assumptions believed to be reasonable at the time.

(j) Financial Statements. As of the Closing Date, the consolidated financial statements of the Manager set forth in the Offering Memorandum (i) present fairly in all material respects the financial condition of Manager and its Subsidiaries as of such date, and the results of operations for the respective periods then ended and (ii) were prepared in accordance with GAAP (except as otherwise stated therein) applied consistently through the periods involved subject, in the case of such quarterly financial statements, to the absence of footnotes and to normal year-end audit adjustments.

(k) No Material Adverse Change. Since the date of the Final Offering Memorandum, there has been no development or event that has had or would reasonably be expected to result in a Material Adverse Effect on the Manager or the Collateral.

(l) ERISA. Except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect: (i) neither the Manager nor any member of a Controlled Group that includes the Manager has established, maintains, contributes to, or has any liability in respect of (or has in the past five (5) years established, maintained, contributed to, or had any liability in respect of) any Pension Plan; (ii) any established Pension Plan presently complies and has been maintained in compliance with its terms and with the requirements of all applicable statutes, rules and regulations, including ERISA and the Code; (iii) no "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Pension Plan, other than transactions effected pursuant to a statutory or administrative exemption; and (iv) each Pension Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred which would cause the loss of such qualification.

(m) No Manager Termination Event. No Manager Termination Event has occurred or is continuing, and, to the Actual Knowledge of the Manager, there is no event which, with notice or lapse of time, or both, would constitute a Manager Termination Event.

(n) Location of Records. The offices at which the Manager keeps its records concerning the Managed Assets are located at the addresses indicated in Section 8.5.

(o) DISCLAIMER. EXCEPT FOR THE MANAGER'S REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN ANY OTHER RELATED DOCUMENT, THE MANAGER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, WITH RESPECT TO THE SUBJECT MATTER HEREOF TO ANY OTHER PARTY, AND EACH PARTY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING WARRANTY OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 4.2 Existence; Status as Manager. The Manager shall (a) keep in full effect its existence under the laws of the state of its incorporation, (b) maintain all rights and privileges necessary or desirable in the normal conduct of its business and the performance of its obligations hereunder except to the extent that failure to do so would not reasonably be expected to result in a Material Adverse Effect and (c) obtain and preserve its qualification to do business in each jurisdiction in which the failure to so qualify either individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect.

Section 4.3 Performance of Obligations.

(a) Performance. The Manager shall perform and observe all of its obligations and agreements contained in this Agreement and the other Transaction Documents in accordance with the terms hereof and thereof and in accordance with the Managing Standard.

(b) Special Provisions as to Securitization IP.

(i) The Manager acknowledges and agrees that each Guarantor has the right and duty to control the quality of the goods and services offered under such Guarantor's Trademarks included in the Securitization IP and the manner in which such Trademarks are used in order to maintain the validity and enforceability of and its ownership of the Trademarks included in the Securitization IP. The Manager shall not take any action contrary to the express written instruction of the applicable Guarantor with respect to: (A) the promulgation of standards with respect to the operation of Branded Restaurants, including quality of food, cleanliness, appearance, and level of service (or the making of material changes to the existing standards), (B) the promulgation of standards with respect to new businesses, products and services which the applicable Guarantor approves for inclusion in the license granted under any IP License Agreement (or other license agreement or sublicense agreement for which the Manager is performing IP Services), (C) the nature and implementation of means of monitoring and controlling adherence to the standards, (D) the terms of any Franchise Agreements, the Product Sourcing Agreements or other sublicense agreements relating to the quality standards which licensees must follow with respect to businesses, products, and services offered under the Trademarks included in the Securitization IP and the usage of such Trademarks, (E) the commencement and prosecution of enforcement actions with respect to the Trademarks included in the Securitization IP and the terms of any settlements thereof, (F) the adoption of any variations on the Brands which are not in use on the Closing Date, or other new Trademarks to be included in the Securitization IP, (G) the abandonment of any Securitization IP and (H) any uses of the Securitization IP that are not consistent with the Managing Standard. The Guarantors shall have the right to monitor the Manager's compliance with the foregoing and its performance of the IP Services and, in furtherance thereof, Manager shall provide each Guarantor, at either Guarantor's written request from time to time, with copies of Franchise Documents, the Product Sourcing Agreements and other sublicenses, samples of products and materials bearing the Trademarks included in the Securitization IP used by Franchisees, any manufacturer or distributor of Products and other licensees and sublicensees. Nothing in this Agreement shall limit the Guarantors' rights or the licensees' obligations under the IP License Agreements or any other agreement with respect to which the Manager is performing IP Services.

(ii) The Manager is hereby granted a non-exclusive, royalty-free sublicensable license to use the Securitization IP solely in connection with the performance of the Services under this Agreement. In connection with the Manager's use of any Trademark included in the Securitization IP pursuant to the foregoing license, the Manager agrees to adhere to the quality control provisions and sublicensing provisions, with respect to sublicenses issued hereunder, which are contained in each IP License Agreement, as applicable to the product or service to which such Trademark pertains, as if such provisions were incorporated by reference herein.

(c) Right to Receive Instructions. Without limiting the Manager's obligations under Section 4.3(b) above, in the event that the Manager is unable to decide between alternative courses of action, or is unsure as to the application of any provision of this Agreement, the other Transaction Documents or any Managed Documents, or any such provision is, in the good faith judgment of the Manager, ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement, any other Transaction Document or any Managed Document permits any determination by the Manager or is silent or is incomplete as to the course of action which the Manager is required to take with respect to a particular set of facts, the Manager may make a Consent Request to the Control Party for written instructions in accordance with the Indenture and the other Transaction Documents and, to the extent that the Manager shall have acted or refrained from acting in good faith in accordance with instructions, if any, received from the Control Party with respect to such Consent Request, the Manager shall not be liable on account of such action or inaction to any Person; provided that the Control Party shall be under no obligation to provide any such instruction if it is unable to decide between alternative courses of action. Subject to the Managing Standard, if the Manager shall not have received appropriate instructions from the Control Party within ten days of such notice (or within such shorter period of time as may be specified in such notice), the Manager may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Transaction Documents, as the Manager shall deem to be in the best interests of the Noteholders and the Securitization Entities. The Manager shall have no liability to any Secured Party or the Controlling Class Representative for such action or inaction taken in reliance on the preceding sentence except for the Manager's own bad faith, negligence or willful misconduct.

(d) Limitation on Manager's Duties and Responsibilities.

(i) The Manager shall not have any duty or obligation to manage, make any payment in respect of, register, record, sell, reinvest, dispose of, create, perfect or maintain title to, or any security interest in, or otherwise deal with the Collateral, to prepare or file any report or other document or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Manager is a party, except as expressly provided by the terms of this Agreement or the other Transaction Documents and consistent with the Managing Standard, and no implied duties or obligations shall be read into this Agreement against the Manager. The Manager nevertheless agrees that it shall, at its own cost and expense, promptly take all action as may be necessary to discharge any Liens (other than Permitted Liens) on any part of the Managed Assets which result from valid claims against the Manager personally whether or not related to the ownership or administration of the Managed Assets or the transactions contemplated by the Transaction Documents.

(ii) Except as otherwise set forth herein and in the other Transaction Documents, the Manager shall have no responsibility under this Agreement other than to render the Services in good faith and consistent with the Managing Standard.

(iii) The Manager shall not manage, control, use, sell, reinvest, dispose of or otherwise deal with any part of the Collateral except in accordance with the powers granted to, and the authority conferred upon, the Manager pursuant to this Agreement or the other Transaction Documents.

(e) Limitations on the Manager's Liabilities, Duties and Responsibilities. Subject to Section 2.7 and except for any loss, liability, expense, damage, action, suit or injury arising out of, or resulting from, (i) any breach or default by the Manager in the observance or performance of any of its agreements contained in this Agreement or any other Transaction Document to which it is a party in its capacity as Manager, (ii) the breach by the Manager of any representation, warranty or covenant made by it herein or any other Transaction Document to which it is a party in its capacity as Manager or (iii) acts or omissions constituting the Manager's own bad faith, negligence or willful misconduct, in the performance of its duties hereunder or under the other Transaction Documents or otherwise, neither the Manager nor any of its Affiliates, managers, officers, members or employees shall be liable to any Securitization Entity, the Noteholders or any other Person under any circumstances, including: (1) for any action taken or omitted to be taken by the Manager in good faith in accordance with the instructions of the Trustee, the Control Party or the Back-Up Manager; (2) for any representation, warranty, covenant, agreement or Indebtedness of any Securitization Entity under the Notes, any other Transaction Documents or the Managed Documents, or for any other liability or obligation of any Securitization Entity; (3) for the validity or sufficiency of this Agreement or the due execution hereof by any party hereto other than the Manager, or the form, character, genuineness, sufficiency, value or validity of any part of the Collateral (including the creditworthiness of any Franchisee, lessee or other obligor thereunder), or for, or in respect of, the validity or sufficiency of the Transaction Documents; and (4) for any action or inaction of the Trustee, the Back-Up Manager or the Control Party or for the performance of, or the supervision of the performance of, any obligation under this Agreement or any other Transaction Document that is required to be performed by the Trustee, the Back-Up Manager or the Control Party.

(f) No Financial Liability. No provision of this Agreement (other than Sections 2.6, 2.7, 4.3(d)(i) and 4.3(e)) shall require the Manager to expend or risk its funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder, if the Manager shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not compensated by the payment of the Monthly Management Fee and is otherwise not reasonably assured or provided to the Manager. Further, the Manager shall not be obligated to perform any services not enumerated or otherwise contemplated hereunder, unless the Manager determines that it is more likely than not that it shall be reimbursed for all of its expenses incurred in connection with such performance. The Manager shall not be liable under the Notes and shall not be responsible for any amounts required to be paid by the Securitization Entities under or pursuant to the Indenture.

(g) Reliance. The Manager may, reasonably and in good faith, conclusively rely on, and shall be protected in acting or refraining from acting when doing so, in each case in accordance with any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and believed by it to be signed by the proper party or parties other than its Affiliates. The Manager may reasonably accept a certified copy of a resolution of the board of directors or other governing body of any corporate or other entity other than its Affiliates as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner or ascertainment of which is not specifically prescribed herein, the Manager may in good faith for all purposes hereof reasonably rely on a certificate, signed by any Authorized Officer of the relevant party, as to such fact or matter, and such certificate reasonably relied upon in good faith shall constitute full protection to the Manager for any action taken or omitted to be taken by it in good faith in reliance thereon.

(h) Consultations with Third Parties; Advice of Counsel. In the exercise and performance of its duties and obligations hereunder or under any of the Transaction Documents, the Manager (A) may act directly or through agents or attorneys pursuant to agreements entered into with any of them; provided that the Manager shall remain primarily liable hereunder for the acts or omissions of such agents or attorneys and (B) may, at the expense of the Manager, consult with external counsel or accountants selected and monitored by the Manager in good faith and in the absence of negligence, and the Manager shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such external counsel or accountants with respect to legal or accounting matters.

(i) Independent Contractor. In performing its obligations as manager hereunder the Manager acts solely as an independent contractor of the Securitization Entities, except to the extent the Manager is deemed to be an agent of the Securitization Entities by virtue of engaging in franchise sales activities, as a broker, or receiving payments on behalf of the Securitization Entities, as applicable. Nothing in this Agreement shall, or shall be deemed to, create or constitute any joint venture, partnership, employment, or any other relationship between the Securitization Entities and the Manager other than the independent contractor contractual relationship established hereby. Nothing herein shall be deemed to vest in the Manager title to any of the Securitization IP. Except as otherwise provided herein or in the other Transaction Documents, the Manager shall not be, nor shall be deemed to be, liable for any acts or obligations of the Securitization Entities, the Trustee, the Back-Up Manager or the Control Party (except as set forth in Section 2.7 hereof).

Section 4.4 Merger and Resignation.

(a) Preservation of Existence. The Manager shall not merge into any other Person or convey, transfer or lease substantially all of its assets; provided, however, that nothing contained in this Agreement shall be deemed to prevent (i) the merger into the Manager of another Person, (ii) the consolidation of the Manager and another Person, (iii) the merger of the Manager into another Person or (iv) the sale of substantially all of the property or assets of the Manager to another Person, so long as (A) the surviving Person of the merger or consolidation or the purchaser of the assets of the Manager shall continue to be engaged in the same line of business as the Manager and shall have the capacity to perform its obligations hereunder with at least the same degree of care, skill and diligence as measured by customary practices with which the Manager is required to perform such obligations hereunder, (B) in the case of a merger, consolidation or sale, the surviving Person of the merger or the purchaser of the assets of the Manager shall expressly assume the obligations of the Manager under this Agreement and expressly agree to be bound by all other provisions applicable to the Manager under this Agreement in a supplement to this Agreement in form and substance reasonably satisfactory to the Trustee and the Control Party and (C) with respect to such event, in and of itself, the Rating Agency Condition, if applicable, has been satisfied. For the avoidance of doubt and notwithstanding any other provision of this Agreement, nothing in this Agreement shall prevent the Manager and/or its Affiliates from entering into a Qualified Equity Offering.

(a) Resignation. The Manager shall not resign from the rights, powers, obligations and duties hereby imposed on it except upon its determination that (A) the performance of its duties hereunder is no longer permissible under applicable Requirements of Law and (B) there is no reasonable action that the Manager could take to make the performance of its duties hereunder permissible under applicable Requirements of Law. Any such determination permitting the resignation of the Manager pursuant to clause (A) above shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee, the Back-Up Manager and the Control Party. No such resignation shall become effective until a Successor Manager (other than Back-Up Manager) shall have been appointed by the Control Party (acting at the direction of the Controlling Class representative) and shall have assumed the responsibilities and obligations of the Manager in accordance with Section 6.1(a). The Trustee, the Securitization Entities, the Back-Up Manager, the Control Party and the Rating Agencies, if any, shall be notified of such resignation in writing by the Manager. From and after such effectiveness, the Successor Manager shall be, to the extent of the assignment, the "Manager" hereunder. Except as provided above in this Section 4.4 the Manager may not assign this Agreement or any of its rights, powers, duties or obligations hereunder.

(b) Term of Manager's Obligations. Except as provided in Section 4.4(a) and Section 4.4(b), the duties and obligations of the Manager under this Agreement commenced on the Closing Date and shall continue until this Agreement shall have been terminated as provided in Section 6.1(a) or Section 8.1, and shall survive the exercise by any Securitization Entity, the Trustee or the Control Party of any right or remedy under this Agreement (other than the right of termination pursuant to Section 6.1(a)), or the enforcement by any Securitization Entity, the Trustee, the Back-Up Manager, the Control Party, the Controlling Class Representative or any Noteholder of any provision of the Indenture, the Notes, this Agreement or the other Transaction Documents.

Section 4.5 Notice of Certain Events. The Manager shall give written notice to the Trustee, the Back-Up Manager, the Control Party and the Rating Agencies, if any, promptly upon the occurrence of any of the following events that would reasonably be expected to result in a Material Adverse Effect (but in any event no later than thirty (30) Business Days (or, for subclauses (f) and (g) below, five (5) Business Days) after the Manager has Actual Knowledge of the occurrence of such an event): (a) the Manager, or any member of a Controlled Group that includes the Manager, shall engage in a nonexempt "prohibited transaction" ( within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to a Pension Plan; (b) a failure to meet the "minimum funding standard" requirements (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Pension Plan, or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Manager; (c) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Pension Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is likely to result in the termination of such Pension Plan for purposes of Title IV of ERISA; (d) any Pension Plan shall terminate for purposes of Title IV of ERISA; (e) the Manager, or any member of a Controlled Group that includes the Manager, is likely to incur any liability in connection with a complete or partial withdrawal from, or the insolvency or termination of, a Multiemployer Plan (but in each case in clauses (a) through (e) above, only if such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect); (f) a Manager Termination Event, an Event of Default, a Hot Back-Up Management Trigger Event, a Warm Back-Up Management Trigger Event or Rapid Amortization Event or any event which would, with the passage of time or giving of notice or both, would become one or more of the same; or (g) any action, suit, investigation or proceeding pending or, to the Actual Knowledge of the Manager, threatened in writing against or affecting the Manager, before or by any court, administrative agency, arbitrator or governmental body having jurisdiction over the Manager or any of its properties either asserting the illegality, invalidity or unenforceability of any of the Transaction Documents, seeking any determination or ruling that would affect the legality, binding effect, validity or enforceability of any of the Transaction Documents or that would reasonably be expected to result in a Material Adverse Effect.

Section 4.6 Capitalization and Indebtedness. The Manager shall have sufficient capital to perform all of its obligations under this Agreement at all times from the Closing Date and until the Indenture has been terminated in accordance with the terms thereof and shall not incur any Indebtedness over $10,000,000 (plus up to $15,000,000 of additional Indebtedness for real property where the real property value exceeds the value of such Indebtedness) without the approval of a Majority of Controlling Class.

Section 4.7 Maintenance of Separateness. The Manager covenants that, except as otherwise contemplated by the Transaction Documents:

(a) the books and records of the Securitization Entities shall be maintained separately from those of the Manager and each of its Affiliates that is not a Securitization Entity;

(b) the Manager shall observe (and shall cause each of its Affiliates that is not a Securitization Entity to observe) corporate and limited liability company formalities in its dealings with any Securitization Entity;

(c) all financial statements of the Manager that are consolidated to include any Securitization Entity and that are distributed to any party shall contain detailed notes clearly stating that (i) all of such Securitization Entity's assets are owned by such Securitization Entity and (ii) such Securitization Entity is a separate entity and has separate creditors;

(d) except as contemplated under Sections 2.2(d), 2.2(e), 2.2(f) and 2.2(g), of this Agreement, the Manager shall not (and shall not permit any of its Affiliates that is not a Securitization Entity to) commingle its funds with any funds of any Securitization Entity; provided that the foregoing shall not prohibit the Manager or any successor to or assignee of the Manager from holding funds of the Securitization Entities in its capacity as Manager for such entity in a segregated account identified for such purpose;

(e) the Manager shall (and shall cause each of its Affiliates that is not a Securitization Entity to) maintain arm's length relationships with each Securitization Entity, and each of the Manager and each of its Affiliates that is not a Securitization Entity shall be compensated at market rates for any services it renders or otherwise furnishes to any Securitization Entity, it being understood that the Monthly Management Fee, the Supplemental Management Fee, this Agreement, and the Collateral Documents are representative of such arm's length relationship;

(f) the Manager shall not be, and shall not hold itself out to be, liable for the debts of any Securitization Entity or the decisions or actions in respect of the daily business and affairs of any Securitization Entities and the Manager shall not permit any Securitization Entities to hold the Manager out to be liable for the debts of such Securitization Entity or the decisions or actions in respect of the daily business and affairs of such Securitization Entity; and

(g) upon an officer or other responsible party of the Manager obtaining Actual Knowledge that any of the foregoing provisions in this Section 4.7 has been breached or violated in any material respect, the Manager shall promptly notify the Trustee, the Back-Up Manager, the Control Party and the Rating Agencies, if any, of same and shall take such actions as may be reasonable and appropriate under the circumstances to correct and remedy such breach or violation as soon as reasonably practicable under such circumstances.

Section 4.8 Non-Petition. Until the date that is one year and one day after the date upon which the Securitization Entities have paid in full all Series of Notes Outstanding (and the Transaction Documents have been terminated), the Manager will not institute against any Securitization Entity, any bankruptcy, reorganization, arrangement, insolvency, liquidation or receivership proceeding under any federal or state bankruptcy, insolvency or similar law or consent to, or make application for or institute or maintain any action for, the dissolution of any Securitization Entity under the Delaware LLC Act or any other applicable Requirements of Law.

Section 4.9 Competition. The Manager and its direct or indirect Subsidiaries shall not operate any restaurants outside of the Securitization Transaction or add any brands similar to the Twin Peaks Restaurants outside of the Securitization Transaction.

## Article V
## REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 Representations and Warranties Made in Respect of New Assets.

(a) New Franchise Agreements. As of the applicable New Asset Addition Date with respect to a New Franchise Agreement acquired or entered into on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities, the Trustee and the Control Party that:

(i) such New Franchise Agreement does not contain terms and conditions that are reasonably expected to result in (A) a material decrease in the amount of Collections or Retained Collections constituting Franchisee Payments or Franchisee Lease Payments, taken as a whole, (B) a material adverse change in the nature, quality or timing of Collections constituting Franchisee Payments or Franchisee Lease Payments, taken as a whole, or (C) a material adverse change in the types of underlying assets generating Collections constituting Franchisee Payments or Franchisee Lease Payments, taken as a whole, in each case when compared to the amount, nature or quality of, or types of assets generating, Collections that could have been reasonably expected to result had such New Franchise Agreement been entered into in accordance with the then-current Franchise Documents; (ii) such New Franchise Agreement is genuine, and is the legal, valid and binding obligation of the parties thereto and is enforceable against the parties thereto in accordance with its terms (except as such enforceability may be limited by bankruptcy or insolvency laws and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law); (iii) such New Franchise Agreement complies in all material respects with all applicable Requirements of Law; (iv) the Franchisee related to such agreement is not the subject of a bankruptcy proceeding; (v) royalty fees payable pursuant to such New Franchise Agreement are payable by the related Franchisee at least monthly; (vi) except as required by applicable Requirements of Law, such New Franchise Agreement contains no contractual rights of set-off; and

(ii) except as required by applicable Requirements of Law, such New Franchise Agreement is freely assignable by the applicable Securitization Entities.

(b) New Franchisee Notes and New Equipment Leases. As of the applicable New Asset Addition Date with respect to a New Franchisee Note or New Equipment Lease acquired or entered into on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities, the Trustee and the Control Party that: (i) such agreement is genuine, and is the legal, valid and binding obligation of the parties thereto and is enforceable against the parties thereto in accordance with its terms (except as such enforceability may be limited by bankruptcy or insolvency laws and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law); (ii) such agreement complies in all material respects with all applicable Requirements of Law; (iii) the Franchisee related to such agreement is not the subject of a bankruptcy proceeding; and (iv) except as required by applicable Requirements of Law, such agreement is freely assignable by the applicable Securitization Entities.

(c) New Product Sourcing Assets. As of the applicable New Asset Addition Date with respect to a New Product Sourcing Asset acquired or entered into on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities, the Trustee and the Control Party that: (i) such New Product Sourcing Asset is genuine, and is the legal, valid and binding obligation of the parties thereto and is enforceable against the parties thereto in accordance with its terms (except as such enforceability may be limited by bankruptcy or insolvency laws and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law) and (ii) such New Product Sourcing Asset complies in all material respects with all applicable Requirements of Law.

(d) New Owned Real Property. As of the applicable New Asset Addition Date with respect to New Owned Real Property acquired on such date, the Manager represents and warrants to the Securitization Entities and the Trustee that: (i) the applicable Guarantor holds fee simple title to the premises of such New Owned Real Property, free and clear of all Liens (other than Permitted Liens); (ii) such New Owned Real Property is leased or expected to be leased to a Franchisee or (in the case of the site of a Company Restaurant) a Company Restaurant Guarantor; (iii) the applicable Guarantor is not in material default in any respect in the performance, observance or fulfillment of any obligations, covenants or conditions applicable to such New Owned Real Property, the violation of which could create a reversion of title to such New Owned Real Property to any Person; (iv) to the Manager's Actual Knowledge, the use of such New Owned Real Property complies in all material respects with all applicable legal requirements, including building and zoning ordinances and codes and the certificate of occupancy issued for such property; (v) neither the applicable Guarantor nor, to the Actual Knowledge of the Manager, any Person leasing such property from the applicable Guarantor, is in material default under any lease of such property and no condition or event exists, that, after the notice or lapse of time or both, would constitute a material default thereunder by such Guarantor or, to the Actual Knowledge of the Manager, by any other party thereto; (vi) no condemnation or similar proceeding has been commenced nor, to the Actual Knowledge of the Manager, is threatened with respect to all or any material portion of such New Owned Real Property; (vii) all material certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Branded Restaurant on such New Owned Real Property, if such property is open for business, have been obtained and are in full force and effect; and (viii) the Manager has paid, caused to be paid, or confirmed that all taxes required to be paid by the applicable Guarantor in connection with the acquisition of such New Owned Real Property have been paid in full from funds of the Securitization Entities.

(e) New Leased Real Property. As of the applicable New Asset Addition Date with respect to New Franchised Restaurant Leases ("**New Leased Real Property**") acquired or entered into on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities and the Trustee that: (i) if applicable, such New Leased Real Property is sub-leased by the applicable Guarantor to a Franchisee or (in the case of the site of a Company Restaurant) a Company Restaurant Guarantor; (ii) if requested by the Trustee or the Control Party in writing, the Manager will make available to the Trustee or Control Party, as applicable, full and complete copies of the lease documents related to such New Leased Real Property; (iii) no material default by the applicable Guarantor, or to the Actual Knowledge of the Manager, by any other party, exists under any provision of such lease, and no condition or event exists, that, after the notice or lapse of time or both, would constitute a material default thereunder by such Guarantor or, to the Actual Knowledge of the Manager, by any other party; (iv) to the Manager's Actual Knowledge, such New Leased Real Property, and the use thereof, complies in all material respects with all applicable legal requirements, including building and zoning ordinances and codes and the certificate of occupancy issued for such property; (v) neither the applicable Guarantor, nor, to the Actual Knowledge of the Manager, the related sub-lessee has committed any act or omission affording any Governmental Authority the right of forfeiture against such property; (vi) no condemnation or similar proceeding has been commenced nor, to the Actual Knowledge of the Manager, is threatened with respect to all or any material portion of such New Leased Real Property; (vii) all policies of insurance (a) required to be maintained by the applicable Guarantor under such lease and (b) to the Actual Knowledge of the Manager, required to be maintained by the Franchisee under the related sub-lease, if applicable, are valid and in full force and effect; and (viii) all material certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Branded Restaurant on such New Leased Real Property, if such property is open for business, have been obtained and are in full force and effect.

(f) The Manager has not since the Closing Date and will not enter into any lease included in the Real Estate Assets after the Closing Date which (i) requires Manager or its Affiliates (other than the Securitization Entities) to provide a guaranty of any obligation of any Securitization Entity or (ii) includes any event of default under such lease on the part of any Securitization Entity due to a bankruptcy of Manager or its Affiliates (other than the Securitization Entities).

(g) New Development Agreement. As of the applicable New Asset Addition Date with respect to a New Development Agreement acquired or entered into on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities, the Trustee and the Control Party that: (i) such New Development Agreement does not contain terms and conditions that are reasonably expected to result in (A) a material decrease in the amount of Collections or Retained Collections, taken as a whole, (B) a material adverse change in the nature, quality or timing of Collections, taken as a whole, or (C) a material adverse change in the types of underlying assets generating Collections, taken as a whole, in each case when compared to the amount, nature or quality of, or types of assets generating Collections that would have been reasonably expected to result had such New Development Agreement been entered into in accordance with the then-current Franchise Documents; (ii) such New Development Agreement is genuine, and is the legal, valid and binding obligation of the parties thereto and is enforceable against the parties thereto in accordance with its terms (except as such enforceability may be limited by bankruptcy or insolvency laws and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law); (iii) such New Development Agreement complies in all material respects with all applicable Requirements of Law; (iv) the Franchisee related to such agreement is not the subject of a bankruptcy proceeding; and (v) except as required by applicable Requirements of Law, such agreement is freely assignable by the applicable Securitization Entities.

(h) New Company Restaurant. As of the applicable New Asset Addition Date with respect to a New Company Restaurant Lease acquired or entered into on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities, the Trustee and the Control Party that: (i) such New Company Restaurant Lease is genuine, and is the legal, valid and binding obligation of the parties thereto and is enforceable against the parties thereto in accordance with its terms (except as such enforceability may be limited by bankruptcy or insolvency laws and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law) and (ii) such New Company Restaurant Lease complies in all material respects with all applicable Requirements of Law.

(i) New Company Restaurant Lease. As of the applicable New Asset Addition Date, with respect to each New Company Restaurant acquired on such New Asset Addition Date, the Manager represents and warrants to the Securitization Entities, the Trustee and the Control Party, that the applicable Guarantor owns full legal and equitable title to each such Company Restaurant, free and clear of any Lien (other than Permitted Liens) and the addition of such Company Restaurant could not be reasonably expected to have a material adverse effect.

Section 5.2 Assets Acquired After the Closing Date.

(a) The Manager has caused and shall continue to cause the applicable Guarantor to enter into or acquire each of the following, to the extent entered into or acquired after the Closing Date: (a) all New Assets, (b) all Securitization IP and (c) all Real Estate Assets. The Manager may, but shall not be obligated to, cause the Securitization Entities to enter into, develop or acquire assets other than the foregoing from time to time; provided that the entry into, development or acquisition of any material assets that are not reasonably ancillary to the restaurant business or the foodservice industry shall require the prior satisfaction of the Rating Agency Condition, if applicable, and the prior written consent of the Control Party (acting at the direction of the Controlling Class Representative). Unless otherwise agreed to in writing by the Control Party (acting at the direction of the Controlling Class Representative), the entry into, development or acquisition of assets by the Securitization Entities will be subject to all applicable provisions of the Indenture, this Management Agreement, the IP License Agreements and the other relevant Transaction Documents.

(b) Unless otherwise agreed to in writing by the Control Party (acting at the direction of the Controlling Class Representative), any contribution to, or development or acquisition by, any Guarantor of assets obtained after the Closing Date described in Section 5.2(a) shall be subject to all applicable provisions of the Indenture, this Agreement (including the applicable representations and warranties and covenants in Articles II and V of this Agreement), the IP License Agreements and the other Transaction Documents. Any Franchise Agreement that is obtained after the Closing Date as described in Section 5.2(a) shall be deemed to be a New Franchise Agreement for the purposes of this Agreement.

Section 5.3 Securitization IP. All Securitization IP shall be owned solely by the applicable Guarantor and shall not be assigned, transferred or licensed out by the Guarantor or Franchise Entities to any other entity other than as permitted or provided under the Transaction Documents.

Section 5.4 Restrictions on Liens. The Manager shall not, and shall not permit any of its Subsidiaries to, create, incur, assume, permit or suffer to exist any Lien (other than Liens in favor of the Trustee for the benefit of the Secured Parties and any Permitted Lien set forth in clauses (a), (b) or (j) of the definition thereof) upon the Equity Interests of any Securitization Entity.

## Article VI
## MANAGER TERMINATION EVENTS

Section 6.1 Manager Termination Events.

(a) Manager Termination Events. Any of the following acts or occurrences shall constitute a "Manager Termination Event" under this Agreement, the assertion as to the occurrence of which may be made, and notice of which may be given, by either a Securitization Entity, the Back-Up Manager, the Controlling Class Representative, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party):

(i) any failure by the Manager to remit a payment required to be deposited from the Concentration Account to the Collection Account or any other Indenture Trust Account, within three (3) Business Days of the later of (a) its Actual Knowledge of its receipt thereof and (b) the date such deposit is required to be made pursuant to the Transaction Documents; provided that any inadvertent failure to remit such a payment shall not be a breach of this clause (i) if in an amount less than $250,000 and corrected within three (3) Business Days after the Manager obtains Actual Knowledge thereof (it being understood that the Manager will not be responsible for the failure of the Trustee to remit funds that were received by the Trustee from or on behalf of the Manager in accordance with the applicable Transaction Documents);

(ii) the Interest-Only DSCR as calculated as of any Quarterly Calculation Date is less than or equal to 1.20x (for this purpose, clause (C) of the definition of "Debt Service" shall not apply when calculating the Interest-Only DSCR);

(iii) any failure by the Manager to provide any required certificate or report set forth in Sections 4.1(a), (c), (d), (e), (f), (g) or (h) of the Base Indenture within three (3) Business Days of its due date;

(iv) a material default by the Manager in the due performance and observance of any provision of this Agreement or any other Transaction Document (other than as described above) to which it is party and the continuation of such default for a period of (A) 30 days after the Manager has been notified thereof in writing by any Securitization Entity or the Control Party or (B) 5 Business Days in the case of Section 4.6; provided, however, that as long as the Manager is diligently attempting to cure such default (so long as such default is capable of being cured), such cure period in the preceding clause (A) shall be extended by an additional period as may be required to cure such default, but in no event by more than an additional 30 days;

(v) any representation, warranty or statement of the Manager made in this Agreement or any other Transaction Document or in any certificate, report or other writing delivered pursuant thereto that is not qualified by materiality or the definition of "Material Adverse Effect" proves to be incorrect in any material respect, or any such representation, warranty or statement of the Manager that is qualified by materiality or the definition of "Material Adverse Effect" proves to be incorrect, in each case as of the time when the same was made or deemed to have been made or as of any other date specified in such document or agreement; provided that if any such breach is capable of being remedied within 30 days after the Manager has obtained Actual Knowledge of such breach or the Manager's receipt of written notice thereof, then a Manager Termination Event shall only occur under this clause (v) as a result of such breach if it is not cured in all material respects by the end of such 30-day period;

(vi) an Event of Bankruptcy with respect to the Manager shall have occurred;

(vii) any final, non-appealable order, judgment or decree is entered in any proceedings against the Manager by a court of competent jurisdiction decreeing the dissolution of the Manager and such order, judgment or decree remains unstayed and in effect for more than ten days;

(viii) a final non-appealable judgment for an amount in excess of $15,000,000 (exclusive of any portion thereof which is insured) is rendered against the Manager by a court of competent jurisdiction and is not discharged or stayed within 60 days of the date when due;

(ix) an acceleration of more than $15,000,000 of the Indebtedness of the Manager which Indebtedness has not been discharged or which acceleration has not been rescinded and annulled;

(x) this Agreement or a material portion thereof ceases to be in full force and effect or enforceable in accordance with its terms (other than in accordance with the express termination provisions hereof) or the Manager asserts as much in writing;

(xi) the occurrence of either (A) a Change in Management following the occurrence of a Change of Control or (B) an Event of Default under Section 9.2(o) of the Base Indenture; or

(xii) the Manager pays any dividends to FAT Brands or its Affiliates.

If a Manager Termination Event has occurred and is continuing with respect to the Manager, the Control Party (acting at the direction of the Controlling Class Representative) may (i) waive such Manager Termination Event (except for a Manager Termination Event described in clauses (vi) or (vii) above) or (ii) direct the Trustee in writing to terminate the Manager in its capacity as such by the delivery of a termination notice (a "**Termination Notice**") to the Manager (with a copy to each of the Securitization Entities, the Back-Up Manager and the Rating Agencies, if any); provided that the delivery of a Termination Notice to the Manager shall not be required in the circumstances set forth in clause (vi) or (vii) above. If the Trustee, acting at the direction of the Control Party (acting at the direction of the Controlling Class Representative), delivers a Termination Notice to the Manager pursuant to this Agreement (or automatically upon the occurrence of any Manager Termination Event relating to the Manager Termination Events described in clause (vi) or (vii) above), all rights, powers, duties, obligations and responsibilities of the Manager under this Agreement and the other Transaction Documents (other than with respect to the payment of Indemnification Amounts or its obligations with respect to Disentanglement), including with respect to the Accounts or otherwise, will vest in and be assumed by the Successor Manager appointed by the Control Party (at the direction of the Controlling Class Representative). If no Successor Manager has been appointed by the Control Party (acting at the direction of the Controlling Class Representative), pursuant to the terms of the Back-Up Management Agreement, the Back-Up Manager will serve as the Interim Successor Manager and will work with the Control Party to implement the Transition Plan (as such term is defined in the Back-Up Management Agreement) until a Successor Manager (other than the Back-Up Manager) has been appointed by the Control Party (acting at the direction of the Controlling Class Representative). Notwithstanding anything to the contrary contained herein or in any other Transaction Document, in no event shall the Trustee (A) be obligated to become (or be deemed to be) the Manager or Successor Manager or (B) have any obligation or responsibility to perform any of the duties or obligations of the Manager or Successor Manager. After the occurrence of a Hot Back-Up Management Trigger Event but prior to the Disentanglement Period, the Manager shall, unless otherwise directed by the Trustee (acting at the direction of the Control Party acting at the direction of the Controlling Class Representative) or the Majority of Controlling Class, continue to perform all management functions under the Management Agreement and the other Transaction Documents other than those being performed by the Back-Up Manager as part of the Hot Back-Up Management Duties.

(b) From and during the continuation of a Manager Termination Event, each Securitization Entity and the Trustee (acting at the direction of the Control Party) are hereby irrevocably authorized and empowered to execute and deliver, on behalf of the Manager, as attorney-in-fact or otherwise, all documents and other instruments (including any notices to Franchisees deemed necessary or advisable by the applicable Securitization Entity or the Control Party), and to do or accomplish all other acts or take other measures necessary or appropriate, to effect such vesting and assumption.

Section 6.2 Manager Termination Event Remedies. If the Trustee, acting at the written direction of the Control Party (acting at the direction of the Controlling Class Representative), delivers a Termination Notice to the Manager pursuant to Section 6.1(a) (or automatically upon the occurrence of any Manager Termination Event described in clauses (vi) or (vii) of Section 6.1(a)), all rights, powers, duties, obligations and responsibilities of the Manager under this Agreement (other than with respect to the obligation to pay any Indemnification Amounts or its obligations with respect to Disentanglement) and the other Transaction Documents, including with respect to the Managed Assets, the Indenture Trust Accounts, the Management Accounts, the Advertising Fund Accounts or otherwise shall vest in and be assumed by the Successor Manager.

Section 6.3 Manager's Transitional Role.

(a) Disentanglement. Following the delivery of a Termination Notice to the Manager pursuant to Section 6.1(a) or Section 6.2 above or notice of resignation of the Manager pursuant to Section 4.4(b), and for the duration of the Disentanglement Period, the Manager shall fully and promptly, cooperate with the Back-Up Manager and the Control Party in connection with the implementation of an approved Transition Plan and the complete transition to a Successor Manager (including in connection with any resignation of the Manager), without interruption or adverse impact on the provision of Services (the "**Disentanglement**"). The Manager will (i) use its commercially reasonable efforts during the Disentanglement Period to not materially reduce the existing staff and resources of the Manager devoted to or shared with the provision of the Services prior to the date of such Termination Notice and (ii) allow reasonable access to the Manager's premises, systems and offices during the Disentanglement Period ((i) and (ii) being referred to as "Continuity of Services"). The Manager will cooperate fully with the Control Party, Back-Up Manager, Successor Manager and Interim Successor Manager, as the case may be, and otherwise promptly take all actions reasonably required to assist in effecting a complete Disentanglement while providing Continuity of Services and, in connection therewith, will promptly follow any directions that may be provided by the Back-Up Manager and the Control Party. The Manager will provide all information and assistance regarding the terminated Services required for Disentanglement and Continuity of Services, including data conversion and migration, interface specifications, and related professional services and provide for the prompt and orderly conclusion or transition of all work, as the Control Party and the Back-Up Manager may reasonably direct, including completion or partial completion of projects, documentation of all work in progress, and other measures to assure an orderly transition to the Successor Manager. All services relating to Disentanglement and Continuity of Services, including all reasonable training for personnel of the Back-Up Manager (including in its capacity as Interim Successor Manager, as applicable), the Successor Manager or the Successor Manager's designated alternate service provider in the performance of the Services, will be deemed a part of the Services to be performed by the Manager.

(b) Fees and Charges for the Disentanglement Services. So long as the Manager continues to provide any Services during the Disentanglement Period (including following any removal, resignation or other termination of the Manager), the Manager will continue to be paid the Monthly Management Fee. Upon the Successor Manager's assumption of the obligation to perform the applicable Services, the Manager will be further entitled to reimbursement of its actual costs for the provision of any Disentanglement services other than those related to Continuity of Services, which shall remain a separate obligation of the Manager.

(c) Duration of Obligations. The Manager's obligation to provide Disentanglement services and Continuity of Services will continue during the Disentanglement Period.

(d) Sub-managing Arrangements; Authorizations.

(i) With respect to each Sub-managing Arrangement and unless the Control Party elects to terminate such Sub-managing Arrangement in accordance with Section 2.10, the Manager shall: (x) assign to the Successor Manager (or such Successor Manager's designated alternate service provider) all of the Manager's rights under such Sub-managing Arrangement to which it is party used by the Manager in performance of the transitioned Services; and (y) procure any third party authorizations necessary to grant the Successor Manager (or such Successor Manager's designated alternate service provider) the use and benefit of such Sub-managing Arrangement to which it is party (used by the Manager in performing the transitioned Services), pending their assignment to the Successor Manager under this Agreement.

(ii) If the Control Party elects to terminate such Sub-managing Arrangement in accordance with Section 2.10, the Manager shall take all reasonable actions necessary or reasonably requested by the Control Party to accomplish a complete transition of the Services performed by such Sub-manager to the Successor Manager, or to any alternate service provider designated by the Control Party, without interruption or adverse impact on the provision of Services.

Section 6.4 Intellectual Property. Within thirty (30) days of termination of this Agreement for any reason, the Manager shall deliver and surrender up to the Guarantors (with a copy to the Successor Manager and the Control Party) any and all products, materials, or other physical objects containing the Trademarks included in the Securitization IP or Confidential Information of the Guarantors and any copies of copyrighted works included in the Securitization IP in the Manager's possession or control, and shall terminate all use of all Securitization IP, including Trade Secrets; provided that (for the avoidance of doubt) any rights granted to Manager and the other Non-Securitization Entities as licensees pursuant to the Company Restaurant Licenses shall continue pursuant to the terms thereof notwithstanding the termination of this Agreement and/or Manager's role as Manager.

Section 6.5 Third Party Intellectual Property. The Manager shall assist and fully cooperate with the Interim Successor Manager to the extent necessary to perform its obligations under the Back-Up Management Agreement and the Successor Manager or its designated alternate service provider and take actions reasonably necessary to assist the Interim Successor Manager, such Successor Manager or its designated alternate service provider in obtaining any necessary licenses or consents to use any third party Intellectual Property then being used by the Manager or any Sub-manager. The Manager shall assign, and shall cause each Sub-manager to assign, any such license or sublicense directly to the Successor Manager or its designated alternate service provider to the extent the Manager, or each Sub-manager, as applicable, has the rights to assign such agreements to the Successor Manager or such service provider without incurring any additional cost.

Section 6.6 No Effect on Other Parties. Upon any termination of the rights and powers of the Manager from time to time pursuant to Section 6.1 or upon any appointment of a Successor Manager, all the rights, powers, duties, obligations, and responsibilities of the Securitization Entities or the Trustee under this Agreement, the Indenture and the other Transaction Documents shall remain unaffected by such termination or appointment and shall remain in full force and effect thereafter, except as otherwise expressly provided in this Agreement or in the Indenture.

Section 6.7 Rights Cumulative. All rights and remedies from time to time conferred upon or reserved to the Securitization Entities, the Trustee, the Control Party, the Back-Up Manager and the Noteholders or to any or all of the foregoing are cumulative, and none is intended to be exclusive of another or any other right or remedy which they may have at law or in equity. Except as otherwise expressly provided herein, no delay or omission in insisting upon the strict observance or performance of any provision of this Agreement, or in exercising any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Every such right and remedy may be exercised from time to time and as often as deemed expedient.

## Article VII
## CONFIDENTIALITY

Section 7.1 Confidentiality.

(a) Each of the parties hereto acknowledges that during the Term of this Agreement such party (the "**Recipient**") may receive Confidential Information from another party hereto (the "**Discloser**"). Each such party (except for the Trustee, whose confidentiality obligations shall be governed in accordance with the Indenture) agrees to maintain the Confidential Information of the other party in the strictest of confidence and shall not, except as otherwise contemplated herein, at any time, use, disseminate or disclose any Confidential Information to any Person other than (i) its officers, directors, managers, employees, agents, advisors or representatives (including legal counsel and accountants) or (ii) in the case of the Manager and the Securitization Entities, Franchisees and prospective Franchisees, suppliers or other service providers under written confidentiality agreements that contain provisions at least as protective as those set forth in this Agreement. The Recipient shall be liable for any breach of this Section 7.1 by any of its officers, directors, managers, employees, agents, advisors, representatives, Franchisees and prospective Franchisees, suppliers or other services providers and shall immediately notify Discloser in the event of any loss or disclosure of any Confidential Information of the Discloser. Upon termination of this Agreement, Recipient shall return to the Discloser, or at Discloser's request, destroy, all documents and records in its possession containing the Confidential Information of the Discloser. Confidential Information shall not include information that: (A) is already known to Recipient without restriction on use or disclosure prior to receipt of such information from the Discloser; (B) is or becomes part of the public domain other than by breach of this Agreement by, or other wrongful act of, the Recipient; (C) is developed by the Recipient independently of and without reference to any Confidential Information of the Discloser; (D) is received by the Recipient from a third party who is not under any obligation to maintain the confidentiality of such information; or (E) is required to be disclosed by applicable law, statute, rule, regulation, subpoena, court order or legal process; provided that the Recipient shall promptly inform the Discloser of any such requirement and cooperate with any attempt by the Discloser to obtain a protective order or other similar treatment. It shall be the obligation of Recipient to prove that such an exception to the definition of Confidential Information exists.

(b) Notwithstanding anything to the contrary contained in Section 7.1(a), the Parties may use, disseminate or disclose Confidential Information (other than Trade Secrets) to any Person in connection with the enforcement of rights of the Trustee or the Noteholders under the Indenture or the Transaction Documents; provided, however, that prior to disclosing any such Confidential Information:

(i) to any such Person other than in connection with any judicial or regulatory proceeding, such Person shall agree in writing to maintain such Confidential Information in a manner at least as protective of the Confidential Information as the terms of Section 7.1(a) and Recipient shall provide Discloser with the written opinion of counsel that such disclosure contains Confidential Information only to the extent necessary to facilitate the enforcement of such rights of the Trustee or the Noteholders; or

(ii) to any such Person or entity in connection with any judicial or regulatory proceeding, Recipient will (x) promptly notify Discloser of each such requirement and identify the documents so required thereby so that Discloser may seek an appropriate protective order or similar treatment and/or waive compliance with the provisions of this Agreement; (y) use reasonable efforts to assist Discloser in obtaining such protective order or other similar treatment protecting such Confidential Information prior to any such disclosure; and (z) consult with Discloser on the advisability of taking legally available steps to resist or narrow the scope of such requirement. If, in the absence of such a protective order or similar treatment, the Recipient is nonetheless required by law to disclose any part of Discloser's Confidential Information, then the Recipient may disclose such Confidential Information without liability under this Agreement, except that the Recipient will furnish only that portion of the Confidential Information which is legally required.

## Article VIII
## MISCELLANEOUS PROVISIONS

Section 8.1 Termination of Agreement. The respective duties and obligations of the Manager and the Securitization Entities created by this Agreement commenced on the Closing Date and shall, unless earlier terminated pursuant to Section 6.1(a), terminate upon the satisfaction and discharge of the Indenture pursuant to Section 12.1 of the Base Indenture (the "**Term**"). Upon termination of this Agreement pursuant to this Section 8.1, the Manager shall pay over to the applicable Securitization Entity or any other Person entitled thereto all proceeds of the Managed Assets held by the Manager.

Section 8.2 Survival. The provisions of Section 2.1(c), Section 2.7, Section 2.8, Section 5.1, Article VI or Article VII and this Section 8.2, Section 8.4, Section 8.5 and Section 8.9 shall survive termination of this Agreement.

Section 8.3 Amendment. (a) This Agreement may only be amended from time to time in writing, upon the written consent of the Trustee (acting at the direction of the Control Party, acting at the direction of the Controlling Class Representative), the Securitization Entities, the Manager and the Control Party (acting at the direction of the Controlling Class Representative); provided that no consent of the Trustee or the Control Party shall be required in connection with any amendment to accomplish any of the following:

(i) to correct (without reducing) or amplify the description of any required activities of the Manager;

(ii) to add to the duties or covenants of the Manager for the benefit of any Noteholders or any other Secured Parties, or to add provisions to this Agreement in favor of the Secured Parties so long as such action does not modify the Managing Standard, adversely affect the enforceability of the Securitization IP, or materially adversely affect the interests of the Noteholders;

(iii) to correct any manifest error or to cure any ambiguity, defect or provision that may be inconsistent with the terms of the Base Indenture or any other Transaction Document, or to correct or supplement any provision herein that may be inconsistent with the terms of the Base Indenture;

(iv) to evidence the succession of another Person to any party to this Agreement;

(v) to comply with Requirements of Law;

(vi) to take any action necessary and appropriate to facilitate the origination of new Managed Documents, the acquisition and management of Real Estate Assets, or the management and preservation of the Managed Documents, in each case, in accordance with the Managing Standard; or

(vii) to provide for additional Services related to any Company Restaurants.

(b) Any amendment that would adversely affect the Back-Up Manager's rights, protections, liabilities, obligations, duties, indemnifications or immunities under this Agreement shall require the prior written consent of the Back-Up Manager.

(c) Promptly after the execution of any such amendment, the Manager shall send to the Trustee, the Control Party, the Back-Up Manager and each Rating Agency, if any, a conformed copy of such amendment, but the failure to do so shall not impair or affect its validity.

(d) Any such amendment or modification effected contrary to the provisions of this Section 8.3 shall be null and void.

Section 8.4 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 8.5 Notices. All notices, requests or other communications desired or required to be given under this Agreement shall be in writing and shall be sent by (a) certified or registered mail, return receipt requested, postage prepaid, (b) national prepaid overnight delivery service, (c) telecopy or other facsimile transmission (following with hard copies to be sent by national prepaid overnight delivery service) or electronic mail (of a .pdf or other similar file), or (d) personal delivery with receipt acknowledged in writing, to the address set forth in Section 14.1 of the Base Indenture. If the Indenture or this Agreement permits reports to be posted to a password-protected website, such reports shall be deemed delivered when posted on such website. Any party hereto may change its address for notices hereunder by giving notice of such change to the other parties hereto, with a copy to the Control Party. Any change of address of a Noteholder shown on a Note Register shall, after the date of such change, be effective to change the address for such Noteholder hereunder. All notices and demands to any Person hereunder shall be deemed to have been given either at the time of the delivery thereof at the address of such Person for notices hereunder, or on the third day after the mailing thereof to such address, as the case may be.

Section 8.6 Acknowledgement. Without limiting the foregoing, the Manager hereby acknowledges that, on the Closing Date, the Issuer has pledged to the Trustee under the Indenture, all of its right and title to, and interest in, this Agreement and the Collateral, and such pledge includes all of the Issuer's rights, remedies, powers and privileges, and all claims against the Manager, under or with respect to this Agreement (whether arising pursuant to the terms of this Agreement or otherwise available at law or in equity), including (i) the rights of such Issuer and the obligations of the Manager hereunder and (ii) the right, at any time, to give or withhold consents, requests, notices, directions, approvals, demands, extensions or waivers under or with respect to this Agreement or the obligations in respect of the Manager hereunder to the same extent as such Issuer may do. The Manager hereby consents to such pledges described above, acknowledges and agrees that (x) the Control Party shall be a third-party beneficiary of the rights of such Issuer arising hereunder and (y) the Trustee and the Control Party may, to the extent provided in the Indenture, enforce the provisions of this Agreement, exercise the rights of such Issuer and enforce the obligations of the Manager hereunder without the consent of such Issuer.

Section 8.7 Severability of Provisions. If one or more of the provisions of this Agreement shall be for any reason whatever held invalid or unenforceable, such provisions shall be deemed severable from the remaining covenants, agreements and provisions of this Agreement and such invalidity or unenforceability shall in no way affect the validity or enforceability of such remaining provisions, or the rights of any parties hereto. To the extent permitted by law, the parties hereto waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect.

Section 8.8 Delivery Dates. If the due date of any notice, certificate or report required to be delivered by the Manager hereunder falls on a day that is not a Business Day, the due date for such notice, certificate or report shall be automatically extended to the next succeeding day that is a Business Day.

Section 8.9 Limited Recourse. The obligations of the Securitization Entities under this Agreement are solely the limited liability company obligations of the Securitization Entities. The Manager agrees that the Securitization Entities shall be liable for any claims that it may have against the Securitization Entities only to the extent that funds or assets are available to pay such claims pursuant to the Indenture.

Section 8.10 Binding Effect; Assignment; Third Party Beneficiaries. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. Any assignment of this Agreement without the written consent of the Control Party (acting at the direction of the Controlling Class Representative) shall be null and void. Each of the Back-Up Manager and the Control Party is an intended third party beneficiary of this Agreement and may enforce the Agreement as though a party hereto.

Section 8.11 Article and Section Headings. The Article and Section headings herein are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof.

Section 8.12 Concerning the Trustee, the Back-Up Manager and the Control Party. Notwithstanding anything to the contrary herein, each of the Trustee, the Back-Up Manager and the Control Party shall be afforded the rights, privileges, protections, immunities and indemnities set forth in the Indenture and the other Transaction Documents as if fully set forth herein.

Section 8.13 Counterparts. This Agreement may be executed by the parties hereto in several counterparts (including by facsimile or other electronic means of communication), each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same agreement.

Section 8.14 Entire Agreement. This Agreement, together with the Indenture and the other Transaction Documents and the Managed Documents constitute the entire agreement and understanding among the parties with respect to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement, the Indenture, the other Transaction Documents and the Managed Documents.

Section 8.15 Waiver of Jury Trial; Jurisdiction; Consent to Service of Process.

(a) The parties hereto each hereby waives any right to have a jury participate in resolving any dispute, whether in contract, tort or otherwise, arising out of, connected with, relating to or incidental to the transactions contemplated by this Agreement.

(b) The parties hereto each hereby irrevocably submits (to the fullest extent permitted by applicable law) to the non-exclusive jurisdiction of any New York state or federal court sitting in the borough of Manhattan, New York City, State of New York, over any action or proceeding arising out of or relating to this Agreement or any Transaction Documents, and the parties hereto hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such New York state or federal court. The parties hereto each hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection each may now or hereafter have, to remove any such action or proceeding, once commenced, to another court on the grounds of forum non conveniens or otherwise.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.5. Nothing in this Agreement shall affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 8.16 Joinder of New Guarantors. In the event any Issuer shall form an Additional Guarantor pursuant to Section 8.34 of the Base Indenture, such Additional Guarantor shall execute and deliver to the Manager and the Trustee (i) a Joinder Agreement substantially in the form of Exhibit B and (ii) Power of Attorney in the form of Exhibit A, and such new Guarantor shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Guarantor party hereto on the Closing Date.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

**MANAGER:**

TWIN HOSPITALITY GROUP INC.

By: */s/ Joseph Hummel*
Name: Joseph Hummel
Title: Chief Executive Officer

**ISSUER:**

TWIN HOSPITALITY I, LLC

By: */s/ Robert G. Rosen*
Name: Robert G. Rosen
Title: Chief Executive Officer

**TRUSTEE:**

UMB BANK, N.A.

By: */s/ Michele Voon*
Name: Michele Voon
Title: Senior Vice President

[signatures continue on next page]

**GUARANTORS:**

TP FRANCHISE AUSTIN, LLC
TP FRANCHISE ROUND ROCK, LLC
TP FRANCHISE VENTURE I, LLC
TP TEXAS BEVERAGES, LLC
TWIN PEAKS BUYER, LLC
TWIN RESTAURANT, LLC
TWIN RESTAURANT AMARILLO, LLC
TWIN RESTAURANT AMARILLO BEVERAGE HOLDING, LLC
TWIN RESTAURANT AMARILLO MANAGEMENT, LLC
TWIN RESTAURANT BEVERAGE - TEXAS, LLC
TWIN RESTAURANT BEVERAGE HOLDING, LLC
TWIN RESTAURANT BROOMFIELD, LLC
TWIN RESTAURANT BURLESON, LLC
TWIN RESTAURANT BURLESON BEVERAGE HOLDING, LLC
TWIN RESTAURANT BURLESON MANAGEMENT, LLC
TWIN RESTAURANT CENTENNIAL, LLC
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TWIN RESTAURANT DENVER, LLC
TWIN RESTAURANT DEVELOPMENT, LLC
TWIN RESTAURANT EL PASO, LLC
TWIN RESTAURANT EL PASO BEVERAGE HOLDING, LLC
TWIN RESTAURANT FRANCHISE, LLC
TWIN RESTAURANT FRISCO, LLC
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TWIN RESTAURANT GRAND PRAIRIE MANAGEMENT, LLC
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TWIN RESTAURANT INVESTMENT COMPANY, LLC
TWIN RESTAURANT INVESTMENT COMPANY II, LLC
TWIN RESTAURANT IP, LLC
TWIN RESTAURANT LEWISVILLE, LLC
TWIN RESTAURANT LITTLE ROCK, LLC
TWIN RESTAURANT LIVE OAK, LLC
TWIN RESTAURANT LIVE OAK BEVERAGE HOLDING, LLC
TWIN RESTAURANT LIVE OAK MANAGEMENT, LLC
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INTEGRATED CARD SOLUTIONS, LLC
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TWIN RESTAURANT BRANDON, LLC
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TWIN RESTAURANT MCKINNEY RE, LLC
TWIN RESTAURANT NORTHLAKE, LLC
TWIN RESTAURANT PLANO, LLC
TWIN RESTAURANT SARASOTA, LLC
TWIN RESTAURANT SARASOTA RE, LLC
TWIN RESTAURANT TERRELL, LLC
TWIN RESTAURANT TERRELL BEVERAGE HOLDING, LLC
TWIN RESTAURANT TERRELL RE, LLC

By: */s/ Joseph Hummel*
Name: Joseph Hummel
Title: Authorized Person of Barbeque Integrated, Inc., Smokey Bones (Florida), LLC, GMR of Pennsylvania-SB Properties, LLC and Integrated Card Solutions, LLC and President of all other Guarantors

[signatures continue on next page]

**CONSENT OF CONTROL PARTY:**

Citadel SPV LLC, as Control Party, hereby consents to the execution and delivery of this Agreement by the parties hereto, and as Control Party hereby directs the Trustee to execute and deliver this Agreement.

Citadel SPV LLC, as Control Party

By: */s/ Orlando Figueroa*
Name: Orlando Figueroa
Title: President

**EXHIBIT A**

**POWER OF ATTORNEY OF THE SECURITIZATION ENTITIES**

**Dated: November 21, 2024**

KNOW ALL PERSONS BY THESE PRESENTS, that in connection with the Management Agreement, dated as of November 21, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "**Management Agreement**"; all capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Management Agreement), by and among Twin Hospitality I, LLC, a Delaware limited liability company (together with its successors and assigns, the "**Issuer**"); each of the "Guarantors" from time to time a party thereto (each, a "**Guarantor**" and together with their respective successors and assigns, the "**Guarantors**" and, together with the Issuer, the "**Securitization Entities**"); Twin Hospitality Group Inc., a Delaware corporation, as Manager (the "**Manager**"); and UMB Bank, N.A., as the indenture trustee; and consented to by Citadel SPV LLC, as Control Party, the undersigned Securitization Entities hereby appoint the Manager and any and all officers thereof as its true and lawful attorney in fact, with full power of substitution, in connection with the Services (as defined in the Management Agreement) being performed with respect to the Managed Assets, with full irrevocable power and authority in the place of each Securitization Entity and in the name of each Securitization Entity or in its own name as agent of each Securitization Entity, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the foregoing, subject to the Management Agreement, including, without limitation, the full power to:

a. perform such functions and duties, and prepare and file such documents, as are required under the Indenture and the other Transaction Documents to be performed, prepared and/or filed by the Securitization Entities, including: (i) recording such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Trustee and the Securitization Entities may from time to time reasonably request in order to perfect and maintain the Lien in the Collateral granted by the Securitization Entities to the Trustee under the Transaction Documents in accordance with the UCC; and (ii) executing grants of security interests or any similar instruments required under the Transaction Documents to evidence such Lien in the Collateral; and

b. take such actions on behalf of each Securitization Entity as such Securitization Entity or Manager may reasonably request that are expressly required by the terms, provisions and purposes of the Management Agreement; or cause the preparation by other appropriate Persons, of all documents, certificates and other filings as each Securitization Entity shall be required to prepare and/or file under the terms of the Transaction Documents.

With respect to the IP Services, the undersigned hereby further appoint the Manager and any and all officers thereof as its true and lawful attorney in fact, with full power of substitution, in connection with the IP Services described below being performed with respect to the Securitization IP, with full irrevocable power and authority in the place of the applicable Securitization Entity that is the owner thereof and in the name of the applicable Securitization Entity or in its own name as agent of such Securitization Entity, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the foregoing, subject to the Management Agreement, including, without limitation, the full power to perform:

c. searching, screening and clearing After-Acquired Securitization IP to assess patentability, registrability and the risk of potential infringement;

d. filing, prosecuting and maintaining applications and registrations for the Securitization IP in the applicable Securitization Entity's name throughout the world, including timely filing of evidence of use, applications for renewal and affidavits of use and/or incontestability, timely paying of all registration and maintenance fees, responding to third-party oppositions of applications or challenges to registrations, and responding to any office actions, reexaminations, interferences, "inter partes" reviews, post grant reviews, or other office or examiner requests, reviews or requirements;

e. monitoring third-party use and registration of Trademarks and taking actions the Manager deems appropriate to oppose or contest the use and any application or registration for Trademarks that could reasonably be expected to infringe, dilute or otherwise violate the Securitization IP or the applicable Securitization Entity's rights therein;

f. confirming each Securitization Entity's legal title in and to any or all of the Securitization IP, including obtaining written assignments of Securitization IP to the applicable Securitization Entity and recording transfers of title in the appropriate intellectual property registry throughout the world;

g. with respect to each Securitization Entity's rights and obligations under the IP License Agreements and any Transaction Documents, monitoring the licensee's use of each licensed Trademark and the quality of its goods and services offered in connection with such Trademarks, rendering any approvals (or disapprovals) that are required under the applicable license agreement(s), and employing reasonable means to ensure that any use of any such Trademarks by any such licensee satisfies the quality control standards and usage provisions of the applicable license agreement;

h. protecting, policing, and, in the event that the Manager becomes aware of any unlicensed copying, imitation, infringement, dilution, misappropriation, unauthorized use or other violation of the Securitization IP, or any portion thereof, enforcing such Securitization IP, including, (i) preparing and responding to cease-and-desist, demand and notice letters, and requests for a license; and (ii) commencing, prosecuting and/or resolving claims or suits involving imitation, infringement, dilution, misappropriation, the unauthorized use or other violation of the Securitization IP, and seeking monetary and equitable remedies as the Manager deems appropriate in connection therewith; provided that each Securitization Entity shall, and agrees to, join as a party to any such suits to the extent necessary to maintain standing;

i. performing such functions and duties, and preparing and filing such documents, as are required under the Indenture or any other Transaction Document to be performed, prepared and/or filed by the applicable Securitization Entity, including (i) executing and recording such financing statements (including continuation statements) or amendments thereof or supplements thereto or such other instruments as the Issuer or the Control Party may, from time to time, reasonably request (consistent with the obligations of the Securitization Entities to perfect the Trustee's lien only in the United States) in connection with the security interests in the Securitization IP granted by each Securitization Entity to the Trustee under the Indenture and (ii) preparing, executing and delivering grants of security interests or any similar instruments as the Issuer or the Control Party may, from time to time, reasonably request (consistent with the obligations of each Securitization Entity to perfect the Trustee's lien only in the United States) that are intended to evidence such security interests in the Securitization IP and recording such grants or other instruments with the relevant Governmental Authority including the PTO and the United States Copyright Office;

j. taking such actions as any licensee under an IP License Agreement may request that are required by the terms, provisions and purposes of such IP License Agreement (or by any other agreements pursuant to which the applicable Securitization Entity licenses the use of any Securitization IP) to be taken by the applicable Securitization Entity, and preparing (or causing to be prepared) for execution by each Securitization Entity all documents, certificates and other filings as each Securitization Entity shall be required to prepare and/or file under the terms of such IP License Agreements (or such other agreements);

k. paying or causing to be paid or discharged, from funds of the Securitization Entities, any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the Securitization IP or contesting the same in good faith;

l. obtaining licenses of third-party Intellectual Property for use and sublicense in connection with the Managed Assets and any other assets of the Securitization Entities;

m. sublicensing the Securitization IP to suppliers, manufacturers, advertisers and other service providers in connection with the provision of products and services for use in the Restaurant Business; and

n. with respect to Trade Secrets and other confidential information of each Securitization Entity, taking all reasonable measures to maintain confidentiality and to prevent non-confidential disclosures.

THIS POWER OF ATTORNEY IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO POWERS OF ATTORNEY MADE AND TO BE EXERCISED WHOLLY WITHIN SUCH STATE.

This power of attorney is coupled with an interest. Capitalized terms used herein, and not defined herein shall have the meanings applicable to such terms in the Management Agreement.

**[The remainder of this page is intentionally left blank.]**

IN WITNESS WHEREOF, the undersigned parties hereto have caused this Power of Attorney to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

**ISSUER:**

TWIN HOSPITALITY I, LLC

By: _____
Name: Kenneth Kuick
Title: Treasurer and Chief Financial Officer

[Signature Pages Continue]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____ ___, 2024 before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity/ies, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

_____
_____, Notary Public

**GUARANTORS:**

TP FRANCHISE AUSTIN, LLC
TP FRANCHISE ROUND ROCK, LLC
TP FRANCHISE VENTURE I, LLC
TP TEXAS BEVERAGES, LLC
TWIN PEAKS BUYER, LLC
TWIN RESTAURANT, LLC
TWIN RESTAURANT AMARILLO, LLC
TWIN RESTAURANT AMARILLO BEVERAGE HOLDING, LLC
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TWIN RESTAURANT EL PASO BEVERAGE HOLDING, LLC
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TWIN RESTAURANT FRISCO, LLC
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TWIN RESTAURANT INVESTMENT COMPANY, LLC
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TWIN RESTAURANT SUNLAND PARK BEVERAGE HOLDING, LLC
TWIN RESTAURANT VIVA LAS VEGAS, LLC
TWIN RESTAURANT WARRENVILLE, LLC
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TWIN RESTAURANT WESTOVER, LLC
TWIN RESTAURANT WESTOVER BEVERAGE HOLDING, LLC
TWIN RESTAURANT JV HOLDING, LLC
BARBEQUE INTEGRATED, INC.
SMOKEY BONES (FLORIDA), LLC
GMR OF PENNSYLVANIA-SB PROPERTIES, LLC
INTEGRATED CARD SOLUTIONS, LLC
TPJV2, LLC
TWIN RESTAURANT BRANDON, LLC
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TWIN RESTAURANT MCKINNEY BEVERAGE HOLDING, LLC
TWIN RESTAURANT MCKINNEY RE, LLC
TWIN RESTAURANT NORTHLAKE, LLC
TWIN RESTAURANT PLANO, LLC
TWIN RESTAURANT SARASOTA, LLC
TWIN RESTAURANT SARASOTA RE, LLC
TWIN RESTAURANT TERRELL, LLC
TWIN RESTAURANT TERRELL BEVERAGE HOLDING, LLC
TWIN RESTAURANT TERRELL RE, LLC

By: _____
Name: Joseph Hummel
Titles: Authorized Person of Barbeque Integrated, Inc., Smokey Bones (Florida), LLC, GMR of Pennsylvania-SB Properties, LLC and Integrated Card Solutions, LLC President of all other Guarantors

**EXHIBIT B**

**JOINDER AGREEMENT**

JOINDER AGREEMENT, dated as of ___, 20_____ (this "Joinder Agreement"), made by _____, a _____ (the "Additional Guarantor"), in favor of TWIN HOSPITALITY GROUP INC., a Delaware corporation, as Manager (the "Manager"), and UMB BANK, N.A., as Trustee (in such capacity, together with its successors, the "Trustee"). All capitalized terms not defined herein shall have the meaning ascribed to them in the Management Agreement (as defined below).

**W I T N E S E T H:**

WHEREAS, Twin Hospitality I, LLC, a Delaware limited liability company (the "Issuer"), the Trustee and UMB Bank, N.A., as securities intermediary, have entered into a Base Indenture dated as of the Closing Date, (as amended, restated, supplemented or otherwise modified from time to time, exclusive of any Series Supplements, the "Base Indenture" and, together with all Series Supplements, the "Indenture"), providing for the issuance from time to time of one or more Series of Notes thereunder; and

WHEREAS, in connection with the Base Indenture, the Issuer, the other Securitization Entities party thereto from time to time, the Manager and the Trustee have entered into the Management Agreement, dated as of November 21, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Management Agreement"); and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Joinder Agreement in order to become a party to the Management Agreement;

NOW, THEREFORE, IT IS AGREED:

2. Management Agreement. By executing and delivering this Joinder Agreement, the Additional Guarantor, as provided in Section 8.16 of the Management Agreement, hereby becomes a party to the Management Agreement as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder. Each reference to a "Guarantor" in the Management Agreement shall be deemed to include the Additional Guarantor. [The Additional Guarantor is designated as [a Franchise Entity] [an IP Guarantor] [a Company Restaurant Guarantor].] The Management Agreement is hereby incorporated herein by reference.

3. Counterparts; Binding Effect. This Joinder Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which taken together shall constitute a single contract. This Joinder Agreement shall become effective when each of the Additional Guarantor, the Manager and the Trustee has executed a counterpart hereof. Delivery of an executed counterpart of a signature page of this Joinder Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Joinder Agreement.

4. Full Force and Effect. Except as expressly supplemented hereby, the Management Agreement shall remain in full force and effect.

5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered as of the date first above written.

[NAME OF ADDITIONAL GUARANTOR]

By: _____
Name:
Title:

**AGREED TO AND ACCEPTED**

TWIN HOSPITALITY GROUP INC., as Manager

By: _____
Name:
Title:

UMB BANK, N.A., in its capacity as Trustee

By: _____
Name:
Title:

# LIMITED GUARANTY

**dated as of November 21, 2024**

Reference is made to that certain Base Indenture, dated as of the date hereof, between Twin Hospitality I, LLC (the "Issuer") and UMB Bank, N.A., as trustee (in such capacity, the "Trustee"), and as securities intermediary (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, exclusive of any Series Supplements thereto, the "Base Indenture" and, together with all Series Supplements thereto, the "Indenture"). Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Indenture.

## 1. GUARANTIES.

To induce the Trustee, on behalf of the Secured Parties, to enter into the transactions contemplated under the Indenture with the Issuer upon the terms and subject to the conditions in the Transaction Documents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Twin Hospitality Group Inc., a Delaware corporation (the "Guarantor"), hereby agrees upon the occurrence of any Trigger Event (as defined below), to be personally and unconditionally liable in the amount of, and to indemnify, reimburse, and hold the Trustee, on behalf of the Secured Parties, harmless from, any liability, loss, damage, cost or expense of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise suffered or incurred by the Trustee, on behalf of the Secured Parties (including any reasonable attorneys' fees and expenses of enforcing this Guaranty) with respect to the transactions contemplated under the Indenture (collectively, "Liabilities"), in each case, to the extent resulting from or arising out of the occurrence of any one or more of the following "Trigger Events":

(i) **FRAUD, WILLFUL MISCONDUCT OR BAD FAITH**: Fraud (including, without limitation, any fraudulent conveyance involving the intent to hinder, defraud or delay) willful misconduct by any Securitization Entity or the Guarantor or if any Securitization Entity or the Guarantor acts with bad faith in connection with a material misrepresentation under any Transaction Document made by such Person;

(ii) **THEFT OR MISAPPROPRIATION OF FUNDS**: Theft, diversion, misappropriation of funds, intentional or material waste, or abandonment of any Collateral (including, without limitation, dividends, distributions or payments being made in contravention of the provisions of the Transaction Documents or application of payments or proceeds in respect of any Collateral intentionally being made in contravention of the provisions of the Transaction Documents or applicable law);

(iii) **HINDRANCE**: Any act or omission by any Securitization Entity or the Guarantor that prevents, delays or hinders the Trustee's perfection of its security interests in the Collateral on behalf of the Secured Parties, the collection and payment of the Collateral (except in each case in accordance with the procedures set forth in the Indenture or any other Transaction Document) or otherwise directly results in any material damage or diminution in value of the Collateral or any portion thereof;

(iv) **UNPERMITTED DISPOSITION**: Any voluntary sale, consensual lien, encumbrance or disposition of any Collateral by any Securitization Entity or the Guarantor or any part thereof or interest therein that is prohibited by the Transaction Documents;

(v) **BANKRUPTCY**: Any petition for bankruptcy, insolvency, dissolution or liquidation under the Bankruptcy Code or any similar federal or state law with respect to any Securitization Entity is (1) filed by a Securitization Entity or (2) any Securitization Entity shall have colluded with other creditors to cause an involuntary bankruptcy filing with respect to any Securitization Entity.

(vi) **FAILURE TO COOPERATE**: At any time that any Event of Default has occurred and is continuing under the Indenture, any Securitization Entity or the Guarantor shall fail, or shall cause the Issuer to fail, to (i) provide to the Trustee, upon such Person's reasonable request, information in said Person's possession that is related to any Collateral and is reasonably necessary for the disposition thereof or the collection of amounts owed thereunder, or (ii) cooperate with the Trustee in connection with such Person's exercise of rights in a reasonable manner under the Indenture or any other Transaction Documents after any Event of Default has occurred and is continuing under any Transaction Document.

**2**. **AGREEMENT TO COOPERATE.**

In addition, after any Event of Default has occurred and is continuing under the Indenture, if the Trustee comes into possession of any or all of the Collateral (or any proceeds thereof), at the Trustee's option, and for so long as all or any part of the Obligations shall remain outstanding, the Guarantor shall, upon five (5) Business Days' written notice, use commercially reasonable efforts to provide all information and access reasonably requested by the Trustee reasonably necessary for the Trustee to dispose of, or collect amounts owed under, such Collateral. The Trustee shall have the right to terminate any activities as described above at any time, on two (2) Business Days' prior written notice, with or without cause. The Guarantor shall not have any authority to bind the Trustee, except such specific authority as the Trustee may grant in writing.

**3. SUBORDINATION.**

In the event the Guarantor shall advance or become obligated to pay any sums under this Guaranty or in the event that for any reason whatsoever each Securitization Entity is now, or shall hereafter become, indebted to the Guarantor, the Guarantor agrees that (i) the amount of such sums and of such indebtedness and all interest thereon shall at all times be subordinate as to lien, the time of payment and in all other respects to the indefeasible payment in full of all Obligations (other than contingent indemnification obligations) of the Securitization Entities under the Transaction Documents, and (ii) the Guarantor shall not be entitled to enforce or receive payment thereof until all such Obligations have been paid in full. Nothing herein contained is intended or shall be construed to give the Guarantor any right of subrogation in or under the Transaction Documents or any right to participate in any way therein, or in the right, title or interest of the Trustee in or to any Collateral, notwithstanding any payments made by the Guarantor under this Guaranty, until the indefeasible payment in full with respect to all Obligations of the Securitization Entities under the Transaction Documents (other than contingent indemnification obligations). If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when any such Obligations shall not have been fully paid, the Guarantor shall promptly pay such amount to the Trustee in accordance with directions from the Trustee.

**4. TERMINATION**.

This Guaranty shall terminate immediately, and without any action of the Guarantor or the Trustee, upon the indefeasible payment in full of all Obligations of the Issuer to the Trustee under the Indenture (other than contingent indemnification obligations); provided, however, this Guaranty shall be reinstated if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any Secured Party upon the insolvency, bankruptcy or reorganization of the Issuer, all as though such payment had not been made.

**5. AMENDMENTS.**

Subject to the terms of the Indenture, no amendment or waiver of any provision of this Guaranty nor consent to any departure herefrom by the Guarantor shall in any event be effective unless the same shall be in writing and signed by the Trustee (and, in the case of an amendment, by the Guarantor), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**6. SUCCESSORS AND ASSIGNS.**

This Guaranty shall inure to the benefit of the Trustee, on behalf of the Secured Parties, and its successors and permitted assigns; provided that none of the parties hereto may delegate its obligations or assign its rights hereunder without consent of the other parties hereto other than as provided in the Indenture.

**7. MISCELLANEOUS.**

The headings in this Guaranty are for purposes of reference only and shall not limit or define the meaning hereof. This Guaranty may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Guaranty shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Guaranty which shall remain binding on all parties hereto.

**8. GOVERNING LAW AND JURISDICTION**.

(a) Governing Law. THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) THEREOF.

(b) Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST THE GUARANTOR ARISING OUT OF OR RELATING HERETO, OR ANY OF THE OBLIGATIONS HEREUNDER, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS GUARANTY, THE GUARANTOR IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT PERSONAL SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MADE TO ANY ADDRESS OF GUARANTOR IDENTIFIED IN THE INDENTURE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE GUARANTOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREE THAT THE TRUSTEE RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST THE GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Guarantor duly executed and delivered this Guaranty as of the date first above written.

**TWIN HOSPITALITY GROUP INC.,**
as Guarantor

By: */s/ Jospeh Hummel*
Name: Jospeh Hummel
Title: Chief Executive Officer

AGREED TO AND ACCEPTED

**UMB BANK, N.A.,**
in its capacity as Trustee

By: */s/ Michele Voon*
Name: Michele Voon
Title: Senior Vice President

**Exhibit 99.1**

**Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.**

**PRELIMINARY AND SUBJECT TO COMPLETION, DATED DECEMBER 9, 2024**

# INFORMATION STATEMENT

# Twin Hospitality Group Inc.

**Class A Common Stock**
(par value $0.0001 per share)

This Information Statement is being furnished to you as a holder (which we refer to as a "FAT Brands Common Stockholder") of Class A Common Stock (which we refer to as "FAT Brands Class A Common Stock"), or Class B Common Stock (which we refer to as "FAT Brands Class B Common Stock"), as the case may be, of FAT Brands Inc. (which we refer to as "FAT Brands") in connection with the planned distribution (which we refer to as the "Spin-Off") by FAT Brands to the FAT Brands Common Stockholders of approximately 5% of the fully-diluted shares of Class A Common Stock, par value $0.0001 per share (which we refer to as our "Class A Common Stock") of Twin Hospitality Group Inc. (which we refer to as our "Company"), which shares are held by FAT Brands immediately prior to the Spin-Off. As of immediately prior to the time of the Spin-Off, FAT Brands will hold 47,298,271 shares of our Class A Common Stock, which is 100% of the outstanding shares of our Class A Common Stock.

At the time of the Spin-Off, FAT Brands will distribute on a pro rata basis to the FAT Brands Common Stockholders approximately 5% of the fully-diluted shares of our Class A Common Stock. Each one share of FAT Brands Class A Common Stock and each one share of FAT Brands Class B Common Stock, as the case may be, outstanding as of p.m., New York City time, on , 2024, the record date for the Spin-Off (which we refer to as the "Record Date"), will entitle the holder thereof to receive 0.1520207 share of our Class A Common Stock. The distribution of shares of our Class A Common Stock pursuant to the Spin-Off will be made in book-entry form by a distribution agent (which we refer to as the "Distribution Agent"). Fractional shares of our Class A Common Stock will not be distributed in the Spin-Off.

The Spin-Off will be effective as of p.m., New York City time, on , 2024.

The FAT Brands Common Stockholders are not required to vote on or take any other action in connection with the Spin-Off. We are not asking you for a proxy, and we request that you do not send us a proxy. The FAT Brands Common Stockholders will not be required to pay any consideration for the shares of our Class A Common Stock that they receive in the Spin-Off, and they will not be required to surrender or exchange their shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, or take any other action in connection with the Spin-Off.

Prior to the Spin Off, there has been no public market for our Class A Common Stock. We have applied to list our Class A Common Stock on the Nasdaq Capital Market under the symbol "TWNP". The consummation of the Spin-Off is conditioned upon our Class A Common Stock being approved for listing on the Nasdaq Capital Market.

Immediately following the Spin-Off, we will be an independent publicly traded reporting company. We will also be deemed to be an "emerging growth company" and a "smaller reporting company" under applicable U.S. federal securities laws, and, as such, we have elected to comply with certain reduced public company reporting requirements for this Information Statement and future filings we will make with the Securities and Exchange Commission. See "*Summary of our Company and our Business—Implications of Being an Emerging Growth Company and a Smaller Reporting Company*."

We have two classes of authorized common stock: Class A Common Stock and Class B Common Stock, par value $0.0001 per share (which we refer to as our "Class B Common Stock", and together with our Class A Common Stock, our "Common Stock"). The rights of the holders of our Class A Common Stock and Class B Common Stock are identical, except with respect to voting, transfer, and conversion rights. Each share of our Class A Common Stock is entitled to one vote. Each share of our Class B Common Stock is entitled to 50 votes, and, subject to certain conditions, is convertible into one share of our Class A Common Stock at the option of the holder. See "*Description of Capital Stock—Common Stock*." Immediately following the completion of the Spin-Off, FAT Brands Inc. (which we refer to as "FAT Brands") will beneficially own (i) an expected 44,571,771 shares of our issued and outstanding Class A Common Stock, and (ii) all of the 2,870,000 issued and outstanding shares of our Class B Common Stock, which in aggregate represent approximately 98.6% of the total voting power of the outstanding shares of our Common Stock. As a result, we expect to be a "controlled company", as defined under the corporate governance rules of the Nasdaq Stock Market LLC (which we refer to as "Nasdaq"). As a "controlled company", we are permitted to elect not to comply with certain corporate governance rules of Nasdaq, however, we do not currently intend to rely on any of the "controlled company" exemptions following the completion of the Spin-Off. See "*Management—Controlled Company Exemptions*." Additionally, as long as FAT Brands continues to control more than 50% of the total voting power of our Common Stock, FAT Brands will be able to control the outcome of any action requiring the general approval of our stockholders, including the election of our directors and the approval of significant corporate transactions. See "*Summary of our Company and our Business—Our Relationship with FAT Brands—FAT Brands will be our Controlling Stockholder*" and "*Description of Capital Stock—Common Stock—Voting Rights*".

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**In reviewing this Information Statement, you should carefully read and consider the matters and material risks relating to our Company and our Class A Common Stock described under the section entitled "*Risk Factors*" beginning on page 39 of this Information Statement.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.**

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**This Information Statement is not an offer to sell, or a solicitation of an offer to buy, any securities.**

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The date of this Information Statement is , 2024

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## ABOUT THIS INFORMATION STATEMENT

As used in this Information Statement, unless the context otherwise requires or otherwise states, references to our "Company", "we", "us", "our", and similar references refer to (i) with respect to our historical business, operations, financial performance, and financial condition prior to the Reorganization (as defined herein), including with respect to our consolidated financial statements, Twin Hospitality I, LLC (formerly known as FAT Brands Twin Peaks I, LLC), a Delaware limited liability company, and its consolidated subsidiaries (which we refer to collectively as the "Twin Group"), which include, after its acquisition by FAT Brands on September 25, 2023, Barbeque Integrated, Inc., which is the entity that owns Smokey Bones Bar & Fire Grill (which we refer to as "Smokey Bones"), and (ii) upon completion of the Reorganization, Twin Hospitality Group Inc., a Delaware corporation, and its consolidated subsidiaries, which will include the Twin Group.

We have two classes of authorized common stock: our Class A Common Stock and our Class B Common Stock. In this Information Statement, we refer to our Class A Common Stock and our Class B Common Stock, collectively, as our "Common Stock".

You should rely only on the information contained in this Information Statement. We have not authorized anyone to provide you with information that is different from the information in this Information Statement, and we do not take any responsibility for, or provide any assurance as to the reliability of, any information, other than the information in this Information Statement. The information in this Information Statement is accurate only as of the date on the cover, regardless of the time of delivery of this Information Statement or the time of the distribution of our Class A Common Stock in the Spin-Off.

**For FAT Brands Common Stockholders outside the United States**: We have not done anything that would permit the Spin-Off, or the possession or distribution of this Information Statement, in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this Information Statement must inform themselves about, and observe any restrictions relating to, the Spin-Off and the distribution of this Information Statement outside the United States.

In reviewing this Information Statement, you should also read the Registration Statement on Form 10 (including the exhibits thereto and the documents incorporated by reference therein), of which this Information Statement is a part.

### Basis of Presentation

In connection with the Spin-Off, we will effect certain reorganizational transactions. Unless otherwise stated or the context otherwise requires, all information in this Information Statement reflects the consummation of the Reorganization and the Spin-Off. See the section entitled "*Reorganization*" for a description of the Reorganization, including a diagram depicting our organizational structure after giving effect to the Reorganization and the Spin-Off.

### Presentation of Financial Information

The consolidated financial statements of the Twin Group included in this Information Statement (which we refer to as our "consolidated financial statements") were prepared in accordance with U.S. Generally Accepted Accounting Principles (which we refer to as "GAAP"), and the audited consolidated financial statements of the Twin Group included in this Information Statement were audited in accordance with auditing standards generally accepted in the United States established by the Public Company Accounting Oversight Board (which we refer to as the "PCAOB").

We operate on a 52-week fiscal calendar and our fiscal year ends on the last Sunday of such calendar year. Therefore, any references to 2023 and 2022 are references to the fiscal years ended December 31, 2023 and December 25, 2022, respectively. Consistent with industry practice, we measure our restaurants' performance in seven calendar day increments. In utilizing a 52-week fiscal calendar, we are able to ensure consistent weekly reporting of our operations, and in utilizing a seven calendar day incremental review, we ensure that each review period has the same number of days, as certain days of the week tend to be more profitable than others. As a result of this 52-week fiscal calendar, a 53$^{rd}$ week must be added to our fiscal year every five or six years. In a 52-week year, all four quarters are comprised of 13 weeks. In a 53-week year, one extra week is added to the fourth quarter. Our fiscal year ended December 31, 2023 consisted of 53 weeks, and our fiscal year ended December 25, 2022 consisted of 52 weeks.

On September 25, 2023, FAT Brands acquired Barbeque Integrated, Inc. (which is the entity that owns Smokey Bones), and, on March 21, 2024, FAT Brands contributed to us, and we acquired, the assets and liabilities of Barbeque Integrated, Inc., including Smokey Bones. Pursuant to the business combinations under common control guidance in Accounting Standards Codification 805-50, *Business Combinations—Related Issues*, we retroactively assumed the contribution of Barbeque Integrated, Inc. and consolidated its assets, liabilities and operating results as of September 25, 2023.

Certain monetary amounts, percentages, and other figures included in this Information Statement have been subject to rounding adjustments. Percentage amounts included in this Information Statement have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Information Statement may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements included elsewhere in this Information Statement. Additionally, certain other amounts that appear in this Information Statement may not sum due to rounding.

**Presentation of Certain Key Performance Indicators and Non-GAAP Financial Metrics**

Certain key performance indicators and other non-GAAP financial metrics presented in this Information Statement are used by our management to make decisions, establish our business plans and forecasts, identify trends affecting our business, and evaluate our overall performance, and are typically used by our competitors in the restaurant industry, but are not recognized under GAAP. We define such key performance indicators and other non-GAAP financial metrics as follows:

***Key Performance Indicators***

- *Average unit volume ("AUV")*. AUV of Twin Peaks or AUV of Smokey Bones, as the case may be, consists of the average annual sales of all restaurants of such brand that have been open for a trailing 52-week period or longer. This measure is calculated by dividing restaurant revenue during the applicable trailing 52-week period for all restaurants being measured by the number of restaurants being measured. AUV includes both company-owned restaurants and franchised restaurants of such brand. AUV allows our management to assess the financial performance of our company-owned restaurants and franchised restaurants of such brand.

- *Comparable Restaurant Sales*. Comparable Restaurant Sales represent year-over-year sales comparisons for the comparable restaurant base, which we define as restaurants open for at least 18 full months. This measure highlights the performance of our existing restaurants, as the impact of new restaurant openings is excluded.

  Various factors impact Comparable Restaurant Sales, including overall economic trends, particularly those related to consumer spending, consumer recognition of our brands, our ability and our franchisees' ability to operate restaurants effectively and efficiently to meet changing consumer preferences and expectations, introduction of new and seasonal menu items and limited time offerings, marketing and promotional efforts, pricing, customer traffic, local competition, trade area dynamics, opening new restaurants in the vicinity of existing locations, and abnormal weather patterns.

- *Number of System-Wide Restaurants*. Our management reviews the number of new restaurants (including both new company-owned restaurants and franchised restaurants), the number of restaurants closed and the number of acquisitions and divestitures of restaurants to assess net new restaurant growth, System-Wide Sales, royalty and franchise fee revenue and company-owned restaurant sales. In particular, the number of new restaurants reflects the number of restaurants that have commenced operations during a particular period. Before we open new restaurants, we typically incur pre-opening development and construction costs. New restaurants may not be profitable, and their sales performance may not follow historical patterns.

  The number and timing of restaurant openings has had, and is expected to continue to have, an impact on our results of operations. Costs and timing of new restaurant construction were adversely affected in 2022 and 2023 due to elevated inflation, uneven equipment delivery, unpredictability of the timing of obtaining permits, and supply chain interruptions.

- *System-Wide Sales*. System-Wide Sales consist of the restaurant sales of our company-owned restaurants and franchised restaurants (as reported by our franchisees). While we do not record sales from our franchised restaurants as revenue, our royalty revenue is calculated based on a percentage of gross sales from our franchised restaurants, which generally is 5.0% of gross sales, net of discounts. Our measure of System-Wide Sales allows our management to better assess changes in our royalty revenue, our overall performance, the health of our brands, and the strength of our market position relative to our competitors.

These and other key performance indicators are discussed in more detail in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators*".

***Non-GAAP Financial Metrics***

- *Adjusted EBITDA and Adjusted EBITDA Margin.* Adjusted EBITDA represents net income (loss) adjusted to exclude interest expense, income tax provision (benefit), and depreciation and amortization, and further adjusted to exclude equity-based compensation. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of total revenues. We use Adjusted EBITDA and Adjusted EBITDA Margin, as supplements to GAAP measures of performance, to evaluate the effectiveness of our business strategies, make budgeting decisions, and compare our performance against that of other peer companies that use similar metrics. See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Adjusted EBITDA and Adjusted EBITDA Margin*" for a further discussion of Adjusted EBITDA and Adjusted EBITDA Margin, including our management's use of such metrics and the limitations of such metrics as analytical tools, and for a reconciliation of net income (loss) and net income (loss) margin, the most directly comparable financial measures under GAAP, to Adjusted EBITDA and Adjusted EBITDA Margin, respectively.

- *Restaurant-Level Contribution and Restaurant-Level Contribution Margin.* Restaurant-Level Contribution represents company-owned restaurant sales less restaurant operating costs, which consist of food and beverage costs, labor and benefits costs and other operating costs. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales. We use Restaurant-Level Contribution and Restaurant-Level Contribution Margin, as supplements to GAAP measures, to evaluate the profitability of sales at our company-owned restaurants, compare the performance of our company-owned restaurants across periods, and compare the financial performance of our company-owned restaurants against that of other peer companies that use similar metrics. These non-GAAP financial metrics are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Additionally, these non-GAAP financial metrics exclude general and administrative expenses, pre-opening expenses and depreciation and amortization on restaurant property and equipment, which are essential to support the operations and development of our company-owned restaurants. See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" for a further discussion of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, and for a reconciliation of income from operations, the most directly comparable financial measure under GAAP, to Restaurant-Level Contribution.

- *Cash-on-cash return*. Cash-on-cash return for a restaurant is calculated by dividing Restaurant-Level Contribution by our net initial investment after deducting any tenant allowances and sale leaseback proceeds. We use cash-on-cash return, as a supplement to GAAP measures, to evaluate the return on cash invested in a restaurant and compare the financial performance of our company-owned restaurants against that of other peer companies that use a similar unit-level economic metric. See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Cash-on-Cash Return*" for a further discussion of cash-on-cash return.

These non-GAAP financial metrics have important limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of our results of operations as reported under GAAP, as these non-GAAP financial metrics may not provide a complete understanding of our performance. These non-GAAP financial metrics should be reviewed in conjunction with our consolidated financial statements prepared in accordance with GAAP.

## Market and Industry Data

Unless otherwise indicated, information contained in this Information Statement concerning our industry, competitive position, and/or the markets in which we operate is based on information from independent industry or research organizations, other third-party sources, or management estimates. Our management estimates are derived from publicly available information released by independent industry analysts or other third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data, and our experience in, and knowledge of, our industry and markets, which we believe to be reasonable. Our management has developed its knowledge of our industry and markets through its experience and participation in such industry and markets. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates.

While we believe the third-party sources referred to in this Information Statement are reliable, neither we nor our management have independently verified any of the data from such sources referred to in this Information Statement or ascertained the underlying economic assumptions relied upon by such sources, and therefore cannot assure you of the accuracy or completeness of such data. Internally prepared and third-party market forecasts, in particular, are estimates only and may be inaccurate, especially over long periods of time. Furthermore, references in this Information Statement to any publications, reports, surveys or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey or article. The information in any such publication, report, survey or article is not incorporated by reference in this Information Statement. Additionally, projections, assumptions and estimates of the future performance of the industry in which we operate, as well as our future performance, are necessarily subject to uncertainties and risks due to a variety of factors, including those described in the sections entitled "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Statements*" and elsewhere in this Information Statement. These and other factors could cause results to differ materially from those expressed in the estimates made by such independent third-party sources or by our management.

In this Information Statement, we refer to market data from Black Box Intelligence™ (which we refer to as "Black Box"), a leading data provider of guest and consumer insights and benchmarks for various industries, including the restaurant industry. Black Box tracks and analyzes guest sentiment by collecting insights from restaurant reviews on social media and rating sites and using algorithms to monitor trends and common themes. Black Box analyzes its collected data, converts it into quantitative numerical metrics, and provides us with consumer sentiment scores in following categories used in the restaurant industry: food, beverage, service, ambiance, and consumer intent to return.

## Trademarks

We own or have the rights to use various trademarks, trade names and service marks, including "Twin Peaks", "Smokey Bones", and various logos used in association with our Company name and our brands. Solely for convenience, any trademarks, trade names, service marks or copyrights referred to or used herein are listed without the applicable ©, ® or ™ symbol, but such references or uses are not intended to indicate, in any way, that we, or the applicable owner, will not assert, to the fullest extent under applicable law, our or their, as applicable, rights to these trademarks, trade names, service marks and copyrights. Other trademarks, trade names, service marks or copyrights of any other company appearing in this Information Statement are, to our knowledge, the property of their respective owners.

## QUESTIONS AND ANSWERS REGARDING THE SPIN-OFF

*The following questions and answers briefly address some commonly asked questions about the Spin-Off. They may not include all the information that is important to you. We encourage you to carefully read this entire Information Statement and the other documents to which we have referred you. For a more detailed description of the Spin-Off, see "The Spin-Off".*

***Q: What is the Spin-Off?***

A: The Spin-Off is the method by which our Company will separate from FAT Brands. In the Spin-Off, FAT Brands will distribute on a pro rata basis to the FAT Brands Common Stockholders approximately 5% of the fully-diluted shares of our Class A Common Stock, with FAT Brands retaining the remaining outstanding shares of our Class A Common Stock and 100% of the outstanding shares of our Class B Common Stock. At the time of the Spin-Off, the Reorganization will have been completed and the Twin Group will be part of our consolidated Company. Following the Spin-Off, we will be an independent publicly traded reporting company.

***Q: What are the reasons for the Spin-Off?***

A: The board of directors of FAT Brands (which we refer to as the "FAT Brands Board of Directors") considered the following potential benefits in deciding to pursue the Spin-Off:

- Establishing our Company as a company separate from FAT Brands will provide us with a greater ability to focus on and grow our business. The Spin-Off will establish our Company as an independent publicly traded reporting company, which we believe will meaningfully enhance our industry market perception, thereby providing greater growth opportunities for us than as a consolidated division of FAT Brands. Additionally, by separating the businesses, we will have the flexibility to implement strategic initiatives aligned with our business plan and to prioritize investment spending and capital allocation in a manner that will lead to growth and increased operational efficiencies of our Company that otherwise may not occur as part of a larger, more diversified enterprise like FAT Brands.

- Our Company will benefit from having an experienced and dedicated management team focused on enhancing our business, executing our growth strategy, and finding value-creating opportunities, without any ongoing costs burden from FAT Brands.

- The Spin-Off will provide investors with the opportunity to invest in two separate companies and business lines with different business strategies and target customers, and will enable investors to separately value our Company and FAT Brands based on our Company's and FAT Brands' respective unique investment identities, including the merits, performance and future prospects of our Company's and FAT Brands' respective businesses.

- The separation of our Company from FAT Brands will facilitate the tailoring of incentive compensation arrangements for the respective management and employees of each company that are more directly tied to the performance of each respective company's business, which we believe will enhance employee hiring and retention by, among other things, improving the alignment of management and employee incentives with the performance and growth objectives of each respective company.

The FAT Brands Board of Directors also considered a number of potentially negative factors in evaluating the Spin-Off, such as risks relating to potentially not being able to achieve the anticipated benefits of the Spin-Off, but concluded that the potential benefits of the Spin-Off outweighed these factors. For more information, see the sections entitled "*Risk Factors*" and "*The Spin-Off—Reasons for the Spin-Off*".

***Q: What will you receive in the Spin-Off?***

A: As a FAT Brands Common Stockholder, you will receive a distribution in the form of shares of our Class A Common Stock that correlates to the number of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, that you hold on the Record Date. The Distribution Agent will distribute only whole shares of our Class A Common Stock in the Spin-Off. Any fractional shares will be rounded down to the nearest whole share. For more information on the treatment of the fractional shares in the Spin-Off, see the section entitled "*The Spin-Off—The Distribution by FAT Brands to the FAT Brands Common Stockholders of Shares of our Class A Common Stock in the Spin-Off —Treatment of Fractional Shares*".

***Q: What is the Record Date for the Spin-Off?***

A: FAT Brands has designated the close of business as of p.m., New York City time, on , 2024, as the Record Date for the Spin-Off. FAT Brands may elect to change the Record Date based on the timing of the Spin-Off.

***Q: When will the distribution to the FAT Brands Common Stockholders of shares of our Class A Common Stock in the Spin-Off occur?***

A: The Spin-Off will be effective as of p.m., New York City time, on , 2024 (which we refer to as the "Distribution Date"). Our Class A Common Stock will commence trading on the Nasdaq Capital Market on the following trading day.

***Q: How will FAT Brands distribute shares of our Class A Common Stock in the Spin-Off?***

A: Registered FAT Brands Common Stockholders: If you are a registered stockholder (meaning your holdings of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, are registered directly on FAT Brands' stock ledger maintained by its transfer agent and registrar (VStock Transfer, LLC), the Distribution Agent will credit the whole shares of our Class A Common Stock that you receive in the Spin-Off to a new book-entry account with our transfer agent and registrar on the Distribution Date. Following the Distribution Date, the Distribution Agent will mail to you a book-entry account statement that reflects the number of shares of our Class A Common Stock that you hold, and you will also be able to access information regarding your new book-entry account with our transfer agent and registrar.

"Street name" or beneficial FAT Brands Common Stockholders: If you hold your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, through a bank, broker or other nominee, the Distribution Agent will release the distributed shares of our Class A Common Stock to the Depository Trust Company (which we refer to as "DTC") for further distribution to the DTC participants, and your bank, broker or other nominee will credit your account with the whole shares of our Class A Common Stock that you receive in the Spin-Off on the Distribution Date. Please contact your bank, broker or other nominee for further information about your account.

No physical stock certificates will be issued to any stockholders, even if requested. See "*The Spin-Off—The Distribution by FAT Brands to the FAT Brands Common Stockholders of Shares of our Class A Common Stock in the Spin-Off*".

***Q: Who is the transfer agent and registrar for our Class A Common Stock, and who is the Distribution Agent?***

A: VStock Transfer, LLC is the transfer agent and registrar for our Class A Common Stock, and will also serve as the Distribution Agent for the Spin-Off.

***Q: What do you have to do to participate in the Spin-Off?***

A: You are not required to take any action, but we urge you to read this Information Statement carefully. FAT Brands Common Stockholders as of the Record Date will not need to pay any cash or deliver any other consideration, including any shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, in order to receive shares of our Class A Common Stock in the Spin-Off. No stockholder approval of the Spin-Off is required. We are not asking you for a vote, and we request that you do not send us a proxy card.

***Q: What are the U.S. federal income tax consequences to FAT Brands Stockholders who are U.S. taxpayers as a result of the distribution of shares of our Class A Common Stock in the Spin-Off?***

A: The Spin-Off will be a taxable distribution for U.S. federal income tax purposes. Accordingly, each FAT Brands Common Stockholder that is a U.S. holder (as defined in "*Material U.S. Federal Income Tax Consequences of the Spin-Off*") would generally be treated as receiving a taxable distribution equal to the fair market value of our Class A Common Stock (determined at the time of the Spin-Off). Such distribution would be treated as a taxable dividend to the extent of such FAT Brands Common Stockholder's ratable share of FAT Brands' current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the value of the distribution exceeds the amount of such earnings and profits, such excess will be treated first, as reducing such FAT Brands Common Stockholder's adjusted basis in each share of its FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, in respect of which such distribution was made, and second, to the extent it exceeds such adjusted basis, as capital gain from the sale or exchange of such share of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may. For more information regarding the potential U.S. federal income tax consequences to you as a result of the distribution of shares of our Class A Common Stock in the Spin-Off, see the section entitled "*Material U.S. Federal Income Tax Consequences of the Spin-Off*".

***Q: If you sell your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock on or before the Distribution Date, will you still be entitled to receive shares of our Class A Common Stock in the Spin-Off?***

A: If you hold shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock on the Record Date and decide to sell them on or before the Distribution Date, you may be able to choose to either (i) sell your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case maybe, together with your entitlement to receive the Spin-Off distribution in the form of shares of our Class A Common Stock, or (ii) sell your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, and keep for yourself your entitlement to receive the Spin-Off distribution in the form of shares of our Class A Common Stock. You should discuss these alternatives with any financial and tax advisors. See also "*The Spin-Off—Trading Prior to the Distribution Date*".

***Q: Are there any restrictions on the resale of the shares of our Class A Common Stock that you will receive in the Spin-Off?***

A: The shares of our Class A Common Stock that will be distributed by FAT Brands to the FAT Brands Common Stockholders in the Spin-Off will be freely transferable, except for shares received by FAT Brands Common Stockholders who are also affiliates of our Company. See "*The Spin-Off—Resale of our Class A Common Stock Following the Spin-Off*" for more information.

***Q: How will our Class A Common Stock trade?***

A: Currently, there is no public market for our Class A Common Stock. We have applied to list our Class A Common Stock on the Nasdaq Capital Market under the symbol "TWNP". The consummation of the Spin-Off is conditioned upon our Class A Common Stock being approved for listing on the Nasdaq Capital Market.

***Q: Do I have appraisal rights in connection with the Spin-Off?***

A: No. FAT Brands Common Stockholders do not have any appraisal rights in connection with the Spin-Off.

***Q: Are there risks associated with owning shares of our Class A Common Stock?***

A: Yes. Our Company and our business face both general and specific risks and uncertainties. Our business also faces risks relating to the Spin-Off. Following the Spin-Off, we will also face risks associated with being an independent publicly traded reporting company. Accordingly, you should read carefully the information in the section entitled "*Risk Factors*".

***Q: Are there any conditions to completing the Spin-Off?***

A: Yes. The Spin-Off is conditioned upon a number of matters, including, but not limited to, (i) the authorization and approval of the FAT Brands Board of Directors, (ii) the approval of Nasdaq of the listing of our Class A Common Stock on the Nasdaq Capital Market, (iii) the declaration of effectiveness of our Registration Statement on Form 10, of which this Information Statement is a part, by the Securities and Exchange Commission (which we refer to as the "SEC"), and (iv) the completion of the Reorganization. For more detailed information regarding the conditions to the Spin-Off, see the section entitled "*The Spin-Off—Conditions to the Spin-Off*".

***Q: Will the number of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock you hold change as a result of the Spin-Off?***

A: No. The number of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock you hold, and your proportionate ownership interest in FAT Brands, will not change as a result of the Spin-Off.

***Q: Will the Spin-Off affect the listing or trading of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock on the Nasdaq Capital Market?***

A: No. FAT Brands Class A Common Stock will continue to be listed for trading on the Nasdaq Capital Market under the symbol "FAT", and FAT Brands Class B Common Stock will continue to be listed for trading on the Nasdaq Capital Market under the symbol "FATBB".

***Q: Will the Spin-Off affect the trading price of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock?***

A: The respective trading prices of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock immediately following the Spin-Off may be lower than immediately prior to the Spin-Off, since the trading prices will no longer reflect the value of our Company, our subsidiaries, and our business. Additionally, until the market has fully analyzed the value of FAT Brands without our Company, our subsidiaries and our business, the respective trading prices of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock may fluctuate. It is possible that after the Spin-Off, the combined equity value of FAT Brands and our Company will be less than the equity value of FAT Brands immediately prior to the Spin-Off.

***Q: Where can I get more information?***

A: If you have any questions relating to the Spin-Off, you should contact:

Investor Relations:

ICR
Michelle Michalski
ir-fatbrands@icrinc.com
646-277-1224

**SUMMARY OF THE SPIN-OFF**

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| **Distributing Company** | FAT Brands Inc.<br><br>Immediately prior to the Spin-Off, FAT Brands holds all of the issued and outstanding shares of our Class A Common Stock. |
| **Distributed Company** | Twin Hospitality Group Inc.<br><br>Immediately prior to the Spin-Off, we are a wholly-owned subsidiary of FAT Brands, and the Twin Group will be part of our consolidated Company. After the Spin-Off, we will be an independent publicly traded reporting company. |
| **Shares of Class A Common Stock to be distributed by FAT Brands to the FAT Brands Common Stockholders in the Spin-Off** | In the Spin-Off, FAT Brands will distribute on a pro rata basis to the FAT Brands Common Stockholders approximately 5% of the fully-diluted shares of our Class A Common Stock. As of immediately prior to the time of the Spin-Off, FAT Brands will hold 47,298,271 shares of our Class A Common Stock, which is 100% of the issued and outstanding shares of our Class A Common Stock.<br><br>Each one share of FAT Brands Class A Common Stock and each one share of FAT Brands Class B Common Stock, as the case may be, outstanding as of the Record Date will entitle the holder thereof to receive 0.1520207 share of our Class A Common Stock.<br><br>Accordingly, approximately shares of our Class A Common Stock will be distributed by FAT Brands to the FAT Brands Common Stockholders in the Spin-Off. |
| **Record Date** | The close of business as of p.m., New York City time, on , 2024. |
| **Distribution Date** | , 2024. |
| **Distribution of Shares of Class A Common Stock in the Spin-Off** | On the Distribution Date, FAT Brands will release the applicable shares of our Class A Common Stock to the Distribution Agent to distribute to the FAT Brands Common Stockholders. The shares of our Class A Common Stock will be distributed in book-entry form, and no physical stock certificates will be issued.<br><br>The Distribution Agent will distribute only whole shares of our Class A Common Stock in the Spin-Off. Any fractional shares will be rounded down to the nearest whole share. See "*The Spin-Off—The Distribution by FAT Brands to the FAT Brands Common Stockholders of Shares of our Class A Common Stock in the Spin-Off —Treatment of Fractional Shares*".<br><br>You will not be required to make any payment, surrender or exchange your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, or take any other action to receive your shares of our Class A Common Stock in the Spin-Off. |

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| **Conditions to the Spin-Off** | The Spin-Off is subject to the satisfaction, or the waiver by FAT Brands, of a number of conditions, including, but not limited to:<br>● the authorization and approval of the FAT Brands Board of Directors;<br>● the approval of Nasdaq of the listing of our Class A Common Stock on the Nasdaq Capital Market;<br>● the declaration of effectiveness of our Registration Statement on Form 10, of which this Information Statement is a part, by the SEC; and<br>● the completion of the Reorganization.<br><br>The satisfaction of all of the conditions to the Spin-Off will not create any obligation on the part of FAT Brands to consummate the Spin-Off. FAT Brands has the right not to consummate the Spin-Off if, at any time, the FAT Brands Board of Directors determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of FAT Brands or its stockholders, or is otherwise not advisable.<br><br>For more detailed information regarding the conditions to the Spin-Off, see the section entitled "*The Spin-Off—Conditions to the Spin-Off*". |
| **Tax Consequences to the FAT Brands Common Stockholders Who Are U.S. Taxpayers** | The Spin-Off will be a taxable distribution for U.S. federal income tax purposes. Accordingly, each FAT Brands Common Stockholder that is a U.S. holder (as defined in "*Material U.S. Federal Income Tax Consequences of the Spin-Off*") would generally be treated as receiving a taxable distribution equal to the fair market value of our Class A Common Stock (determined at the time of the Spin-Off). Such distribution would be treated as a taxable dividend to the extent of such FAT Brands Common Stockholder's ratable share of FAT Brands' current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the value of the distribution exceeds the amount of such earnings and profits, such excess will be treated first, as reducing such FAT Brands Common Stockholder's adjusted basis in each share of its FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, in respect of which such distribution was made, and second, to the extent it exceeds such adjusted basis, as capital gain from the sale or exchange of such share of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may. For more information regarding the potential U.S. federal income tax consequences to you as a result of the distribution of shares of our Class A Common Stock in the Spin-Off, see the section entitled "*Material U.S. Federal Income Tax Consequences of the Spin-Off*".<br><br>**We urge you to consult your tax advisor as to the specific tax consequences of the Spin-Off to you, including the effect of any U.S. federal, state, local or non-U.S. tax laws and of changes in applicable tax laws.** |
| **Resale of Class A Common Stock** | The shares of our Class A Common Stock that will be distributed by FAT Brands to the FAT Brands Common Stockholders in the Spin-Off will be freely transferable, except for shares received by FAT Brands Common Stockholders who are also affiliates of our Company. See "*The Spin-Off—Resale of our Class A Common Stock Following the Spin-Off*" for more information. |
| **Listing** | We have applied to list our Class A Common Stock on the Nasdaq Capital Market under the symbol "TWNP". |

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| **Transfer Agent and Registrar; Distribution Agent** | VStock Transfer, LLC is the transfer agent and registrar for our Class A Common Stock, and will also act as the Distribution Agent for the Spin-Off. |
| **Dividend Policy** | We currently intend to retain all available funds and any future earnings to fund the development and growth of our operations and to repay outstanding debt, and therefore, we do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. See "*Dividend Policy*." |
| **Class A Common Stock to be outstanding immediately after the Spin-Off[(1)]** | 47,298,271 shares. |
| **Class B Common Stock to be outstanding immediately after the Spin-Off** | 2,870,000 shares. |
| **Total shares of our Common Stock to be outstanding immediately after the Spin-Off[(1)]** | 50,168,271 shares. |
| **Voting** | Each share of our Class A Common Stock will be entitled to one vote. Each share of our Class B Common Stock will be entitled to 50 votes.<br><br>The holders of our Class A Common Stock and Class B Common Stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our Amended and Restated Certificate of Incorporation. See "*Description of Capital Stock—Common Stock*." |
| **Concentration of Ownership** | FAT Brands, which beneficially owns 100% of the outstanding shares of our Common Stock prior to the Spin-Off, will beneficially own and control an expected 44,571,771 shares of our Class A Common Stock, and all of the 2,870,000 outstanding shares of our Class B Common Stock, which in the aggregate represents approximately 98.6% of the total voting power of the outstanding shares of our Common Stock, immediately following the completion of the Spin-Off, and, as a result, will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of all the members of our board of directors (which we refer to as our "Board of Directors"), and the approval of significant corporate transactions. See "*Summary of our Company and our Business—Our Relationship with FAT Brands—FAT Brands will be our Controlling Stockholder*" and "*Description of Capital Stock—Common Stock—Voting Rights*".<br><br>Additionally, we will be a "controlled company", as defined under the Nasdaq Listing Rules. As a "controlled company", we are permitted to elect not to comply with certain corporate governance rules of Nasdaq, however, we do not currently intend to rely on any of the "controlled company" exemptions following the completion of the Spin-Off. See "*Management—Controlled Company Exemptions*." |
| **Use of Proceeds** | We will not receive any proceeds from the distribution of shares of our Class A Common Stock in the Spin-Off, and any expenses incurred in connection with the Spin-Off will be borne by us. See "*Use of Proceeds*." |

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| **Risk Factors** | Our Company and our business face both general and specific risks and uncertainties. Our business also faces risks relating to the Spin-Off. Following the Spin-Off, we will also face risks associated with being an independent publicly traded reporting company. Accordingly, you should carefully read and consider the risks described in the section entitled "*Risk Factors*" beginning on page 39 of this Information Statement, as well as all other information contained in this Information Statement. |

(1) The number of shares of our Common Stock to be outstanding immediately after the Spin-Off is based on shares of our Class A Common Stock and shares of our Class B Common Stock outstanding as of the date of completion of the Reorganization, and does not include (i) an aggregate of 2,364,913 shares of our Class A Common Stock that will be issuable upon exercise of the Noteholders' Warrants (as defined and described under "*Description of Certain Indebtedness—Twin Securitization Notes—Noteholders' Warrants and Other Agreements*"), (ii) up to 4,742,346 shares of our Class A Common Stock underlying restricted stock units, subject to vesting, that we intend to grant to certain of our officers and employees under the Management Equity Plan (as defined under "*Executive and Director Compensation—Equity-Based Compensation—Twin Hospitality Group Management Equity Plan*"), (iii) an aggregate of 40,000 shares of our Class A Common Stock underlying stock options, subject to vesting, that we intend to grant to our non-executive directors under our 2024 Incentive Compensation Plan (as defined under "*Executive and Director Compensation—Equity-Based Compensation—2024 Incentive Compensation Plan*") upon the consummation of the Reorganization, and (iv) an aggregate of 960,000 shares of our Class A Common Stock remaining and reserved, as of immediately following the grants described in clause (iii) above, for awards that may be granted in the future under our 2024 Incentive Compensation Plan.

Unless otherwise indicated or the context otherwise requires, all information in this Information Statement assumes:

- the completion of the Reorganization; and
- the satisfaction of all of the conditions precedent to the Spin-Off.

## SUMMARY OF OUR COMPANY AND OUR BUSINESS

*This summary highlights some of the information contained elsewhere in this Information Statement. This summary is not complete and does not contain all the information that may be important to you. For a more complete description of the terms and conditions of the Spin-Off, you should read the entire Information Statement carefully, especially the risks discussed in the "Risk Factors" section of this Information Statement, and our consolidated financial statements and the related notes thereto, included elsewhere in this Information Statement.*

### Our Company

We are a franchisor and operator of two specialty casual dining restaurant concepts: Twin Peaks and Smokey Bones. As of September 29, 2024, our total restaurant footprint consists of 172 restaurants, of which 74 are domestic franchised Twin Peaks restaurants operated by our franchisee partners, seven are international franchised Twin Peaks restaurants operated by a franchisee partner in Mexico, 33 are domestic company-owned Twin Peaks restaurants, and 58 are domestic company-owned Smokey Bones restaurants. During the thirty-nine weeks ended September 29, 2024, we and our franchise partners opened five franchised Twin Peaks restaurants across our Twin Peaks restaurant system. During fiscal year 2023, we and our franchisee partners opened 12 franchised Twin Peaks restaurants, and we opened two company-owned Twin Peaks restaurants, across our Twin Peaks restaurant system.

Our growth plan is driven by a robust pipeline of new restaurant developments and strong Comparable Restaurant Sales growth. Our pipeline includes more than 100 signed franchised units as of September 29, 2024, providing significant visibility into our near-term growth trajectory. As we continue to expand, of the total number of anticipated new restaurant openings, we have a goal of having approximately 75% be franchised restaurants.

***Our Track Record of Robust Financial Performance and Growth***

Our team of passionate and experienced professionals has capitalized on our growth strategy to deliver robust and consistent sales growth, new restaurant openings, and strong unit economics for our restaurants. We believe that our compelling financial results and growth trajectory illustrate the appeal of our brands to customers and proof of concept while demonstrating the long-term potential of our brands:

- From fiscal year 2019 to fiscal year 2023, our System-Wide Sales have increased from $342.7 million to $583.4 million, representing a compound annual growth rate (which we refer to as "CAGR") of 14.2%.
- Our Comparable Restaurant Sales have demonstrated strong momentum. In fiscal years 2021, 2022 and 2023, we generated Comparable Restaurant Sales growth of 45.5%, 10.9% and (0.2)%, respectively. Relative to fiscal year 2019, we generated Comparable Restaurant Sales growth of 10.8%, 25.5% and 24.7% during fiscal years 2021, 2022 and 2023, respectively.
- From fiscal year 2019 to fiscal year 2023, our revenue has increased from $129.0 million to $230.9 million, representing a CAGR of 15.7%.
- In fiscal years 2019, 2020, 2021, 2022 and 2023, we generated net income (losses) of $(3.4) million, $(10.6) million, $16.3 million, $(12.8) million and $(13.8) million, respectively. Net income or net loss for fiscal years prior to 2022 is not directly comparable to fiscal years 2022 and 2023 due to FAT Brands' acquisition of the Twin Group in 2021. Net loss margin for fiscal years 2019 and 2023 was (2.6)% and (6.0)%, respectively.
- From fiscal year 2019 to fiscal year 2023, our Adjusted EBITDA has increased from $9.0 million to $28.3 million, representing a CAGR of 33.2%. These Adjusted EBITDA figures represent Adjusted EBITDA Margins of 7.0% and 12.3% in fiscal years 2019 and 2023, respectively, equating to an absolute margin increase of 5.3%.

**Twin Peaks: The Ultimate Sports Lodge**

Twin Peaks is an award-winning restaurant and sports bar brand. We believe that Twin Peaks' combination of made-from-scratch food, 29-degree draft beer, innovative cocktail program, and sports on wall-to-wall televisions at rugged lodge atmosphere themed restaurants is highly differentiated from other competitive concepts, allowing us to deliver an engaging and unique experience to our customers. Founded in 2005 in Dallas, Texas, Twin Peaks has grown from a single restaurant to a system of 114 restaurants across 27 states and Mexico as of September 29, 2024. Driven by our goal of revolutionizing the sports bar experience, and with an estimated total market opportunity in the United States of approximately 650 restaurants (based on a whitespace analysis performed by eSite Analytics in 2023), plus substantial international development opportunities, we believe that we are well-positioned to accelerate the growth of Twin Peaks.

At its core, Twin Peaks is an experiential dining brand. We strive to provide a best-in-class dining and sports bar experience for each guest who walks into our Twin Peaks restaurants, which we deliver through our innovative menu, engaging waitstaff, and immersive sports viewing experience. Twin Peaks' made-from-scratch food features a wide array of selections, ranging from craveable game day favorites (such as seared-to-order burgers and hand-breaded chicken wings) to more innovative and premium options (such as New York strip steak, in-house smoked ribs, and street tacos), which may be less common for a typical restaurant and sports bar. Twin Peaks pairs its curated food menu with its customer-favorite 29-degree draft beer and craft cocktails. All of our Twin Peaks restaurants possess the look and feel of a natural and rugged mountain lodge, featuring authentic wood tones, comfortable seating, quality furnishings, and spacious tables for optimal sports viewing and group gatherings. Our Twin Peaks restaurants typically feature between 60 and 100 television set-ups, providing an immersive and customized viewing experience featuring sports programming and pay-per-view events. Guests at our Twin Peaks restaurants are welcomed by an engaging team, highlighted by an all-female waitstaff, who are a valuable aspect of the Twin Peaks business model and key components of the memorable experiences that our Twin Peaks restaurants provide to guests. Additionally, Twin Peaks' waitstaff are empowered to serve as brand ambassadors, helping to extend the visibility of the Twin Peaks brand to a wider audience of customers.

The Twin Peaks restaurant experience we provide to our guests is the foundation of the Twin Peaks brand, and we believe that this is the primary catalyst of Twin Peaks' strong performance. Twin Peaks' broad menu and thoughtfully crafted dining experience drive consistent customer traffic across all dayparts, including lunch, happy hour, dinner and late-night. We structure Twin Peaks' menu utilizing a "barbell" pricing model, offering a broad combination of lower-priced, entry-level menu items along with a range of more premium, higher-priced food and beverages. This pricing strategy offers a differentiated price-to-value proposition for a multitude of guest preferences. Additionally, the breadth of Twin Peaks' beverage offerings supports high-margin revenue across our Twin Peaks restaurant base. We believe that the guests at our Twin Peaks restaurants are highly engaged and enjoy the Twin Peaks restaurant experience, which is best evidenced by Twin Peaks' industry-leading guest satisfaction and intent-to-return scores, as measured by Black Box. We believe that the Twin Peaks concept possesses broad appeal and resonates with the Generation X, Millennial and Generation Z demographic groups, as well as with all genders.

In order to expand our Twin Peaks restaurant footprint, we are capitalizing on a flexible real estate strategy that has proven successful in converting various existing restaurants and retail stores into Twin Peaks restaurants. As of September 29, 2024, of our 114 Twin Peaks restaurants, approximately 80% were conversions from previous restaurants or retail stores. Relative to new-build restaurants, conversions enable broader and more flexible access to real estate, more timely openings, lower build-out costs, and accelerated payback periods.

Our growth plan for Twin Peaks is driven by a robust pipeline of new restaurant developments and strong Comparable Restaurant Sales growth. Our pipeline for new Twin Peaks restaurants includes more than 100 signed franchised units as of September 29, 2024, providing significant visibility into Twin Peaks' near-term growth trajectory. Based on our franchise development pipeline, which continues to grow, for fiscal years 2024 to 2028, we believe that we and our franchisee partners will open between 10 to 12 new franchised Twin Peaks restaurants per year. As we continue to expand our Twin Peaks restaurant system, of the total number of anticipated new restaurant openings, we have a goal of having approximately 75% be franchised restaurants.

As of September 29, 2024, our total domestic Twin Peaks restaurant footprint includes 107 Twin Peaks restaurants across 27 states, of which 74 are franchised restaurants operated by our franchisee partners and 33 are company-owned restaurants. Additionally, we have partnered with a franchisee who operates seven Twin Peaks restaurants in Mexico. During the thirty-nine weeks ended September 29, 2024, we and our franchise partners opened five franchised Twin Peaks restaurants across our Twin Peaks restaurant system, which represented a 11% increase in restaurant count relative to the same period in 2023. During fiscal year 2023, we and our franchisee partners opened 12 franchised Twin Peaks restaurants, and we opened two company-owned Twin Peaks restaurants, across our Twin Peaks restaurant system, which represented a 15% increase in restaurant count relative to 2022. The growth in the number of Twin Peaks restaurants is supported by Twin Peaks' strong and consistent Average Unit Volumes (which we refer to as "AUVs"), which have shown considerable growth and stability as we have expanded the Twin Peaks brand into new locations and markets. We believe that our ability to generate high AUVs across our Twin Peaks restaurant system in a variety of diverse markets demonstrates the immense portability and potential of the Twin Peaks brand. Furthermore, Twin Peaks' consistent AUVs serve as proof points within its existing markets, allowing us to confidently infill these markets with additional Twin Peaks restaurants.

***Twin Peaks' Track Record of Robust Financial Performance and Growth***

We believe that we have capitalized on our growth strategy for Twin Peaks to deliver robust and consistent sales growth, new restaurant openings, and strong unit economics for our Twin Peaks restaurants. From fiscal year 2019 to fiscal year 2023, the number of Twin Peaks restaurants has grown from 84 restaurants to 109 restaurants, representing a CAGR of 6.7%. Additionally, Twin Peaks' AUVs have exhibited significant growth across our Twin Peaks restaurant system. From fiscal year 2019 to fiscal year 2023, Twin Peaks' AUVs have grown from $4.1 million to $5.4 million, representing a CAGR of 7.1%. We believe that the growth of Twin Peaks' AUVs as our Twin Peaks restaurant system has expanded into new markets demonstrates the portability of the Twin Peaks brand and concept as well as our ability to successfully execute our growth strategy for Twin Peaks within new locations and markets.

We believe that Twin Peaks' highly compelling unit economics are a key driver of the expansion of our Twin Peaks restaurant system, allowing us to catalyze growth in our business while simultaneously attracting both new and existing franchisee partners to commit to new restaurant development. When modeling new Twin Peaks restaurant openings, we target the following average unit economics in the third full year of operations:

- AUV of approximately $6.5 million;
- Restaurant-Level Contribution Margin of approximately 16% for our company-owned Twin Peaks restaurants; and
- Cash-on-cash returns of approximately 28.9% for conversions from previous restaurants or retail stores and approximately 37.1% for new-build restaurants. These cash-on-cash return targets are calculated based on a target average investment cost of approximately $3.6 million for conversions from previous restaurants or retail stores and approximately $2.8 million for new-build restaurants (in each case, net of tenant allowances and sale leaseback proceeds, and excluding pre-opening expenses).

The following table summarizes our target economics for new Twin Peaks restaurant openings:

**Target Average Unit Economics**

| *(dollars in thousands)* | **Conversions** | **New Builds** |
|---|---|---|
| AUV[(1)] | $ 6,500 | $ 6,500 |
| Restaurant-Level Contribution Margin[(1)(2)] | 16.0% | 16.0% |
| Net initial investment[(3)] | $ 3,600 | $ 2,800 |
| Cash-on-cash return[(1)(4)] | 28.9% | 37.1% |

(1) Reflects targets for the third full year of operations.

(2) See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" for a further discussion of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, and for a reconciliation of income from operations, the most directly comparable financial measure under GAAP, to Restaurant-Level Contribution.

(3) Reflects capital expenditures incurred to open a restaurant, net of tenant allowances and sale leaseback proceeds, and excluding pre-opening expenses.

(4) See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Cash-on-Cash Return*" for a further discussion of cash-on-cash return.

Openings of new franchised Twin Peaks restaurants are particularly profitable for our business model. A franchised Twin Peaks restaurant generating an illustrative AUV of $6.0 million contributes approximately $300,000 in royalty income to us each year (based on a royalty rate of 5.0% of gross sales), which contributes directly to our profitability profile and carries minimal associated variable costs. Additionally, such franchised Twin Peaks restaurant would contribute approximately $150,000 (based on a required contribution of 2.5% of gross sales) to the Twin Peaks National Marketing Fund, which would allow us to increase brand awareness in both new and existing markets.

In 2024, we are targeting to open three to four new company-owned Twin Peaks restaurants, with two closures. During the thirty-nine weeks ended September 29, 2024, our franchisees opened five franchised Twin Peaks restaurants, and we currently estimate that a franchisee will open one additional new franchised Twin Peaks restaurant during the last fiscal quarter of 2024. In total, we are targeting the expansion of our Twin Peaks restaurant footprint by eight new Twin Peaks restaurants in 2024.

***Conversions of Smokey Bones Restaurants into Twin Peaks Restaurants***

In September 2023, FAT Brands acquired Barbeque Integrated, Inc., which is the entity that owns Smokey Bones Bar & Fire Grill (which we refer to as "Smokey Bones"). Subsequent to FAT Brands' acquisition of Smokey Bones, on March 21, 2024, FAT Brands contributed to Twin Hospitality I, LLC (formerly known as FAT Brands Twin Peaks I, LLC), which is the top tier company in the Twin Group (which we refer to as the "Top Tier Twin Subsidiary"), and the Top Tier Twin Subsidiary acquired (which we refer to as the "Smokey Bones Acquisition"), all of the outstanding capital stock of Barbeque Integrated, Inc., which included Smokey Bones. We plan to convert approximately half of the acquired 60 Smokey Bones restaurants into new Twin Peaks restaurants (which we refer to as the "Twin Peaks Conversions"). Of the to be converted Smokey Bones restaurants that are within existing franchisee development areas, we plan to work with our existing franchisees to develop those restaurants. Of the to be converted Smokey Bones restaurants that are within new markets, we may partner with a franchisee to develop those restaurants or convert those restaurants into company-owned Twin Peaks restaurants.

We estimate that the required initial investment cost for a conversion of a Smokey Bones restaurant into a Twin Peaks restaurant, excluding pre-opening expenses, to be between approximately $2.0 million to $5.0 million per restaurant, consistent with our initial investment targets for conversions of existing sites. We believe that the opportunity to convert Smokey Bones restaurants enables us and our franchisees to open new Twin Peaks restaurants in attractive locations and markets at a lower cost than a new build and on a shorter timeline, while also providing heightened visibility into our near-term growth objectives for our Twin Peaks restaurant system.

Of the remaining Smokey Bones restaurants that are not converted into Twin Peaks restaurants, we intend to operate them as company-owned Smokey Bones restaurants, or sell them to franchisees who will own and operate them as franchised Smokey Bones restaurants.

***Twin Peaks' Market Opportunity***

Twin Peaks competes in the broader casual dining segment of the U.S. full-service dining industry. According to Technomic, Inc. (which we refer to as "Technomic"), a leading data provider for the restaurant industry, the full-service dining industry is highly fragmented, with various concepts competing for wallet share across a number of menu categories, including sports bars, steak, Italian/pizza, family style, and others. According to Technomic, the full-service dining industry in the United States generated sales of approximately $264 billion and $275 billion in 2022 and 2023, respectively. In fiscal year 2023, our domestic System-Wide Sales growth outpaced that of the broader full-service dining industry, as our domestic System-Wide Sales grew by 11%, relative to 5% for the full-service dining industry as a whole, according to Technomic.

Within the full-service dining industry, Twin Peaks operates within the casual dining segment and the sports bar sub-segment. According to Technomic's 2023 Top 500 Chain Restaurant Report, which ranks U.S. restaurant chains by 2022 domestic system-wide sales, Twin Peaks was ranked 102 on the list of all U.S. restaurant concepts and fifth out of 29 restaurant concepts within the sports bar sub-segment. We believe that the Twin Peaks concept has a significant opportunity to disrupt the sports bar and broader casual dining segments, and we are well-positioned to capitalize on this opportunity. We believe that Twin Peaks' focus on made-from-scratch food, craft beverages, and providing an engaging sports-lodge experience helps differentiate the Twin Peaks concept from competitors while creating an environment difficult for customers to replicate at home. As customers continue to seek engaging and high-quality dining experiences, we are targeting growth rates for Twin Peaks in excess of the broader industry.

We believe that Twin Peaks' success can be best demonstrated by its performance relative to the broader casual dining segment, as tracked by Black Box. Black Box tracks consumer intent-to-return, which we believe is Twin Peaks' strongest measure of success. In fiscal year 2023, Twin Peaks' consumer intent-to-return score, as defined by Black Box, was measured at 95%, as compared to 74% for the broader casual dining segment. We believe that Twin Peaks' strong traffic trends and favorable customer perception are critical drivers of its sales growth and demonstrate the strength and potential of the Twin Peaks concept. As Twin Peaks continues to grow, we believe that Twin Peaks has an opportunity to gain market share by focusing on providing guests with a superior dining and sports viewing experience, thereby driving increased brand awareness, continued growth in Comparable Restaurant Sales, and continued expansion of our Twin Peaks restaurant footprint. Furthermore, we believe that the Twin Peaks concept is uniquely resistant to economic headwinds given the breath of its menu items and range of price points, combined with its focus on providing an immersive sports viewing experience.

***Twin Peaks Aims to Provide Guests with an Unmatched Dining Experience***

Since its inception, Twin Peaks has been driven by its mission of providing guests with an authentic, energetic and comfortable environment, food that makes guests feel good, and beverages to celebrate every win. We consider Twin Peaks' focus on experiential dining to be an integral component of its DNA, a core differentiator of the Twin Peaks concept, and the primary driver of Twin Peaks' unique brand identity and value proposition for consumers. We believe that Twin Peaks' combination of made-from-scratch food, 29-degree draft beers, craft cocktails, engaging waitstaff, and expansive television packages creates a dining and sports-viewing experience that is difficult to replicate at home or elsewhere, which drives strong customer traffic at our Twin Peaks restaurants. Our focus on providing an outstanding experience for each guest is consistent across our Twin Peaks restaurant system. Our Twin Peaks restaurants are thoughtfully crafted to look and feel like a natural and rugged escape, incorporating various iconic features of mountain lodges. In addition to its kitchen, bar and television packages, many of our Twin Peaks lodges include other amenities, such as outdoor patios, fire pits and cigar rooms, offering guests opportunities to socialize while watching their favorite sporting events. While all Twin Peaks restaurants generally exhibit the same look and feel, each Twin Peaks restaurant does so with a distinctive and unique touch, making no two restaurants exactly alike. Additionally, we and our franchisees are able to tailor the look and feel of a Twin Peaks restaurant in order to best appeal to specific localities. As we continue to expand our Twin Peaks restaurant footprint, both domestically and internationally, we aim to continue to provide Twin Peaks' signature dining experience to guests across both new and existing markets. The primary pillars of the Twin Peaks in-restaurant experience are further described below.

*Award-Winning Craft Kitchen and Menu Offerings*

Our Twin Peaks restaurants feature a selection of craveable, bold and exciting menu items, providing guests with a broad range of gastropub-style all-American comfort food suitable for a variety of taste preferences. Twin Peaks' food menu is comprised of approximately 70 core items, which are made-from-scratch and feature fresh and premium ingredients. Twin Peaks offers a variety of shareable menu items to cater specifically to guests gathered in groups, while still providing a number of curated entrée selections. Core menu items include a range of elevated but familiar game day favorites, such as burgers, chicken wings (available in over 30 different cooking styles, sauce varieties, and rubs) and flatbreads, as well as a variety of innovative and creative dishes, such as street tacos, spicy meatball parmesan submarine sandwiches, and New York strip steaks. We have designed the Twin Peaks menu to focus on efficiently limiting the number of ingredients in a given restaurant's pantry, which streamlines the labor hours required to prepare the food offerings while simultaneously allowing team members to excel in the preparation of a targeted number of items. Twin Peaks' menu is driven by its in-house culinary team, which allows Twin Peaks to capitalize on relevant trends and to provide guests with new and innovative dishes. All of our Twin Peaks restaurants feature a well-equipped kitchen, including an in-house smoker, which is utilized across several menu offerings, such as chicken wings and street tacos. We are constantly seeking to innovate across Twin Peaks' menu, leveraging the trusted Twin Peaks brand to encourage guests to try exciting new items, such as a lobster roll BLT. We believe that the quality and breadth of Twin Peaks' menu is a core differentiator of the Twin Peaks brand and a defining element of the Twin Peaks restaurant experience.

*Broad and Differentiated Beverage Offerings*

Twin Peaks' curated food menu is paired with a broad selection of beverage offerings, including a range of ice-cold draft beer, craft cocktails, and spirits. In particular, Twin Peaks' signature, teeth-chattering 29-degree draft beer served in frosted mugs is a customer favorite. Twin Peaks features a rotating selection of ice-cold beers on tap, as well as a range of local and seasonal favorites, which can vary by restaurant. We have spent years perfecting the process behind serving Twin Peaks' 29-degree draft beer, from the washing to the freeze-drying of our mugs. Our Twin Peaks restaurants feature up to 32 beer taps, depending on the size of the venue, with an average of 24 to 32 taps per restaurant across our Twin Peaks restaurant system. Twin Peaks offers a selection of proprietary, in-house beers to all 34 Twin Peaks restaurants across Texas. All of the Twin Peaks signature beers sold in our Twin Peaks restaurants in Texas, such as the Twin Peaks Dirty Blonde, are brewed at Twin Peaks Brewing Co., our brew-pub in Irving, Texas. Additionally, we work with national commercial brewers to produce private label beer outside of Texas in order to offer proprietary beers at all of our Twin Peaks restaurants throughout our Twin Peaks restaurant system. Our brewing operations allow Twin Peaks to generate higher margins on sales of its proprietary beers, while simultaneously offering meaningful value to guests by selling this beer at compelling price points. Twin Peaks currently offers four staple draft beers, as well as a variety of limited edition and seasonal brews.

While Twin Peaks is widely known for its 29-degree draft beer, the Twin Peaks concept extends far beyond its beer offerings. We take great pride in Twin Peaks' extensive selection of premium craft cocktails and distinctive spirits. Twin Peaks offers a curated menu of liquors and spirits, ranging from familiar and accessible options to top-shelf brands. Twin Peaks also leverages its extensive list of spirits to provide guests with classic and creative specialty cocktails, including martinis, mules, margaritas and specialty shots. Twin Peaks' combination of beer and spirits provides guests with an elevated selection of bar options that can pair with any meal and satisfy a diverse range of guest preferences.

*Energetic and Engaging Waitstaff*

Guests at all of our Twin Peaks restaurants are greeted and served by an all-female waitstaff and front of house team, which is a central component of the Twin Peaks restaurant experience. Twin Peaks' team members are focused on delivering an outstanding experience that makes all guests feel like regulars. We have intentionally tailored the job responsibilities of the Twin Peaks waitstaff to allow them to focus a maximum amount of time and energy on providing friendly service and welcoming hospitality. Additionally, the Twin Peaks waitstaff often commands engaged audiences across social media platforms and is encouraged to serve as ambassadors for the Twin Peaks brand. We believe that the Twin Peaks waitstaff provides publicity and a mutually beneficial halo effect for the Twin Peaks brand, allowing Twin Peaks to reach a wider range of customers and drive local traffic.

*The Ultimate Sports Viewing Experience*

Twin Peaks strives to provide its guests with a sports viewing experience that is unrivaled at home or elsewhere. Our Twin Peaks restaurants allow guests to experience every game, match, fight and race in a welcoming and energetic setting. Twin Peaks' sports viewing experience is driven by its expansive television packages. Our Twin Peaks restaurants offer wall-to-wall televisions featuring comprehensive and customizable sports programming packages and pay-per-view events. Twin Peaks' sports programming is flexible and can be easily modified, which we believe allows it to appeal to the broadest number of sports fans by showcasing a multitude of events simultaneously. On days with multiple games, such as NFL Sundays or college football Saturdays, each Twin Peaks restaurant strategically maps out televisions by section so that it can best accommodate guests and pair them with their favorite teams. Our Twin Peaks restaurants are intentionally designed to capitalize on available space and to ensure that there is "not a bad seat in the house". As of September 29, 2024, with respect to our domestic Twin Peaks restaurants currently open, the average restaurant size is approximately 7,800 square feet and typically features between 60 and 100 television setups.

In addition to traditional sports programming, Twin Peaks curates special events and promotions around high-profile sporting events and occasions. For example, we showcase major boxing and mixed martial arts pay-per-view events in our Twin Peaks restaurants, which we believe provides guests with a compelling value proposition, allowing them to watch in our Twin Peaks restaurants rather than incur the cost of pay-per-view packages at home. We believe that the experience Twin Peaks provides to guests for special events has helped establish Twin Peaks as a chosen destination for sports viewing. Twin Peaks' slate of special events is intentionally coordinated with the sports calendar, and our Twin Peaks team organizes effective marketing campaigns around the NFL, college football, fantasy football, MLB, NBA, March Madness, and other major sporting events throughout the year.

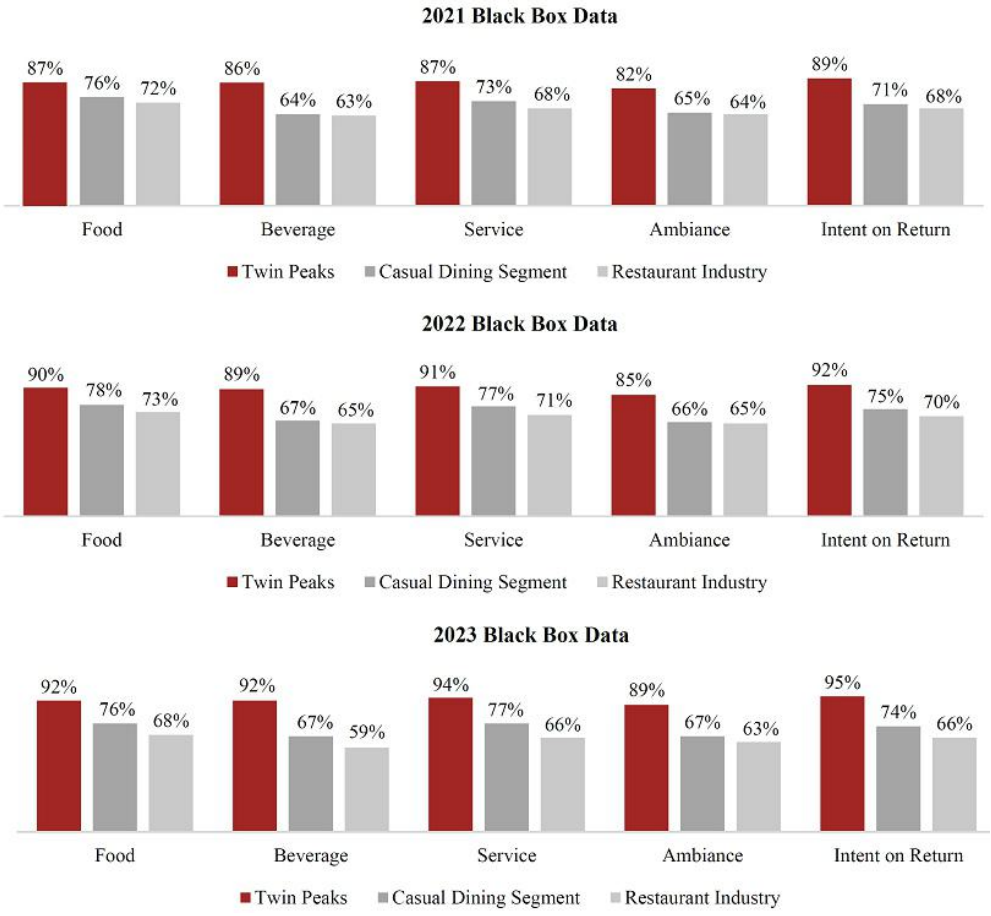
*Curated Special and Private Events*

Our Twin Peaks restaurants arrange a variety of seasonal in-restaurant events throughout the year. These events are often coordinated with specific holidays or other unique occasions, such as St. Patrick's Day, Valentine's Day, Cinco de Mayo, Black Friday, Veteran's Day, National Pickle Day, the anniversary of the end of Prohibition, and others. Twin Peaks also regularly pairs beverage promotions with costume events led by the Twin Peaks waitstaff, allowing us to drive sales of specific menu items. We believe that Twin Peaks' dynamic event calendar drives guest engagement and allows the Twin Peaks waitstaff to deliver unique twists to Twin Peaks' already engaging restaurant experience. These seasonal events are particularly critical in driving customer traffic to our Twin Peaks restaurants during the summer months, when the sports calendar is relatively quiet. Additionally, our Twin Peaks restaurants host a variety of private events, such as birthday parties and corporate events. We believe that Twin Peaks' engaging restaurant experience positions it well to continue to grow its private events business.

***Twin Peaks' Competitive Strengths***

*Differentiated Customer Experience Generating Industry-Leading Guest Satisfaction*

We believe that the Twin Peaks restaurant experience is unparalleled due to its broad made-from-scratch food selection, full-service beverage offerings, and expansive sports viewing packages that are delivered in a welcoming and comfortable atmosphere. As a result, guests at our Twin Peaks restaurants are highly supportive of, and loyal to, the Twin Peaks brand. We believe that Twin Peaks' Black Box scores in various categories of consumer sentiment, particularly intent-to-return, are critical measures of Twin Peaks' success. We analyze several consumer sentiment scores reported by Black Box, including consumer perception of Twin Peaks' food, beverages, service and ambiance, and consumer intent-to-return. For fiscal year 2023, Twin Peaks' average scores for its food, beverages, service and ambiance, and consumer intent-to-return, as reported by Black Box, were 92%, 92%, 94%, 89% and 95%, respectively. Per Black Box, these scores are higher in every category relative to the broader casual dining segment, which we believe is a testament to the strength of the Twin Peaks concept.



We believe that Twin Peaks' growth trajectory is reflected in its consistent and growing AUVs. From fiscal year 2019 to fiscal year 2023, our Twin Peaks restaurants have grown their AUVs by 31.7%. Furthermore, as we have expanded our Twin Peaks restaurant footprint to 114 locations as of September 29, 2024 (as compared to 84 restaurants as of December 29, 2019), the AUVs of our Twin Peaks restaurants have increased, highlighting the strength and stability of the Twin Peaks brand across increasing locations and markets.

*Unique Barbell Pricing Model Offering Compelling Guest Value Proposition*

Twin Peaks utilizes a "barbell" pricing strategy for its menu across all of the Twin Peaks restaurants, providing a compelling price-to-value proposition that appeals to a diverse range of guests. Twin Peaks' extensive food and beverage menu selections are suitable for guests with a wide variety of culinary preferences and budget considerations. For example, based on menu pricing as of December 31, 2023, Twin Peaks offered food items ranging from a $10.99 cheeseburger to a $24.99 New York strip steak. Twin Peaks' beverage offerings cover a similar diversity of price points. Twin Peaks' spirit selection includes affordable and familiar brands along with rare, more premium selections, allowing it to cater to a wide variety of tastes. Twin Peaks also offers a multitude of game day, lunch, happy hour and holiday specials across both its food and beverage items, which provides guests with exceptional value while promoting specific menu items. We believe that Twin Peaks' compelling entry-level price points drive its strong customer traffic momentum, while its selection of more premium food and beverage items cater to guests looking for higher-end options. We believe that Twin Peaks' extensive menu offerings and diverse range of price points appeal to a broad range of consumers across various ages and incomes, who are also similarly attracted to Twin Peaks' focus on quality food, premium beverages, consistent innovation, and engaging hospitality. During fiscal year 2023, Twin Peaks' per person average check (which we refer to as "PPA") was approximately $22.18.

*Revenue Maximizing Dynamic Menu and Pricing Capabilities*

Menus at our Twin Peaks restaurants are completely digital and accessible by QR code, although guests can be provided with paper printouts of daily specials when needed. Twin Peaks' digital menus allow us to implement menu engineering, where we have the ability to move items around the menu in order to promote higher-margin products and respond in real time to cost changes related to commodity price movements or inventory levels by focusing on specific items. We are also able to quickly implement selective price adjustments. Dynamic menus enable us to curate our menus by restaurant when needed, which is especially critical for franchisees operating in states with higher labor costs, who may charge slightly higher prices in order to generate sufficient margins.

*Broad Daypart Appeal across Multiple Dining Occasions*

Twin Peaks' diverse menu offerings, compelling value proposition, and welcoming lodge environment create broad appeal across multiple dayparts and guest occasions. Twin Peaks' extensive food and beverage options appeal to guests at all times of the day, driving traffic and sales volumes across lunch, dinner and late night periods. Twin Peaks' menus feature dedicated lunch specials, providing professionals seeking a respite from the office, or sports fans looking to catch a daytime game, with an engaging lunchtime experience. We continue to grow Twin Peaks' seasonal brunch menu, which is particularly geared to early start time sports. Twin Peaks' happy hour deals attract after-work crowds with daily specials across its food and beverage categories. We believe that Twin Peaks' expansive television packages and breadth of elevated food and beverage offerings are particularly well-positioned for the dinner daypart, offering guests the opportunity to enjoy prime time sports in a comfortable atmosphere. Our Twin Peaks restaurants are open as late as 2:00 am on weekends, serving guests looking to watch late night sporting events with a full menu of food and beverage offerings. We believe that the extended hours of our Twin Peaks restaurants are another key differentiator of the Twin Peaks brand, serving guests at times when many other restaurants are closed or offering more limited menu selections. Twin Peaks focuses on providing a welcoming and energetic guest experience across all dayparts, which we believe creates a consistent value proposition and experience for guests.

*High-Growth, Asset-Light Franchisor Business Model with Compelling Franchisee Value Proposition*

Our operating model for Twin Peaks incorporates the most effective attributes of franchised restaurant concepts, while leveraging the benefits of our company-owned Twin Peaks restaurant platforms. We benefit from the recurring and high-visibility cash flow streams driven by royalty revenue generated from our franchised Twin Peaks restaurants. Additionally, our high-growth and high-margin company-owned Twin Peaks restaurants allow us to directly control the in-restaurant Twin Peaks experience, selectively test new innovative menu offerings, and obtain more direct feedback on guest experiences. Our Twin Peaks restaurants generate attractive and consistent AUVs, restaurant-level profitability, and cash-on-cash returns while driving strong brand loyalty amongst guests. As of September 29, 2024, 81 of our Twin Peaks restaurants are franchised, which represents approximately 71% of our Twin Peaks restaurant system. Our franchisor business model is a critical component of our financial performance, and we expect Twin Peaks' franchising operations to be a key driver of our long-term growth. We believe that Twin Peaks' unit economics represent an attractive investment opportunity for both new and existing franchisee partners, as evidenced by the growth of our franchised Twin Peaks restaurant base from 56 franchised Twin Peaks restaurants as of December 29, 2019 to 81 franchised Twin Peaks restaurants as of September 29, 2024. Furthermore, our franchising operations drive our profitability margins and reduce the amount of capital expenditures required to operate our business. Our net loss margin was (7.7)% and (6.0)% for fiscal years 2022 and 2023, respectively. Our historical Adjusted EBITDA Margins of 12.6% and 12.3% for fiscal years 2022 and 2023, respectively, illustrate the highly profitable nature of our business model.

We believe that the strength of our franchisor business model for Twin Peaks can be best illustrated by our development pipeline for new franchised Twin Peaks restaurants, which consisted of signed agreements for over 100 new franchised Twin Peaks restaurants as of September 29, 2024.

*Experienced Franchisee Partners*

Our ability to drive revenue and profitability growth through our franchising operations for Twin Peaks is contingent upon our ability to select and partner with experienced and well-capitalized franchisee partners. Our current network of franchisees consists of a group of highly experienced operators with proven support of the Twin Peaks brand. We specifically seek to partner with well-capitalized franchisee partners who have prior experience in managing full-service restaurants or related hospitality venues. Our franchisees often have meaningful experience as independent operators of other national dining concepts, such as Red Robin, Papa John's and Panera. We strategically partner with franchisees who have been vetted through our thorough selection process.

Of our franchisees with open Twin Peaks restaurants as of September 29, 2024, each franchisee operates an average of approximately four Twin Peaks restaurants and has been a part of our Twin Peaks restaurant system for an average of approximately seven years (based on the number of years since a franchisee partner first executed a franchisee agreement with us). We are confident in our ability to drive growth of our Twin Peaks restaurant base through both our existing network of franchisees as well as through new franchisee partnerships. When signing new franchisee partners, we target an initial commitment of at least three franchised restaurants, which we believe supports our ability to partner with well-capitalized and dedicated operators.

We provide our franchisees with significant support from the outset of our partnership, from development and design of the Twin Peaks restaurant to a weekly dashboard of key performance indicators in order to maximize franchisee productivity and profitability. We offer immersive training support for franchisees opening a new Twin Peaks restaurant, as well as in-depth course curriculum to train and develop manager-level franchisee employees. When a new franchised Twin Peaks restaurant is opened, a representative from our Twin Peaks team joins the franchisee on site to facilitate a smooth launch. After a franchised Twin Peaks restaurant is opened, we provide franchisees with up-to-date performance metrics, leveraging our data and technology infrastructure to support our franchisees in driving efficiencies within their restaurants. In order to ensure optimal performance in our franchised Twin Peaks restaurants, our franchisees are required to dedicate a significant amount of focus and personnel to the Twin Peaks brand. Each franchisee is required to have a designated principal, who functions as a director of operations strictly for Twin Peaks restaurants. A franchisee's designated principal is required to work solely on the Twin Peaks concept.

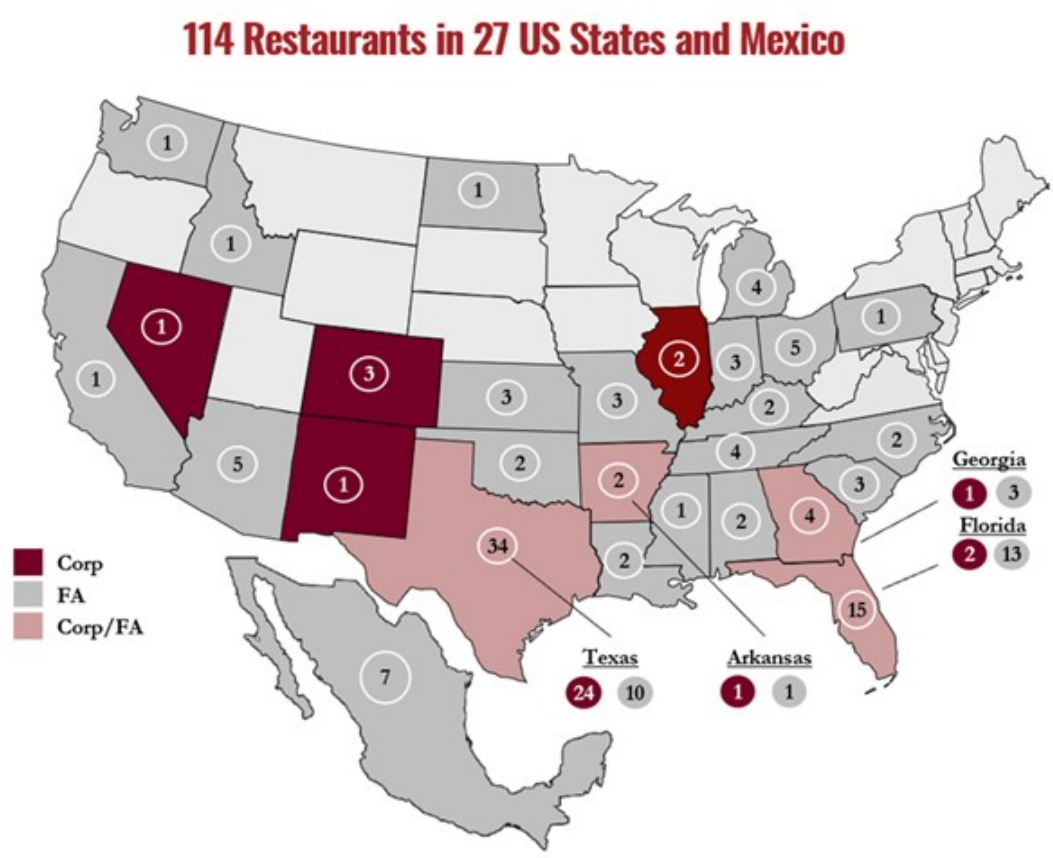
*Attractive Unit Economics*

We believe that the growing popularity of the Twin Peaks restaurant experience and the efficient operating model of our Twin Peaks restaurants translate into attractive unit-level economics at our company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. Our Twin Peaks restaurant model has been intentionally designed to help franchisees achieve compelling AUVs, strong restaurant-level profitability margins, and an attractive return on invested capital. During fiscal year 2023, our Twin Peaks restaurants generated an AUV of $5.4 million across our system. During fiscal year 2023, AUVs across our company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants were $5.0 million and $5.6 million, respectively.

We believe that the continued growth of our franchisee system for Twin Peaks reflects the attractiveness of our unit economic model and the favorable return on investment presented by our Twin Peaks restaurants. We target payback periods of three years for our Twin Peaks restaurants. For new builds, we leverage sale-leaseback transactions where necessary to help us achieve our targeted returns. We believe that this payback period represents an attractive investment opportunity for franchisee partners in the full-service dining space. Furthermore, we believe that our unit economics are a key driver of our Twin Peaks restaurant growth with our franchisee partners.

*Portable Concept with Proven Success across Various Locations and Markets*

Twin Peaks' differentiated concept has proven successful across the majority of the United States. As of September 29, 2024, there are Twin Peaks restaurants in 27 states across various regions of the country. We have generated positive Comparable Restaurant Sales growth across our restaurant system while expanding into new markets and regions with varying population densities and characteristics. We believe that the broad appeal of the Twin Peaks brand and Twin Peaks' best-in-class guest experience have been the primary drivers of Twin Peaks' success across the country. The Twin Peaks concept has also succeeded in a variety of real estate formats and locations. While we are flexible when evaluating new Twin Peaks restaurant locations, our preferred location type is a freestanding second-generation restaurant building near major roadways and within retail corridors, with 150 or more available parking spaces, and in an area with a residential population of at least 150,000 people within a five-mile radius. The flexibility of our real estate model, coupled with the broad appeal of Twin Peaks' menu offerings, pricing strategy, and in-restaurant experience, have also enabled us and our franchisee partners to operate successful Twin Peaks restaurants in both urban and suburban areas. Accordingly, we believe that the Twin Peaks concept is well-positioned for continued growth in both new and existing markets. On a global scale, as of September 29, 2024, one of our franchisee partners is operating seven franchised Twin Peaks restaurants in Mexico, and has committed to develop and open an additional 25 franchised Twin Peaks restaurants in Mexico. Twin Peaks' existing presence, and continued growth, in Mexico demonstrate the brand's international portability and potential outside the United States.




Data as of September 29, 2024.

*Differentiated Real Estate Strategy and Proven Conversion Capabilities*

To date, we have executed on our differentiated real estate strategy to build out our Twin Peaks system of restaurants throughout the United States and Mexico. We have demonstrated an ability to successfully convert existing buildings to Twin Peaks restaurants. Approximately 91 of our 114 Twin Peaks restaurants (or approximately 80%) were successfully converted from various forms of existing buildings. Our conversions on average cost between approximately $2.0 million to $5.0 million per Twin Peaks restaurant and take approximately nine months to complete. Our new-builds on average cost between approximately $4.0 million and $6.0 million per Twin Peaks restaurant and take up to 18 months to complete. We believe that our ability to simultaneously evaluate conversions and new-builds for new Twin Peaks restaurant openings, combined with the support we provide to franchisees in selecting sites for new Twin Peaks restaurant development, are key differentiators of our business model. We believe that we are able to select the best possible real estate for a new Twin Peaks restaurant, allowing us to open new restaurants in the most attractive locations available. Given our asset-light business model, we do not seek to own significant amounts of real estate, however, when developing a new Twin Peaks restaurant, we may acquire a plot of land or an existing building. In order to minimize the amount of committed capital for each new Twin Peaks restaurant, we may engage in sale-leaseback transactions with third-party investors.

We believe that the planned conversion of Smokey Bones restaurants to Twin Peaks restaurants will catalyze our near-term unit growth. Over the next two years, we plan to work with our Twin Peaks franchisee partners to convert certain Smokey Bones restaurants that are within their existing development territories into Twin Peaks restaurants, with these restaurants being operated by such franchisees. Furthermore, we plan to convert additional Smokey Bones restaurants to company-owned Twin Peaks restaurants. For additional information regarding our planned conversions of Smokey Bones restaurants, see "*—Twin Peaks: The Ultimate Sports Lodge —Conversions of Smokey Bones Restaurants into Twin Peaks restaurants*" above.

**Smokey Bones: The Masters of Meat**

Smokey Bones is a full-service, meat-centric restaurant brand and concept specializing in award-winning ribs and a variety of other slow-smoked, fire-grilled, or seared meats, along with a full bar featuring a wide selection of domestic, import and local craft beers, a variety of spirits, and several signature handcrafted cocktails. Smokey Bones serves dine-in guests for lunch, dinner, and late night, and offers pick-up, delivery, online ordering, and catering options. Smokey Bones was founded in 1999 as a growth concept, and in 2019, the brand was strategically repositioned to create more dining occasions while simplifying and streamlining operations.

As experts of authentic fire-grilled and house-smoked meats, Smokey Bones is passionate about serving meat lovers and dining adventurists a deep variety of bold, fire-inspired signature and classic menu offerings. Smokey Bones serves premium quality cuts of a variety of meats, expertly prepared with traditional and global flavors, in a relaxed, but elevated casual dining atmosphere. Smokey Bones appeals to a broad range of guests, ranging from young families to retired couples, and its well-diversified channel and day of the week mix demonstrates that Smokey Bones is a favorite dining choice in the markets where our Smokey Bones restaurants are located.

Smokey Bones' successful brand re-positioning in 2019 quickly gained resonance with core consumer demographics, and from 2019 to 2023, guest frequency and guest satisfaction increased by 14% and 8%, respectively. Additionally, in 2019, several technology investments were implemented to streamline operations and improve the guest experience. Smokey Bones' online ordering system streamlined online user interface with an intuitive, accessible ordering experience, and Smokey Bones implemented geofencing technology, which alerts restaurants when customers are nearby for order pickups or can be used to prompt customers to place new orders when they're close to a Smokey Bones location.

***Smokey Bones' Track Record of Growth***

Smokey Bones was founded in 1999 with the opening of its first restaurant in Florida, and over the past 25 years has grown to 58 restaurants in 16 states in the eastern United States. We believe that the Smokey Bones brand has cemented itself as a key mid-size player in the casual dining space. From fiscal year 2019 to fiscal year 2023, Smokey Bones' revenue has increased from $149.1 million to $172.3 million, representing a CAGR of 3.7%, and Smokey Bones' AUVs have grown from $2.5 million to $2.8 million, representing a CAGR of 2.9%.

**Our Growth Strategies**

***Grow Our Twin Peaks Restaurant Base in the United States and Abroad***

We are in the early stages of fulfilling our total restaurant potential. We have a long track record of successful development of new restaurants and a versatile real estate model that is built for growth. Based on our internal analysis and third-party research conducted by eSite Analytics, we believe that there exists long-term potential for over 650 Twin Peaks restaurants in the United States. Additionally, based on our internal analysis of the international footprints of other relevant restaurant concepts, we believe that the Twin Peaks brand has the potential for a total of 250 additional restaurants internationally. We believe that the Twin Peaks brand and concept have proven portability, with strong AUVs and returns on investment across a diverse range of geographic regions, population densities, and real estate settings.

- *Grow Number of Domestic and International Franchised Twin Peaks Restaurants with Existing and New Franchisees*. We are aiming to achieve our domestic restaurant potential by expanding in both existing and new markets. As of September 29, 2024, we have an extensive domestic development pipeline of over 100 total commitments to open new franchised Twin Peaks restaurants. Our current plan for franchised Twin Peaks restaurant openings in 2024 targets approximately six new franchised Twin Peaks restaurants, five of which were opened during the first three quarters of 2024. Some of these planned new franchised Twin Peaks restaurants will be conversions of current Smokey Bones restaurants into franchised Twin Peaks restaurants (see *"—Twin Peaks: The Ultimate Sports Lodge—Conversions of Smokey Bones Restaurants into Twin Peaks Restaurants*" above). Approximately 73% of our current franchise commitments for Twin Peaks restaurants are from existing franchisee partners with at least one Twin Peaks restaurant currently in operation, which we believe is due to the attractiveness of the Twin Peaks concept, our restaurant business model, as well as our positive franchisee relationships. We believe that our highly franchised business model provides a platform for continued growth, as it allows us to focus on our core strengths of menu innovation, guest engagement, marketing, and franchisee selection and support, while growing our restaurant presence and Twin Peaks brand recognition with limited capital investment by us. We also believe that international growth presents a significant opportunity. We believe that, in addition to continued growth of the Twin Peaks brand in Mexico, there is an opportunity to expand the Twin Peaks brand to Europe, Asia, Central and South America, Canada, Africa, and Australia.

- *Strategically Grow Company-Owned Twin Peaks Restaurants.* As of September 29, 2024, we are currently aiming to open a total of nine potential company-owned Twin Peaks restaurants within the next two years, some of which will be planned conversions of current Smokey Bones restaurants into company-owned Twin Peaks restaurants (see "*—Twin Peaks: The Ultimate Sports Lodge—Conversions of Smokey Bones Restaurants into Twin Peaks restaurants*" above).

***Continue to Grow Comparable Restaurant Sales***

- *Food & Beverage Innovation*. We seek to introduce innovative food and bar menu items that we believe align with evolving guest preferences and broaden the appeal of our brands, and we will continue to explore menu offerings that aim to increase guest visits. For example, in order to drive guest frequency and broaden the appeal of the menu at our Twin Peaks restaurants, we recently added new, on-trend categories to the food menu, such as street tacos, flatbreads, and unique flavor changes to the wing sauces. Additionally, we consistently modify and advance our bar menu to best serve a broad range of guests. Our team has exhibited a proven track record of food and beverage innovation, which we believe can be leveraged to further drive Comparable Restaurant Sales growth.

- *Expand Daypart Offerings.* We believe that we have a significant opportunity to capitalize on underpenetrated daypart opportunities. For example, we continue to drive growth at our Twin Peaks restaurants with our seasonal brunch menu (focused around early start time sports), and at both our Twin Peaks restaurants and Smokey Bones restaurants we offer competitively priced lunch combo selections and happy hour food and beverage selections. Our happy hour specials focus on both the traditional happy hour daypart to drive guest count during periods of lower traffic, along with a late-night happy hour program to ensure that we are maximizing our sales and profit opportunities through the close of business each night.

- *Expanded Product Offerings.* We have a strong PPA, at approximately $22.18 for Twin Peaks restaurants, and approximately $23.74 for Smokey Bones restaurants, during fiscal year 2023. We continually look to find innovative new product offerings to retain and attract customers and to grow the PPA at our restaurants. For example, our Twin Peaks restaurants have unique PPA sales drivers beyond traditional appetizers and desserts, such as cigars and limited-time spirit offerings, including rare bourbon, whiskey and tequila barrel selections, which add to aggregate check amounts and may drive restaurant visits for unique occasions. We also have ancillary buildouts that we have implemented, and are continuing to explore, in select Twin Peaks restaurants, such as a Cigar Bar, a Speakeasy, a Top Golf Swing Suite, and additional Man Cave seating for large parties.

***Increase Awareness of our Brands***

We believe that the strong consumer sentiment scores for both the Twin Peaks and Smokey Bones brands highlight the strength of our concepts and their resonance with guests. We believe that we have a significant opportunity to leverage our favorable perception to expand the visibility and awareness of our brands. Each new restaurant we open increases awareness of the particular brand and enables us to reach more guests. In addition, we will continue to invest in marketing and advertising to drive guest frequency and overall visibility of our brands. We introduce new marketing strategies through various channels, including social media, online, print, digital advertising and radio, with the intent to drive broad awareness of our brands and customer traffic to our restaurants. We will also continue to harness local marketing initiatives by developing media and marketing programs unique to a restaurant's specific market, and by working closely with our franchisees to maximize the effectiveness of these efforts. Simultaneously, we will continue to grow our digital presence via social media and email marketing initiatives. For example, the waitstaff at our Twin Peaks restaurants often command large social media followings across various platforms, which we believe provides a positive halo effect for the Twin Peaks brand, and drives additional customer traffic to our Twin Peaks restaurants. We intend to drive repeat customer traffic in our restaurants by becoming our guests' preferred sports bar destination, and we believe that investments in targeted marketing initiatives that heighten this message and reinforce our authenticity will continue to generate guest loyalty and promote brand advocacy.

Additionally, Twin Peaks has established a national marketing fund (which we refer to as the "Twin Peaks National Marketing Fund"), which is funded by contributions from both company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. All franchised Twin Peaks restaurants are required to contribute 2.5% of gross sales to the Twin Peaks National Marketing Fund, and our company-owned Twin Peaks restaurants currently also contribute this amount to the Twin Peaks National Marketing Fund as well. The Twin Peaks National Marketing Fund has grown significantly in recent years as we have expanded our Twin Peaks restaurant footprint. Excluding rebates, annual collections in the Twin Peaks National Marketing fund have grown by over 55% since 2019, with over $13 million collected in 2023. The growth of the Twin Peaks National Marketing Fund allows us to aggressively grow the awareness of the Twin Peaks brand on both the national and local scale, and we plan to continue leveraging this fund as our Twin Peaks restaurant system expands. We believe that the Twin Peaks National Marketing Fund will continue to be critical in generating awareness and excitement around new Twin Peaks restaurant openings, as well as driving System-Wide Sales growth across our restaurant system. We typically budget a portion of the Twin Peaks National Marketing Fund to local media and marketing efforts, with the balance spent on a range of other marketing and advertising initiatives, such as creative, production, website maintenance, and other activities.

***Expand Margins through Operating Leverage***

Over the last several years, we have invested in our corporate infrastructure to successfully support both our franchisees and company-owned restaurants. Key areas of recent investment include innovative menu items, technology infrastructure, senior leadership, and other categories. We believe that these investments will allow us to continue to drive operational efficiency across our business. We aim to leverage our corporate cost base over time to enhance our margins, as we believe selling, general and administrative expenses will grow at a slower rate than our restaurant base and revenue. By continuing to optimize our infrastructure and leveraging our scale efficiencies, we can further enhance our profitability as we grow.

***Continue to Attract and Develop Great People***

We have an uncompromising focus on providing an unparalleled guest experience, which we believe starts with our employees. We and our franchisees continually invest in our teams by employing passionate individuals who exemplify our brands at every level, from waitstaff to kitchen staff to restaurant management. We aim to develop our employees by having comprehensive internal training and career advancement programs, which result in a highly competent, empowered and well-compensated work force. We strive to maintain a work-place culture of respect, inclusivity and support, ensuring that all employees are passionate about our shared goal of delivering an unmatched dining experience and continuing to grow our respective brands. We believe that our focus on appropriately training and mentoring our team members and inspiring them to focus on delivering a best-in-class guest experience translates directly into efficient restaurant-level operations, as well as industry-leading guest satisfaction scores and return rates.

***Explore Acquisition of Complementary Brands***

We have developed a successful playbook spanning operations, training and marketing programs. We believe that other brands could benefit by leveraging our robust and established infrastructure, and we are well-positioned to acquire complementary regional brands to further expand our platform.

**Our Experienced Leadership Team**

We are led by a strong senior management team with a combined eight decades of experience in the full-service dining sector and franchising industry. Our strategic vision is set by our Chief Executive Officer, Joseph Hummel, who has more than 25 years of industry experience. Our leadership team understands our unique segment of the restaurant industry and brings years of relevant experience leading our business to attain profitable and effective operational objectives. Our leadership team is the most important driver of our success and has positioned us well for long-term growth. We believe that our track record of success and expansion, combined with our internal platform for career development and advancement opportunities available to all employees, will allow us to continue to attract and retain exceptional talent.

**Summary Risk Factors**

We are subject to a number of risks, including risks that may prevent us from achieving our business objectives or that may adversely affect our business, results of operations, cash flows, financial condition, and/or prospects. You should carefully consider all of information presented in the section entitled "*Risk Factors*". Some of the principal risks related to our business include the following:

- If we fail to successfully implement our growth strategy, which includes opening new domestic and international company-owned restaurants and franchised restaurants on a timely basis, our ability to increase our revenues could be materially and adversely affected.
- Our business, results of operations, and financial condition are closely tied to the success of our franchisees and our franchised restaurants.
- If we fail to identify, recruit and contract with a sufficient number of qualified franchisees, our ability to open new franchised restaurants and increase our revenues could be materially and adversely affected.
- Our franchisees could take actions that could harm our business, including by not accurately reporting sales.
- The full-service restaurant industry in which we operate is highly competitive.
- Our success depends substantially on our corporate reputation and on the value, perception and recognition of the Twin Peaks brand and Smokey Bones brand, and the value of our brands may be harmed or diluted through franchisee and third-party activity.

- Our plans to open new restaurants, and the ongoing need for capital expenditures at our existing company-owned restaurants, require us to spend capital.

- The number of new franchised restaurants that actually open in the future may differ materially from the number of signed commitments from potential existing and new franchisees.

- Our success depends in part upon effective advertising and marketing campaigns, which may not be successful, and franchisee support of such advertising and marketing campaigns.

- You should not rely on past increases in our same store sales or our AUVs as an indication of our future results of operations because they may fluctuate significantly.

- We have significant outstanding indebtedness under the Twin Securitization Notes, which will require that we generate sufficient cash flow to satisfy the payment and other obligations under the terms of our indebtedness and will expose us to the risk of default and other remedies thereunder.

- Our business is subject to extensive federal, state, local, and foreign regulations, including alcoholic beverage and food service regulations, and we may incur additional costs or liabilities as a result of government regulation of our company-owned restaurants and franchised restaurants.

- The dual class structure of our Common Stock has the effect of concentrating voting control with FAT Brands, as FAT Brands will own all of the shares of our Class B Common Stock and will control approximately 98.6% of the total voting power of the outstanding shares of our Common Stock immediately following the Spin-Off. This will limit or preclude your ability to influence matters requiring stockholder approval.

- Until the Spin-Off occurs, FAT Brands has sole discretion to change the terms of the Spin-Off in ways that may be unfavorable to us, and FAT Brands may fail to perform under the transaction agreements that will be executed as part of the Spin-Off.

- We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off, and the Spin-Off may materially and adversely affect our results of operations, financial position and cash flows.

- No market for our Class A Common Stock currently exists and an active trading market for our Class A Common Stock may never develop or be sustained after the Spin-Off-. Following the Spin-Off, the market price of our Class A Common Stock may fluctuate significantly.

**The Reorganization and the Spin-Off**

The Twin Group was acquired by FAT Brands in October 2021, and prior to the Reorganization as described below, the Twin Group was comprised of a number of companies that were wholly-owned subsidiaries of FAT Brands, with all of the outstanding equity interests in the Twin Group beneficially owned, directly or indirectly, by FAT Brands. In connection with the Spin-Off, and pursuant to the Master Separation and Distribution Agreement, we and FAT Brands will complete a series of separation and reorganization transactions, as described below, whereby the Twin Group will be transferred to our Company. We refer to such separation and reorganization transactions as the "Reorganization". The Reorganization includes, or will include, the following:

- On February 6, 2024, FAT Brands formed our Company, Twin Hospitality Group Inc., as a Delaware corporation, in connection with the Spin-Off.

- In November 2024, FAT Brands Twin Peaks I, LLC, a Delaware limited liability company, filed an amendment to its certificate of formation to change its name to "Twin Hospitality I, LLC", which is the top tier company in the Twin Group (which we refer to as the "Top Tier Twin Subsidiary").

- In November 2024, we and FAT Brands entered into a Sale and Contribution Agreement, pursuant to which FAT Brands sold and contributed to us all of the equity interests in the Top Tier Twin Subsidiary, such that following such sale and contribution, the Top Tier Twin Subsidiary, along with all of the other companies in the Twin Group, became direct or indirect wholly-owned subsidiaries of our Company (see also "*Certain Relationships and Related Party Transactions—Historical Relationship Between the Twin Group and FAT Brands—Sale and Contribution Agreement*").

- In November 2024, the Top Tier Twin Subsidiary called and redeemed all of the Prior Securitization Notes, using the net proceeds from the issuance of the new Twin Securitization Notes. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Prior Securitization Notes—Call and Redemption of the Prior Securitization Notes"* and *"Description of Certain Indebtedness—Twin Securitization Notes*".

- Prior to the Spin-Off:

    - we will file our Amended and Restated Certificate of Incorporation, which will authorize 100,000,000 shares of Class A Common Stock, and 2,870,000 shares of Class B Common Stock;

- our Board of Directors and our stockholders will adopt our Amended and Restated Bylaws;

- we and FAT Brands will enter into the Master Separation and Distribution Agreement, pursuant to which FAT Brands will exchange all 5,000 shares of Class A Common Stock that it currently holds (representing 100% of the issued and outstanding capital stock of our Company) for 47,298,271 shares of Class A Common Stock and 2,870,000 shares of Class B Common Stock, which will be issued by us to FAT Brands (see also "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Master Separation and Distribution Agreement*"); and

- we and FAT Brands will enter into the Tax Matters Agreement, as described under "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Tax Matters Agreement*".

For additional information regarding the Reorganization and the Spin-Off, see the sections entitled "*Reorganization*" and "*The Spin-Off*".

**Organizational Structure Following the Reorganization and the Spin-Off**

Immediately following the consummation of the Reorganization and the Spin-Off:

- we will be a holding company directly owning all of the outstanding equity interests in the Top Tier Twin Subsidiary, and indirectly owning all of the outstanding equity interests in the other companies in the Twin Group, such that all of the companies in the Twin Group will be direct or indirect wholly-owned subsidiaries of our Company;

- (i) 47,298,271 shares of our Class A Common Stock, and (ii) 2,870,000 shares of our Class B Common Stock, will be issued and outstanding;

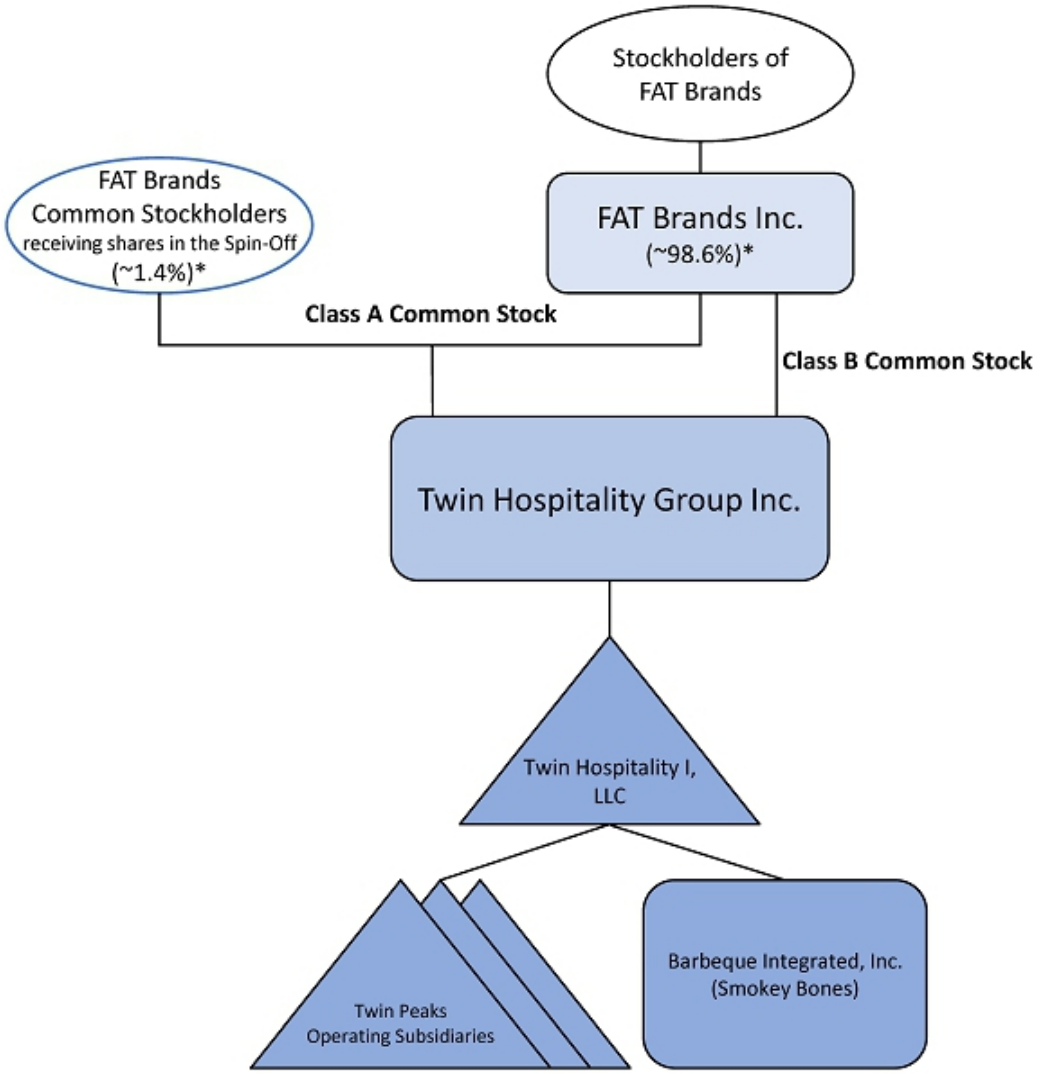
- we expect that FAT Brands will hold (i) 44,571,771 shares of our Class A Common Stock, and (ii) all of the 2,870,000 outstanding shares of our Class B Common Stock;

- we expect that the FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off will hold 2,726,500 shares of our Class A Common Stock; and

- we expect that the total voting power of our Common Stock will be held as follows: (i) FAT Brands will hold approximately 98.6% of the total voting power of our Common Stock, and (ii) the FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off will hold approximately 1.4% of the total voting power of our Common Stock.

***Organizational Structure***

The following diagram shows our organizational structure immediately after the completion of the Reorganization and the Spin-Off:




* Percentages reflect total voting power of our Common Stock.

**Our Relationship with FAT Brands**

***FAT Brands will be our Controlling Stockholder***

Immediately following the Reorganization and the Spin-Off, FAT Brands will hold (a) an expected 44,571,771 shares of our Class A Common Stock, and (b) all of the 2,870,000 outstanding shares of our Class B Common Stock, which in the aggregate represents approximately 98.6% of the total voting power of our Common Stock. Accordingly, as long as FAT Brands continues to control more than 50% of the total voting power of our Common Stock, FAT Brands will be able to control the outcome of any action requiring the general approval of our stockholders, including the election of all the members of our Board of Directors, and the adoption of certain amendments to our amended and restated certificate of incorporation (which we refer to as our "Amended and Restated Certificate of Incorporation") and our amended and restated bylaws (which we refer to as our "Amended and Restated Bylaws"). Similarly, FAT Brands will have the power to (i) determine matters submitted to a vote of our stockholders without the consent of our other stockholders, (ii) prevent a change in control of our Company, and (iii) take other actions that might be favorable to FAT Brands, in each case, including by written consent without a meeting and without prior notice to other shareholders. As a result, FAT Brands' controlling interest may discourage a change of control in our Company that the holders of our Class A Common Stock may favor. See "*Risk Factors—Risks Related to our Organizational Structure—The dual class structure of our Common Stock has the effect of concentrating voting control with FAT Brands, as FAT Brands will own all of the shares of our Class B Common Stock and will control approximately 98.6% of the total voting power of the outstanding shares of our Common Stock immediately following the Spin-Off. This will limit or preclude your ability to influence matters requiring stockholder approval.*"

FAT Brands is not subject to any contractual obligation to retain any of the shares of our Common Stock that it holds.

***Agreements Between our Company and FAT Brands***

In connection with the Reorganization and the Spin-Off, we and FAT Brands will enter into the (i) Master Separation and Distribution Agreement, and (ii) Tax Matters Agreement. The terms of these agreements have been determined by us and FAT Brands in preparation for the Reorganization and the Spin-Off, and are intended to be consistent with the terms that we could have negotiated with unaffiliated third parties. However, they may actually be more or less favorable. For a description of these agreements and the other arrangements and transactions that we will enter into with FAT Brands, see the section entitled "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization*".

***Overlap of Certain Directors and Management***

Two of our directors, Lynne Collier and James Ellis, also serve as directors of FAT Brands, and our Chief Financial Officer, Kenneth J. Kuick, is also the co-chief executive officer and chief financial officer of FAT Brands. See "*Management—Executive Officers and Non-Executive Directors*" and "*Management—Overlap of Certain Directors and Management*". For a description of the treatment of related party transactions and corporate opportunities where a director or officer of our Company also serves as a director or officer of FAT Brands, see the sections entitled "*Certain Relationships and Related Party Transactions—Related Party Transactions Policies and Procedures*" and "*Description of Capital Stock—Provisions of our Amended and Restated Certificate of Incorporation Relating to Related Person Transactions and Corporate Opportunities*".

***Potential FAT Brands Distribution***

FAT Brands has informed us that, following the Spin-Off, it may make one or more subsequent additional distributions to its stockholders of all or a portion of the shares of our Common Stock that it holds, which may include distributions effected as a dividend to stockholders of FAT Brands (which we refer to as the "Potential FAT Brands Distribution"). While FAT Brands may decide to effect the Potential FAT Brands Distribution in the future, FAT Brands has no obligation to pursue or consummate any future dispositions of the shares of our Common Stock that it holds, including through the Potential FAT Brands Distribution, by any specified date or at all. If pursued, the Potential FAT Brands Distribution may be subject to various conditions, all of which will be waivable by FAT Brands in its sole discretion, including receipt by FAT Brands of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and the receipt by FAT Brands of a private letter ruling from the Internal Revenue Service (which we refer to as the "IRS") and an opinion of tax counsel to the effect that such Potential FAT Brands Distribution would be tax-free to FAT Brands and its stockholders for U.S. federal income tax purposes. Even if such conditions are satisfied, FAT Brands may decide not to consummate the Potential FAT Brands Distribution, or even if such conditions are not satisfied, FAT Brands may decide to waive one or more of such conditions and consummate the Potential FAT Brands Distribution.

Notwithstanding the foregoing, see "*Reorganization—Arrangements with respect to the Shares of Class A Common Stock held by FAT Brands*" for a description of certain arrangements with respect to the shares of our Class A Common Stock held by FAT Brands that affect the ability of FAT Brands to dividend or distribute the shares of our Class A Common Stock held by it under certain circumstances.

The Potential FAT Brands Distribution is not being effected pursuant to the Registration Statement on Form 10, of which this Information Statement is a part.

**Channels for Disclosure of Information**

Following the Spin-Off, we intend to announce material information to the public through filings with the Securities and Exchange Commission (which we refer to as the "SEC"), the investor relations page on our website (www.twinpeaksrestaurant.com/investors), press releases, public conference calls, and public webcasts. The information disclosed through the foregoing channels could be deemed to be material information. As such, we encourage our stockholders, investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels. Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

**Corporate Information**

Twin Hospitality Group Inc. was incorporated as a Delaware corporation on February 6, 2024 in anticipation of the Reorganization and the Spin-Off. We are a holding company and all of our business operations are conducted through our subsidiaries. Our corporate headquarters are located at 5151 Belt Line Road, Suite 1200, Dallas, Texas 75254. Our main telephone number is (972) 941-3150. Our principal Internet website address is www.twinpeaksrestaurant.com. The information contained on, or that can be accessed through, our website is not incorporated by reference in this Information Statement, and you should not consider any information contained on, or that can be accessed through, our website as part of this Information Statement.

**Implications of Being an Emerging Growth Company and a Smaller Reporting Company**

***Emerging Growth Company Status***

We qualify as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (which we refer to as the "JOBS Act"). We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the completion of the Spin-Off, (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the fiscal year on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended (which we refer to as the "Exchange Act"), which means the market value of the shares of our Common Stock that are held by non-affiliates exceeds $700.0 million as of the end of the second quarter of that fiscal year), or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

An emerging growth company may take advantage of reduced reporting and other requirements that are otherwise applicable generally to reporting companies that make filings with the SEC. For so long as we remain an emerging growth company, we will not be required to, among other things:

- present more than two years of audited financial statements and two years of related selected financial information and management's discussion and analysis of financial condition and results of operations disclosure in our Registration Statement on Form 10, of which this Information Statement is a part;
- have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended (which we refer to as the "Sarbanes-Oxley Act");
- comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- submit certain executive compensation matters, such as "say-on-pay", "say-on-frequency" and "say-on-golden parachutes", to our stockholders for non-binding advisory votes; and
- disclose certain executive compensation related items, such as the correlation between executive compensation and performance, and a comparison of our Chief Executive Officer's compensation to the median compensation of our employees.

We have elected to adopt the reduced disclosure requirements available to emerging growth companies. As a result of these elections, the information that we provide in this Information Statement may be different from the information you may receive from other public companies in which you hold securities. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock and the market price of our Class A Common Stock may be more volatile.

The JOBS act also permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to "opt-in" to this extended transition period for complying with new or revised accounting standards, and intend to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. Therefore, we will not be subject to the same new or revised accounting standards at the same time as other public companies that comply with such new or revised accounting standards on a non-delayed basis. As a result, our consolidated financial statements may not be comparable to companies that comply with public company effective dates.

***Smaller Reporting Company Status***

We also qualify as a "smaller reporting company", as defined in Rule 405 under the Securities Act of 1933, as amended (which we refer to as the "Securities Act"). We will continue to be a smaller reporting company so long as either (i) the market value of our securities held by non-affiliates is less than $250 million as of the last business day of our most recently completed second fiscal quarter, or (ii) our annual revenue was less than $100 million during our most recently completed fiscal year and the market value of the shares of our Common Stock held by non-affiliates is less than $700 million as of the last business day of our most recently completed second fiscal quarter. If we continue to qualify as a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. In particular, for so long as we remain a smaller reporting company, we (i) may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K, and (ii) have reduced disclosure obligations regarding executive compensation.

See also "*Risk Factors—Risks Related to our Class A Common Stock—We are an "emerging growth company" and a "smaller reporting company", and comply with reduced reporting requirements applicable to emerging growth companies and smaller reporting companies, which may make our Class A Common Stock less attractive to investors*."

**Controlled Company Exemptions**

Immediately following the Reorganization and the Spin-Off, FAT Brands will own (i) an expected 44,571,771 shares of our Class A Common Stock, and (ii) all of the 2,870,000 outstanding shares of our Class B Common Stock. Our Class B Common Stock is entitled to 50 votes per share, and our Class A Common Stock is entitled to one vote per share. Because of the 50-to-1 voting ratio between our Class B Common Stock and our Class A Common Stock, immediately following the Spin-Off, FAT Brands will hold approximately 98.6% of the total voting power of the outstanding shares of our Common Stock, and, as a result, will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of all the members of our Board of Directors and the approval of significant corporate transactions. Under the corporate governance rules of Nasdaq, a company is deemed to be a "controlled company" if more than 50% of the voting power for the election of directors is held by an individual, group or another company. As such, we expect to be a "controlled company" within the meaning of such Nasdaq rules, as FAT Brands will continue to control a majority of the total voting power of the outstanding shares of our Common Stock.

A "controlled company" may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of the listing of our Class A Common Stock:

- we have a board of directors that is composed of a majority of "independent directors", as defined under the listing rules of Nasdaq (which we refer to as the "Nasdaq Listing Rules");
- we have a compensation committee that is composed entirely of independent directors;
- we have a nominating and corporate governance committee that is composed entirely of independent directors; and
- the compensation of our Chief Executive Officer must be determined or recommended solely by independent directors.

Notwithstanding the foregoing, we do not currently intend to rely on any of the "controlled company" exemptions provided under the Nasdaq Listing Rules following the completion of the Spin-Off. See "*Management—Controlled Company Exemptions.*"

Furthermore, see "*Reorganization—Arrangements with respect to the Shares of Class A Common Stock held by FAT Brands*" for a description of certain arrangements with respect to the shares of our Class A Common Stock held by FAT Brands that affect the ability of FAT Brands to vote, dispose of, or otherwise exercise investment power over the shares of our Class A Common Stock held by it under certain circumstances.

## SUMMARY HISTORICAL CONSOLIDATED AND PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION AND OTHER DATA

The following tables set forth a summary of our historical consolidated and unaudited pro forma condensed combined financial information. Our summary audited historical consolidated statements of operations information and consolidated statements of cash flows information for the years ended December 31, 2023 and December 25, 2022, and our related summary audited historical consolidated balance sheets information as of December 31, 2023, have been derived from the audited historical consolidated financial statements of the Twin Group as of and for the years ended December 31, 2023 and December 25, 2022, prepared in accordance with GAAP. Our summary unaudited historical condensed consolidated statements of operations information and condensed consolidated statements of cash flows information for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and our related summary unaudited historical condensed consolidated balance sheet information as of September 29, 2024, have been derived from the unaudited historical condensed consolidated financial statements of the Twin Group as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, prepared in accordance with GAAP. The Twin Group is the predecessor of Twin Hospitality Group Inc. for financial reporting purposes. The summary historical consolidated financial information and other data of Twin Hospitality Group Inc. have not been presented, as Twin Hospitality Group Inc. is a newly incorporated entity, has had no operations or business activities to date, and had no assets or liabilities during the periods presented below.

Our summary unaudited pro forma condensed combined financial information has been derived from the information contained in the section entitled "*Unaudited Pro Forma Condensed Combined Financial Information*", and, as noted below, reflect (i) the Smokey Bones Acquisition and (ii) the Smokey Bones Acquisition, the Reorganization, and the Spin-Off collectively (which we refer to collectively as the "Pro Forma Transactions").

You should read the following summary our historical consolidated and pro forma condensed combined financial information in conjunction with, and it is qualified in its entirety by reference to, the audited consolidated financial statements of the Twin Group as of and for the years ended December 31, 2023 and December 25, 2022 and the related notes thereto, the unaudited condensed consolidated financial statements of the Twin Group as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 and the related notes thereto, the audited financial statements of Barbeque Integrated, Inc. as of and for the years ended December 31, 2023 and January 1, 2023 and the related notes thereto, and the sections entitled "*Capitalization*", "*Unaudited Pro Forma Condensed Combined Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", each of which are included elsewhere in this Information Statement.

Our summary historical consolidated and unaudited pro forma condensed combined financial information for the periods presented below are not necessarily indicative of our future performance as a stand-alone public company or the results to be expected for any future periods.

| *(dollars in thousands)* | Unaudited Pro Forma (reflecting the Pro Forma Transactions) 39 Weeks Ended September 29, 2024 | Derived from Unaudited Financial Statements 39 Weeks Ended September 29, 2024 | Derived from Unaudited Financial Statements 39 Weeks Ended September 24, 2023 | Unaudited Pro Forma (reflecting the Pro Forma Transactions) Year Ended December 31, 2023 | Unaudited Pro Forma (reflecting the Smokey Bones Acquisition) Year Ended December 31, 2023 | Derived from Audited Financial Statements Year Ended December 31, 2023 | Derived from Audited Financial Statements Year Ended December 25, 2022 |
|---|---|---|---|---|---|---|---|
| **Consolidated Statements of Operations Information:** | | | | | | | |
| Revenue: | | | | | | | |
| Company-owned restaurant sales | $ 242,594 | $ 242,594 | $ 114,036 | $ 329,016 | $ 329,016 | $ 199,369 | $ 140,639 |
| Franchise revenue | 24,726 | 24,726 | 22,596 | 31,498 | 31,498 | 31,498 | 25,217 |
| Total revenue | $ 267,320 | $ 267,320 | $ 136,632 | $ 360,514 | $ 360,514 | $ 230,867 | $ 165,856 |
| Costs and expenses: | | | | | | | |
| Restaurant operating costs | | | | | | | |
| Food and beverage costs | $ 66,167 | $ 66,167 | $ 30.158 | $ 89,345 | $ 89,345 | $ 53,512 | $ 39,200 |
| Labor and benefits costs | 77,798 | 77,798 | 35,963 | 103,921 | 103,921 | 64,024 | 43,941 |
| Other operating costs | 50,073 | 50,073 | 20,703 | 67,426 | 67,426 | 37,722 | 25,110 |
| Occupancy costs | 19,872 | 19,872 | 6,634 | 24,236 | 24,236 | 13,112 | 8,063 |
| Advertising expenses | 15,080 | 15,080 | 11,204 | 19,533 | 19,533 | 16,792 | 12,690 |
| Pre-opening expenses[(1)] | 935 | 935 | 577 | 1,136 | 1,136 | 1,136 | 900 |
| General and administrative expense | 21,160 | 21,160 | 10,400 | 26,368 | 26,368 | 19,252 | 15,818 |
| Depreciation and amortization | 17,500 | 17,500 | 7,156 | 19,848 | 19,848 | 12,377 | 8,458 |
| Total costs and expenses | $ 268,585 | $ 268,585 | $ 122,795 | $ 351,813 | $ 351,813 | $ 217,927 | $ 154,180 |
| Income from operations | $ (1,265) | $ (1,265) | $ 13,837 | $ 8,701 | $ 8,701 | $ 12,940 | $ 11,676 |
| Other expense, net: | | | | | | | |
| Interest expense, net | $ (32,755) | $ (35,029) | $ (19,435) | $ (44,733) | $ (31,625) | $ (29,714) | $ (24,508) |
| Other income (expense), net | 114 | 114 | 526 | 1,143 | 1,143 | 2,704 | 61 |
| Total other expense, net | $ (32,641) | $ (34,915) | $ (18,909) | $ (43,590) | $ (30,482) | $ (27,010) | $ (24,447) |
| Income tax provision (benefit) | 581 | (10) | — | (4,835) | (1,427) | (230) | — |
| **Net income (loss)** | **$ (34,487)** | **$ (36,170)** | **$ (5,072)** | **$ (30,054)** | **$ (20,354)** | **$ (13,840)** | **$ (12,771)** |

(1) Pre-opening expenses are expenses incurred in connection with the opening of new company-owned restaurants, and include pre-opening rent expense (which is recognized during the period between the date of possession of the restaurant facility and the restaurant opening date), manager salaries, recruiting expenses, employee payroll, and training costs. Pre-opening expenses can fluctuate from period to period, based on the number and timing of new company-owned restaurant openings.

| *(dollars in thousands)* | Unaudited Pro Forma (reflecting the Pro Forma Transactions) As of September 29, 2024 | Derived from Unaudited Financial Statements As of September 29, 2024 | Derived from Audited Financial Statements As of December 31, 2023 |
|---|---|---|---|
| **Consolidated Balance Sheets Information:** | | | |
| Cash and cash equivalents | $ 7,942 | $ 7,942 | $ 4,491 |
| Total assets | $ 583,493 | $ 567,101 | $ 565,582 |
| Total long-term debt, including current portion | $ 416,305 | $ 397,598 | $ 343,881 |
| Total liabilities | $ 635,121 | $ 618,729 | $ 581,093 |
| Total equity | $ (51,628) | $ (51,628) | $ (15,511) |

| *(dollars in thousands)* | Derived from Unaudited Financial Statements 39 Weeks Ended September 29, 2024 | Derived from Unaudited Financial Statements 39 Weeks Ended September 24, 2023 | Derived from Audited Financial Statements Year Ended December 31, 2023 | Derived from Audited Financial Statements Year Ended December 25, 2022 |
|---|---|---|---|---|
| **Consolidated Statements of Cash Flows Information:** | | | | |
| Net cash provided by (used in) operating activities | $ (7,629) | $ 9,024 | $ 6,045 | $ (6,157) |
| Net cash used in investing activities | (20,306) | (11,334) | (14,614) | (6,377) |
| Net cash provided by financing activities | 33,357 | 7,680 | 15,744 | 6,415 |
| Net increase (decrease) in cash and restricted cash | **$ 5,422** | **5,370** | **$ 7,175** | **$ (6,119)** |

| *(dollars in thousands)* | Unaudited Historical 39 Weeks Ended September 29, 2024 | Unaudited Historical 39 Weeks Ended September 24, 2023 | Unaudited Historical Year Ended December 31, 2023 | Unaudited Historical Year Ended December 25, 2022 |
|---|---|---|---|---|
| **Key Performance Indicators and Other Non-GAAP Financial Metrics:** | | | | |
| Twin Peaks AUV[(2)] | $ 5,130 | $ 5,272 | $ 5,288 | $ 5,266 |
| Smokey Bones AUV[(2)] | $ 2,766 | $ — | $ 2,825 | $ — |
| Comparable Restaurant Sales[(2)(3)] | (3.9)% | 0.5% | (0.2)% | 10.9% |
| System-Wide Sales[(2)] | $ 425,009 | $ 395,305 | $ 583,388 | $ 474,218 |
| Number of System-Wide Restaurants (as of the end of the period)[(2)] | 172 | 105 | 170 | 98 |
| Adjusted EBITDA[(4)] | $ 16,560 | $ 21,771 | $ 28,333 | $ 20,886 |
| Net loss margin | (13.5)% | (3.7)% | (6.0)% | (7.7)% |
| Adjusted EBITDA Margin[(4)] | 6.2% | 15.9% | 12.3% | 12.6% |
| Restaurant-Level Contribution[(5)] | $ 21,145 | $ 16,279 | $ 23,755 | $ 19,905 |
| Restaurant-Level Contribution Margin[(5)] | 8.7% | 14.3% | 11.9% | 14.2% |

(2) Our management uses these key performance indicators to make decisions, establish our business plans and forecasts, identify trends affecting our business, and evaluate our overall performance. Such key performance indicators are also typically used by our competitors in the restaurant industry, but are not recognized under GAAP. See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators*" for a description, including definitions, of such key performance indicators.

(3) Comparable Restaurant Sales include sales only from our Twin Peaks restaurants, as our Smokey Bones restaurants will only be included in our comparable restaurant base for purposes of the calculation of Comparable Restaurant Sales after we have owned the Smokey Bones restaurants for 18 full months.

(4) Adjusted EBITDA represents net income (loss) adjusted to exclude interest expense, income tax provision (benefit), and depreciation and amortization, and further adjusted to exclude equity-based compensation. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of total revenues.

We present Adjusted EBITDA and Adjusted EBITDA Margin in this Information Statement as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. Adjusted EBITDA and Adjusted EBITDA Margin are not recognized terms under GAAP and should not be considered as alternatives to net income (loss) or net income (loss) margin, the most directly comparable measures under GAAP, as measures of financial performance, or cash provided by operating activities as measures of liquidity, or any other performance measure derived in accordance with GAAP. These non-GAAP financial metrics are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments, and debt service requirements.

Our management uses Adjusted EBITDA and Adjusted EBITDA Margin, as supplements to GAAP measures of performance, to evaluate the effectiveness of our business strategies, make budgeting decisions, and compare our performance against that of other peer companies that use similar metrics.

See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Adjusted EBITDA and Adjusted EBITDA Margin*" for a further description of Adjusted EBITDA and Adjusted EBITDA Margin, including our management's use of such metrics and the limitations of such metrics as analytical tools.

The following table provides a reconciliation of net income (loss) and net income (loss) margin, the most directly comparable GAAP measures, to Adjusted EBITDA and Adjusted EBITDA Margin, respectively, for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the fiscal years ended December 31, 2023 and December 25, 2022. In evaluating Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that, in the future, we may incur expenses similar to those adjusted for in the following reconciliation.

| | Thirty-Nine Weeks Ended | | Year Ended | |
|---|---|---|---|---|
| ***(dollars in thousands)*** | **September 29, 2024** | **September 24, 2023** | **December 31, 2023** | **December 25, 2022** |
| Net income (loss) | $ (36,170) | $ (5,072) | $ (13,840) | $ (12,771) |
| Interest expense | 35,029 | 19,435 | 29,714 | 24,508 |
| Income tax provision (benefit) | (10) | — | (230) | — |
| Depreciation and amortization | 17,500 | 7,156 | 12,377 | 8,458 |
| EBITDA | 16,349 | 21,519 | 28,021 | 20,195 |
| Equity-based compensation | 211 | 252 | 312 | 691 |
| **Adjusted EBITDA** | **$ 16,560** | **$ 21,771** | **$ 28,333** | **$ 20,886** |
| Total revenues | $ 267,320 | $ 136,632 | $ 230,687 | $ 165,856 |
| Net loss margin | (13.5)% | (3.7)% | (6.0)% | (7.7)% |
| **Adjusted EBITDA Margin** | **6.2%** | **15.9%** | **12.3%** | **12.6%** |

(5) Restaurant-Level Contribution represents company-owned restaurant sales less restaurant operating costs, which consist of food and beverage costs, labor and benefits costs and other operating costs. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales.

We present Restaurant-Level Contribution and Restaurant-Level Contribution Margin in this Information Statement as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. Restaurant-Level Contribution and Restaurant-Level Contribution Margin are not recognized terms under GAAP and should not be considered as alternatives to income from operations, the most directly comparable measure under GAAP, as measures of financial performance, or cash provided by operating activities as measures of liquidity, or any other performance measure derived in accordance with GAAP. These non-GAAP financial metrics are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Additionally, these non-GAAP financial metrics exclude general and administrative expenses, pre-opening expenses, and depreciation and amortization on restaurant property and equipment, which are essential to support the operations and development of our company-owned restaurants.

Our management uses these non-GAAP financial metrics, as supplements to GAAP measures, to evaluate the profitability of sales at our company-owned restaurants, compare the performance of our company-owned restaurants across periods, and compare the financial performance of our company-owned restaurants against that of other peer companies that use similar metrics.

See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" for a further description of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, including our management's use of such metrics.

The following table provides a reconciliation of income from operations, the most directly comparable GAAP measure, to Restaurant-Level Contribution for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the years ended December 31, 2023 and December 25, 2022. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales.

| | Thirty-Nine Weeks Ended | | Year Ended | |
|---|---|---|---|---|
| ***(dollars in thousands)*** | **September 29, 2024** | **September 24, 2023** | **December 31, 2023** | **December 25, 2022** |
| Income from operations | $ (1,265) | $ 13,837 | $ 12,940 | $ 11,676 |
| Less: | | | | |
| Royalties, franchise fees, management fees, and other income | (17,185) | (15,691) | (21,950) | (16,947) |
| Plus: | | | | |
| General and administrative expense | 21,160 | 10,400 | 19,252 | 15,818 |
| Depreciation and amortization | 17,500 | 7,156 | 12,377 | 8,458 |
| Pre-opening expenses[(1)] | 935 | 577 | 1,136 | 900 |
| **Restaurant-Level Contribution** | **$ 21,145** | **$ 16,279** | **$ 23,755** | **$ 19,905** |
| Restaurant sales | $ 242,594 | $ 114,036 | $ 199,369 | $ 140,639 |
| **Restaurant-Level Contribution Margin** | **8.7%** | **14.3%** | **11.9%** | **14.2%** |

(1) See footnote (1) above.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this Information Statement, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning our possible or assumed future results of operations, financial condition, business strategies and plans, market opportunity, competitive position, industry environment, and potential growth opportunities. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "believe", "expect", "could", "intend", "plan", "anticipate", "estimate", "continue", "predict", "project", "potential", "target", "goal" or other words that convey the uncertainty of future events or outcomes. You can also identify forward-looking statements by discussions of strategy, plans or intentions. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, because forward-looking statements relate to matters that have not yet occurred, they are inherently subject to significant business, competitive, economic, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including, among others, those discussed in this Information Statement in the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*", may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements in this Information Statement. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this Information Statement include:

- our ability to implement growth strategies;
- our ability to open new franchised restaurants;
- the number of franchised restaurants that actually open may materially differ from the number of signed commitments;
- opening new restaurants in existing markets may negatively affect sales at existing restaurants in the same markets;
- our business is closely tied to the success of our franchisees and franchised restaurants;
- the actions of our franchisees, including not accurately reporting sales;
- competition from other restaurants;
- the success of our advertising and marketing campaigns;
- the perception and recognition of our brands and corporate reputation may be harmed through third-party activities;
- our ongoing need for capital expenditures requires us to spend capital;
- our ability to raise additional capital in the future;
- our current and future indebtedness;
- interruptions or shortages in the supply chain;
- effects of labor shortages.
- food safety and other health concerns may materially affect our business;

- compliance with environmental, health and safety laws;
- violations of antibribery or anticorruption laws;
- our business activities subject us to litigation;
- failure to protect our intellectual property;
- failure to protect customers' data and other personal information;
- increased costs or liabilities as a result of government regulations;
- our dependence on key executive management;
- disruptions from a pandemic, epidemic or outbreak, such as COVID-19;
- past measures of AUVs and System-Wide Sales are not an indication of future results; and
- control of our Company by FAT Brands.

Given the foregoing risks and uncertainties, you are cautioned not to place undue reliance on the forward-looking statements in this Information Statement. The forward-looking statements contained in this Information Statement are not guarantees of future performance, and our actual results of operations and financial condition may differ materially from such forward-looking statements. In addition, even if our results of operations and financial condition are consistent with the forward-looking statements in this Information Statement, they may not be predictive of results or developments in future periods. You should evaluate all forward-looking statements made in this Information Statement in the context of these risks and uncertainties.

Additionally, statements such as "we believe" and other similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Information Statement, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements.

All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements, as well as other cautionary statements that are made from time to time in our other SEC filings and our public communications. We caution you that the important factors referenced above may not contain all of the factors that are important to you. The forward-looking statements included in this Information Statement are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

## RISK FACTORS

*You should carefully consider the risks described below, as well as the other information contained in this Information Statement, including "Management's Discussion and Analysis of Financial Condition and Results of Operations", our consolidated financial statements and the related notes thereto, and the audited financial statements of Barbeque Integrated, Inc. as of and for the years ended December 31, 2023 and January 1, 2023 and the related notes thereto. If any of the following risks or uncertainties actually occur, our business, results of operations, cash flow, financial condition, and prospects could be materially and adversely affected. In such a case, the market price of our Class A Common Stock could decline. The risks discussed below are not the only risks we face. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also have a material adverse effect on our business, results of operations, cash flows, financial condition, or prospects. Some statements in this Information Statement, including certain statements in the following risk factors, constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."*

### Risks Related to our Business Operations

***If we fail to successfully implement our growth strategy, which includes opening new domestic and international company-owned restaurants and franchised restaurants on a timely basis, our ability to increase our revenues could be materially and adversely affected.***

A significant component of our growth strategy includes the opening of new domestic and international company-owned restaurants and franchised restaurants. While we believe there is opportunity for our brands to grow in existing markets and new markets over the long term, we cannot predict a specific level of growth in existing markets and new markets, the time period we can achieve such growth, or whether we will achieve any level of growth at all in existing markets or new markets. We and our franchisees face many challenges associated with opening new restaurants, including:

- identification and availability of suitable restaurant locations with the appropriate size, visibility, traffic patterns, local residential neighborhood, retail and business attractions and infrastructure that will drive high levels of customer traffic and sales per restaurant;
- competition with other restaurants and retail concepts for potential restaurant sites, as well as competition with anticipated commercial, residential and infrastructure development near new or potential restaurants;
- ability to negotiate acceptable lease arrangements;
- availability of financing and ability to negotiate acceptable financing terms;
- effectively managing development and construction costs;
- completing construction activities on a timely basis;
- responding to unforeseen engineering or environmental problems with the leased premises;
- obtaining all necessary governmental licenses, permits and approvals and complying with local, state and federal laws and regulations to open, construct or remodel, and operate franchised restaurants;
- recruiting, hiring and training of qualified personnel;
- addressing consumer tastes and discretionary spending in new geographic regions;
- general and local economic and business conditions;
- the general legal and regulatory landscape in which we and our restaurants operate; and
- other unanticipated delays or increases in costs or cost overruns.

As a result of these challenges, we and our franchisees may not be able to open new restaurants as quickly as planned or at all. We and our franchisees have experienced, and expect to continue to experience, delays in restaurant openings from time to time and have abandoned plans to open restaurants in various markets on occasion. Any delays or failures to open new restaurants by our franchisees could materially and adversely affect our business, results of operations, financial condition, and growth strategy.

***Our business, results of operations, and financial condition are closely tied to the success of our franchisees and our franchised restaurants.***

We and our franchisees may be materially and adversely affected by:

- increased competition in the restaurant industry;
- changes in consumer tastes and preferences;
- demographic trends;
- customers' budgeting constraints;
- customers' willingness to accept menu price increases;
- our reputation and consumer perception of our offerings in terms of quality, price, value and service;
- customers' experiences in our restaurants.
- declining economic conditions; and
- adverse weather conditions.

We and our franchisees are also susceptible to increases in certain key operating expenses that are either wholly or partially beyond our control, including:

- food and commodities, including beef, chicken and dairy, which we do not or cannot effectively control with long-term fixed pricing arrangements;
- labor costs, including wage, workers' compensation, federal and state minimum wage requirements, health care, vacation accruals, paid leaves of absence, paid sick leave, and other benefits expenses;
- rent expenses and construction, remodeling, maintenance and other costs under leases for our new and existing restaurants;
- energy, water and other utility costs;
- information technology and other logistical costs;
- insurance costs;
- compliance costs as a result of changes in legal, regulatory, industry or other standards; and
- expenses associated with legal proceedings.

A substantial portion of our revenue comes from royalties generated by our franchised restaurants. We anticipate that franchise royalties will represent a substantial part of our revenue in the future. As of September 29, 2024, we had 20 domestic franchisees operating 74 domestic franchised Twin Peaks restaurants, and one international franchisee operating seven international franchised Twin Peaks restaurants in Mexico. As of September 29, 2024, our largest franchisee operated 12 franchised Twin Peaks restaurants, and our top 10 franchisees operated a total of 66 franchised Twin Peaks restaurants. We currently do not have any franchised Smokey Bones restaurants. Accordingly, we are reliant on the performance of our Twin Peaks franchisees in successfully operating their franchised Twin Peaks restaurants and paying royalties to us on a timely basis. Our franchise system subjects us to a number of risks, any one of which may impact our ability to collect royalty payments from our franchisees, may harm the goodwill associated with our franchise, and may materially and adversely affect our business and results of operations.

Our franchisees are an integral part of our business. We may be unable to successfully implement our growth strategy without the participation of our franchisees. Franchisees may fail to participate in our marketing initiatives, which could materially and adversely affect the sales trends, average weekly sales, and results of operations of our franchised restaurants. The failure of our franchisees to focus on the fundamentals of their restaurant operations, such as quality, service and cleanliness, would have a negative impact on our success. Additionally, if our franchisees fail to renew their franchise agreements with us, our royalty revenue may decrease, which in turn could materially and adversely affect our business and results of operations. It also may be difficult for us to monitor the implementation of our growth strategy by our international franchisees due to our lack of personnel in the markets served by such franchised restaurants.

Furthermore, a bankruptcy of any multi-unit franchisee could negatively impact our ability to collect payments due under such franchisee's franchise agreements. In a franchisee bankruptcy, the bankruptcy trustee may reject its franchise agreements pursuant to Section 365 under the United States bankruptcy code, in which case there would be no further royalty payments from such franchisee. There can be no assurance as to the proceeds, if any, that may ultimately be recovered in a bankruptcy proceeding of such franchisee in connection with a damage claim resulting from such rejection.

***If we fail to identify, recruit and contract with a sufficient number of qualified franchisees, our ability to open new franchised restaurants and increase our revenues could be materially and adversely affected.***

The opening of additional franchised restaurants depends, in part, upon the availability of prospective franchisees who meet our criteria. Most of our franchisees open and operate multiple restaurants, and our growth strategy requires us to identify, recruit and contract with a significant number of new franchisees each year. We may not be able to identify, recruit or contract with suitable franchisees in our target markets on a timely basis, or at all. Additionally, our franchisees may not have access to the financial or management resources that they need to open the restaurants contemplated by their franchise agreements with us, or they may elect to cease restaurant development for other reasons. If we are unable to recruit suitable franchisees or if franchisees are unable or unwilling to open new franchised restaurants as planned, our growth may be slower than anticipated, which could materially and adversely affect our ability to increase our revenues and materially and adversely affect our business, results of operations, and financial condition.

***Our franchisees could take actions that could harm our business, including by not accurately reporting sales.***

Our franchisees are contractually obligated to operate their restaurants in accordance with the operational, safety and health standards set forth in our agreements with them and with applicable laws. Although we will attempt to properly train and support all of our franchisees, they are independent third parties whom we do not control. Our franchisees own, operate, and oversee the daily operations of their restaurants, and their employees are not our employees. Accordingly, their actions are outside of our control. Although we have developed criteria to evaluate and screen prospective franchisees, we cannot be certain that our franchisees will have the business acumen or financial resources necessary to operate successful franchises at their approved locations, and state franchise laws may limit our ability to terminate or not renew these franchise agreements. Moreover, despite our training, support and monitoring, franchisees may not successfully operate their restaurants in a manner consistent with our standards and requirements or may not hire and adequately train qualified managers and other restaurant personnel. The failure of our franchisees to operate their restaurants in accordance with our standards or applicable law, actions taken by their employees, or a negative publicity event at one of our franchised restaurants or involving one of our franchisees could materially and adversely affect on our brands, our reputation, our ability to attract prospective franchisees, our company-owned restaurants, and our business, results of operations, and financial condition.

Franchisees typically use a point-of-sale cash register system to record all sales transactions at their restaurants, and we require franchisees to use a specific brand and model of hardware and software components for their restaurant systems. Franchisees report sales manually and electronically, and we have the ability to verify all sales data electronically by accessing their point-of-sale cash register systems. We also have the right under our franchise agreements to audit franchisees to verify sales information provided to us, and we have the ability to indirectly verify sales based on purchasing information. However, franchisees may underreport sales, which would reduce royalty income otherwise payable to us and materially and adversely affect our business, results of operations, and financial condition.

***The full-service restaurant industry in which we operate is highly competitive.***

In general, the full-service restaurant industry in which we operate, in particular the casual dining category, is highly competitive with respect to, among other things, price, value, food quality and presentation, customer service, new product development, advertising and promotional initiatives, ambience of properties, restaurant locations, taste preferences, brand reputation, and digital engagement. We face significant competition from international, national, regional and locally-owned restaurants, particularly within the casual dining category, that offer different menu offerings than us and in-restaurant, carry-out, delivery, and/or catering services. Increased competition could have an adverse effect on our sales, profitability and/or growth plans, which could materially and adversely affect our business, results of operations, and financial condition.

Many of our competitors have been operating for longer and have a more established market presence than us, and have better locations, greater name recognition, and resources than we do, and, as a result, these competitors may be better positioned to attract guests. Our larger competitors may also be able to take advantage of greater economies of scale than we can, and may be better able to increase prices to reflect cost pressures and increase their marketing and promotional activity, including through discount strategies. Our competitors may also be able to identify and adapt to changes in customer preferences more quickly than we can due to their resources and scale. Changes in customers' tastes, nutritional and dietary trends, methods of ordering, and number and location of competing restaurants often affect the restaurant industry. If our marketing efforts are unsuccessful, or if our company-owned restaurants or franchised restaurants are unable to compete successfully with other full-service restaurants in new and existing markets, our sales volume and/or pricing may be subject to downward pressure, and we may not be able to increase, or sustain, our growth rate or revenue, or reach profitability.

Furthermore, as we expand our geographic presence and further develop our digital channels, we anticipate that we will face increased competition, including with respect to access to, and audience reach of, digital channels. We may also face the risk that new or existing competitors will mimic our business model, menu offerings, marketing strategies, and overall concept. Any of the above competitive factors may materially and adversely affect our business, results of operations, and financial condition.

***Our success depends substantially on our corporate reputation and on the value, perception and recognition of the Twin Peaks brand and Smokey Bones brand, and the value of our brands may be harmed or diluted through franchisee and third-party activity.***

Our success depends substantially on our and our franchisees' ability to maintain and enhance the value of the Twin Peaks brand and Smokey Bones brand and maintain the loyalty of customers to our brands. The respective value of the Twin Peaks brand and Smokey Bones brand is based in part on customer perceptions on a variety of subjective qualities. Business incidents, whether isolated or recurring, and whether originating from us, franchisees, competitors, suppliers or distributors, can significantly reduce the value of our brands and customer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, our brands could be damaged by claims or perceptions regarding the quality or safety of our offerings, or the quality or reputation of our franchisees, suppliers or distributors, regardless of whether such claims or perceptions are true. Additionally, we may, from time to time, be faced with negative publicity relating to public health concerns, health inspection scores, food processing, restaurant facilities, customer complaints or litigation alleging illness or injury, employee relationships, or other matters, regardless of whether such allegations are valid, or whether or not we are held to be responsible. Similarly, entities in our supply chain may engage in conduct, including alleged human rights abuses or environmental wrongdoing, and any such conduct could damage our reputation or the reputation of our brands. Any such incidents (even if resulting from actions of a competitor in our industry or franchisee) could cause a decline directly or indirectly in customer confidence in, or the perception of, our brands and/or our offerings and reduce customer demand for our offerings, which would likely result in lower revenues and profits. Additionally, our corporate reputation could suffer from a real or perceived failure of corporate governance, or misconduct by one of our directors, officers or employees, or an employee or representative of a franchisee.

Moreover, the negative impact of adverse publicity relating to a franchised restaurant may extend far beyond that franchised restaurant or franchisee involved to affect some or all of our company-owned restaurants and other franchised restaurants. The risk of negative publicity is particularly great with respect to our franchised restaurants because we are limited in the manner in which we can manage and control a franchisee's operations and messaging, especially on a real-time basis. The considerable expansion in the use of social media over recent years can further amplify any negative publicity that could be generated by such incidents.

Although we monitor and regulate franchisee activities under the terms of our franchise agreements, franchisees or other third parties may refer to or make statements about our brands that do not make proper use of our trademarks or required designations, that improperly alter trademarks or branding, or that are critical of our brands or place our brands in a context that may tarnish our reputation. This may result in dilution of, or harm to, our intellectual property or the value of our brands. Franchisee noncompliance with the terms and conditions of our franchise agreements may reduce the overall goodwill of our brands, whether through the failure to meet health and safety standards, engage in quality control or maintain product consistency, or through the participation in improper or objectionable business practices. Moreover, unauthorized third parties may use our intellectual property to trade on the goodwill of our brands, resulting in customer confusion or dilution of the value of our brands. Any customer confusion, reputational dilution, or reduction of the goodwill of our brands is likely to negatively impact sales, and could materially and adversely impact our business, results of operations, and financial condition.

Furthermore, employee claims against us based on, among other things, wage and hour violations, discrimination, harassment, or wrongful termination may also create negative publicity that could adversely affect us and divert our financial and management resources that would otherwise be used to benefit the future performance of our operations. A significant increase in the number of these claims or an increase in the number of successful claims would have a material adverse effect on our business, results of operations, and financial condition. Customer demand for our products and the value of our brands could diminish significantly if any such incidents or other matters create negative publicity or otherwise erode customer confidence in us or our products, which would likely result in lower sales and could have a material adverse effect on our business, results of operations, and financial condition.

***Our plans to open new restaurants, and the ongoing need for capital expenditures at our existing company-owned restaurants, require us to spend capital.***

Our growth strategy depends on opening new restaurants, for which we intend to use cash flows from operations. We cannot assure you that cash flows from operations will be sufficient to allow us to implement our growth strategy. If this cash is not allocated efficiently among our various projects, or if any of our initiatives prove to be unsuccessful, we may experience reduced profitability, and we could be required to delay, significantly curtail or eliminate planned restaurant openings, which could have a material adverse effect on our business, results of operations, and financial condition.

Additionally, as our company-owned restaurants mature, our business will require capital expenditures for the maintenance, renovation and improvement of such existing restaurants to remain competitive and maintain the respective standards of our brands. This creates an ongoing need for cash, and, to the extent we cannot fund capital expenditures from cash flows from operations, funds will need to be borrowed or otherwise obtained.

If the costs of funding new restaurants or renovations or enhancements at existing company-owned restaurants exceed budgeted amounts, and/or the time for building or renovation is longer than anticipated, our profits could be adversely impacted. If we cannot access the capital we need, we may not be able to execute on our growth strategy, take advantage of future opportunities, or respond to competitive pressures.

***The number of new franchised restaurants that actually open in the future may differ materially from the number of signed commitments from potential existing and new franchisees.***

As of September 29, 2024, our franchise pipeline consisted of 76 domestic franchise restaurant commitments, and 25 international franchise restaurant commitments, for Twin Peaks restaurants. For Smokey Bones restaurants, we plan to partner with our existing franchisees or new franchisees to convert approximately half of the 60 Smokey Bones restaurants that we acquired in the Smokey Bones Acquisition into new Twin Peaks restaurants. Historically, a portion of our franchise commitments have not ultimately resulted in the opening of new franchised restaurants due to the occurrence of various risks and uncertainties, including, but not limited to, the ability of our franchisees to obtain capital and any necessary financing, market conditions, operational challenges, and regulatory changes. We have had a historical franchise commitment-to-restaurant opening conversion rate of approximately 66% for Twin Peaks restaurants over the past five years. Based on our limited history of openings of international franchised Twin Peaks restaurants, we believe the termination rate of franchise commitments for international Twin Peaks restaurants is likely to approximate the historic termination rate of franchise commitments for domestic Twin Peaks restaurants. The historic conversion rate of signed franchise commitments to the opening of new franchised Twin Peaks restaurants may not be indicative of the conversion rates we will experience in the future for Twin Peaks restaurants or Smokey Bones restaurants, and the total number of new franchised restaurants actually opened in the future may differ materially from the number of franchise commitments disclosed at any point in time.

***Our success depends in part upon effective advertising and marketing campaigns, which may not be successful, and franchisee support of such advertising and marketing campaigns.***

We believe that the Twin Peaks brand and Smokey Bones brand are critical to our business, and therefore, we expend resources in our marketing efforts using a variety of media. We expect to continue to conduct brand awareness programs and customer initiatives to attract and retain customers. Should our advertising and promotions not be effective, our business, results of operations, and financial condition could be materially and adversely affected.

The support of our franchisees is critical for the success of the advertising and marketing campaigns we seek to undertake, and the successful execution of these campaigns will depend on our ability to maintain alignment with our franchisees. Our Twin Peaks franchisees are currently required to contribute 2.5% of their gross sales to the Twin Peaks National Marketing Fund to support the development of new menu offerings, brand development, and national marketing programs at Twin Peaks. Our current form of Twin Peaks franchise agreement also requires our Twin Peaks franchisees to spend at least 0.5% of their gross sales directly on local advertising. While we maintain control over advertising and marketing campaigns and materials and can mandate certain strategic initiatives pursuant to our franchise agreements, we need the active support of our franchisees if the implementation of these initiatives is to be successful. If our advertising and marketing initiatives are not successful, resulting in expenses incurred without the benefit of higher revenue, our business, results of operations, and financial condition could be materially and adversely effected.

***You should not rely on past increases in our same store sales or our AUVs as an indication of our future results of operations because they may fluctuate significantly.***

A number of factors have historically affected, and will continue to affect, same store sales and AUVs, including, among other factors:

- our ability to execute our business strategy effectively;
- unusually strong initial sales performance by new restaurants;
- competition;
- consumer trends and confidence; and
- regional and national macroeconomic conditions.

The level of same store sales is a critical factor affecting our ability to generate profits because the profit margin on same store sales is generally higher than the profit margin on new restaurant sales. Our ability to increase same store sales depends in part on our ability to successfully implement our initiatives to build sales. It is possible such initiatives will not be successful, that we will not achieve our same store sales targets, or that the change in same store sales could be negative, which may cause a decrease in our sales growth and our ability to achieve profitability. This could have a material adverse effect on our business, results of operations, and financial condition.

***Our quarterly operating results may fluctuate significantly due to certain factors, some of which are beyond our control, which may result in a decline in the market price of our Class A Common Stock.***

Our quarterly operating results may fluctuate significantly because of several factors, including:

- the timing of new restaurant openings;
- expansion to new markets;
- profitability of our restaurants, especially in new markets;
- increases and decreases in average weekly sales and domestic same store sales as a result of seasonal factors;
- changes in consumer preferences and competitive conditions;
- fluctuations in commodity prices;
- increases in infrastructure costs;

- impairment of long-lived assets and any loss on restaurant closures;
- changes in interest rates; and
- macroeconomic conditions, both nationally and locally.

As a result, our quarterly and annual operating results and same store sales may fluctuate significantly as a result of the factors discussed above. Accordingly, results for any one fiscal quarter are not necessarily indicative of results to be expected for any other fiscal quarter or for any fiscal year, and same store sales for any particular future period may decrease. In the future, our operating results may fall below the expectations of securities analysts and investors. In such an event, the market price of our Class A Common Stock would likely decrease.

***Historical AUV levels may not be indicative of future results of any new company-owned restaurant or franchised restaurant.***

The AUV levels of any new company-owned restaurant or franchised restaurant may differ from average levels experienced by our company-owned restaurants and franchised restaurants in prior periods due to a variety of factors, and these differences may be material. Accordingly, historical AUV levels may not be indicative of the future results of any new company-owned restaurant or franchised restaurant. Additionally, performance of new company-owned restaurants and franchised restaurants is impacted by a range of risks and uncertainties beyond our or our franchisees' control, including those described by other risk factors described in this Information Statement.

***An impairment in the carrying value of our goodwill or other intangible assets could adversely affect our consolidated results of operations, and financial condition.***

We review goodwill for impairment annually, or whenever circumstances change in a way that could indicate that impairment may have occurred, and we record an impairment loss whenever we determine impairment factors are present. Significant impairment charges could have a material adverse effect on our business, results of operations, and financial condition.

***We have experienced and continue to experience inflationary conditions with respect to the cost for food, labor, construction and utilities, and we may not be able to increase prices or implement operational improvements sufficient to fully offset inflationary pressures on such costs, which may adversely impact our revenues and results of operations.***

The profitability of our company-owned restaurants and franchised restaurants depends in part on our ability to anticipate and react to changes in food and other supply costs, including labor costs, construction costs, and utility costs. Prices may be affected by general economic conditions, increased competition, supply shortages and interruptions due to weather, disease, inflation, and other conditions and factors beyond our control. In the years ended December 31, 2023 and December 25, 2022, our costs from operations increased significantly due to the recent inflationary environment. For example, in fiscal year 2022, we experienced a mid-single digit percentage increase in the cost of our food ingredients, which adversely impacted our gross margins. To moderate the effects of these rising costs, we have instituted proactive initiatives to create efficiencies in our supply chain, such as optimizing our supply chain order quantities and food preparation processes to reduce food waste, and instituting pricing promotions to drive guests to higher margin products. Additionally, in fiscal years 2023 and 2022, we experienced mid-single digit percentage increases in our labor costs, which was driven primarily by increases in statutory minimum wages in certain states where our restaurants are located and other governmental regulations affecting labor costs. We mitigated the financial impact of such increases in our labor costs by focusing on increasing the productivity of our restaurant team members and enacting other cost management initiatives. Furthermore, to mitigate the impact of inflation of our food and commodity costs and labor costs, we modestly increased our menu prices by up to 5% depending on the menu item in fiscal years 2023 and 2022. However, our attempts to offset inflationary pressures on such costs may not be successful.

Our inability to anticipate and respond effectively to one or more adverse changes in any of these factors could have a significant adverse effect on our results of operations and financial condition. We expect inflationary pressures and other fluctuations impacting the price of these items to continue to impact our business. Our attempts to offset cost pressures, such as through implementing operational efficiencies and increasing menu pricing, may not be successful. We seek to provide a moderately priced product, and, as a result, we may not be able to pass along price increases to our customers to sufficiently offset our cost increases. To the extent price increases are not sufficient to adequately offset higher costs or do not do so in a timely manner, or if such price increases result in significant decreases in revenue volume due to loss in customer retention, our revenues from sales may be adversely affected, and as a result our business, results of operations, and financial condition may also be materially and adversely affected.

***Interruptions in the supply, or shortages, of food products or other supplies delivered to our company-owned restaurants and franchised restaurants could adversely affect our business, results of operations, and financial condition.***

The menu offerings sold by our company-owned restaurants and franchised restaurants, and the raw materials used in these restaurants, are sourced from a variety of domestic and international vendors, suppliers and distributors. We, along with our franchisees, are also dependent upon third parties to make frequent deliveries of food products and supplies that meet our specifications at competitive prices. Shortages or interruptions in the supply of food items, raw materials and other supplies to our restaurants could adversely affect the availability, quality and cost of items used at, and the operations of, our restaurants. If such shortages result in increased cost of food items and supplies, we and our franchisees may not be able to pass along all of such increased costs to restaurant customers.

Such shortages or disruptions could be caused by increased demand, problems in production or distribution, restrictions on imports or exports, the inability of vendors to obtain credit, political instability in the countries in which suppliers and distributors are located, the financial instability of suppliers and distributors, the failure of suppliers and distributors to meet our standards, product quality issues, inflation, the price of gasoline, the cancellation of supply or distribution agreements or an inability to renew such arrangements or to find replacements on commercially reasonable terms, food safety warnings or advisories or the prospect of such pronouncements, inclement weather, natural disasters, or other conditions beyond our control or the control of our franchisees. Increasing weather volatility or other long-term changes in global weather patterns, including any changes associated with global climate change, could have a significant impact on the price, availability, and timing of delivery of some of our ingredients.

Furthermore, a failure by a key supplier or distributor to meet its service requirements could lead to a disruption of service or supply until a new supplier or distributor is engaged, and any such disruption could have an adverse effect on us and our franchisees, and therefore our business, results of operations, and financial condition.

***Macroeconomic conditions could adversely affect our ability to increase sales at existing restaurants or open new restaurants.***

Recessionary economic cycles, inflation, increases in commodity prices, higher interest rates, higher fuel and other energy costs, lower housing values, low consumer confidence, higher levels of unemployment, higher consumer debt levels, higher tax rates and other changes in tax laws, or other economic factors that may affect discretionary consumer spending could adversely affect our revenue and profit margins and make opening new restaurants more difficult. Our customers may have lower disposable income and reduce the frequency with which they dine out during economic downturns. This could result in fewer customer visits and/or reduced order sizes, or limitations on the prices we can charge for our menu items, any of which could reduce our sales and profit margins. Also, businesses in the vicinity in which some of our restaurants are located may experience difficulty as a result of macroeconomic trends or cease to operate, which could, in turn, further negatively affect customer traffic at our restaurants. All of these factors could have a material adverse impact on our results of operations and growth strategy.

Additionally, negative effects on our and our franchisees' existing and potential landlords due to the inaccessibility of credit and other unfavorable economic factors may, in turn, adversely affect our business and results of operations. If our or our franchisees' landlords are unable to obtain financing or remain in good standing under their existing financing arrangements, they may be unable to provide construction contributions or satisfy other lease obligations owed to us or our franchisees. Moreover, if our and our franchisees' landlords are unable to obtain sufficient credit to continue to properly manage their retail sites, we may experience a drop in the level of quality of such retail centers. The development of new restaurants may also be adversely affected by negative economic factors affecting developers and potential landlords. Developers and/or landlords may try to delay or cancel recent development projects (as well as renovations of existing projects) due to instability in the credit markets and declines in consumer spending, which could reduce the number of appropriate locations available that we would consider for our new restaurants. Furthermore, other tenants at the properties in which our restaurants are located may delay their openings, fail to open, or cease operations, and decreases in total tenant occupancy in the properties in which our restaurants are located may affect customer traffic at our restaurants.

If any of the foregoing affect any of our or our franchisees' landlords, developers, and/or surrounding tenants, our business, results of operations, and financial condition may be materially and adversely affected.

***Food safety, foodborne illness, and other health concerns may have a material adverse effect on our business.***

Food safety is a top priority, and we dedicate substantial resources to ensure that our customers enjoy safe, quality food products. However, food-borne illnesses, such as E. coli, salmonella, hepatitis A, and trichinosis, occur or may occur within our system from time to time. In addition, food safety issues such as food tampering, contamination and adulteration occur or may occur within our system from time to time. Any report or publicity linking one of our company-owned restaurants or franchised restaurants, or linking our competitors or our industry generally, to instances of foodborne illness or food safety issues could adversely affect our reputation and the reputation of our brands, as well as our revenues and profits, and possibly lead to product liability claims, litigation, and damages. If a guest of one of our company-owned restaurants or franchised restaurants becomes ill as a result of food safety issues, our restaurants may be temporarily closed, which would decrease our revenues. Even instances of food-borne illness, food tampering, or food contamination occurring solely at restaurants of our competitors could result in negative publicity about the food service industry or restaurants generally and adversely impact our restaurants.

Additionally, our reliance on third-party food suppliers and distributors increases the risk that food-borne illness incidents could be caused by factors outside of our control, and that multiple restaurants would be affected rather than a single restaurant. We cannot ensure that all food items are properly maintained during transport throughout the supply chain and that our employees and our franchisees and their employees will identify all products that may be spoiled and should not be used in our restaurants. In addition, our industry has long been subject to the threat of food tampering by suppliers and employees, such as the addition of foreign objects in the food that we sell. Reports, whether or not true, of injuries caused by food tampering have in the past severely injured the reputations and brands of restaurant chains in the casual restaurant segment and could affect us in the future as well. If our customers become ill from food-borne illnesses, we could also be forced to temporarily close some restaurants. Furthermore, any instances of food contamination, whether or not at our restaurants, could subject our restaurants or our suppliers to a food recall pursuant to the Food and Drug Administration Food Safety Modernization Act.

Furthermore, the United States and other countries have also experienced, and may experience in the future, outbreaks of viruses, such as the novel coronavirus (COVID-19) and its variants, RSV, and various forms of influenza. To the extent that a virus is transmitted by human-to-human contact, our employees or customers could become infected or could choose, or be advised, to avoid gathering in public places and avoid eating in restaurant establishments such as our restaurants, which could materially and adversely affect our business, results of operations, and financial condition.

***Our expansion into international markets exposes us to a number of risks that may differ in each country where we have franchised restaurants.***

As of September 29, 2024, of our 114 Twin Peaks restaurants, 107 operate in the United States, and seven operate as international franchised Twin Peaks restaurants in Mexico, and all of our 58 Smokey Bones restaurants operate in the United States. We aim to grow the Twin Peaks brand internationally. However, our international expansion is in its early stages. Expansion in international markets may be affected by local economic and market, as well as geopolitical, conditions. Therefore, as we expand internationally, our internal franchised restaurants may not experience the operating margins we expect, and our results of operations and growth may be materially and adversely affected.

Additionally, some of our new restaurants are planned for markets where there may be limited or no market recognition of our brands. Those markets may have competitive conditions, consumer tastes, and discretionary spending patterns that are different from those in our existing markets. As a result, those new restaurants may be less successful than our restaurants in our existing markets. We may need to build brand awareness in such new market through greater investments in advertising, marketing and promotional activity than we originally planned. Our franchisees may also find it more difficult in new markets to hire, motivate, and keep qualified employees who can project our vision, passion and culture. Restaurants opened in new markets may also have lower average restaurant sales than our restaurants opened in our existing markets. Sales at restaurants opened in new markets may take longer to ramp up and reach expected sales and profit levels, and may never do so, thereby affecting our overall profitability, and materially and adversely affecting our business, results of operations, financial condition, and growth prospects.

Furthermore, our results of operations and financial condition may be adversely affected if global markets in which our franchised restaurants compete are affected by changes in political, economic, or other factors. These factors, over which neither we nor our franchisees have control, may include:

- political and economic instability;
- recessionary trends in international markets;
- changes in inflation rates;
- changes in exchange rates and the imposition of restrictions on currency conversion or the transfer of funds;
- increases in the taxes we pay and other changes in applicable tax laws;
- legal and regulatory changes, and the burdens and costs of our compliance with a variety of foreign laws with respect to our international franchised restaurants;
- changing labor conditions, including difficulties in staffing;
- difficulty in protecting our brands, reputation and intellectual property;
- difficulty in collecting our royalties and longer payment cycles;
- expropriation of private enterprises;
- increases in anti-American sentiment and the identification of the Twin Peaks brand and Smokey Bone brand as American brands; and
- other external factors.

Moreover, we are subject to applicable rules and various international laws regulating the offer and sale of franchises, which can restrict our ability to sell franchises in such jurisdictions. Non-compliance with such rules and laws could result in governmental enforcement actions seeking a civil or criminal penalty, rescission of a franchise, or loss of our ability to offer and sell franchises in a jurisdiction, or a private lawsuit seeking rescission, damages and legal fees, any of which could have a material adverse effect on our business and results of operations.

***Opening new restaurants in existing markets may negatively affect sales at existing restaurants***.

We intend to continue opening new franchised restaurants in our existing markets as a core part of our growth strategy. Expansion in existing markets may be affected by local economic and market conditions. Additionally, the customer target area of our restaurants varies by location, depending on a number of factors, including population density, other local retail and business attractions, area demographics, and geography. As a result, the opening of a new restaurant in or near markets in which our restaurants already exist could adversely affect the sales of these existing restaurants. We and our franchisees may selectively open new restaurants in and around areas of existing restaurants. Sales cannibalization between restaurants may become significant in the future as we continue to expand our operations, and could affect sales growth, which could, in turn, materially and adversely affect our business, results of operations, and financial condition.

***We may be unable to realize the anticipated benefits of the Smokey Bones Acquisition.***

On March 21, 2024, FAT Brands contributed to the Top Tier Twin Subsidiary, and the Top Tier Twin Subsidiary acquired, all of the outstanding capital stock of Barbeque Integrated, Inc., which is the entity that owns Smokey Bones. Our performance after the Smokey Bones Acquisition will depend, in part, on our ability to successfully and efficiently integrate Smokey Bones with our business in a cost-effective manner that does not significantly disrupt our consolidated operations. There can be no assurance that we will be able to maintain and grow our business and operations during, and following, the integration of Smokey Bones. Integrating and coordinating certain aspects of the operations and personnel of Smokey Bones involve complex operational and personnel-related challenges. This process has been and will continue to be time-consuming and expensive, may disrupt our business, and may not result in the full benefits expected from the Smokey Bones Acquisition, including cost synergies expected to arise from efficiencies and overlapping general and administrative functions. The potential difficulties, and resulting costs and delays, include:

- consolidating corporate and administrative infrastructures;
- difficulties attracting and retaining key personnel;
- issues in integrating information technology (which we refer to as “IT”), communications and other systems;
- incompatibility of purchasing, logistics, marketing, administration and other systems and processes; and
- unforeseen and unexpected liabilities related to the Smokey Bones Acquisition.

Additionally, the continued integration of our operations and personnel may place a significant burden on our management and other internal resources. The diversion of our management’s attention, and any difficulties encountered in the transition and integration process, could harm our business, financial condition, and results of operations.

***Failure to protect our service marks or other intellectual property could harm our business.***

We regard our "Twin Peaks", "EATS. DRINKS. SCENIC VIEWS", "29° Draft Beer", "Twin Peaks Brewing", Smokey Bones", "Masters of Meat", and "Meat is What We Do" trademarks, our Twin Peaks and mountains designs and logos, our Smokey Bones flame designs and logos, and other trademarks and service marks related to our business, as having critical importance to our future operations and marketing efforts. We rely on a combination of protections provided by contracts, copyrights, patents, trademarks, service marks, and other common law rights, such as trade secret and unfair competition laws, to protect us and our franchised restaurants from infringement. We have registered certain trademarks and service marks in the United States, Mexico, as well as certain other countries where we are considering growing internationally. However, from time to time, we become aware of names and marks being used by other persons that are identical or confusingly similar to our service marks. Although our policy is to oppose any such infringement, further or unknown unauthorized uses or other misappropriation of our trademarks or service marks could diminish the respective value of our brands and adversely affect our business. Additionally, effective intellectual property protection may not be available in every country in which our franchisees have, or intend to open or franchise, a restaurant. There can be no assurance that these protections will be adequate, and defending or enforcing our service marks and other intellectual property could result in the expenditure of significant resources, which could adversely affect our business, reputation, results of operations, and financial condition.

Furthermore, we may also face claims of infringement that could interfere with the use of the proprietary knowhow, concepts, recipes, or trade secrets used in our business. Defending against such claims could be costly and result in the expenditure of significant resources, and we may be prohibited from using such proprietary information in the future or forced to pay damages, royalties, or other fees for using such proprietary information, any of which could adversely affect our business, reputation, results of operations, and financial condition.

***We and our franchisees rely on computer systems to process transactions and manage our businesses, and a disruption or a failure of such systems or technology could harm our ability to effectively manage our businesses.***

Network and information technology systems are integral to our business. We utilize various computer systems, including our restaurant point-of-sale system, which is also the system through which our franchisees report their weekly sales and their corresponding royalty fees and required advertising fund contributions are calculated and paid. When sales are reported by a franchisee, a withdrawal for the authorized amount is initiated from the franchisee's bank on a set date each week based on gross sales during the week ended the prior Sunday. This system is critical to our ability to accurately track sales, compute royalties and advertising fund contributions, and receive timely payments due from our franchisees.

Our operations depend upon our ability to protect our computer systems and equipment against internal and external security breaches, viruses, worms and other disruptive problems, as well as from damage from physical theft, fire, power loss, telecommunications failure, or other catastrophic events. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations could have a material adverse effect on our business and subject us to litigation or actions by regulatory authorities.

Despite the implementation of protective measures, our systems are subject to damage and/or interruption as a result of computer and network failures, computer viruses and other disruptive software, security breaches, power outages, catastrophic events, and improper usage by employees. Such events could result in a material disruption in operations, a need for a costly repair, upgrade or replacement of systems, or a decrease in, or in the collection of, royalties and advertising fund contributions paid to us by our franchisees. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability which could materially affect our results of operations.

It is also critical that we establish and maintain certain licensing and software agreements for the software we use in our day-to-day operations. A failure to procure or maintain these licenses could have a material adverse effect on our business operations.

***If we or our franchisees are unable to protect their customers' credit card data and other personal information, we and our franchisees could be exposed to data loss, litigation and liability, and our reputation could be significantly harmed.***

Privacy protection is increasingly demanding, and our use of electronic payment methods and collection of other personal information expose us and our franchisees to increased risk of privacy and/or security breaches, as well as other risks. The majority of our and our franchisees' restaurant sales are by credit or debit cards. In connection with credit or debit card transactions in-restaurant, we and our franchisees collect and transmit confidential information by way of secure private retail networks. Additionally, we and our franchisees collect and store personal information from individuals, including our customers and employees.

We and our franchisees may experience security breaches in which credit and debit card information is stolen in the future. Although we use secure private networks to transmit confidential information, third parties may have the technology or know-how to breach the security of the customer information transmitted in connection with credit and debit card sales, and our security measures and those of technology vendors may not effectively prohibit others from obtaining improper access to this information. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often difficult to detect for long periods of time, which may cause a breach to go undetected for an extensive period of time. Advances in computer and software capabilities, new tools, and other developments may increase the risk of such a breach. Additionally, the systems currently used for transmission and approval of electronic payment transactions, and the technology utilized in electronic payment themselves, all of which can put electronic payment at risk, are determined and controlled by the payment card industry, not by us. Furthermore, our franchisees, contractors, or third parties with whom we do business or to whom we outsource business operations may attempt to circumvent our security measures in order to misappropriate such information and may purposefully or inadvertently cause a breach involving such information. If a person is able to circumvent our security measures or those of third parties, such perpetrator could destroy or steal valuable information or disrupt our operations. We may become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have an adverse impact on our results of operations, cash flows, and financial condition. Moreover, adverse publicity resulting from these allegations could significantly harm our reputation and may have a material adverse effect on us and our business.

***We are exposed to the risk of natural disasters, unusual weather conditions, pandemic outbreaks, political events, and terrorism that could disrupt business and result in lower sales and increased operating costs and capital expenditures.***

Our headquarters, company-owned restaurant locations, franchised restaurant locations, third-party distributors and their facilities, as well as certain of our vendors and customers, are located in areas which have been and could be subject to natural disasters such as winter storms, floods, severe thunderstorms, hurricanes, tornadoes, fires, or earthquakes. Adverse weather conditions or other extreme changes in the weather, including resulting electrical and technological failures may disrupt our and our franchisees' business and may adversely affect our and our franchisees' ability to obtain food and supplies and sell menu items. Our business may be harmed if our or our franchisees' ability to obtain food and supplies and sell menu items is impacted by any such events, any of which could influence customer trends and purchases, and may negatively impact our and our franchisees' revenue, operations, and properties. Such events could result in physical damage to one or more of our or our franchisees' properties, the temporary closure of some or all of our company-owned restaurants, franchised restaurants and third-party distributors, the temporary lack of an adequate work force in a market, temporary or long-term disruption in the transport of goods, delay in the delivery of goods and supplies to our company-owned restaurants, franchised restaurants and third-party distributors, fuel shortages or dramatic increases in fuel prices, or disruption of our technology support or information systems, any of which would increase the cost of doing business. Additionally, such natural disasters and unusual weather conditions, increases in energy prices, political events, terrorist attacks, other natural or man-made disasters, or general negative publicity regarding any of our restaurants, as well as other regional occurrences such as more stringent state and local laws and regulations or local strikes could have a material adverse effect on our business and operations. Any of these factors, or any combination thereof, could materially and adversely affect our business, results of operations, and financial condition.

***Climate change and the shift to more sustainable business practices could negatively affect our business or damage our reputation.***

Climate change may increase the risk of severe weather or the risk that those events happen more frequently, which could adversely affect restaurant sales volumes in some of the markets in which we operate, and may result in decreased availability or less favorable pricing for certain commodities used in our menu offerings, such as beef, chicken, and dairy. Increases in the severity or frequency of natural disasters and other extreme weather conditions caused by climate change could also disrupt our supply chain generally or otherwise impact demand for our products and services. Additionally, concern over climate change and other sustainable business practices may result in new or increased legal and regulatory requirements or generally accepted business practices, which could significantly increase our costs and expenses. Legislative, regulatory, or other efforts to combat climate change or other environmental concerns could result in future increases in taxes and the cost of raw materials, transportation and utilities, which could necessitate future investments in facilities and equipment, and adversely affect our results of operations. Furthermore, a failure to reduce our greenhouse gas emissions or adopt other sustainable business practices, or the perception of a failure to act responsibly with respect to the environment or to effectively respond to regulatory requirements concerning climate change or other sustainable business practices, could lead to adverse publicity, diminish the respective value of our brands, and adversely affect our business.

***A pandemic, epidemic or outbreak of an infectious disease, such as COVID-19, may in the future disrupt the markets we operate in or otherwise impact our restaurants, which could materially affect our business, results of operations and financial condition for an extended period of time.***

If a pandemic, epidemic, outbreak of an infectious disease, such as COVID-19 and any of its various strains, or other public health crisis were to occur in an area in which we operate, our business and operations could be adversely affected. A pandemic, epidemic or outbreak might adversely impact our business by causing a temporary shutdown, by disrupting or delaying production and delivery of food and other supplies, or by causing staffing shortages in our restaurants. Such shortages could lead to us paying higher prices for food and other supplies and labor. The potential impact of a pandemic, epidemic or outbreak of an infectious disease with respect to our markets or our restaurants is difficult to predict and could materially and adversely impact our business, results of operations, and financial condition.

The global pandemic of COVID-19 impacted our restaurants, employees, business operations and financial performance, communities, as well as the broader U.S. economy and financial markets. As a result of the COVID-19 pandemic, we and our franchisees temporarily closed affected restaurants for a prolonged period of time, reduced or modified restaurant operating hours, adopted a “to-go” only operating model, or a combination these actions. Additionally, the COVID-19 pandemic made it more difficult for us and our franchisees to staff restaurants, and in certain cases, caused a temporary inability to obtain food and other supplies due to supply chain disruptions, which led to increased commodity costs. These actions and consequences resulted in an adverse impact to our revenues.

As of September 29, 2024, all of our Twin Peaks restaurants and Smokey Bones restaurants were operating at 100% indoor dining capacity. However, there can be no assurance that developments with respect to the COVID-19 pandemic or another similar pandemic, epidemic, outbreak of an infectious disease or public health crisis, and any governmental measures taken to control it, will not adversely affect our business, results of operation, and financial condition. Currently, substantially all of our Twin Peaks restaurants are located in 27 states, and all of our Smokey Bones restaurants are located in 16 states. As a result of our concentration in certain markets, we may be disproportionately affected by any increased severity of a pandemic, epidemic, outbreak of an infectious disease or public health crisis, and any governmental measures taken to control it, in these states compared to other chain restaurants with a more dispersed national footprint.

Furthermore, customer behavior has changed, and may continue to fundamentally and permanently change, as a result of the COVID-19 pandemic and the heightened concern over another potential pandemic, epidemic, outbreak of an infectious disease, or public health crisis in both the near and long term. Such changes may pose significant challenges to our current business model. For example, certain viruses may be transmitted through human contact, and the risk of contracting viruses could cause customers or employees to avoid gathering in public places, which could adversely affect restaurant customer traffic or the ability to adequately staff restaurants. Traffic in restaurants, including our company-owned restaurants and franchised restaurants, has been adversely affected by the increase in customers relying on off-premises orders. All of this could materially and adversely impact sales at our restaurants and our growth prospects. We have already made adjustments to our restaurant operations due to the COVID-19 pandemic and may have to further re-design our service and business models to accommodate changed behavior patterns of customers in the future. Any such effort could result in increased capital expenditures, business disruption, and lower margin sales, and may not be successful in increasing our revenue, thereby materially and adversely impacting our business, results of operations, and financial condition.

## Risks Related to our Indebtedness

***We have significant outstanding indebtedness under the Twin Securitization Notes, which will require that we generate sufficient cash flow to satisfy the payment and other obligations under the terms of our indebtedness and will expose us to the risk of default and other remedies thereunder.***

The outstanding principal amount of the indebtedness under the Twin Securitization Notes (as defined and described in "*Description of Certain Indebtedness—Twin Securitization Notes*") issued by the Top Tier Twin Subsidiary in connection with the Reorganization is approximately $416.7 million. The Twin Securitization Notes require significant principal and interest payments. We estimate that the first quarterly payment of both principal and accrued interest on the Twin Securitization Notes, which will be due on April 25, 2025, will be approximately $12.1 million. Additionally, the terms of the Twin Securitization Notes subject us to certain financial and non-financial covenants, including a debt service coverage ratio calculation, as defined in the indenture for the Twin Securitization Notes. If certain covenants are not met, the indebtedness may become partially or fully due and payable on an accelerated schedule. For example, subject to certain limited exceptions, any default in the payment of principal or interest due and payable on any series of the Twin Securitization Notes, any material noncompliance or failure to perform by us or any of our subsidiaries with respect to any of the covenants under the indenture for the Twin Securitization Notes, including noncompliance with the debt service coverage ratio, or the occurrence of any event of bankruptcy with respect to us or any of our subsidiaries will constitute an event of default under indenture for the Twin Securitization Notes, and cause the outstanding principal and interest under the Twin Securitization Notes to be due and payable on an accelerated basis (see "*Description of Certain Indebtedness—Twin Securitization Notes—Events of Default*"). Our ability to meet the payment obligations under the Twin Securitization Notes depends on our ability to generate significant cash flow in the future. However, we cannot assure you that our business will generate cash flow from operations, or that other capital will be available to us, in amounts sufficient to enable us to meet our payment obligations under the Twin Securitization Notes and to fund our other liquidity needs. Additionally, under the terms of the Twin Securitization Notes, upon each "Qualified Equity Offering" (as defined in the indenture for the Twin Securitization Notes), which is a public or private offering by us of our common equity securities for cash, we are required, subject to certain limited exceptions, to use 75% of the net proceeds from such offering towards the repayment of the Twin Securitization Notes, until an aggregate of $75,000,000 has been repaid in that manner. If the amount of net proceeds from our Qualified Equity Offerings used for repayment of the Twin Securitization Notes is not at least $25,000,000 on or prior to each of April 25, 2025, July 25, 2025 and October 27, 2025, or is not at least $75,000,000 on or prior to January 26, 2026, then under any such circumstance, a "Cash Flow Sweeping Event" (as defined in the indenture for the Twin Securitization Notes) would occur, whereupon certain excess cash flows from our operations will be used to make additional principal payments, on a pro rata basis, on the three most senior classes of the Twin Securitization Notes. See "*Description of Certain Indebtedness—Twin Securitization Notes—Payment Terms and Repayments*." If we are not able to generate sufficient cash flow or successfully conduct financings to service these obligations, we may need to refinance or restructure our debt, sell unencumbered assets (if any), or seek to raise additional capital. If we are unable to implement one or more of these options, we may not be able to meet these payment obligations, and the imposition of lender remedies could materially and adversely affect our business, financial condition, and liquidity.

Furthermore, we also may enter into new borrowing arrangements and incur significant indebtedness in the future to continue to support our growth. Our existing and any future indebtedness could have important consequences, including:

- making it more difficult for us to make payments on our existing indebtedness;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;

- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged; and

- exposing us to the risk of increased interest rates with respect to any new borrowings with variable rates of interest.

Our ability to make payments on debt, to repay existing or future indebtedness when due, to fund operations and significant planned capital expenditures will depend on our ability to generate cash in the future. Our ability to produce cash from operations is, and will be, subject to a number of risks, including those described in this Information Statement. Our financial condition, including our ability to make payments on our debt, is also subject to external factors such as interest rates, the level of lending activity in the credit markets and other external industry-specific and more general external factors, including those described in this Information Statement.

We may not be able to raise or borrow additional financing or to refinance our current debt or other indebtedness we may incur in the future, if required, on commercially reasonable terms, if at all.

## Risks Related to Regulatory Matters and Legal Proceedings

***Our business is subject to extensive federal, state, local, and foreign regulations, including alcoholic beverage and food service regulations, and we may incur additional costs or liabilities as a result of government regulation of our company-owned restaurants and franchised restaurants.***

Our business is subject to extensive federal, state, local, and foreign government regulation, including, among others, regulations related to franchising, the preparation and sale of food, the sale of alcoholic beverages, zoning and building codes, land use, sanitation, and employee health and safety matters.

We are subject to state and local government franchise registration requirements, the rules and regulations of the Federal Trade Commission (which we refer to as the "FTC"), various state laws regulating the offer and sale of franchises in the United States through the provision of franchise disclosure documents containing certain mandatory disclosures, various state laws regulating the franchise relationship, and certain rules and requirements regulating franchising arrangements in foreign countries. Although we believe that our franchise disclosure documents, together with any applicable state-specific versions or supplements, and the franchising procedures that we use, comply in all material respects with both the FTC guidelines and all applicable state laws regulating franchising in those states in which we offer and grant new franchise arrangements, noncompliance could reduce our anticipated royalty income, which in turn could materially and adversely affect our business and results of operations.

We and our franchisees are subject to various existing federal, state, local, and foreign laws affecting the operation of our restaurants, including various health, sanitation, fire, and safety standards. The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements, and the consequences of litigation relating to current or future laws and regulations, or our inability to respond effectively to significant regulatory or public policy issues, could increase our compliance and other costs of doing business, and therefore have an adverse effect on our results of operations. Failure to comply with the laws and regulatory requirements of federal, state, local, and foreign authorities could result in, among other things, revocation of required licenses, administrative enforcement actions, fines, and civil and criminal liability. Additionally, certain laws could require us or our franchisees to expend significant funds to make modifications to our restaurants if we fail to comply with applicable standards. Compliance with all of these laws and regulations can be costly and can increase our exposure to litigation or governmental investigations or proceedings.

We are also required to comply with the standards mandated by the Americans with Disabilities Act (which we refer to as the "ADA"), which generally prohibits discrimination in accommodation or employment based on disability. We may in the future have to modify our restaurants or our operations to make reasonable accommodations for disabled persons, and such capital expenditures could be material. The costs of operating our company-owned restaurants and franchised restaurants may increase in the event of changes in laws governing minimum hourly wages, overtime and tip credits, working conditions, predictive scheduling, health care, workers' compensation insurance rates, unemployment tax rates, sales taxes, or other laws and regulations, such as those governing access for the disabled (including the ADA). If any of these costs were to increase and we are unable or unwilling to pass on such costs to our customers by increasing menu prices or by other means, our business, results of operations, and financial condition could be adversely impacted.

Each of our restaurants is required to obtain a license to sell alcoholic beverages on its premises from a state authority and, in certain locations, county and municipal authorities. Typically, our licenses to sell alcoholic beverages must be renewed annually, and such licenses have in the past been, and may in the future be, suspended or revoked at any time for cause. Alcoholic beverage control regulations govern various aspects of the daily operations of our company-owned restaurants and franchised restaurants, including the minimum age of guests and team members, hours of operation, advertising, wholesale purchasing, and inventory control, handling and storage. Any failure by any of our company-owned restaurants or franchised restaurants to obtain and maintain, on a timely basis, liquor or other licenses, permits or approvals required to serve alcoholic beverages or food, as well as any associated negative publicity resulting from any such failure could delay or prevent the opening of, or adversely impact the viability of, and could have an adverse effect on, that restaurant and its operating and financial performance. We apply for our liquor licenses with the advice of outside legal counsel and licensing consultants. Because of the various state and federal licensing and permitting requirements, there is a significant risk that one or more regulatory agencies could determine that we have not complied with applicable licensing or permitting regulations, or have not maintained the approvals necessary for us or any of our franchisees to conduct business within their jurisdiction. Any changes in the application or interpretation of existing laws or regulations may adversely impact our restaurants in such jurisdiction and could also cause us or affected franchisees to lose, either temporarily or permanently, the licenses, permits or approvals necessary to conduct restaurant operations, and subject us and affected franchisees to fines and penalties.

Failure to comply with federal, state, local or foreign rules and regulations could cause our licenses to be revoked and force us to cease the sale of alcoholic beverages at certain restaurants. Any difficulties, delays, or failures in obtaining such licenses, permits or approvals could delay or prevent the opening of a restaurant in a particular area or increase the costs associated therewith. Additionally, in certain states, including states where we or our franchisees have existing restaurants, or where we or a franchisee plan to open a restaurant, the number of liquor licenses available is limited, and licenses are traded on the open market. Liquor, beer and wine sales comprise a significant portion of our revenue. If we or our franchisees are unable to maintain existing licenses, our guest patronage, revenue, and results of operations would be adversely affected. If we or a franchisee choose to open a restaurant in those states where the number of available licenses is limited, the cost of a new license could be significant.

***Changes in, or noncompliance with, applicable laws and governmental regulations may adversely affect our business operations, financial condition, and/or growth prospects.***

We and our franchisees are subject to numerous laws and regulations, which change regularly and are increasingly complex. For example, we and our franchisees are subject to:

- government orders relating to health and other public safety concerns, such as the various restrictions imposed on the business operations of restaurants due to the COVID-19 pandemic;
- laws and regulations relating to menu labeling, nutritional content, nutritional labeling, product safety, and product marketing;
- laws relating to state and local licensing;

- laws and regulations relating to health, sanitation, food, workplace safety, child labor, including laws prohibiting the use of certain "hazardous equipment" by employees younger than the age of 18 years of age, and fire safety and prevention;
- laws relating to information security, privacy, cashless payments, and consumer protection;
- laws relating to the relationship between franchisors and franchisees;
- the ADA in the United States and similar state laws which give civil rights protections to individuals with disabilities in the context of employment, public accommodations and other areas;
- the U.S. Fair Labor Standards Act, which governs matters such as minimum wages, overtime and other working conditions, as well as family leave mandates, and a variety of similar state laws which govern these and other employment law matters;
- laws and regulations in government mandated health care benefits, such as the Patient Protection and Affordable Care Act;
- laws and regulations relating to union organizing rights and activities;
- laws relating to international trade and sanctions;
- laws relating to currency conversion or exchange;
- tax laws and regulations;
- antibribery and anticorruption laws;
- environmental laws and regulations; and
- federal and state immigration laws and regulations in the United States.

Compliance with new or existing laws and regulations could impact our operations. The compliance costs associated with these laws and regulations could be substantial. Any failure or alleged failure to comply with these laws or regulations by us or our franchisees could adversely affect our reputation, international expansion efforts, growth prospects and financial results, or result in, among other things, litigation, revocation of required licenses, internal investigations, governmental investigations or proceedings, administrative enforcement actions, fines, and civil and criminal liability. Publicity relating to any such noncompliance could also harm our reputation and adversely affect our business.

***A broader standard for determining joint employer status recently adopted by the National Labor Relations Board may adversely affect our business operations and increase our liabilities resulting from actions by our franchisees.***

In October 2023, the National Labor Relations Board issued a final rule adopting a new and broader standard for determining when two or more otherwise unrelated employers may be found to be a joint employer of the same employees under the National Labor Relations Act. Under the new standard, an entity, such as a franchisor, may be considered a joint employer of the employees of another entity, such as a franchisee, if they share or co-determine one or more of the essential terms and conditions of employment of such employees, as defined under the new rule. The new standard considers the authority to control essential terms and conditions of employment, whether or not such control is exercised, and without regard to whether any such exercise of control is direct or indirect, as an important factor in determining joint employer status.

The final rule was scheduled to become effective on March 11, 2024, but was recently vacated by a federal district court in Texas. The court's decision to vacate the rule may be appealed and the original rule could be restored by an appellate court. If the original rule is restored on appeal, or a similar rule is adopted in the future by the National Labor Relations Board, the joint employer standard could cause us to be considered a joint employer of our franchisees' employees, which could cause us to be held liable or responsible for unfair labor practices, violations of wage and hour laws, and other labor and employment violations by our franchisees, and require us to conduct collective bargaining negotiations with respect to the employees of our franchisees. The joint employer standard may also make it easier for our franchisees' staff to organize into labor unions, and provide the staff and their union representatives with bargaining power to request that our franchisees raise wages. The effects of these changes may require us to modify our business practices, and may result in increased litigation, governmental investigations and proceedings, administrative enforcement actions, fines and civil penalties, any of which could materially and adversely affect our business, results of operations, and financial condition.

***Legislation and regulations requiring the display and provision of nutritional information for our menu offerings, new information or attitudes regarding diet and health, and/or adverse opinions about the health effects of consuming our menu offerings, could affect customer preferences and negatively impact our business and results of operations.***

Government regulations and customer eating habits may impact our business as a result of changes in attitudes regarding diet and health, or new information regarding the health effects of consuming our menu offerings. These changes have resulted in, and may continue to result in, the enactment of laws and regulations that impact the ingredients and nutritional content of our menu offerings, or laws and regulations requiring us to disclose the nutritional content of our menu offerings.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act of 2010 (which we refer to as the "PPACA"), establishes a uniform, federal requirement for certain restaurants to post certain nutritional information on their menus. Specifically, the PPACA amended the Federal Food, Drug and Cosmetic Act to require chain restaurants with 20 or more locations operating under the same name and offering substantially the same menu to publish the total number of calories of standard menu items on menus and menu boards, along with a statement that puts this calorie information in the context of a total daily caloric intake. The PPACA also requires covered restaurants to provide to customers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus and menu boards about the availability of this information. The PPACA further permits the United States Food and Drug Administration to require covered restaurants to make additional nutrient disclosures, such as disclosure of trans-fat content. An unfavorable report on, or reaction to, our menu ingredients, the nutritional content of our menu items, or the size of our portions could negatively influence the demand for our menu offerings. We cannot make any assurances regarding our ability to effectively respond to changes in customer health perceptions, to adapt our menu offerings to trends in eating habits, or to successfully implement applicable nutrient content disclosure requirements. The imposition of additional menu-labeling laws could have a material adverse effect on our business, results of operations and financial condition, as well as on the restaurant industry in general.

Furthermore, a number of states, counties and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to guests or have enacted legislation restricting the use of certain types of ingredients in restaurants. Compliance with current and future laws and regulations regarding the ingredients and nutritional content of our menu items may be costly and time-consuming. Additionally, some government authorities are increasing regulations regarding trans-fats and sodium, which may require us to limit trans-fats and sodium in our menu offerings or switch to higher cost ingredients or may hinder our ability to operate in certain markets. Some jurisdictions have banned certain cooking ingredients, such as trans-fats, or have discussed banning certain products, such as large sodas. Removal of these products and ingredients from our menus could negatively affect our menu offerings, guest satisfaction levels, and sales volumes. If we or our franchisees fail to comply with these laws or regulations, we could be subject to governmental enforcement actions and fines and civil and criminal liability, any of which could materially and adversely affect our business, results of operations, and financial condition.

***Compliance with environmental, health and safety laws and regulations may negatively affect our business.***

We are subject to various federal, state, local, and foreign environmental, health and safety laws and regulations, including those concerning climate change, pollution, waste disposal, and the presence, use, management, handling, storage, discharge, release, treatment and disposal of, and exposure to and remediation of, hazardous substances and waste. These laws and regulations can be costly to comply with and provide for significant criminal and civil fines and penalties or other sanctions for noncompliance, and joint and several liabilities for remediation, sometimes without regard to whether the owner or operator of the property knew of, or was responsible for, such contamination. Some of our restaurants may be located in areas that were previously occupied by companies or operations that had a more significant environmental impact. We could face costs or liability related to environmental conditions at prior, existing or future restaurant locations, including sites where we have franchised restaurants. Third parties may also make claims against owners or operators of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such hazardous substances or waste at, on or from our company-owned restaurants or franchised restaurants.

Environmental conditions relating to the release of hazardous substances or waste at prior, existing or future restaurant sites, or our violations of environmental, health and safety laws and regulations, could materially and adversely affect our business, results of operations, and financial condition. Additionally, environmental, health and safety laws and regulations, and the administration, interpretation and enforcement thereof, are subject to change and may become more stringent in the future, each of which could materially and adversely affect our business, results of operations, and financial condition.

Furthermore, there has been increased public focus by governmental and non-governmental entities and our customers on environmental and sustainability matters such as climate change, reduction of greenhouse gas emissions, water consumption, waste, packaging, and animal health and welfare. As a result, we may face increased pressure to provide expanded disclosure, make or expand commitments, establish targets or goals, or take other actions in connection with environmental and sustainability matters. Legislative, regulatory or other efforts to address environmental and sustainability matters could negatively impact our cost structure and operational efficiencies, or result in future increases in the cost of raw materials, transportation, utilities, and taxes, which could decrease our operating profits and necessitate future investments in facilities and equipment. Our business, results of operations, and financial condition could be materially and adversely affected to the extent that such environmental or sustainability concerns reduce customer demand for our restaurants.

***Failure to comply with antibribery or anticorruption laws could adversely affect our business operations.***

The U.S. Foreign Corrupt Practices Act and other similar applicable laws prohibiting bribery of government officials and other corrupt practices are the subject of increasing emphasis and enforcement around the world. Although we have implemented policies and procedures designed to promote compliance with these laws, there can be no assurance that our employees, contractors, agents, franchisees or other third parties will not take actions in violation of our policies, procedures or applicable law, particularly as we expand our operations in emerging markets and elsewhere. Any such violations or suspected violations could subject us to criminal or civil penalties, including substantial fines and significant investigation costs, and could also materially damage our reputation, brand, international expansion efforts and growth prospects, business, and operating results. Negative publicity relating to any noncompliance or alleged noncompliance could also harm our reputation and adversely affect our business and results of operations.

***New or revised tax regulations could have an adverse effect in our financial results.***

We are subject to income and other taxes in the United States. Our effective income tax rate and other taxes in the future could be adversely affected by a number of factors, including changes in the mix of earnings in jurisdictions with different statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws or other legislative changes, and the outcome of income tax audits. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals. The results of a tax audit could have a material effect on our results of operations or cash flows in the period or periods for which that determination is made. In addition, our effective income tax rate and our results may be impacted by our ability to realize deferred tax benefits, including our FICA tip credit carryforwards, and by any increases or decreases of our valuation allowances applied to our existing deferred tax assets. Additional tax regulations could be issued, and there is no assurance that any future guidance will not adversely affect our financial condition.

***Restaurant companies have been the target of class action lawsuits and other proceedings alleging, among other things, violations of federal and state workplace and employment laws. Proceedings of this nature are costly, divert management attention and, if successful, could result in our payment of substantial damages or settlement costs.***

Our business is subject to the risk of litigation by customers, employees, franchisees, suppliers, stockholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action and regulatory actions, is difficult to assess or quantify. In recent years, restaurant companies, including us, have been subject to lawsuits alleging violations of federal and state laws regarding workplace and employment conditions, discrimination and similar matters. A number of these lawsuits, including class action lawsuits, have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted from time to time alleging violations of various federal and state wage and hour laws regarding, among other things, employee meal deductions, overtime eligibility of managers, and failure to pay for all hours worked. Such lawsuits may have a material adverse effect on our business, results of operations, and financial condition. We are currently not a defendant in any class action lawsuit asserting such a claim. However, we cannot assure you that such a lawsuit will not be filed against us, and we cannot guarantee that our internal controls and training will be fully effective in preventing any such issues from arising.

Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from our operations, resulting in increases in our insurance premiums, and reducing our and our franchisees' insurability. In addition, such claims may generate negative publicity, which could reduce customer traffic and sales. Although we maintain what we believe to be adequate levels of insurance, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims or any adverse publicity resulting from claims could materially and adversely affect our business, results of operations, and financial condition.

***Our business activities subject us to litigation risk that could affect us adversely by subjecting us to significant money damages and other remedies or by increasing our litigation expense.***

We and our franchisees are, from time to time, the subject of complaints or litigation, including customer claims, personal-injury claims, environmental claims, contract claims, claims related to violations of the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, as amended, claims related to the U.S. Equal Employment Opportunity Commission, or others alleging violations of federal and state laws regarding workplace and employment conditions, discrimination and similar matters, advertising laws, intellectual property claims, and other claims made in the ordinary course of business.

Each of these claims may increase costs, reduce the execution of new franchise agreements, and limit the funds available to franchisees to make their royalty payments to us. Litigation against a franchisee or its affiliates by third parties or regulatory agencies, whether in the ordinary course of business or otherwise, may also include claims against us by virtue of our relationship with the defendant-franchisee, whether under vicarious liability, joint employer, or other theories. In addition to decreasing the ability of a defendant-franchisee to make royalty payments in the event of such claims, and diverting our management resources, adverse publicity resulting from such allegations may materially and adversely affect us and our brands, regardless of whether these allegations are valid or whether we are liable. Our international operations may be subject to additional risks related to litigation, including difficulties in enforcement of contractual obligations governed by foreign law due to differing interpretations of rights and obligations, compliance with multiple and potentially conflicting laws, new and potentially untested laws and judicial systems, and reduced or diminished protection of intellectual property. A substantial judgment against us or one of our subsidiaries could materially and adversely affect our business, results of operations, and financial condition.

We are also subject to "dram shop" statutes in certain states in which our restaurants are located. These statutes generally provide that a person injured by an intoxicated person has the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated individual. As of September 29, 2024, Twin Peaks is currently the subject of five lawsuits that allege violations of these statutes. Recent litigation against restaurant chains has resulted in significant judgments and settlements under dram shop statutes. Because these cases often seek punitive damages, which may not be covered by insurance, a judgment significantly in excess of our insurance coverage or not covered by insurance could have a material adverse effect on our business, results of operations, and financial condition. Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from operations and hurt our financial performance. Approximately 48.0% and 47.0% of Twin Peaks' food and beverage revenues were derived from the sale of alcoholic beverages during the year ended December 31, 2023 and December 25, 2022, respectively, and approximately 11.8% and 12.3% of Smokey Bones' food and beverage revenues were derived from the sale of alcoholic beverages during the year ended December 31, 2023 and January 1, 2023, respectively. Any adverse publicity resulting from any allegations arising from a dram shop statute may materially and adversely affect our business, results of operations, and financial condition.

***We may engage in litigation with our franchisees.***

Although we believe we generally enjoy positive working relationships with the vast majority of our franchisees, the nature of the franchisor-franchisee relationship may give rise to litigation with our franchisees. In the ordinary course of business, we are the subject of complaints or litigation from franchisees, usually related to alleged breaches of contract or wrongful termination under the franchise arrangements. Additionally, we may in the future engage in litigation with franchisees to enforce the terms of our franchise agreements and compliance with the respective standards of our brands, as determined necessary to protect our brands, the consistency of our products, and the customer experience. Conversely, we may in the future also be subject to claims by our franchisees relating to our Franchise Disclosure Document, including claims based on information contained therein. Engaging in such litigation may be costly and time-consuming, may distract management, and may materially and adversely affect our relationships with franchisees and our ability to attract new franchisees. Any negative outcome of these or any other claims could materially and adversely affect our results of operations, as well as our ability to expand our franchise system, and may damage our reputation and brand. Furthermore, existing and future franchise-related legislation could subject us to additional litigation risk in the event we terminate or fail to renew a franchise relationship.

***Litigation with respect to intellectual property, if decided against us, may result in competing uses or require adoption of new, non-infringing intellectual property, which may in turn adversely affect sales and revenues.***

There can be no assurance that third parties will not assert claims of infringement, misappropriation, or other violation of intellectual property against us, or assert claims that our trademarks, service marks, trade names and other intellectual property are invalid or unenforceable. In addition, our trademarks may be narrowed. Any such claims decided against us could have a material adverse effect on our business, results of operations, and financial condition or financial condition. For example, if any of our intellectual property is invalidated or deemed unenforceable, competing uses of such intellectual property would be permitted and could lead to a decline in our results of operations. Furthermore, any infringement or misappropriation claims decided against us could result in us being required to pay damages, cease using our intellectual property, develop or adopt non-infringing intellectual property, or acquire a license to the third-party intellectual property that is the subject of the asserted claim. There could be significant expenses associated with the defense of any claims of infringement, misappropriation, or other violation of third-party intellectual property. We may also from time to time have to assert claims against third parties and initiate litigation in order to enforce our trademarks, service marks, trade names and other intellectual property. Any such litigation could result in substantial costs and diversion of resources, could be protracted with no certainty of success, or could fail to achieve an adequate remedy. Any of these occurrences could have a material adverse effect on our business, results of operations, and financial condition.

## Risks Related to our Organizational Structure

***The dual class structure of our Common Stock has the effect of concentrating voting control with FAT Brands, as FAT Brands will own all of the shares of our Class B Common Stock and will control approximately 98.6% of the total voting power of the outstanding shares of our Common Stock immediately following the Spin-Off. This will limit or preclude your ability to influence matters requiring stockholder approval.***

Our Class B Common Stock is entitled to 50 votes per share, and our Class A Common Stock, which is the stock that is being distributed in the Spin-Off, is entitled to one vote per share. Each of our Class A Common Stock and Class B Common Stock will be deemed to be a separate series of Common Stock for any and all purposes under the General Corporation Law of the State of Delaware (which we refer to as the "DGCL"). Because of the 50-to-1 voting ratio between our Class B Common Stock and our Class A Common Stock, immediately following the Spin-Off, FAT Brands, which will own (i) an expected 44,571,771 shares of our Class A Common Stock, and (ii) all of the 2,870,000 outstanding shares of our Class B Common Stock, will in the aggregate have approximately 98.6% of the total voting power of the outstanding shares of our Common Stock. For as long as FAT Brands beneficially owns shares of our Common Stock representing at least a majority of the votes entitled to be cast by the holders of our Common Stock, FAT Brands will be able to elect all of the members of our Board of Directors.

Additionally, until such time as FAT Brands beneficially owns shares of our Common Stock representing less than a majority of the votes entitled to be cast by the holders of our Common Stock, FAT Brands will have the ability to take stockholder action without the vote of any other stockholders and without having to call a stockholders meeting, and the FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off will not be able to affect the outcome of any stockholder vote during this period. As a result, FAT Brands will have the ability to control all matters affecting our Company, including, but not limited to:

- the composition of our Board of Directors and, through our Board of Directors, any determination with respect to our business plans and policies;
- the strategy, direction, and objectives of our business;
- any determinations with respect to mergers, acquisitions, and other business combinations;
- our acquisition or disposition of assets;

- our financing activities;
- changes to our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws;
- changes to the agreements and arrangements providing for our transition to becoming a public company, including, but not limited to, the Master Separation and Distribution Agreement and the Tax Matters Agreement;
- the number of shares of our Common Stock available for issuance under our 2024 Incentive Compensation Plan or other compensation plans for our prospective and existing directors, officers and employees; and
- corporate opportunities that may be suitable for both our Company and FAT Brands.

Immediately following the Spin-Off, FAT Brands will continue to beneficially hold a majority of the voting power of our Common Stock. We expect FAT Brands to generally make strategic decisions that it believes are in the best interests of its business as a whole, and these decisions may not necessarily be in our best interests as a stand-alone company. FAT Brands' decisions with respect to us or its ownership of our Common Stock may be resolved in ways that favor FAT Brands and its stockholders, which may not coincide with the interests of our other stockholders. Furthermore, FAT Brands' interests and objectives as a stockholder of our Company may even directly conflict with your interests and objectives as a stockholder of our Company. For example, FAT Brands may be more or less interested in our Company entering into a transaction or conducting an activity due to the impact such transaction or activity may have on FAT Brands as a separate company, independent from us. In such instances, FAT Brands may exercise its control over us in a way that is beneficial to FAT Brands, and you will not be able to affect such outcome so long as FAT Brands continues to hold a majority of the voting power of our Common Stock.

***We expect to be a "controlled company" within the meaning of the corporate governance standards of Nasdaq, and as a result, we will qualify for exemptions from certain corporate governance requirements. We do not currently intend to rely of any of these exemptions following the completion of the Spin-Off, but there can be no assurance that we will not rely on these exemptions in the future.***

So long as more than 50% of the voting power for the election of our directors is held by an individual, a group, or another company, we will qualify as a "controlled company" under the Nasdaq Listing Rules. After the completion of the Spin-Off, FAT Brands will continue to beneficially hold a majority of the voting power of our outstanding Common Stock. As a result, we are a "controlled company" under the Nasdaq Listing Rules. As a controlled company, we are eligible to rely on exemptions from certain Nasdaq corporate governance requirements, including those that would otherwise require our Board of Directors to have a majority of independent directors and require that we establish a compensation committee and nominating and corporate governance committee comprised entirely of independent directors, or otherwise ensure that the compensation of our executive officers and nominees for directors are determined or recommended to our Board of Directors by the independent members of our Board of Directors. We do not currently intend to rely on any of these exemptions, but there can be no assurance that we will not rely on these exemptions in the future. If we were to utilize some or all of these exemptions following the completion of the Spin-Off, holders of our Common Stock will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq. See also "*Management—Controlled Company Exemptions*."

***In order to preserve the ability for FAT Brands to distribute its shares of our Common Stock on a tax-free basis for U.S. federal income tax purposes, we may be prevented from pursuing opportunities to raise capital, to effectuate acquisitions, or to provide equity incentives to our directors, officers and employees, which could hurt our ability to grow.***

FAT Brands has advised us that, following the Spin-Off, it may undertake the Potential FAT Brands Distribution. FAT Brands currently intends to preserve its ability to undertake the Potential FAT Brands Distribution in a manner that that is tax-free for U.S. federal income tax purposes. Among other requirements, beneficial ownership of at least 80% of the total voting power and 80% of each class of non-voting capital stock is required in order for FAT Brands to affect a spin-off of its shares of our Common Stock that is tax-free for U.S. federal income tax purposes. Under the Master Separation and Distribution Agreement and the Tax Matters Agreement we will enter into in connection with the Reorganization, we will agree to not knowingly take or fail to take any action that could reasonably be expected to preclude FAT Brands' ability to undertake the Potential FAT Brands Distribution. These restrictions could cause us to forgo capital raising or acquisition opportunities that would otherwise be available to us. As a result, we may be precluded from pursuing certain growth opportunities or initiatives. See "*Reorganization—Potential FAT Brands Distribution*" and "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization*".

On March 11, 2024, the Treasury Department released the General Explanations of the Administration's Fiscal Year 2025 Revenue Proposals (which we refer to as the "Greenbook"), which proposes, among other proposals, imposing new restrictions and requirements in connection with spin-offs that are structured to be treated as tax-free for U.S. federal income tax purposes. In particular, while current law does not have a specific requirement related to the value of the shares distributed in a tax-free spin-off, the Greenbook proposals, if implemented, would require ownership by the distributor of 80% or more of a corporation's stock by both voting power and value. Any such restrictions and requirements may adversely affect the ability of FAT Brands to distribute its shares of our Common Stock in the Potential FAT Brands Distribution on a tax-free basis for U.S. federal income tax purposes, and potentially subject us to additional restrictions because of our obligations under Master Separation and Distribution Agreement and the Tax Matters Agreement.

Furthermore, if the Potential FAT Brands Distribution does not occur and FAT Brands does not otherwise dispose of its shares of our Common Stock, the risks relating to FAT Brands' control of us and the potential conflicts of interest between FAT Brands and us will continue to be relevant to holders of our Class A Common Stock. The liquidity of our Class A Common Stock in the market may be constrained for as long as FAT Brands continues to hold a significant portion of our Common Stock. A lack of liquidity in our Class A Common Stock could depress the market price of our Class A Common Stock.

***If FAT Brands pursues the Potential FAT Brands Distribution and there is later a determination that such distribution is taxable for U.S. federal income tax purposes, we could incur significant liabilities.***

The Potential FAT Brands Distribution, if pursued, may be subject to various conditions, all of which will be waivable by FAT Brands in its sole discretion, including the receipt of a private letter ruling from the IRS and an opinion of tax counsel to the effect that such Potential FAT Brands Distribution would be tax-free to FAT Brands and its stockholders for U.S. federal income tax purposes. In the event that the Potential FAT Brands Distribution takes place, despite such IRS private letter ruling and opinion of tax counsel, the IRS could determine on audit that the distribution made under the Potential FAT Brands Distribution is taxable. In such case, FAT Brands and/or its stockholders could incur significant U.S. federal income tax liabilities, and we could also incur significant liabilities. Under the Tax Matters Agreement, we will generally be required to indemnify FAT Brands against taxes incurred by FAT Brands that arise as a result of a breach of any representation made by us, or as a result of us taking or failing to take, as the case may be, certain actions, including, in each case, those provided for in connection with such IRS private letter ruling and opinion of tax counsel, that result in the Potential FAT Brands Distribution failing to meet the requirements of a tax-free distribution. Additionally, under the Tax Matters Agreement, we may be required to indemnify FAT Brands against any tax liabilities arising as a result of an acquisition of our stock or assets, even if we do not participate in or otherwise facilitate such acquisition.

***If FAT Brands pursues the Potential FAT Brands Distribution, we may be subject to significant restrictions, including with respect to our ability to engage in certain corporate transactions for a two-year period following such distribution, in order to avoid triggering significant tax-related liabilities.***

If FAT Brands pursues the Potential FAT Brands Distribution, in order to preserve the tax-free treatment for U.S. federal income tax purposes to FAT Brands of such distribution, under the Tax Matters Agreement, we will be restricted from taking any action that prevents the FAT Brands Distribution (if pursued) from being treated as tax-free for U.S. federal income tax purposes. Specifically, during the two-year period following the Potential FAT Brands Distribution, except in specific circumstances, we and our subsidiaries generally would be prohibited from taking the following actions without first obtaining an IRS private letter ruling and an opinion of tax counsel to the effect that such actions will not result in the Potential FAT Brands Distribution failing to qualify as a tax-free spin-off: (i) ceasing to conduct our business, (ii) entering into certain transactions pursuant to which all or a portion of the shares of our Common Stock or certain of our and our subsidiaries' assets would be acquired, (iii) liquidating, merging, or consolidating with any other entity, (iv) issuing our equity securities beyond certain thresholds, (v) repurchasing our shares other than in certain open-market transactions, (vi) amending our Amended and Restated Certificate of Incorporation or taking any other action that would affect the voting rights of our capital stock, or (vii) taking or failing to take any other action that would be reasonably likely to cause the Potential FAT Brands Distribution to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes. Such restrictions may reduce our strategic and operating flexibility.

***The arrangements we make with FAT Brands in connection with the Reorganization and the Spin-Off may not be adequate and could harm our operations, thereby adversely affecting our business, results of operations, and financial condition.***

We and the Twin Group are the first and only subsidiaries to be separated from the FAT Brands organization in a spin-off. In connection with the Reorganization, we have made and will make various separation, transition, and ongoing arrangements with FAT Brands. However, we cannot be certain that such arrangements will fully and adequately address all of our needs as a standalone company after the Reorganization and the Spin-Off. If the arrangements we have made with FAT Brands are not comprehensive enough to meet our needs as a standalone company, our operations and financial performance may be adversely impacted.

The agreements we are putting in place with FAT Brands in connection with the Reorganization and the Spin-Off are being entered into while we and the Twin Group are subsidiaries of FAT Brands with relatively limited negotiating power. The agreements were not negotiated at arm's length and contain certain terms that we would not have agreed to with an unaffiliated third party. For example, FAT Brands will have the right to, and will have no duty not to, among other actions, (i) engage in the same or similar business activities or lines of business as we do, (ii) open restaurants in the vicinity where we currently have restaurants, and (iii) do business with any of our franchisees or customer. These and other terms of our agreements with FAT Brands may put us at a disadvantage relative to our competitors and peer companies and could adversely impact our operations and financial performance. For more information regarding these agreements, see the section entitled "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization*".

We cannot know how the market will react over time to our unique arrangements with FAT Brands, or how those arrangements will develop as our relationship with FAT Brands evolves. We are carefully preparing for our separation from FAT Brands, but due to the unique structure we are employing, there may be many foreseeable and unforeseeable adverse effects on us if the expected benefits of our arrangements with FAT Brands are not realized by us.

***Our inability to maintain a strong relationship with FAT Brands, or to resolve favorably any disputes that may arise between us and FAT Brands, could result in a significant reduction of our revenue.***

Maintaining a strong relationship with FAT Brands will be important to our success as long as FAT Brands remains a majority stockholder. Disputes may arise between us and FAT Brands in a number of areas relating to our ongoing relationship, including:

- our strategy, direction, and objectives as a business;
- tax, indemnification, and other matters arising from our separation from FAT Brands;
- financing or other business activities which may require the consent of FAT Brands;
- business combinations involving us;
- sales or dispositions by FAT Brands of all or any portion of the shares of our Common Stock that it holds; and
- business opportunities that may be attractive to both us and FAT Brands.

We may not be able to resolve any potential conflicts between us and FAT Brands. Assuming we are able to resolve any such potential conflict, we intend for such resolution to be comparable to the resolution that we would reach with an unaffiliated third party, however, the resolution that we actually reach may be less favorable than if we were dealing with an unaffiliated third party.

Additionally, the agreements we will enter into with FAT Brands may be amended upon agreement between the parties thereto. While we are controlled by FAT Brands, we may not have the leverage to negotiate such agreements or amendments to such agreements, if required, on terms that are as favorable to us as those we would potentially be able to obtain from an unaffiliated third party.

***Our business and that of FAT Brands overlap, and FAT Brands is not prohibited from competing with us, which could reduce our market share.***

We and FAT Brands are both engaged in the restaurant business to provide casual dining experiences to customers around the world. There can be no assurance that FAT Brands will not engage in increased competition with us in the future. Additionally, the Master Separation and Distribution Agreement that we will enter into with FAT Brands in connection with the Reorganization will provide that FAT Brands has the right to, subject to limitations, open restaurants that in the geographic proximity to our Twin Peaks restaurants.

Furthermore, FAT Brands could assert control over us in a manner that could impede our growth or our ability to enter new markets, or otherwise adversely affect our business. For example, FAT Brands could utilize its control over us to cause us to take or refrain from taking certain actions, such as entering into relationships with vendors, suppliers, and other marketing partners, or pursuing corporate opportunities or business development initiatives that could affect our competitive position, including our competitive position relative to that of FAT Brands in markets where we compete with FAT Brands' restaurants or eateries. If any of these scenarios were to materialize, our market share could be reduced, which could have an adverse impact on our business and results of operations.

***The historical financial statements and information of the Twin Group as a consolidated group of subsidiaries of FAT Brands may not be representative of our results as an independent public company.***

The historical consolidated financial statements and information of the Twin Group included in this Information Statement does not necessarily reflect what our financial position, results of operations, or cash flows would have been had we been an independent, stand-alone company during the historical periods presented. Actual costs that may have been incurred if we had operated as an independent, stand-alone company would depend on a number of factors, including the chosen organizational structure, the outsourcing of certain functions, and other strategic decisions. The historical financial information is not necessarily indicative of what our results of operations, financial position, cash flows, or costs and expenses will be in the future. Additionally, we have provided pro forma financial information that gives effect to the Smokey Bones Acquisition, the Reorganization and the Spin-Off, as further described under "*Unaudited Pro Forma Condensed Combined Financial Information*". The pro forma financial information included in this Information Statement is also not representative of our results as an independent public company. For additional information, see "*Unaudited Pro Forma Condensed Combined Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", our audited consolidated financial statements as of and for the years ended December 31, 2023 and December 25, 2022 and the related notes thereto, our unaudited condensed consolidated financial statements as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 and the related notes thereto, and the audited financial statements of Barbeque Integrated, Inc. as of and for the years ended December 31, 2023 and January 1, 2023 and the related notes thereto, included elsewhere in this Information Statement.

***FAT Brands faces risks related to pending government charges and is a party to stockholder litigation, and third parties may seek to hold us responsible for liabilities of FAT Brands, which could cause us to incur additional expenses and result in a decrease in our income.***

Third parties may seek to hold us responsible for FAT Brands' liabilities. On May 10, 2024, the U.S. Department of Justice indicted FAT Brands on two violations of Section 402 of the Sarbanes-Oxley Act for directly and indirectly extending and/or arranging for the extension of credit in 2019 and 2020 to its former Chief Executive Officer, Andrew Wiederhorn, in the aggregate amount of $2.65 million. In addition, the SEC filed a complaint against FAT Brands alleging that for periods covering 2017 through 2020, FAT Brands failed to disclose certain related party transactions, failed to maintain proper books and records and internal accounting controls, made false or misleading statements regarding FAT Brands' liquidity and use of proceeds from certain transactions, and directly or indirectly extended credit to Mr. Wiederhorn in the form of a personal loan. A putative civil securities class action lawsuit was subsequently filed by a FAT Brands stockholder against FAT Brands, its current co-chief executive officers, and Mr. Wiederhorn, alleging that, in FAT Brands' reports filed with the SEC, they made false and misleading statements and omitted material facts related to the subject matter of the government investigations and litigation, their handling of those matters, and their cooperation with the government. Furthermore, FAT Brands is also a party to stockholder derivative actions against certain of its current and former directors and its majority stockholder, Fog Cutter Holdings LLC, with respect to claims of breaches of fiduciary duty, unjust enrichment and waste of corporate assets arising out of FAT Brands' merger with Fog Cutter Capital Group, Inc. in December 2020, and FAT Brands' recapitalization transaction in June 2021. Such governmental charges and stockholder derivative actions present certain risks, and at this stage, FAT Brands is not able to reasonably estimate the outcome or duration of those actions, nor can it predict what consequences any such action may have on FAT Brands. Moreover, there could be developments of which FAT Brands is not aware, and which could result in further proceedings against Mr. Wiederhorn, FAT Brands, and its other directors, officers and employees. FAT Brands may incur additional costs in connection with the defense or settlement of existing and any future stockholder actions, including the stockholder derivative actions that have been brought against it and certain of its current and former directors.

Our relationship with FAT Brands, as our majority stockholder, may harm our reputation and make us more of a target for litigation than we otherwise would be on our own. Under our Master Separation and Distribution Agreement to be entered into with FAT Brands in connection with the Reorganization and the Spin-Off, we will indemnify FAT Brands for claims and losses relating to liabilities related to the Twin Group and our business, but not related to FAT Brands' remaining business, and FAT Brands will indemnify us for claims and losses relating to liabilities related to FAT Brands' remaining business, but not related to the Twin Group or our business. However, if those liabilities related to FAT Brands' business are significant and we are ultimately held liable for them, we cannot assure you that we will be able to recover the full amount of our losses from FAT Brands.

***Certain of our directors are also directors of FAT Brands, and own stock and stock options of FAT Brands, which could cause conflicts of interest that could result in us not acting on opportunities we otherwise may have.***

Two of our directors are also directors of FAT Brands, and own shares of FAT Brands Class A Common Stock and stock options to purchase shares of FAT Brands Class A Common Stock. The presence of directors of FAT Brands on our Board of Directors, and ownership of such shares and stock options of FAT Brands by such directors after the Spin-Off, could create, or appear to create, conflicts of interest with respect to matters involving both us and FAT Brands that could have different implications for us than they do for FAT Brands. Provisions of our Amended and Restated Certificate of Incorporation will address corporate opportunities that are presented to our directors that are also directors of FAT Brands, however, we cannot assure you that such provisions will adequately address potential conflicts of interest, that potential conflicts of interest will be resolved in our favor, or that we will be able to take advantage of corporate opportunities presented to individuals who are directors of both our Company and FAT Brands. As a result, we may be precluded from pursuing certain growth initiatives, which could adversely affect our business and results of operations.

***We are a holding company with no operations, and, as such, we depend on our subsidiaries for cash to fund our operations and expenses, including future dividend payments, if any.***

We are a holding company. Accordingly, our ability to conduct our operations, service our debt, and pay dividends, if any, is dependent upon the earnings from the businesses and cash flows generated by the activities conducted by our subsidiaries. The distribution of those earnings or advances or other distributions of funds by our subsidiaries to us, as well as our receipt of such funds, are contingent upon such earnings and cash flows generated of our subsidiaries and are subject to various business considerations and applicable law. Our subsidiaries are separate legal entities, and although they are directly or indirectly wholly-owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of dividends, distributions, loans or otherwise. If our subsidiaries are unable to make sufficient distributions or advances to us, or if there are limitations on our ability to receive such distributions or advances, we may not have the cash resources necessary to conduct our corporate operations, including servicing our debt or paying dividends, which could adversely affect our business, results of operations, and financial condition.

## Risks Related to the Spin-Off

***Until the Spin-Off occurs, FAT Brands has sole discretion to change the terms of the Spin-Off in ways that may be unfavorable to us, and FAT Brands may fail to perform under the transaction agreements that will be executed as part of the Spin-Off.***

Until the Spin-Off occurs, we will continue to be a group of wholly-owned subsidiaries of FAT Brands. Accordingly, FAT Brands will have the sole and absolute discretion to determine and change the terms of the Spin-Off, including the establishment of the Record Date and the Distribution Date. These changes could be unfavorable to us. In addition, FAT Brands may decide at any time not to proceed with the Spin-Off.

Furthermore, in connection with the Spin-Off, we and FAT Brands will enter into a Master Separation and Distribution Agreement and a Tax Matters Agreement. We will rely on FAT Brands to satisfy its obligations under these agreements. If FAT Brands is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses, which may have a material adverse effect on our financial position and cash flows.

***We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off, and the Spin-Off may materially and adversely affect our results of operations, financial position and cash flows.***

We believe that, as an independent public company, we will be able to, among other things, better focus our financial and operational resources on our specific business, implement and maintain a capital structure designed to meet our specific needs, design and implement corporate strategies and policies that are targeted to our business, more effectively respond to industry dynamics, and create effective incentives for our management and employees that are more closely tied to our business performance (see "*The Spin-Off—Reasons for the Spin-Off*"). However, we may be unable to achieve the full strategic and financial benefits expected to result from the Spin-Off, or such benefits may be delayed or not occur at all.

In addition, we may be unable to achieve some or all of the benefits that we expect to achieve as an independent public company in the time we expect, or at all. The completion of the Spin-Off will also require significant amounts of our management's time and effort, which may divert our management's attention from operating and growing our business.

***We may have been able to receive better terms from unaffiliated third parties than the terms we receive in our agreements with FAT Brands.***

We have negotiated and will enter into agreements with FAT Brands, including the Master Separation and Distribution Agreement and the Tax Matters Agreement, while we are still a group of wholly-owned subsidiaries of FAT Brands. Accordingly, these agreements may not reflect terms that would have resulted from arms-length negotiations between unaffiliated parties. The terms of the agreements being negotiated relate to, among other things, rights, allocation of liabilities, indemnifications, and other obligations between us and FAT Brands. See "*Certain Relationships and Related Party Transactions*" for more information.

***In connection with our separation from FAT Brands, FAT Brands will indemnify us for certain liabilities, and we will indemnify FAT Brands for certain liabilities. If we are required to pay under these indemnities to FAT Brands, our financial position could be negatively impacted. The FAT Brands indemnity may not be sufficient to hold us harmless from the full amount of liabilities for which FAT Brands will be allocated responsibility, and FAT Brands may not be able to satisfy its indemnification obligations in the future.***

Pursuant to the Master Separation and Distribution Agreement and the Tax Matters Agreement with FAT Brands, FAT Brands will agree to indemnify us for certain liabilities, and we will agree to indemnify FAT Brands for certain liabilities, as discussed further in the section entitled "*Certain Relationships and Related Person Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization*". Indemnities that we may be required to provide to FAT Brands may be significant and could negatively impact our financial position and cash flows. Third parties could also seek to hold us responsible for any of the liabilities of FAT Brands. Any amounts we are required to pay pursuant to these indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used in furtherance of our operating business.

Additionally, the indemnities provided to us from FAT Brands may not be sufficient to protect us against the full amount of any liabilities, and FAT Brands may not be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from FAT Brands any amounts for which they are held liable, we may be temporarily required to bear these losses ourselves. Each of these risks could have a material adverse effect on our financial position and cash flows.

***As an independent public company, we may not enjoy the same benefits that we did as a part of FAT Brands.***

There is a risk that, by separating from FAT Brands, we may become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current FAT Brands organizational structure. As part of FAT Brands, we have been able to enjoy certain benefits from FAT Brands' operating diversity, size, purchasing power, cost of capital, and borrowing capacity. As an independent public company, we may not have the same benefits. Additionally, as part of FAT Brands, we have been able to leverage FAT Brands' historical reputation, performance, and brand identity to recruit and retain key personnel to run and operate our business. As an independent public company, we will need to develop new strategies, and it may be more difficult for us to recruit or retain such key personnel.

***The requirements of being a public company may strain our resources and divert our management's attention.***

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the Nasdaq Listing Rules. The requirements of these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources. After the completion of the Spin-Off, we will be obligated to file with the SEC annual, quarterly, and other periodic information and other reports that are specified under the Exchange Act, and therefore will need to have the ability to prepare financial statements on a timely basis that are compliant with all SEC reporting requirements.

Additionally, we will be subject to other reporting and corporate governance requirements, including certain requirements and provisions of the Sarbanes-Oxley Act and the rules and regulations promulgated thereunder, which will impose significant compliance obligations upon us. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures for, and internal controls over, financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures for, and internal controls over, financial reporting to meet applicable standards, significant resources and management oversight will be required, and our management's attention may be diverted from other business concerns. As an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls over financial reporting until the first annual report required to be filed with the SEC following the date we are no longer an emerging growth company. Complying with the requirements of being a public company could have a material adverse effect on our business, results of operations, and financial condition.

Furthermore, although we previously have been indirectly subject to these requirements as a subsidiary of FAT Brands, we might not be successful in implementing these requirements. The increased costs of compliance with public company reporting requirements and our potential failure to satisfy these requirements could have a material adverse effect on our business, results of operations, and financial condition.

***Certain members of our management team have limited recent experience managing a public company, and our current resources may not be sufficient to fulfill our public company obligations.***

As a public company, we will be subject to various regulatory requirements, including those of the SEC and Nasdaq. These requirements relate to, among other matters, record keeping, financial reporting, and corporate governance. Certain key members of our management team have limited experience in managing a public company. Additionally, our internal infrastructure may not be adequate to support our increased reporting obligations, and we may be unable to hire, train or retain necessary staff, and as such, we may initially be reliant on engaging outside consultants or professionals to overcome our lack of experience or team members. If our internal infrastructure is inadequate, we are unable to engage outside consultants or professionals at a reasonable rate or attract talented team members to perform these functions, or are otherwise unable to fulfill our public company obligations, it could have a material adverse effect on our business, results of operations, and financial condition.

## Risks Related to our Class A Common Stock

***No market for our Class A Common Stock currently exists and an active trading market for our Class A Common Stock may never develop or be sustained after the Spin-Off. Following the Spin-Off, the market price of our Class A Common Stock may fluctuate significantly.***

Prior to the Spin-Off, there has not been any public trading market for shares of our Class A Common Stock. In connection with the Spin-Off, we have applied to list our Class A Common Stock on the Nasdaq Capital Market under the symbol "TWNP". We anticipate that our Class A Common Stock will commence trading on the Nasdaq Capital Market on the next trading day following the Distribution Date. However, an active trading market for our Class A Common Stock may not develop as a result of the Spin-Off or may not be sustained in the future. The lack of an active market may make it more difficult for you to sell our Class A Common Stock and could lead to the market price of our Class A Common Stock being depressed or volatile.

We cannot predict the prices at which our Class A Common Stock may trade after the Spin-Off. Additionally, until the market has fully evaluated our Company as an independent public company, the prices at which shares of our Class A Common Stock trade may fluctuate significantly. The potential increased volatility of the market price of our Class A Common Stock following the Spin-Off may have a material adverse effect on our financial condition. The market price and trading volume of our Class A Common Stock may fluctuate widely depending on many factors, some of which may be beyond our control, including, among others, the following:

- variations in our quarterly or annual operating results;
- changes in our earnings estimates (if provided), or differences between our actual operating and financial results and those expected by analysts and investors;
- the failure of securities analysts to cover our Class A Common Stock, or changes in estimates by analysts who cover our Company and competitors in our industry;
- initiatives undertaken by our competitors, including, for example, the opening of new restaurants in our existing markets;
- actual or anticipated fluctuations in our or our competitors' results of operations, and our and our competitors' growth rates;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, or strategic relationships;
- capital commitments;
- any increased indebtedness we may incur in the future;
- actions by our stockholders;
- investor perceptions of our Company, our competitors, and our industry;
- recruitment or departure of key personnel;
- adoption or modification of laws, regulations, policies, procedures or programs applicable to our business, or announcements relating to these matters;
- general economic conditions; and
- geopolitical incidents.

***The Spin-Off differs significantly from an underwritten initial public offering.***

Prior to the opening of trading of our Class A Common Stock on the Nasdaq Capital Market, there will be no book building process and no price at which underwriters initially sell shares to the public to help inform efficient and sufficient price discovery with respect to the opening trades. The listing of our Class A Common Stock on the Nasdaq Capital Market in connection with the Spin-Off differs from an underwritten initial public offering in several significant ways, which include, but are not limited to, the following:

- There are no underwriters. Therefore, any buy and sell orders submitted prior to and at the opening of trading of our Class A Common Stock on the Nasdaq Capital Market will not have the benefit of being informed by a published price range or a price at which the underwriters initially sell shares to the public, as would be the case in an underwritten initial public offering. Additionally, there will be no underwriters assuming risk in connection with the initial resale of shares of our Class A Common Stock. Given that there will be no underwriters engaging in stabilizing transactions with respect to the trading of our Class A Common Stock on the Nasdaq Capital Market, there could be greater volatility in the market price of our Class A Common Stock during the period immediately following the listing. See "*—No market for our Class A Common Stock currently exists and an active trading market for our Class A Common Stock may never develop or be sustained after the Spin-Off. Following the Spin-Off, the market price of our Class A Common Stock may fluctuate significantly.*" Above.

- We did not conduct a traditional "roadshow" with underwriters prior to the opening of trading of our Class A Common Stock on the Nasdaq Capital Market. As a result, there may not be efficient or sufficient price discovery with respect to our Class A Common Stock or sufficient demand among potential investors immediately following its listing, which could result in a more volatile market price of our Class A Common Stock.

Such differences from an underwritten initial public offering could result in a volatile market price for our Class A Common Stock and uncertain trading volume.

***The market price and trading volume of our Class A Common Stock may be volatile, which could result in rapid and substantial losses for our stockholders.***

The market price of our Class A Common Stock may be highly volatile and could be subject to wide fluctuations, including significant declines in the future. Additionally, the trading volume of our Class A Common Stock may fluctuate and cause significant price variations to occur. If the market price of our Class A Common Stock declines significantly, stockholders may be unable to resell their shares of our Class A Common Stock at or above the initial trading price of our Class A Common Stock, if at all.

Certain broad market and industry factors may materially decrease the market price of our Class A Common Stock, regardless of our actual operating performance. The stock market in general has from time to time experienced extreme price and volume fluctuations, including recently. Moreover, in the past, following periods of volatility in the overall market and decreases in the market price of a company's securities, securities class action lawsuits have often been initiated against such a company. Such litigation, if instituted against us, could result in substantial costs and a diversion of our resources, as well as our management's attention.

***Substantial sales of our Class A Common Stock may occur in connection with the Spin-Off, or in the future, which could cause the market price of our Class A Common Stock to decline or be volatile.***

FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off may sell those shares of Class A Common Stock immediately in the public market. Our business profile and market capitalization may not fit the investment objectives of some FAT Brands Common Stockholders, and, as a result, such FAT Brands Common Stockholders may sell their shares of our Class A Common Stock after the Spin-Off. It is likely that some FAT Brands Common Stockholders, including some of the larger FAT Brands Common Stockholders, will sell their shares of our Class A Common Stock received in the Spin-Off, and such sales could cause the market price of our Class A Common Stock to decline or be volatile.

***We cannot predict the effect our dual class Common Stock structure may have on the market price of our Class A Common Stock.***

We cannot predict whether the dual class structure of our Common Stock will result in a lower or more volatile market price of our Class A Common Stock, or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, and these changes exclude companies with multiple classes of shares of common stock from being added to these indices. Additionally, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our Common Stock may prevent the inclusion of our Class A Common Stock in such indices and may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from such indices, but it is possible they may depress valuations, compared to similar companies that are included in such indices. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A Common Stock less attractive to investors. As a result, the market price of our Class A Common Stock could be adversely affected.

***We do not expect to pay dividends in the foreseeable future.***

We do not anticipate paying any dividends on our Common Stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our operations and to repay outstanding debt. Additionally, any future indebtedness may contain restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to pay dividends and make other restricted payments. As a result, capital appreciation, if any, of our Class A Common Stock may be your sole source of gain with respect to our Class A Common Stock for the foreseeable future. While we may change this policy at some point in the future, we cannot assure you that we will ever make such a change. See "*Dividend Policy*."

***We are an "emerging growth company" and a "smaller reporting company" and comply with reduced reporting requirements applicable to emerging growth companies and smaller reporting companies, which may make our Class A Common Stock less attractive to investors.***

We are an "emerging growth company" (as defined under the JOBS Act), and we have elected to take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to reporting companies that make filings with the SEC. For so long as we remain an emerging growth company, we will not be required to, among other things, (i) present more than two years of audited financial statements and two years of related selected financial information and management's discussion and analysis of financial condition and results of operations disclosure in our Registration Statement on Form 10, of which this Information Statement is a part, (ii) have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis), (iv) submit certain executive compensation matters, such as "say-on-pay", "say-on-frequency" and "say-on-golden parachutes", to our stockholders for non-binding advisory votes, and (v) disclose certain executive compensation related items, such as the correlation between executive compensation and performance, and a comparison of our Chief Executive Officer's compensation to the median compensation of our employees. As a result of these elections, the information that we provide in this Information Statement may be different from the information you may receive from other public companies in which you hold securities. Additionally, even if we begin to comply with the greater obligations of public companies that are not emerging growth companies, we may avail ourselves of the reduced requirements applicable to emerging growth companies from time to time in the future.

The JOBS Act also permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the JOBS Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result, our consolidated financial statements may not be comparable to companies that comply with public company effective dates.

We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year following the fifth anniversary of the completion of the Spin-Off, (ii) the last day of the first fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" under the Exchange Act, which means the market value of the shares of our Common Stock that are held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter, and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Furthermore, we are also a "smaller reporting company", as defined in Rule 405 under the Securities Act, since the market value of our stock held by non-affiliates is less than $250 million. If we continue to qualify as a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements for our SEC filings that are available to smaller reporting companies. In particular, for so long as we remain a smaller reporting company, we (i) may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K, and (ii) have reduced disclosure obligations regarding executive compensation. We will remain a smaller reporting company: (a) until the fiscal year following the determination that the market value of our stock held by non-affiliates is more than $250 million, measured on the last business day of our most recently completed second fiscal quarter, or (b) if our annual revenues are less than $100 million during our most recently completed fiscal year, until the fiscal year following the determination that the market value of our stock held by non-affiliates is more than $700 million, measured on the last business day of our most recently completed second fiscal quarter.

We cannot predict whether our Class A Common Stock is less attractive if we continue to rely on the exemptions available to emerging growth companies and smaller reporting companies. If our Class A Common Stock is less attractive as a result of our reliance on the available exemptions, there may be a less active trading market for our Class A Common Stock and the market price of our Class A Common Stock may be more volatile.

***The issuance by us of additional equity securities may dilute your ownership and adversely affect the market price of our Class A Common Stock.***

After the Spin-Off, we will have an aggregate of 100,000,000 authorized but unissued shares of Class A Common Stock. Our Amended and Restated Certificate of Incorporation will authorize us to issue shares of our Common Stock and rights relating to our Common Stock on the terms and conditions and for consideration established by our Board of Directors in its sole discretion, whether in connection with acquisitions or otherwise. Additionally, under the terms of the Master Separation and Distribution Agreement we will enter into with FAT Brands in connection with the Reorganization and the Spin-Off, we will grant FAT Brands a continuing right to purchase from us such number of shares of our Common Stock as is necessary for FAT Brands to maintain an aggregate ownership of our Common Stock representing at least 80% of our Common Stock outstanding following the completion of the Spin-Off. See "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Master Separation and Distribution Agreement*." Any shares of Common Stock that we issue, including under our 2024 Incentive Compensation Plan or in connection with the Master Separation and Distribution Agreement, would dilute the percentage ownership held by the FAT Brands Common Stockholders who receive shares of our Class A Common Stock in the Spin-Off.

In the future, we may attempt to obtain financing or further increase our capital resources by issuing additional shares of our Common Stock or securities convertible into shares of our Common Stock, or by offering debt or other securities. We could also issue shares of our Common Stock, securities convertible into our Common Stock, debt, or other securities in connection with acquisitions or other strategic transactions. Issuing additional shares of our Common Stock, securities convertible into shares of our Common Stock, debt, or other securities may dilute the economic and voting rights of our existing stockholders and could reduce the market price of our Class A Common Stock.

Upon liquidation, holders of preferred shares (if any), holders of debt securities, and lenders with respect to other borrowings, would receive a distribution of our distributable assets prior to the holders of our Common Stock. Debt securities convertible into equity securities could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares (if any) could have a preference with respect to liquidating distributions, or preferences with respect to dividend payments, that could limit our ability to pay dividends to the holders of our Common Stock. Our decision to issue any securities in the future will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, and nature of any future offerings by us. As a result, holders of our Class A Common Stock bear the risk that any future offerings by us may reduce the market price of our Class A Common Stock and dilute their stockholdings in our Company.

***The anti-takeover provisions in our Amended and Restated Certificate of Incorporation could prevent or delay a change in control of our company, even if such change in control would be beneficial to our stockholders.***

Provisions of our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws, as well as applicable provisions of the DGCL, could discourage, delay or prevent a merger, acquisition or other change in control of our Company, even if such change in control would be beneficial to our stockholders. These provisions include:

- the dual class structure of our Common Stock, which provides FAT Brands, as the holder of all of the outstanding shares of our Class B Common Stock, with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own less than a majority of the outstanding shares of our Common Stock;

- authorizing the issuance of "blank check" preferred stock that could be issued by our Board of Directors to increase the number of outstanding shares and thwart a takeover attempt;

- limiting the ability of stockholders to call special meetings or amend our Amended and Restated Bylaws;

- requiring all stockholder actions to be taken at a meeting of our stockholders; and

- establishing advance notice and duration of ownership requirements for nominations for election to our Board of Directors, or for proposing matters that can be acted upon by our stockholders at stockholder meetings.

These provisions could also discourage proxy contests and make it more difficult for minority stockholders to elect directors of their choosing or cause us to take other corporate actions they desire. Additionally, because our Board of Directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team.

Furthermore, the DGCL prohibits us, except under specified circumstances, from engaging in any mergers, significant sales of stock or assets, or business combinations with any stockholder or group of stockholders who owns at least 15% of the total voting power of our Common Stock.

***The provision of our Amended and Restated Certificate of Incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.***

Our Amended and Restated Certificate of Incorporation will provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware (or if the Court of Chancery lacks jurisdiction, a state court located within the State of Delaware or the federal district court for the District of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for any (a) derivative action or proceeding brought on our behalf; (b) action asserting a claim of breach of a fiduciary duty owed by or other wrongdoing by any current or former director, officer, employee, agent or stockholder to our Company or our stockholders; (c) action asserting a claim arising under any provision of the DGCL or our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws (as either may be amended from time to time), or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or (d) action asserting a claim governed by the internal affairs doctrine. For the avoidance of doubt, our Amended and Restated Certificate of Incorporation will also provide that the foregoing exclusive forum provision does not apply to actions brought to enforce any liability or duty created by the Securities Act or the Exchange Act, or any rules or regulations promulgated thereunder, or any other claim or cause of action for which the federal courts have exclusive jurisdiction.

Our Amended and Restated Certificate of Incorporation will also provide that, unless we consent in writing to an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for the resolution of any action asserting a claim arising under the Securities Act or the rules and regulations promulgated thereunder. Pursuant to the Exchange Act, claims arising thereunder must be brought in federal district courts of the United States.

To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in any shares of our capital stock shall be deemed to have notice of, and consented to, the forum provision in our Amended and Restated Certificate of Incorporation. This choice of forum provision may limit a stockholder's ability to bring a claim in a different judicial forum, including one that such stockholder may find favorable or convenient for a specified class of disputes with us, our directors, officers or employees, or other stockholders, which may discourage such lawsuits, make them more difficult or expensive to pursue, and/or result in outcomes that are less favorable to such stockholder than outcomes that may have been attainable in other judicial forums or jurisdictions. By agreeing to this provision, however, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provisions in our Amended and Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other judicial forums or jurisdictions, which could have a material adverse effect on our business, results of operations, and financial condition.

***If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about us or our business, the market price and trading volume of our Class A Common Stock could decline.***

The trading market for our Class A Common Stock will be influenced by the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of us, the market price for our Class A Common Stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the market price and/or trading volume of our Class A Common Stock to decline. Moreover, if our results of operations do not meet the expectations of the investor community, or one or more of the analysts who cover our Company downgrade our Class A Common Stock, the market price of our Class A Common Stock could decline.

## General Risk Factors

***Our liquidity could be adversely affected by adverse conditions in the financial markets or with respect to financial institutions.***

Our available cash and cash equivalents are held in accounts with, or managed by, financial institutions, and consist of cash in our operating accounts and cash and cash equivalents invested in money market funds. The amount of cash in our operating accounts exceeds the Federal Deposit Insurance Corporation insurance limits. While we monitor our accounts regularly and adjust our balances as appropriate, the valuation of, or our access to, these accounts could be adversely impacted if the underlying financial institutions fail or become subject to other adverse conditions in the financial markets. The operations of U.S. and global financial services institutions are inter-connected, and the performance and financial strength of specific institutions are subject to rapid change, the timing and extent of which cannot be known. To date, we have not experienced any realized losses on, or any lack of access to, our cash held in operating accounts or our invested cash or cash equivalents; however, we can provide no assurance that our access to our cash held in operating accounts or our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets or with respect to financial institutions.

***We will need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all.***

We have historically relied upon, and we intend to continue to rely on, cash generated by our operations to fund our operations and strategy. We will also need to access the debt and equity capital markets. For example, under the terms of the Twin Securitization Notes, upon each Qualified Equity Offering, which is a public or private offering by us of our common equity securities for cash, we are required, subject to certain limited exceptions, to use 75% of the net proceeds from such offering towards the repayment of the Twin Securitization Notes, until an aggregate of $75,000,000 has been repaid in that manner. If the amount of net proceeds from our Qualified Equity Offerings used for repayment of the Twin Securitization Notes is not at least $25,000,000 on or prior to each of April 25, 2025, July 25, 2025 and October 27, 2025, or is not at least $75,000,000 on or prior to January 26, 2026, then under any such circumstance, a Cash Flow Sweeping Event would occur, whereupon certain excess cash flows from our operations will be used to make additional principal payments, on a pro rata basis, on the three most senior classes of the Twin Securitization Notes. See "*Description of Certain Indebtedness—Twin Securitization Notes—Payment Terms and Repayments.*"

Our capital requirements will depend on many factors, including, but not limited to:

- our ability to control costs;
- our relationships with our customers, franchisees, and suppliers;
- sales and marketing expenses;
- market acceptance and reputation of our brands, brand enhancements, and menu offerings, and any enhancements necessary to improve them;
- enhancements to our infrastructure and systems, and any capital improvements to our facilities;
- potential acquisitions of businesses and other brands; and
- general economic conditions, including inflation, rising interest rates, and their impact on the restaurant industry in particular.

If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. If additional funds are raised through the issuance of equity or convertible debt securities, our stockholders may be diluted.

Additionally, there can be no assurance that our historical sources of financing will be available on acceptable terms, or at all. Our ability to obtain additional financing will be subject to a number of factors, including, but not limited to:

- our operating performance;
- our ability to incur additional debt in compliance with agreements governing our then-outstanding debt;
- investor sentiment; and
- general economic conditions.

These factors may make the timing, amount, terms or conditions of additional financings unattractive to us. If we are unable to generate sufficient funds from operations or raise additional capital, or if adequate funds are not available or are not available on acceptable terms through the capital markets, we may be unable to continue our operations as planned, service our debt obligations, develop or enhance our brands, expand our sales and marketing programs, take advantage of future opportunities, or respond to competitive pressures. As such, our business, results of operations, and financial condition could be materially and adversely impacted.

***We depend on key executive management.***

We depend on the leadership and experience of our relatively small number of key executive management personnel, in particular our Chief Executive Officer, Joseph Hummel. The loss of the services of any of the members of our executive management team could have a material adverse effect on our business and prospects, as we may not be able to find suitable individuals to replace such personnel on a timely basis or without incurring increased costs, or at all.

We believe that our future success will depend on our continued ability to attract and retain highly skilled and qualified personnel. There is a high level of competition for experienced, successful personnel in our industry. Our inability to meet our executive staffing requirements could impair our growth and materially and adversely impact our business, results of operations, and financial condition.

***If we face labor shortages or increased labor costs, it could have a material adverse effect on our business, results of operations, and financial condition.***

Restaurant operations are highly service oriented, and our success depends in part upon our and our franchisees' ability to attract, retain and motivate a sufficient number of qualified employees, including restaurant managers and other crew members. The market for qualified employees in our industry is very competitive. Any future inability to recruit and retain qualified individuals may delay the planned openings of new restaurants by us and our franchisees and could adversely impact our existing company-owned restaurants and franchised restaurants. Any such delays, material increases in employee turnover rate in existing company-owned restaurants and franchised restaurants, or widespread employee dissatisfaction could have a material adverse effect on our business, results of operations, and financial condition.

Additionally, strikes, work slowdowns or other job actions may become more common in the United States. Although none of the employees employed by us or our franchisees are represented by a labor union or are covered by a collective bargaining agreement, in the event of a strike, work slowdown or other labor unrest, the ability to adequately staff our company-owned restaurants and franchised restaurants could be impaired, which could result in reduced revenue, and may distract our management from focusing on our business and strategic priorities.

***Our and our franchisees' operating costs are subject to increases in the wages and salaries of our staff***.

A significant operating expense for our company-owned restaurants is salaries, wages and benefits costs. For the years ended December 31, 2023 and December 25, 2022, approximately 31.8% and 31.2%, respectively, of Twin Peaks' total revenue was attributable to the salaries, wages and benefits costs of our company-owned Twin Peaks restaurants, and, for the years ended December 31, 2023 and January 1, 2023, approximately 31.5% and 30.1%, respectively, of Smokey Bones' total revenue was attributable to the salaries, wages and benefits costs of our Smokey Bones restaurants, all of which are currently company-owned. An increase in salaries, wages and benefits costs could result from government imposition of higher minimum wages or from general economic or competitive conditions. Additionally, competition for qualified employees could compel us and our franchisees to pay higher wages to attract or retain key restaurant team members, which could result in higher labor costs and decreased profitability. Any increase in labor expenses could materially and adversely affect our margins, which would materially and adversely affect our business, results of operations, and financial condition.

We also have a number of recurring costs, including insurance, utilities and rental costs, and may face increases to other recurring costs, such as regulatory compliance costs. There can be no assurance that any of our recurring costs will not grow at a faster rate than our revenue. As a result, any increase in our operating costs could have a material adverse effect on our business, results of operations, and financial condition.

***Our current insurance policies may not provide adequate levels of coverage against all claims, and we may incur losses in excess of insurance limits or uninsured losses.***

We maintain insurance coverage for a significant portion of our risks and associated liabilities with respect to general liability, property and casualty liability, liquor liability, employer's liability and other insurable risks in amounts and on terms deemed adequate by our management, based on our actual claims experience and expectations for future claims. We also self-insure for health benefits under plans with high deductibles. However, there are types of losses we may incur that cannot be insured against, or that we believe are not commercially reasonable to insure. For example, insurance covering liability for violations of wage and hour laws has not generally been available. Losses with respect to such uninsured claims, or losses in excess of insurance limits, if they occur, could have a material adverse effect on our business and results of operations.

## USE OF PROCEEDS

We will not receive any proceeds from the distribution by FAT Brands of shares of our Class A Common Stock in the Spin-Off. Any expenses incurred in connection with the Spin-Off will be borne by us.

## DIVIDEND POLICY

We currently intend to retain all available funds and any future earnings to fund the development and growth of our operations and to repay outstanding debt, and therefore, we do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. Since our inception, we have not declared or paid any cash dividends on our Common Stock. Additionally, because we will be a holding company following the completion of the Reorganization and the Spin-Off, our ability to pay dividends on our Class A Common Stock may be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us. See also "*Risk Factors—Risks Related to our Organizational Structure—We are a holding company with no operations, and, as such, we depend on our subsidiaries for cash to fund our operations and expenses, including future dividend payments, if any.*"

Any decision to pay dividends in the future will be subject to a number of factors, including our financial condition, results of operations, the level of our retained earnings, capital demands, general business conditions, and other factors our Board of Directors may deem relevant. Accordingly, we cannot give any assurance that any dividends may be declared and paid in the future. See "*Risk Factors—Risks Related to our Class A Common Stock—We do not expect to pay dividends in the foreseeable future.*"

## REORGANIZATION

### The Reorganization

The Twin Group was acquired by FAT Brands in October 2021, and prior to the Reorganization as described below, the Twin Group was comprised of a number of companies that were wholly-owned subsidiaries of FAT Brands, with all of the outstanding equity interests in the Twin Group beneficially owned, directly or indirectly, by FAT Brands. In connection with the Spin-Off, and pursuant to the Master Separation and Distribution Agreement, we and FAT Brands will complete a series of separation and reorganization transactions, as described below, whereby the Twin Group will be transferred to, and become wholly-owned subsidiaries of, our Company. We refer to such separation and reorganization transactions collectively as the "Reorganization". The Reorganization includes, or will include, the following:

- On February 6, 2024, FAT Brands formed our Company, Twin Hospitality Group Inc., as a Delaware corporation, in connection with the Spin-Off. In connection with our incorporation, 5,000 shares of our Class A Common Stock were issued to FAT Brands.

- In November 2024, FAT Brands Twin Peaks I, LLC, a Delaware limited liability company, filed an amendment to its certificate of formation to change its name to "Twin Hospitality I, LLC", which is the top tier company in the Twin Group (which we refer to as the "Top Tier Twin Subsidiary").

- In November 2024, we and FAT Brands entered into a Sale and Contribution Agreement, pursuant to which FAT Brands sold and contributed to us all of the equity interests in the Top Tier Twin Subsidiary, such that following such sale and contribution, the Top Tier Twin Subsidiary, along with all of the other companies in the Twin Group, became direct or indirect wholly-owned subsidiaries of our Company (see also "*Certain Relationships and Related Party Transactions—Historical Relationship Between the Twin Group and FAT Brands—Sale and Contribution Agreement*").

- In November 2024, we and the Top Tier Twin Subsidiary amended and restated the limited liability company agreement of the Top Tier Twin Subsidiary to provide, among other things, that we are the sole member and sole manager of the Top Tier Twin Subsidiary.

- In November 2024, the Top Tier Twin Subsidiary called and redeemed all of the Prior Securitization Notes, using the net proceeds from the issuance of the new Twin Securitization Notes. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Prior Securitization Notes—Call and Redemption of the Prior Securitization Notes"* and *"Description of Certain Indebtedness—Twin Securitization Notes*".

- In December 2024, our Board of Directors (i) increased the size of our Board of Directors to five directors, (ii) appointed Kenneth J. Anderson, Lynne Collier, James Ellis, and David Jobe as independent directors to fill the newly created vacancies, (iii) established an audit committee, compensation committee, and nominating and corporate governance committee as the three standing committees of our Board of Directors, and (iv) appointed as members to such committees of our Board of Directors the independent directors described in "*Management—Committees of our Board of Directors*". See also "*Management*".

- Prior to the Spin-Off:

    - we will file our Amended and Restated Certificate of Incorporation, which will authorize 100,000,000 shares of Class A Common Stock, and 2,870,000 shares of Class B Common Stock;

    - our Board of Directors and our stockholders will adopt our Amended and Restated Bylaws;

    - we and FAT Brands will enter into the Master Separation and Distribution Agreement, pursuant to which FAT Brands will exchange all 5,000 shares of Class A Common Stock that it currently holds (representing 100% of the issued and outstanding capital stock of our Company) for 47,298,271 shares of Class A Common Stock and 2,870,000 shares of Class B Common Stock, which will be issued by us to FAT Brands (see also "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Master Separation and Distribution Agreement*"); and

    - we and FAT Brands will enter into the Tax Matters Agreement, as described under "*Certain Relationships and Related Party Transactions —Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Tax Matters Agreement* ".

**Organizational Structure Following the Reorganization and the Spin-Off**

Immediately following the consummation of the Reorganization and the Spin-Off:

- we will be a holding company directly owning all of the outstanding equity interests in the Top Tier Twin Subsidiary, and indirectly owning all of the outstanding equity interests in the other companies in the Twin Group, such that all of the companies in the Twin Group will be direct or indirect wholly-owned subsidiaries of our Company;

- we will be the sole member and sole manager of the Top Tier Twin Subsidiary;

- the financial results of the Twin Group will be consolidated with our Company (see "*Summary of our Company and our Business—Summary Historical Consolidated and Pro Forma Condensed Combined Financial Information and Other Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*");

- (i) 47,298,271 shares of our Class A Common Stock, and (ii) 2,870,000 shares of our Class B Common Stock, will be issued and outstanding;

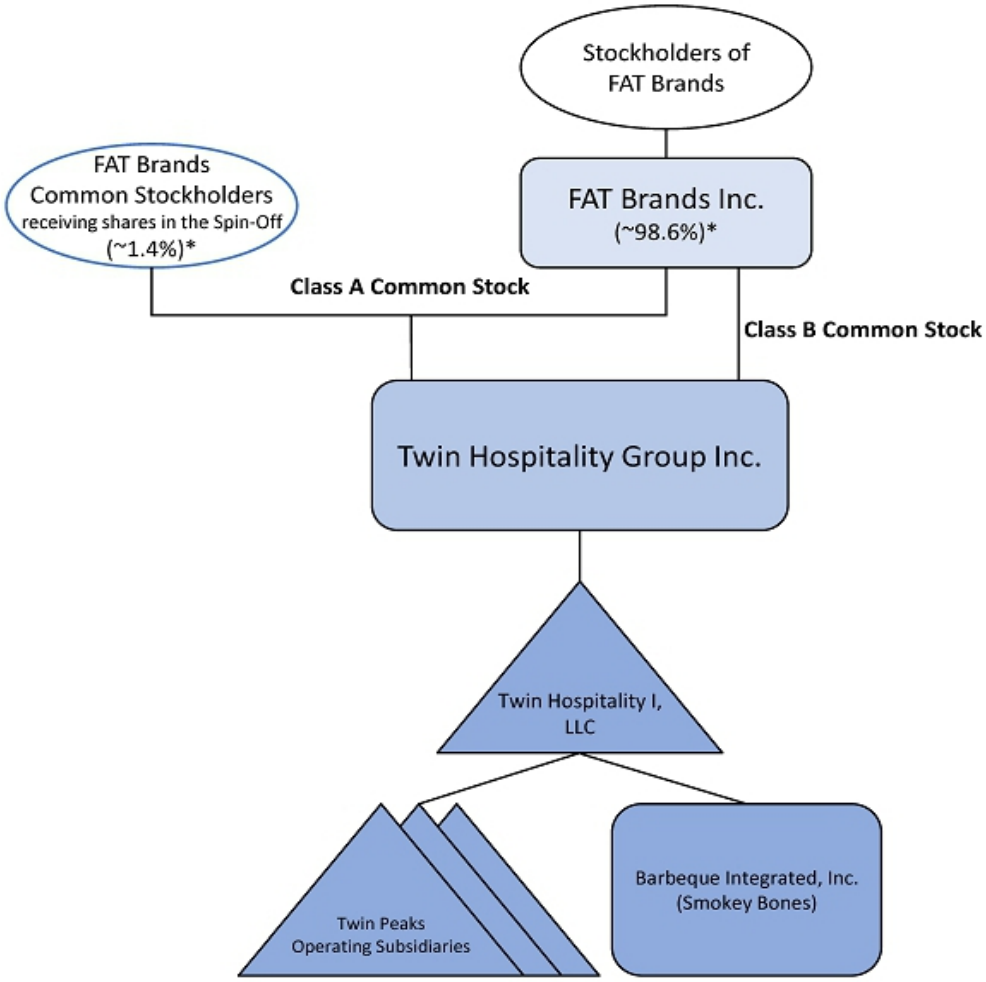
- we expect that FAT Brands will hold (i) 44,571,771 shares of our Class A Common Stock, and (ii) all of the 2,870,000 outstanding shares of our Class B Common Stock;

- we expect that the FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off will hold 2,726,500 shares of our Class A Common Stock; and

- we expect that the total voting power of our Common Stock will be held as follows: (i) FAT Brands will hold approximately 98.6% of the total voting power of our Common Stock, and (ii) the FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off will hold approximately 1.4% of the total voting power of our Common Stock.

***Organizational Structure***

The following diagram shows our organizational structure immediately following the completion of the Reorganization and the Spin-Off:




* Percentages reflect total voting power of our Common Stock.

**Potential FAT Brands Distribution**

FAT Brands has informed us that, following the Spin-Off, it may make a distribution to its stockholders of all or a portion of the shares of our Common Stock that it holds, which may include one or more distributions effected as a dividend to stockholders of FAT Brands. We refer to any such potential distribution as the "Potential FAT Brands Distribution".

While FAT Brands may decide to effect the Potential FAT Brands Distribution in the future, FAT Brands has no obligation to pursue or consummate any future dispositions of the shares of our Common Stock that it holds, including through the Potential FAT Brands Distribution, by any specified date or at all. If pursued, the Potential FAT Brands Distribution may be subject to various conditions, all of which will be waivable by FAT Brands in its sole discretion, including receipt by FAT Brands of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and the receipt by FAT Brands of a private letter ruling from the IRS and an opinion of tax counsel to the effect that such Potential FAT Brands Distribution would be tax-free to FAT Brands and its stockholders for U.S. federal income tax purposes. Even if such conditions are satisfied, FAT Brands may decide not to consummate the Potential FAT Brands Distribution, or even if such conditions are not satisfied, FAT Brands may decide to waive one or more of such conditions and consummate the Potential FAT Brands Distribution.

Notwithstanding the foregoing, see "*—Arrangements with respect to the Shares of Class A Common Stock held by FAT Brands*" below for a description of certain arrangements with respect to the shares of our Class A Common Stock held by FAT Brands that affect the ability of FAT Brands to dividend or distribute the shares of our Class A Common Stock held by it under certain circumstances.

The Potential FAT Brands Distribution is not being effected pursuant to our Registration Statement on Form 10, of which this Information Statement is a part.

**Arrangements with respect to the Shares of Class A Common Stock held by FAT Brands**

***Letter Agreement***

In connection with the sale and issuance of the Twin Securitization Notes and the transactions related thereto (which we refer to collectively as the "Twin Securitization Transaction"), the Top Tier Twin Subsidiary, our Company, FAT Brands, and the initial holders of the Twin Securitization Notes entered into a letter agreement (which we refer to as the "Letter Agreement"), under which FAT Brands agreed not to sell, transfer, dividend or distribute any of its shares of our Common Stock, other than in connection with the distribution of the shares of our Class A Common Stock to the FAT Brands Common Stockholders in the Spin-Off, until at least $75,000,000 of the proceeds from our Qualified Equity Offerings (as defined and described in "*Description of Certain Indebtedness—Twin Securitization Notes—Payment Terms and Repayments*") or other proceeds have been used to prepay the Twin

Securitization Notes. Additionally, under the Letter Agreement, FAT Brands agreed not to dividend out any of its shares of our Common Stock for the 24 months immediately following the expiration of the foregoing restriction if, with respect to any securitization transaction sponsored by FAT Brands or our Company, there has occurred and is continuing, or with the giving of notice or the passage of time would occur, certain breaches, events of default, or termination events under the applicable securitization transaction agreements. Furthermore, under the Letter Agreement, FAT Brands agreed not to pay a common equity dividend until at least $25,000,000 of the proceeds from our Qualified Equity Offerings have been used to prepay the Twin Securitization Notes, other than (i) the distribution of the shares of our Class A Common Stock to the FAT Brands Common Stockholders in the Spin-Of, and (ii) monthly dividends with respect to FAT Brands' preferred stock.

***Pledge Agreement and Control Agreement***

In connection with the Twin Securitization Transaction, FAT Brands entered into a Pledge and Security Agreement (which we refer to as the "Pledge Agreement") with UMB Bank, N.A., as trustee under the Base Indenture, dated as of July 10, 2023, by and between FB Resid Holdings I, LLC (which we refer to as "FBRH") and UMB Bank, N.A., as trustee, which was subsequently amended on November 21, 2024 in connection with the Twin Securitization Transaction (which, as amended, we refer to as the "FBRH Indenture"), and as securities intermediary (in such capacities, the "Pledge Trustee"). Under the Pledge Agreement, FAT Brands pledged all of its shares of our Class A Common Stock (other than the shares of our Class A Common Stock that will be distributed to the FAT Brands Common Stockholders in the Spin-Off) (which we refer to as the "Pledged Shares"), along with any and all (i) proceeds from the sale or other disposal of Pledged Shares, (ii) dividends, distributions, rights, warrants or other consideration with respect to the Pledged Shares, and (iii) proceeds of any loan secured by the Pledged Shares (which we refer to collectively as the "Pledged Proceeds"), to secure the payment and performance of all obligations of FBRH under the FBRH Indenture. Approximately $110 million in aggregate principal amount of outstanding notes under the FBRH Indenture is currently owed to investors that are not affiliated with FAT Brands. Under the Pledge Agreement, upon the occurrence and during the continuance of an Event of Default, and following a Grace Period (each as defined in the FBRH Indenture), if applicable, under the FBRH Indenture, all rights of FAT Brands to vote, or give consent with respect to, the Pledged Shares will be vested in the Pledge Trustee.

FAT Brands also entered into a Securities Account Control Agreement (which we refer to as the "Control Agreement") with the Pledge Trustee. Under the Control Agreement, on the Distribution Date, FAT Brands will deposit all of the Pledged Shares into a controlled account maintained by the Pledge Trustee, and the Pledge Trustee will distribute the Pledged Proceeds held in such account in accordance with the Pledge Agreement. FAT Brands will be entitled to enter any market order to sell Pledged Shares in a brokers' transaction on a permitted trading market, and may enter orders to sell Pledged Shares on a market that is not a permitted trading market (i) with the prior written consent of the Pledge Trustee, or (ii) in a trade to be executed within 5% of the 5-trading day volume weighted average price and with a value of at least $15,000,000. Upon an Event of Default under the FBRH Indenture, the Controlling Class Representative (as defined in the FBRH Indenture) will be entitled to exercise sole control of the Pledged Shares and direct sales or other dispositions of the Pledged Shares held in the controlled account.

## THE SPIN-OFF

### Background of Spin-off

On November 4, 2024, FAT Brands announced plans for the complete legal and structural separation of our Company from FAT Brands. In the Spin-Off, FAT Brands will distribute on a pro rata basis to the FAT Brands Common Stockholders approximately 5% of the fully-diluted shares of our Class A Common Stock, with FAT Brands retaining the remaining outstanding shares of our Class A Common Stock and 100% of the outstanding shares of our Class B Common Stock. At the time of the Spin-Off, the Reorganization will have been completed and the Twin Group will be part of our consolidated Company. Following the Spin-Off, we will be an independent publicly traded reporting company.

No approval of the FAT Brands Common Stockholders is required in connection with the Spin-Off, and the FAT Brands Common Stockholders will not have any appraisal rights in connection with the Spin-Off.

The financial terms of the Spin-Off were determined by FAT Brands based on the advice of financial and other advisors and the current market capitalization of FAT Brands. Other factors evaluated in connection with the financial terms of the Spin-Off included respective existing contractual obligations of our Company and FAT Brands, and the respective growth prospects of each company and its business.

The Spin-Off is subject to the satisfaction, or the waiver by FAT Brands, of a number of conditions. Additionally, FAT Brands has the right not to complete the Spin-Off if, at any time, the FAT Brands Board of Directors determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of FAT Brands or its stockholders, or is otherwise not advisable. For more detailed information regarding the conditions to the Spin-Off, see the section entitled "*—Conditions to the Spin-Off*" below.

### Reasons for the Spin-Off

#### *Potential Benefits*

The FAT Brands Board of Directors believes that separating out our Company, which will include the Twin Group following the completion of the Reorganization, into an independent publicly traded reporting company has a number of potential benefits, including the following:

- Establishing our Company as a company separate from FAT Brands will provide us with a greater ability to focus on and grow our business. The Spin-Off will establish our Company as an independent publicly traded reporting company, which we believe will meaningfully enhance our industry market perception, thereby providing greater growth opportunities for us than as a consolidated division of FAT Brands. Additionally, by separating the businesses, we will have the flexibility to implement strategic initiatives aligned with our business plan and to prioritize investment spending and capital allocation in a manner that will lead to growth and increased operational efficiencies of our Company that otherwise may not occur as part of a larger, more diversified enterprise like FAT Brands.

- Our Company will benefit from having an experienced and dedicated management team focused on enhancing our business, executing our growth strategy, and finding value-creating opportunities, without any ongoing costs burden from FAT Brands.

- The Spin-Off will provide investors with the opportunity to invest in two separate companies and business lines with different business strategies and target customers, and will enable investors to separately value our Company and FAT Brands based on our Company's and FAT Brands' respective unique investment identities, including the merits, performance and future prospects of our Company's and FAT Brands' respective businesses.

- The separation of our Company from FAT Brands will facilitate the tailoring of incentive compensation arrangements for the respective management and employees of each company that are more directly tied to the performance of each respective company's business, which we believe will enhance employee hiring and retention by, among other things, improving the alignment of management and employee incentives with the performance and growth objectives of each respective company.

Neither we nor FAT Brands can assure you that, following the Spin-Off and the separation of our respective companies, any of the benefits described above or otherwise will be realized to the extent anticipated or at all.

***Potential Negative Factors***

The FAT Brands Board also considered a number of potential negative factors in evaluating the Spin-Off, including the following:

- The respective trading prices of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock immediately following the Spin-Off may be lower than immediately prior to the Spin-Off, since the trading prices will no longer reflect the value of our Company, our subsidiaries, and our business.

- Until the market has fully analyzed the Spin-Off and the respective values of our Company and FAT Brands without our Company, our subsidiaries and our business, the respective trading prices of our Class A Common Stock, FAT Brands Class A Common Stock, and FAT Brands Class B Common Stock may fluctuate. It is possible that after the Spin-Off, the combined equity value of our Company and FAT Brands will be less than the equity value of FAT Brands immediately prior to the Spin-Off.

- The actions, cost, time and effort required to separate our Company and our business from FAT Brands could disrupt our and FAT Brands' respective businesses and operations. Additionally, we may not achieve the anticipated benefits of the Spin-Off for a variety of reasons, including, among others, that the separation will require significant amounts of our management's time and effort, which may divert our management's attention from operating and growing our business.

The FAT Brands Board concluded that the potential benefits of the separation of our Company from FAT Brands outweighed these potential negative factors.

**The Distribution by FAT Brands to the FAT Brands Common Stockholders of Shares of our Class A Common Stock in the Spin-Off**

In the Spin-Off, FAT Brands will distribute on a pro rata basis to the FAT Brands Common Stockholders approximately 5% of the full-diluted shares of our Class A Common Stock. As of immediately prior to the time of the Spin-Off, FAT Brands will hold 100% of the issued and outstanding shares of our Class A Common Stock.

***Number of Shares of Class A Common Stock that You Will Receive***

Each one share of FAT Brands Class A Common Stock and each one share of FAT Brands Class B Common Stock, as the case may be, outstanding as of the Record Date will entitle the holder thereof to receive 0.1520207 share of our Class A Common Stock.

***Treatment of Fractional Shares***

The Distribution Agent will not distribute any fractional shares of our Class A Common Stock in connection with the Spin-Off. Any fractional shares will be rounded down to the nearest whole share.

***Distribution***

On the Distribution Date, FAT Brands will deliver to the Distribution Agent the shares of our Class A Common Stock that will be distributed to the FAT Brands Common Stockholders in the Spin-Off. VStock Transfer, LLC is the transfer agent and registrar for our Class A Common Stock, and will also act as the Distribution Agent for the Spin-Off.

The shares of our Class A Common Stock that FAT Brands Common Stockholders are entitled to receive in the Spin-Off will be distributed to their respective accounts as follows:

- *Registered FAT Brands Common Stockholders*: Certain FAT Brands Common Stockholders are registered stockholders (meaning their holdings of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, are registered directly on FAT Brands' stock ledger maintained by its transfer agent and registrar (VStock Transfer, LLC). In these cases, the Distribution Agent will credit the whole shares of our Class A Common Stock that you receive in the Spin-Off to a new book-entry account with our transfer agent and registrar on the Distribution Date. Following the Distribution Date, the Distribution Agent will mail to you a book-entry account statement that reflects the number of shares of our Class A Common Stock that you hold, and you will also be able to access information regarding your new book-entry account with our transfer agent and registrar.

- *"Street name" or beneficial FAT Brands Common Stockholders*: Most FAT Brands Common Stockholders hold their shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, through a bank, broker or other nominee. In these cases, the Distribution Agent will release the distributed shares of our Class A Common Stock to DTC for further distribution to the DTC participants, and your bank, broker or other nominee will credit your account with the whole shares of our Class A Common Stock that you receive in the Spin-Off on the Distribution Date. Please contact your bank, broker or other nominee for further information about your account, or if you have any questions regarding the mechanics of receiving your shares of our Class A Common Stock in the Spin-Off.

No physical stock certificates will be issued to any stockholders, even if requested.

***No Action Required by the FAT Brands Common Stockholders***

FAT Brands Common Stockholders do not have to take any action in connection with the Spin-Off. No approval of the FAT Brands Common Stockholders is required for the Spin-Off. We are not asking FAT Brands Common Stockholders for a proxy and request that they do not send us a proxy. We also are not asking FAT Brands Common Stockholders to make any payment or surrender or exchange any of their shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock for shares of our Class A Common Stock.

**Trading Prior to the Distribution Date**

***FAT Brands Class A Common Stock or FAT Brands Class B Common Stock***

We anticipate that, from the Record Date and continuing up to and including the Distribution Date, there will be two markets with respect to the trading of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock:

(i) *"Regular-way" market*. Shares of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock that trade on the regular-way market will trade with an entitlement to receive shares of our Class A Common Stock in the Spin-Off. If you sell your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, in the regular-way market up to and including the Distribution Date, you will also be selling your entitlement to receive shares of our Class A Common Stock in the Spin-Off.

(ii) *"Ex-distribution" market*. Shares of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock that trade on the ex-distribution market will trade without an entitlement to receive shares of our Class A Common Stock in the Spin-Off. If you sell your shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, in the ex-distribution market up to and including the Distribution Date, you will not be selling your entitlement to receive shares of our Class A Common Stock in the Spin-Off, and you will still receive the shares of our Class A Common Stock that you would otherwise be entitled to receive in the Spin-Off.

***Our Class A Common Stock***

No trading in our Class A Common Stock will occur on a "when-issued" basis. "When-issued" trading in the context of a spin-off refers to a sale or purchase of shares made conditionally on or before the distribution date because the securities of the spun-off entity have not yet been distributed.

**Listing our Class A Common Stock**

Immediately prior to the Spin-Off, we are a wholly-owned subsidiary of FAT Brands. Accordingly, no public market for our Class A Common Stock currently exists. We have applied to list our Class A Common Stock on the Nasdaq Capital Market under the symbol "TWNP". The Spin-Off is conditioned upon the approval of Nasdaq of such listing.

**Resale of our Class A Common Stock Following the Spin-Off**

The shares of our Class A Common Stock that will be distributed by FAT Brands to the FAT Brands Common Stockholders in the Spin-Off will be freely transferable, except for shares received by FAT Brands Common Stockholders who are also affiliates of our Company. FAT Brands Common Stockholders who may be considered affiliates of our Company after the Spin-Off include individuals or entities who control, are controlled by, or are under common control with our Company, as those terms generally are interpreted for federal securities law purposes. Such FAT Brands Common Stockholders may include some of our directors and executive officers. FAT Brands Common Stockholders who are also affiliates of our Company will only be permitted to sell their shares of our Class A Common Stock pursuant to an effective registration statement under the Securities Act, or an exemption from the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under the Securities Act.

Until the market has fully analyzed the Spin-Off and the value of our Company as an independent publicly traded reporting company, the trading price of our Class A Common Stock may fluctuate significantly. We cannot assure as to the trading price of our Class A Common Stock after the Spin-Off, or as to whether the combined equity value of our Company and FAT Brands will be less than, equal to, or greater than the equity value of FAT Brands immediately prior to the Spin-Off. See "*Risk Factors—Risks Related to our Class A Common Stock*" for more details.

**Conditions to the Spin-Off**

The Spin-Off is subject to the satisfaction, or the waiver by FAT Brands, of the following conditions:

- The FAT Brands Board of Directors shall have authorized and approved the Spin-Off and not withdrawn such authorization and approval, and shall have declared the dividend in the form of shares of our Class A Common Stock to the FAT Brands Common Stockholders;
- each of the Master Separation and Distribution Agreement and the Tax Matters Agreement shall have been executed by each party thereto;
- the SEC shall have declared our Registration Statement on Form 10, of which this Information Statement is a part, effective under the Exchange Act, and no stop order suspending the effectiveness of such Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC;

- our Class A Common Stock shall have been approved for listing on the Nasdaq Capital Market or another national securities exchange;

- no order, injunction or decree issued by any governmental authority of competent jurisdiction, or other legal restraint or prohibition, preventing the consummation of the Spin-Off shall be in effect, and no other event outside the control of FAT Brands shall have occurred or failed to occur that prevents the consummation of the Spin-Off;

- no other events or developments shall have occurred prior to the Distribution Date that, in the judgment of the FAT Brands Board of Directors, would result in the Spin-Off having a material adverse effect on FAT Brands or its stockholders; and

- the Reorganization shall have been completed.

We are not aware of any material federal, state, or foreign regulatory requirements with which we must comply, other than SEC rules and regulations, or any material approvals that we must obtain, other than the approval of Nasdaq of the listing of our Class A Common Stock on the Nasdaq Capital Market and the declaration by the SEC of the effectiveness of the Registration Statement on Form 10, of which this Information Statement is a part, in connection with the Spin-Off.

The satisfaction of the foregoing conditions will not create any obligation on the part of FAT Brands to consummate the Spin-Off. FAT Brands has the right not to consummate the Spin-Off if, at any time, the FAT Brands Board of Directors determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of FAT Brands or its stockholders, or is otherwise not advisable.

**Results of the Spin-Off**

After the Spin-Off, we will be an independent publicly traded reporting company. Immediately following the Spin-Off, we will have 47,298,271 shares of our Class A Common Stock outstanding, and approximately holders of shares of our Class A Common Stock (based on the number of FAT Brands Common Stockholders as of December , 2024). The actual number of shares of our Class A Common Stock that FAT Brands will distribute in the Spin-Off will depend on the actual number of shares of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock outstanding on the Record Date, which will reflect any issuances of new shares or exercises of outstanding options pursuant to FAT Brands' equity plans prior to or on the Record Date. The Spin-Off will not affect the number of outstanding shares of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock or any rights of the FAT Brands Common Stockholders. Furthermore, until the market has fully analyzed the value of FAT Brands without our Company, our subsidiaries and our business, the respective trading prices of FAT Brands Class A Common Stock and FAT Brands Class B Common Stock FAT Brands may fluctuate.

**Reasons for Furnishing this Information Statement**

We are furnishing this Information Statement solely to provide information to the FAT Brands Common Stockholders who will receive shares of our Class A Common Stock in the Spin-Off. You should not construe this Information Statement as an inducement or encouragement to buy, hold or sell any of our securities or any securities of FAT Brands. We believe that the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and neither we nor FAT Brands undertake any obligation to update such information except in the normal course of our and FAT Brands' public disclosure obligations and practices, and except as required by applicable law.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF

The following is a summary of certain material U.S. federal income tax consequences of the Spin-Off to the FAT Brands Common Stockholders. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, and does not address (i) the potential application of the Medicare contribution tax on net investment income, (ii) the alternative minimum tax, (iii) any estate or gift tax consequences, or (iv) any tax consequences arising under any state, local, or non-U.S. tax laws, or any other U.S. federal tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"), applicable Treasury Regulations promulgated under the Code (which we refer to as "Treasury Regulations"), published rulings and administrative pronouncements of the Internal Revenue Service (which we refer to as the "IRS"), and judicial decisions, all as in effect as of the date of this Information Statement. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to FAT Brands Common Stockholders who will be receiving shares of our Class A Common Stock in the Spin-Off, and will be holding shares of our Class A Common Stock as a "capital asset", within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other entities or arrangements treated as partnerships, pass-throughs, or disregarded entities for U.S. federal income tax purposes (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers, or traders in securities;
- tax-exempt organizations or governmental organizations;
- persons deemed to be selling shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, or our Class A Common Stock under the constructive sale provisions of the Code;
- persons who hold or receive shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, or our Class A Common Stock pursuant to the exercise of an employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- persons that own, or have owned, actually or constructively, more than 5% of the outstanding shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, or our Class A Common Stock;
- "qualified foreign pension funds" (as defined in Section 897(l)(2) of the Code) and entities all of the interests of which are held by qualified foreign pension funds;

- persons who have elected to mark securities to market;

- persons holding shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, or our Class A Common Stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or other integrated investment; and

- except to the extent explicitly discussed below, non-U.S. holders (as defined below).

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes receives shares of our Class A Common Stock in the Spin-Off, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Partnerships receiving shares of our Class A Common Stock and the partners in such partnerships are urged to consult with their tax advisors about the particular U.S. federal income tax consequences to them of receiving shares of our Class A Common Stock in the Spin-Off.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. FAT BRANDS COMMON STOCKHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE SPIN-OFF AND ACQUIRING, OWNING, AND DISPOSING OF SHARES OF OUR CLASS A COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY OTHER U.S. FEDERAL TAX LAWS AND ANY STATE, LOCAL, OR NON-U.S. TAX LAWS.

**Definitions of U.S. Holder and Non-U.S. Holder**

For purposes of this discussion, a non-U.S. holder is any beneficial owner of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock receiving shares of our Class A Common Stock in the Spin-Off that is not a "U.S. holder" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A "U.S. holder" is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;

- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) who have the authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person (within the meaning of Section 7701(a)(30) of the Code).

**Tax Classification of the Spin-Off in General**

For U.S. federal income tax purposes, the Spin-Off will not be eligible for treatment as a tax-deferred distribution by FAT Brands with respect to FAT Brands Class A Common Stock and FAT Brands Class B Common Stock (which we refer to together as "FAT Brands Common Stock"). Accordingly, the Spin-Off will generally be treated as a fully taxable transaction for U.S. federal income tax purposes. The discussion below describes the U.S. federal income tax consequences to a U.S. holder of FAT Brands Common Stock upon the receipt of shares of our Class A Common Stock in the Spin-Off.

Although FAT Brands will ascribe a value to our Class A Common Stock distributed in the Spin-Off, this valuation is not binding on the IRS or any other taxing authority. These taxing authorities could ascribe a higher valuation to the distributed Class A Common Stock, particularly if, following the Spin-Off, those shares of our Class A Common Stock trade at prices significantly above the value ascribed to those shares by FAT Brands. Such a higher valuation may affect the Spin-Off distribution amount and thus the U.S. federal income tax consequences of the Spin-Off to FAT Brands Common Stockholders.

FAT Brands will be required to recognize any gain with respect to our Class A Common Stock that it distributes in the Spin-Off equal to the fair market value of our Class A Common Stock in excess of FAT Brands' adjusted tax basis in our Class A Common Stock.

**Tax Treatment of the Spin-Off to U.S. Holders**

The following discussion describes the U.S. federal income tax consequences to a FAT Brands Common Stockholder who is a U.S. holder in connection with the receipt of shares of our Class A Common Stock in the Spin-Off.

The Spin-Off is expected to be a taxable distribution for U.S. federal income tax purposes. Accordingly, each FAT Brands Common Stockholder would generally be treated as receiving a taxable distribution equal to the fair market value of our Class A Common Stock (determined at the time of the Spin-Off). Such distribution would be treated as a taxable dividend to the extent of such FAT Brands Common Stockholder's ratable share of FAT Brands' current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the value of the distribution exceeds the amount of such earnings and profits, such excess will be treated first, as reducing such FAT Brands Common Stockholder's adjusted basis in each of its shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, in respect of which such distribution was made, and second, to the extent it exceeds such adjusted basis, as capital gain from the sale or exchange of such shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be.

To the extent that any portion of the Spin-Off distribution is treated as a dividend, corporate U.S. holders could be eligible for dividend-received deductions, and non-corporate U.S. holders could qualify for reduced rates applicable to qualified dividend income, assuming in each case, that a minimum holding period and certain other generally applicable requirements are satisfied. Additionally, to the extent that the distribution of shares of our Class A Common Stock in the Spin-Off constitutes an "extraordinary dividend" within the meaning of Section 1059 of the Code, special rules may apply.

A U.S. holder's tax basis in shares of our Class A Common Stock received in the Spin-Off generally will equal the fair market value of such shares on the date of the Spin-Off, and the holding period for such shares will begin on the day after the Distribution Date.

FAT Brands Common Stockholders should consult with their tax advisors regarding the appropriate U.S. federal income tax treatment of the Spin-Off and possible applicability and effects of the extraordinary dividend provisions.

**Information Reporting and Backup Withholding**

In general, information reporting requirements may apply to dividends, sales proceeds, or other amounts paid to U.S. holders and non-U.S. holders, unless an exemption applies. These information reporting requirements may apply even if no withholding was required (because the distributions were effectively connected with a non-U.S. holder's conduct of a U.S. trade or business, or withholding was eliminated by an applicable income tax treaty). Backup withholding tax may apply to amounts subject to reporting unless a U.S. holder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the requirements of the backup withholding rules. Backup withholding generally will not apply to amounts paid to a non-U.S. holder, provided that the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI, or certain other requirements are met.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, a non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against such non-U.S. holder's U.S. federal income tax liability, if any.

**Certain U.S. Federal Income Tax Considerations for Non-U.S. Holders**

Subject to the discussion above regarding backup withholding, and the discussions below regarding effectively connected income and Sections 1471 through 1474 of the Code and the Treasury Regulations promulgated thereunder (which we refer to as "FATCA"), dividends paid to a non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish to FAT Brands or the Distribution Agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such non-U.S. holder's qualification for the reduced rate. This certification must be provided to FAT Brands or the Distribution Agent before the payment of dividends and must be updated periodically. If a non-U.S. holder holds shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock through a financial institution or other agent acting on such non-U.S. holder's behalf, such non-U.S. holder will be required to provide appropriate documentation to such agent, which will then be required to provide certification to FAT Brands or the Distribution Agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock in connection with the conduct of a trade or business in the United States, and dividends paid on such shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock are effectively connected with such non-U.S. holder's U.S. trade or business (and if required by an applicable tax treaty, are attributable to such non-U.S. holder's permanent establishment in the United States), such non-U.S. holder generally will be exempt from U.S. federal withholding tax. To claim the exemption, such non-U.S. holder generally must furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent. However, any such effectively connected dividends paid on shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder was a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult with their tax advisors regarding any applicable income tax treaties that may provide for different rules.

**Withholding on Foreign Entities**

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under FATCA), unless (i) such foreign financial institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such foreign financial institution (which includes certain equity and debt holders of such foreign financial institution, as well as certain account holders that are foreign entities with U.S. owners), (ii) if required under an intergovernmental agreement (which we refer to as an "IGA") between the United States and another country, such foreign financial institution reports the information described in clause (i) above to its local tax authority, which will exchange such information with the U.S. authorities, or (iii) an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification identifying certain direct and indirect U.S. owners of such entity, or an exemption applies. Such withholding could apply to a non-U.S. person with respect to the Spin-Off distribution regardless of whether such non-U.S. person is the beneficial owner of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, or holds the FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, for the account of others. FATCA obligations may vary depending on whether the non-U.S. person is a resident of a country with which the United States has signed an IGA. A country that has entered into an IGA with the United States may have incorporated FATCA provisions into its own local law. Such provisions, which can differ from FATCA, are applicable for purposes of determining the proper method for residents of such country to comply with FATCA. FATCA applies to dividends paid on shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, and, subject to the proposed Treasury Regulations described below, also applies to gross proceeds from sales or other dispositions of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be.

The U.S. Treasury Department released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a disposition of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be. In its preamble to such proposed Treasury Regulations, the U.S. Treasury Department stated that taxpayers generally may rely on the proposed Treasury Regulations until final regulations are issued. In order to determine if FATCA withholding is required in respect of any holder of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, from time to time, we or FAT Brands may require further information and/or documentation from holders of shares of FAT Brands Class A Common Stock or FAT Brands Class B Common Stock, as the case may be, including, but not limited to, a valid IRS Form W-8 or any applicable successor form. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of amounts withheld under FATCA (which may entail significant administrative burden). FAT Brands Common Stockholders are encouraged to consult with their tax advisors regarding the possible implications of this legislation on the Spin-Off.

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 29, 2024:

- on an actual basis; and
- on a pro forma basis to give effect to the transactions described in "*Unaudited Pro Forma Condensed Combined Financial Information*", including the Reorganization and the Spin-Off.

The information below is not necessarily indicative of what our cash and cash equivalents and capitalization would have been had the pro forma adjustments described in the section entitled "*Unaudited Pro Forma Condensed Combined Financial Information*" been completed as of September 29, 2024. It is also not indicative of our future cash and cash equivalents and capitalization. You should read this table in conjunction with the information contained in "*Summary of our Company and our Business—Summary Historical Consolidated and Pro Forma Condensed Combined Financial Information and Other Data*", "*Unaudited Pro Forma Condensed Combined Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and "*Description of Capital Stock*", as well as our consolidated financial statements and the related notes thereto, included elsewhere in this Information Statement.

| | As of September 29, 2024 | |
|---|---|---|
| **(*in thousands, except share information*)** | **Actual** | **Pro Forma[(1)]** |
| Cash and cash equivalents | $ 7,942 | $ 7,942 |
| ***Liabilities*** | | |
| Current portion of long-term debt | 16,116 | 8,205 |
| Long-term debt, net of current portion | 381,482 | 408,100 |
| ***Stockholders' equity (deficit)*** | | |
| Class A Common Stock, par value $0.0001 per share; 5,000 shares authorized, and 5,000 shares issued and outstanding, actual; 100,000,000 shares authorized, and 47,298,271 shares issued and outstanding, pro forma | | 5 |
| Class B Common Stock, par value $0.0001 per share; nil shares authorized, nil shares issued and outstanding, actual; 2,870,000 shares authorized, and 2,870,000 shares issued and outstanding, pro forma | | — |
| Accumulated deficit | | (65,945) |
| Additional paid-in capital | | 14,312 |
| Member's equity (deficit) | $ (51,628) | N/A |
| Total stockholders' equity (deficit) | N/A | $ (51,628) |
| Total Capitalization | $ 345,970 | $ 364,677 |

(1) The number of shares of our Common Stock to be outstanding immediately after the Spin-Off does not include (i) an aggregate of 2,364,913 shares of our Class A Common Stock that will be issuable upon exercise of the Noteholders' Warrants, (ii) up to 4,742,346 shares of our Class A Common Stock underlying restricted stock units, subject to vesting, that we intend to grant to certain of our officers and employees under the Management Equity Plan, (iii) an aggregate of 40,000 shares of our Class A Common Stock underlying stock options, subject to vesting, that we intend to grant to our non-executive directors under our 2024 Incentive Compensation Plan upon the consummation of the Reorganization, and (iv) an aggregate of 960,000 shares of our Class A Common Stock remaining and reserved, as of immediately following the grants described in clause (iii) above, for awards that may be granted in the future under our 2024 Incentive Compensation Plan.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial statements consist of (i) an unaudited pro forma condensed combined balance sheet as of September 29, 2024, which gives effect to the Reorganization and the Spin-Off as if they occurred on September 29, 2024, (ii) unaudited pro forma condensed combined statements of operations for the thirty-nine weeks ended September 29, 2024, which give effect to the Reorganization and the Spin-Off as if they occurred on December 26, 2022 (the first day of our 2023 fiscal year), and (iii) unaudited pro forma condensed combined statements of operations for the year ended December 31, 2023, which give effect to (a) the Smokey Bones Acquisition, and (b) the Smokey Bones Acquisition, the Reorganization and the Spin-Off, as if they occurred on December 26, 2022 (the first day of our 2023 fiscal year). The unaudited pro forma condensed combined financial statements have been prepared in accordance with Article 11 of Regulation S-X.

The historical consolidated statement of operations information of Barbeque Integrated, Inc. used in the preparation of the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2023 has been derived from the audited financial statements of Barbeque Integrated, Inc. as of and for the year ended December 31, 2023 (which is the most recently completed fiscal year prior to the Smokey Bones Acquisition), included elsewhere in this Information Statement.

The following unaudited pro forma condensed combined financial statements have been prepared based on currently available information and certain assumptions and estimates, which are subject to material change and may not be indicative of what may be expected to occur in the future. However, we believe that such assumptions and estimates provide a reasonable basis for presenting the effects of the Smokey Bones Acquisition, the Reorganization, and the Spin-Off, as applicable, and that the pro forma adjustments reflected in the unaudited pro forma condensed combined financial statements are properly applied to give appropriate effect to those assumptions and estimates.

The unaudited pro forma condensed combined financial information is for illustrative and informational purposes only, and is not necessarily indicative of the financial position or financial results that would have been attained had the Smokey Bones Acquisition, the Reorganization, and the Spin-Off occurred on the dates indicated above, and does not project our financial position as of any future date or our results of operations for any future period. Our future results of operations may vary significantly from the results reflected in the unaudited pro forma condensed combined financial statements, and should not be relied on as an indication of our results after the Smokey Bones Acquisition, the Reorganization, and the Spin-Off, respectively. See "*Risk Factors—Risks Related to our Organizational Structure—The historical financial statements and information of the Twin Group as a consolidated group of subsidiaries of FAT Brands may not be representative of our results as an independent public company.*"

Our unaudited historical condensed consolidated financial information presented below has been derived from the unaudited historical condensed consolidated financial statements of the Twin Group as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, included elsewhere in this Information Statement. Our audited historical consolidated financial information presented below has been derived from the audited historical consolidated financial statements of the Twin Group as of and for the years ended December 31, 2023 and December 25, 2022, included elsewhere in this Information Statement. The Twin Group is the predecessor of Twin Hospitality Group Inc. for financial reporting purposes. Twin Hospitality Group Inc. was formed on February 6, 2024, and will not have any material assets or results of operations until the completion of the Reorganization. Therefore, the historical financial information of Twin Hospitality Group Inc. is not included in the unaudited pro forma condensed combined financial information.

The following unaudited pro forma condensed combined financial information should be read in conjunction with the sections of this Information Statement entitled "*About this Information Statement—Basis of Presentation*", "*Reorganization*", "*The Spin-Off*", "*Capitalization*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Certain Relationships and Related Party Transactions*", our audited consolidated financial statements as of and for the years ended December 31, 2023 and December 25, 2022 and the related notes thereto, our unaudited condensed consolidated financial statements as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 and the related notes thereto, and the audited financial statements of Barbeque Integrated, Inc. as of and for the years ended December 31, 2023 and January 1, 2023 and the related notes thereto, included elsewhere in this Information Statement.

**The Smokey Bones Acquisition, the Reorganization and the Spin-Off**

The unaudited pro forma condensed combined financial information reflects the impact of the Smokey Bones Acquisition, the Reorganization and the Spin-Off.

In connection with the Smokey Bones Acquisition:

- on September 25, 2023, FAT Brands acquired Barbeque Integrated, Inc. (which is the entity that owns Smokey Bones), and, on March 21, 2024, FAT Brands contributed to the Top Tier Twin Subsidiary, and the Top Tier Twin Subsidiary acquired, all of the outstanding capital stock of Barbeque Integrated, Inc.;

- Barbeque Integrated, Inc., along with Smokey Bones, became one of our wholly-owned subsidiaries; and

- pursuant to the business combinations under common control guidance in Accounting Standards Codification 805-50, *Business Combinations—Related Issues*, we retroactively assumed the contribution of Barbeque Integrated, Inc. and consolidated its assets, liabilities and operating results as of September 25, 2023.

As part of the Reorganization:

- our Company, Twin Hospitality Group Inc., was incorporated to serve as the holding company that owns the Twin Group;

- the Top Tier Twin Subsidiary called and redeemed all of the Prior Securitization Notes, using the net proceeds from the issuance of the new Twin Securitization Notes (see also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Prior Securitization Notes—Call and Redemption of the Prior Securitization Notes" and "Description of Certain Indebtedness—Twin Securitization Notes*");

- we and FAT Brands will enter into the Master Separation and Distribution Agreement, pursuant to which FAT Brands will exchange all 5,000 shares of Class A Common Stock that it currently holds (representing 100% of the issued and outstanding capital stock of our Company) for 47,298,271 shares of Class A Common Stock and 2,870,000 shares of Class B Common Stock, which will be issued by us to FAT Brands (see also "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Master Separation and Distribution Agreement*"); and

- we and FAT Brands will also enter into the Tax Matters Agreement, as described under "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Tax Matters Agreement* ".

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**
**AS OF SEPTEMBER 29, 2024**

(*dollars in thousands*)

| | Historical Results (Twin Group) | Reorganization and Spin-Off Transaction Accounting Adjustments (Note 2) | Pro Forma (Reorganization and Spin-Off) |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash | $ 7,942 | $ | $ 7,942 |
| Restricted cash | 19,897 | 10,348(a) | 30,245 |
| Accounts Receivable | 1,787 | — | 1,787 |
| Other current assets | 8,321 | — | 8,321 |
| **Total current assets** | **37,947** | 10,348 | 48,295 |
| Noncurrent restricted cash | 1,728 | 6,044(a) | 7,772 |
| Lease right-of-use asset | 159,646 | — | 159,646 |
| Goodwill | 117,185 | — | 117,185 |
| Other intangible assets, net | 167,482 | — | 167,482 |
| Property and equipment, net | 81,349 | — | 81,349 |
| Other non-current assets | 1,764 | — | 1,764 |
| **Total assets** | **$ 567,101** | **$ 16,392** | **$ 583,493** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | |
| Current liabilities: | | | |
| Accounts payable | $ 8,957 | $ — | $ 8,957 |
| Accrued expenses and other liabilities | 27,129 | (2,315)(a) | 24,814 |
| Deferred income, current portion | 3,002 | — | 3,002 |
| Lease liability, current portion | 21,435 | — | 21,435 |
| Long-term debt, current portion | 16,116 | (7,911)(a) | 8,205 |
| **Total current liabilities** | **76,639** | **(10,226)** | **66,413** |
| Deferred income, net of current portion | 4,792 | — | 4,792 |
| Lease liability, net of current portion | 143,495 | — | 143,495 |
| Long-term debt, net of current portion | 381,482 | 26,618(a) | 408,100 |
| Due to affiliates | 10,000 | — | 10,000 |
| Other non-current liabilities | 2,321 | — | 2,321 |
| **Total liabilities** | **618,729** | 16,392 | 635,121 |
| | | | |
| **Equity** | (51,628) | — | (51,628) |
| **Total liabilities and equity** | **$ 567,101** | **$ 16,392** | **$ 583,493** |

See the accompanying notes to these unaudited pro forma condensed combined financial statements.

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**
**FOR THE THIRTY-NINE WEEKS ENDED SEPTEMBER 29, 2024**

*(in thousands, except share and per share amounts)*

| | Historical Results (Twin Group) | Reorganization and Spin-Off Transaction Accounting Adjustments (Note 2) | Pro Forma (Reorganization and Spin-Off) |
|---|---|---|---|
| **Revenues** | | | |
| Restaurant sales | $ 242,594 | $ — | $ 242,594 |
| Franchise revenue | 24,726 | — | 24,726 |
| **Total revenues** | 267,320 | — | **267,320** |
| **Costs and expenses** | | | |
| Restaurant operating costs | | | |
| Food and beverage costs | 66,167 | — | 66,167 |
| Labor and benefits costs | 77,798 | — | 77,798 |
| Other operating costs | 50,073 | — | 50,073 |
| Occupancy costs | 19,872 | — | 19,872 |
| Advertising expense | 15,080 | — | 15,080 |
| Pre-opening expense | 935 | — | 935 |
| General and administrative expense | 21,160 | — | 21,160 |
| Depreciation and amortization | 17,500 | — | 17,500 |
| **Total costs and expenses** | **268,585** | **—** | **268,585** |
| **Income (Loss) from operations** | **(1,265)** | **—** | **(1,265)** |
| **Other income (expense)** | | | |
| Interest expense, net | (35,029) | 2,274(ee) | (32,755) |
| Other expense | 114 | — | 114 |
| **Total other income (expense)** | **(34,915)** | **2,274** | **(32,641)** |
| **Income (Loss) before income tax expense** | **(36,180)** | **2,274** | **(33,906)** |
| Income tax expense (benefit) | (10) | 591(dd) | 581 |
| **Net income** | **$ (36,170)** | **$ 1,683** | **$ (34,487)** |
| | | | |
| Basic and diluted loss per common share | | | $ (0.73) |
| Basic and diluted weighted average shares outstanding | | | 47,441,771(ff) |

See the accompanying notes to these unaudited pro forma condensed combined financial statements.

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2023**

*(in thousands, except share and per share amounts)*

| | Historical Results (Twin Group) | Barbeque Integrated, Inc. | Smokey Bones Acquisition Transaction Accounting Adjustments (Note 2) | Pro Forma (Smokey Bones Acquisition) | Reorganization and Spin-Off Transaction Accounting Adjustments (Note 2) | Pro Forma (Smokey Bones Acquisition, Reorganization and Spin-Off) |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Restaurant sales | $ 199,369 | $ 129,647(aa) | $ — | $ 329,016 | $ — | $ 329,016 |
| Franchise revenue | 31,498 | — | — | 31,498 | — | 31,498 |
| **Total revenues** | **230,867** | **129,647** | — | **360,514** | **—** | **360,514** |
| **Costs and expenses** | | | | | | |
| Restaurant operating costs | | | | | | |
| Food and beverage costs | 53,512 | 35,833(aa) | — | 89,345 | — | 89,345 |
| Labor and benefits costs | 64,024 | 39,897(aa) | — | 103,921 | — | 103,921 |
| Other operating costs | 37,722 | 29,704(aa) | — | 67,426 | — | 67,426 |
| Occupancy costs | 13,112 | 11,124(aa) | — | 24,236 | — | 24,236 |
| Advertising expense | 16,792 | 2,741(aa) | — | 19,533 | — | 19,533 |
| Pre-opening expense | 1,136 | — | — | 1,136 | — | 1,136 |
| General and administrative expense | 19,252 | 7,116(aa) | — | 26,368 | — | 26,368 |
| Depreciation and amortization | 12,377 | 4,412(aa) | 3,059(bb) | 19,848 | — | 19,848 |
| **Total costs and expenses** | **217,927** | **130,827** | **3,059** | **351,813** | **—** | **351,813** |
| **Income (Loss) from operations** | **12,940** | **(1,180)** | **(3,059)** | **8,701** | **—** | **8,701** |
| **Other income (expense)** | | | | | | |
| Interest expense, net | (29,714) | (1,444(aa) ) | (467(cc) ) | (31,625) | (13,108)(ee) | (44,733) |
| Other expense | 2,704 | (1,561(aa) ) | — | 1,143 | — | 1,143 |
| **Total other income (expense)** | **(27,010)** | **(3,005)** | **(467)** | **(30,482)** | **(13,108)** | **(43,590)** |
| **Income (Loss) before income tax expense** | **(14,070)** | **(4,185)** | **(3,526)** | **(21,781)** | **(13,108)** | **(34,889)** |
| Income tax expense (benefit) | (230) | (280(aa) ) | (917(dd) ) | (1,427) | (3,408) (dd) | (4,835) |
| **Net income** | **$ (13,840)** | **$ (3,905)** | **$ (2,609)** | **$ (20,354)** | **$ (9,700)** | **$ (30,054)** |
| Basic and diluted loss per common share | | | | | | $ (0.63) |
| Basic and diluted weighted average shares outstanding | | | | | | 47,441,771(ff) |

See the accompanying notes to these unaudited pro forma condensed combined financial statements.

## Notes to Unaudited Pro Forma Condensed Combined Financial Statements

### NOTE 1 — BASIS OF PRESENTATION

The unaudited pro forma condensed combined balance sheet as of September 29, 2024, the unaudited pro forma condensed combined statements of operations for the thirty-nine weeks ended September 29, 2024, and the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2023 (which we refer to collectively as the "Pro Forma Financial Statements") are based on historical financial statements of the entities, as adjusted to give effect to the Smokey Bones Acquisition, the Reorganization, and the Spin-Off. The pro forma condensed combined balance sheet as of September 29, 2024 gives effect to the Reorganization and the Spin-Off as if they had occurred on September 29, 2024. The pro forma condensed combined statements of operations for the thirty-nine weeks ended September 29, 2024 give effect to the Reorganization and the Spin-Off as if they had occurred on December 26, 2022 (the beginning of our 2023 fiscal year). The pro forma condensed combined statements of operations for the year ended December 31, 2023 give effect to the Smokey Bones Acquisition, the Reorganization, and the Spin-Off as if they had occurred on December 26, 2022 (the beginning of our 2023 fiscal year). The Pro Forma Financial Statements should be read in conjunction with the sections of this Information Statement entitled "*About this Information Statement—Basis of Presentation*", "*Reorganization*", "*The Spin-Off*", "*Capitalization*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Certain Relationships and Related Party Transactions*", our audited consolidated financial statements as of and for the years ended December 31, 2023 and December 25, 2022 and the related notes thereto, our unaudited condensed consolidated financial statements as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 and the related notes thereto, and the audited financial statements of Barbeque Integrated, Inc. as of and for the years ended December 31, 2023 and January 1, 2023 and the related notes thereto, included elsewhere in this Information Statement.

The Twin Group is the predecessor of Twin Hospitality Group Inc. The historical financial information of Twin Hospitality Group Inc. has not been presented in the Pro Forma Financial Statements, as Twin Hospitality Group Inc. is a newly incorporated entity, has had no operations or business activities to date, and had no assets or liabilities during the periods presented below.

On September 25, 2023, FAT Brands acquired Barbeque Integrated, Inc. (which is the entity that owns Smokey Bones), and, on March 21, 2024, FAT Brands contributed to us, and we acquired, the assets and liabilities of Barbeque Integrated, Inc. at FAT Brands' carryover basis. Pursuant to the business combinations under common control guidance in Accounting Standards Codification 805-50, *Business Combinations—Related Issues*, we retroactively assumed the contribution of Barbeque Integrated, Inc. and consolidated its assets, liabilities and operating results as of September 25, 2023.

### NOTE 2 — PRO FORMA ADJUSTMENTS

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the Pro Forma Financial Statements:

***Balance Sheet Pro Forma Adjustments***

(a) Represents adjustments related to the sale and issuance of the Twin Securitization Notes and the redemption of the Prior Securitization Notes as follows:

**New Securitization Notes**

***(dollars in thousands)***

| Class of Notes | Principal Balance | Coupon |
|---|---|---|
| A-2-I | $ 12,124 | 9.00% |
| A-2-II | $ 269,257 | 9.00% |
| B-2 | $ 57,619 | 10.00% |
| M-2 | $ 77,711 | 11.00% |
| | **$ 416,711** | |

Cash inflows and cash outflows resulting from the sale and issuance of the Twin Securitization Notes and the redemption of the Prior Securitization Notes are as follows:

***(dollars in thousands)***

| Inflows | | Outflows | |
|---|---|---|---|
| Sale and issuance of Twin Securitization Notes | $ 416,711 | Repayment of Prior Securitization Notes | $ 388,777 |
| | | Debt issuance costs | 5,989 |
| | | Accrued interest paid in connection with the refinancing | 2,315 |
| | | Original issue discount | 3,238 |
| | $ 416,711 | | $ 400,319 |

***Statement of Operations Pro Forma Adjustments***

(aa) Represents the operating activity of Barbeque Integrated, Inc. for fiscal 2023 prior to its acquisition by FAT Brands on September 25, 2023.

(bb) Represents the adjustment to reflect the additional depreciation and amortization related to stepping-up the property and equipment and amortizable intangible assets of Barbeque Integrated, Inc. due to their acquisition date fair value on September 25, 2023.

(cc) Represents a $1.9 million increase in interest expense resulting from the issuance of $31.8 million aggregate principal amount of fixed rate debt with an 8.0% interest rate in connection with the acquisition of Barbeque Integrated, Inc., partially offset by a $1.4 million decrease in interest expense resulting from the extinguishment of Barbeque Integrated, Inc.'s outstanding debt upon consummation of the acquisition of Barbeque Integrated, Inc. on September 25, 2023.

(dd) Represents the income tax effect based on a statutory income tax rate of 26%, comprised of the federal maximum income tax rate of 21.0% and an expected average state income tax rate of 5.0%.

(ee) Represents the net change in interest expense resulting from the sale and issuance of the Twin Securitization Notes and the redemption of the Prior Securitization Notes, which include (i) the sale and issuance of approximately $416.7 million aggregate principal amount of the Twin Securitization Notes with a weighted average fixed interest rate of 9.50% per annum, (ii) the repayment of the Prior Securitization Notes, and (c) amortization of debt issuance and original issue discount of approximately $2.4 million and $3.2 million for the thirty-nine weeks ended September 29, 2024 and the year ended December 31, 2023, respectively.

(ff) Diluted earnings per share is computed using the weighted-average number of shares of our Class A Common Stock and Class B Common Stock, and excluding the effect of potentially dilutive securities outstanding during the period. The number of shares excluded from the calculation of diluted earnings per share because the effect of their inclusion would have been anti-dilutive was 9,958,299 shares.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the audited consolidated financial statements of the Twin Group as of and for the years ended December 31, 2023 and December 25, 2022 and the related notes thereto, the unaudited condensed consolidated financial statements of the Twin Group as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 and the related notes thereto, and the audited financial statements of Barbeque Integrated, Inc. as of and for the years ended December 31, 2023 and January 1, 2023 and the related notes thereto, included elsewhere in this Information Statement. The Twin Group is the predecessor of Twin Hospitality Group Inc. for financial reporting purposes. The historical consolidated financial information and other data of Twin Hospitality Group Inc. is not being presented, as Twin Hospitality Group Inc. is a newly incorporated entity, has had no operations or business activities to date, and had no assets or liabilities during the periods presented below.*

*Some of the information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. You should review the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this discussion and analysis.*

### Overview

We are a franchisor and operator of two specialty casual dining restaurant concepts: Twin Peaks and Smokey Bones. As of September 29, 2024, our total restaurant footprint consists of 172 restaurants, of which 74 are domestic franchised Twin Peaks restaurants operated by our franchisee partners, seven are international franchised Twin Peaks restaurants operated by a franchisee partner in Mexico, 33 are domestic company-owned Twin Peaks restaurants, and 58 are domestic company-owned Smokey Bones restaurants. During the thirty-nine weeks ended September 29, 2024, we and our franchise partners opened five franchised Twin Peaks restaurants across our Twin Peaks restaurant system. During fiscal year 2023, we and our franchisee partners opened 12 franchised Twin Peaks restaurants, and we opened two company-owned Twin Peaks restaurants, across our Twin Peaks restaurant system.

Our growth plan is driven by a robust pipeline of new restaurant developments and strong Comparable Restaurant Sales growth. Our pipeline includes more than 100 signed franchised units as of September 29, 2024, providing significant visibility into our near-term growth trajectory. As we continue to expand, of the total number of anticipated new restaurant openings, we have a goal of having approximately 75% be franchised restaurants.

### Reorganization

The Twin Group was acquired by FAT Brands in October 2021, and prior to the Reorganization and the Spin-Off, the Twin Group was comprised of a number of companies that were wholly-owned subsidiaries of FAT Brands, with all of the outstanding equity interests in the Twin Group beneficially owned, directly or indirectly, by FAT Brands. Pursuant to the Reorganization, we and FAT Brands will complete a series of separation and reorganization transactions whereby the Twin Group will be transferred to our Company. Immediately following the consummation of the Reorganization and the Spin-Off:

- we will be a holding company directly owning all of the outstanding equity interests in the Top Tier Twin Subsidiary, and indirectly owning all of the outstanding equity interests in the other companies in the Twin Group, such that all of the companies in the Twin Group will be direct or indirect wholly-owned subsidiaries of our Company; and

- the financial results of the Twin Group will be consolidated with our Company (see "*Summary of our Company and our Business—Summary Historical Consolidated and Pro Forma Condensed Combined Financial Information and Other Data*").

For additional information regarding the Reorganization, including a description of our capitalization and our organizational structure immediately following the completion of the Reorganization and the Spin-Off, see "*Reorganization*".

**Fiscal Calendar**

We operate on a 52-week fiscal calendar and our fiscal year ends on the last Sunday of such calendar year. Therefore, any references to 2023 and 2022 are references to the fiscal years ended December 31, 2023 and December 25, 2022, respectively. Consistent with industry practice, we measure our restaurants' performance in seven calendar day increments. In utilizing a 52-week fiscal calendar, we are able to ensure consistent weekly reporting of our operations, and in utilizing a seven calendar day incremental review, we ensure that each review period has the same number of days, as certain days of the week tend to be more profitable than others. As a result of this 52-week fiscal calendar, a 53rd week must be added to our fiscal year every five or six years. In a 52-week year, all four quarters are comprised of 13 weeks. In a 53-week year, one extra week is added to the fourth quarter. Our fiscal year ended December 31, 2023 consisted of 53 weeks, and our fiscal year ended December 25, 2022 consisted of 52 weeks. The additional week in our fiscal year ended December 31, 2023 may cause our revenue, expenses and other results of operations to be higher due to an additional week of operations.

**Accounting Treatment of Smokey Bones Acquisition**

On September 25, 2023, FAT Brands acquired Barbeque Integrated, Inc. (which is the entity that owns Smokey Bones), and, on March 21, 2024, FAT Brands contributed to us, and we acquired, the assets and liabilities of Barbeque Integrated, Inc. at FAT Brands' carryover basis. Pursuant to the business combinations under common control guidance in Accounting Standards Codification 805-50, *Business Combinations—Related Issues*, we retroactively assumed the contribution of Barbeque Integrated, Inc. and consolidated its assets, liabilities and operating results as of September 25, 2023.

**Seasonality**

Historically, seasonal factors have caused our revenue to fluctuate from quarter to quarter. Our revenue per restaurant is typically lower in the first and third fiscal quarters due to the timing of significant broadcast sporting and special events and the holiday season.

**Key Factors Affecting our Performance**

We believe that the following are key factors relating to macroeconomic conditions and an inflationary environment that have affected, and that we expect to continue to affect, our results of operations:

***Commodity Pricing***. Commodity pricing inflation can significantly affect the profitability of our restaurant operations. Due to the recent inflationary environment, in fiscal year 2022, we experienced a mid-single digit percentage increase in the cost of our food ingredients, which adversely impacted our gross margins. To moderate the effects of these rising costs, we have instituted proactive initiatives to create efficiencies in our supply chain, such as optimizing our supply chain order quantities and food preparation processes to reduce food waste, and instituting pricing promotions to drive guests to higher margin products. Additionally, we modestly increased our menu prices by up to 5% depending on the menu item in fiscal years 2023 and 2022 in response to the inflationary environment.

While we have experienced inflation in the prices of certain food ingredients and other commodities, we continue to address the financial impact of such inflation through fixed price contracts for food ingredients and other commodities when favorable, introducing new menu items, offering promotions, implementing price and menu adjustments, and other cost management initiatives.

***Labor Costs***. Labor cost inflation can significantly affect the profitability of our restaurant operations. Many of our restaurant team members are paid hourly rates subject to federal, state or local minimum wage requirements. Numerous state and local governments have their own minimum wage and other regulatory requirements for employees that are generally greater than the federal minimum wage and are subject to annual increases based on changes in local consumer price indices. We experienced mid-single digit percentage increases in restaurant-level hourly wages in fiscal years 2023 and 2022, which combined with the increase in staffing levels, contributed to increased labor and other related expenses. Although we have experienced general labor cost inflation, we have mitigated the financial impact of such inflation by focusing on increasing the productivity of our restaurant team members, enacting other cost management initiatives, and modestly increasing our menu prices by up to 5% depending on the menu item in fiscal years 2023 and 2022.

***Supply Chain***. The uneven recovery of the nation's supply chain can at times result in delivery delays or shortages of certain of our food ingredients and other commodities. We work closely with our suppliers and distribution partners to secure inventory and ensure that there is no material impact on our restaurant operations due to supply chain disruptions. As a result of these initiatives, our management believes that we will be able to minimize the impact of supply chain challenges.

**Key Performance Indicators**

Certain key performance indicators and other non-GAAP financial metrics are used by our management to make decisions, establish our business plans and forecasts, identify trends affecting our business, and evaluate our overall performance, and are typically used by our competitors in the restaurant industry, but are not recognized under accounting principles generally accepted in the United States (which we refer to as "GAAP"). We define such key performance indicators and other non-GAAP financial metrics as follows:

***Adjusted EBITDA and Adjusted EBITDA Margin***. Adjusted EBITDA represents net income (loss) adjusted to exclude interest expense, income tax provision (benefit), and depreciation and amortization, and further adjusted to exclude equity-based compensation. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of total revenues. We use Adjusted EBITDA and Adjusted EBITDA Margin, as supplements to GAAP measures of performance, to evaluate the effectiveness of our business strategies, make budgeting decisions, and compare our performance against that of other peer companies that use similar metrics. See "*—Non-GAAP Financial Metrics—Adjusted EBITDA and Adjusted EBITDA Margin*" below for a further discussion of Adjusted EBITDA and Adjusted EBITDA Margin, including the limitations of such metrics as analytical tools, and for a reconciliation of net income (loss) and net income (loss) margin, the most directly comparable financial measures under GAAP, to Adjusted EBITDA and Adjusted EBITDA Margin, respectively.

***Average unit volume ("AUV")***. AUV of Twin Peaks or AUV of Smokey Bones, as the case may be, consists of the average annual sales of all restaurants of such brand that have been open for a trailing 52-week period or longer. This measure is calculated by dividing restaurant revenue during the applicable trailing 52-week period for all restaurants being measured by the number of restaurants being measured. AUV includes both company-owned restaurants and franchised restaurants of such brand. AUV allows our management to assess the financial performance of our company-owned restaurants and franchised restaurants of such brand. Our AUV growth is primarily driven by increases in Comparable Restaurant Sales.

***Comparable Restaurant Sales***. Comparable Restaurant Sales represent year-over-year sales comparisons for the comparable restaurant base, which we define as restaurants open for at least 18 full months. This measure highlights the performance of our existing restaurants, as the impact of new restaurant openings is excluded. As of September 29, 2024 and December 31, 2023, there were 98 restaurants and 89 restaurants, respectively, in our comparable restaurant base, which consisted only of our Twin Peaks restaurants, as our Smokey Bones restaurants will only be included in our comparable restaurant base for purposes of the calculation of Comparable Restaurant Sales calculation after we have owned the Smokey Bones restaurants for 18 full months.

Various factors impact Comparable Restaurant Sales, including overall economic trends, particularly those related to consumer spending, consumer recognition of our brands, our ability and our franchisees' ability to operate restaurants effectively and efficiently to meet changing consumer preferences and expectations, introduction of new and seasonal menu items and limited time offerings, marketing and promotional efforts, pricing, customer traffic, local competition, trade area dynamics, opening new restaurants in the vicinity of existing locations, and abnormal weather patterns.

***Number of System-Wide Restaurants***. Our management reviews the number of new restaurants (including both new company-owned restaurants and franchised restaurants), the number of restaurants closed and the number of acquisitions and divestitures of restaurants to assess net new restaurant growth, System-Wide Sales, royalty and franchise fee revenue, and company-owned restaurant sales. In particular, the number of new restaurants reflects the number of restaurants that have commenced operations during a particular period. Before we open new restaurants, we typically incur pre-opening development and construction costs. New restaurants may not be profitable, and their sales performance may not follow historical patterns.

The number and timing of restaurant openings has had, and is expected to continue to have, an impact on our results of operations. Costs and timing of new restaurant construction were adversely affected in 2022 and 2023 due to elevated inflation, uneven equipment delivery, unpredictability of the timing of obtaining permits, and supply chain interruptions.

***Restaurant-Level Contribution and Restaurant-Level Contribution Margin***. Restaurant-Level Contribution represents company-owned restaurant sales less restaurant operating costs, which consist of food and beverage costs, labor and benefits costs and other operating costs. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales. We use Restaurant-Level Contribution and Restaurant-Level Contribution Margin, as supplements to GAAP measures, to evaluate the profitability of sales at our company-owned restaurants, compare the performance of our company-owned restaurants across periods, and compare the financial performance of our company-owned restaurants against that of other peer companies that use similar metrics. These non-GAAP financial metrics are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Additionally, these non-GAAP financial metrics exclude general and administrative expenses, pre-opening expenses and depreciation and amortization on restaurant property and equipment, which are essential to support the operations and development of our company-owned restaurants. See "*—Non-GAAP Financial Metrics—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" below for a further discussion of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, and for a reconciliation of income from operations, the most directly comparable financial measure under GAAP, to Restaurant-Level Contribution.

***System-Wide Sales***. System-Wide Sales consist of the restaurant sales of our company-owned restaurants and franchised restaurants (as reported by our franchisees). While we do not record sales from our franchised restaurants as revenue, our royalty revenue is calculated based on a percentage of gross sales from our franchised restaurants, which generally is 5.0% of gross sales, net of discounts. Our measure of System-Wide Sales allows our management to better assess changes in our royalty revenue, our overall performance, the health of our brands, and the strength of our market position relative to our competitors. Our System-Wide Sales growth is primarily driven by new restaurant openings, as well as increases in Comparable Restaurant Sales.

The following table sets forth certain of our key performance indicators for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the fiscal years ended December 31, 2023 and December 25, 2022.

| *(dollars in thousands)* | Thirty-Nine Weeks Ended | | Year Ended | |
|---|---|---|---|---|
| | September 29, 2024 | September 24, 2023 | December 31, 2023 | December 25, 2022 |
| Twin Peaks AUV | $ 5,130 | $ 5,272 | $ 5,288 | $ 5,266 |
| Smokey Bones AUV | 2,766 | — | 2,825 | — |
| Comparable Restaurant Sales[(1)] | (3.9)% | 0.5% | (0.2)% | 10.9% |
| System-Wide Sales | $ 425,009 | $ 395,305 | $ 583,388 | $ 474,218 |
| Number of System-Wide Restaurants (as of the end of the period) | 172 | 105 | 170 | 98 |
| Adjusted EBITDA[(1) (2)] | $ 16,560 | $ 21,771 | $ 28,333 | $ 20,886 |
| Net income (loss) margin | (13.5)% | (3.7)% | (6.0)% | (7.7)% |
| Adjusted EBITDA Margin[(1) (2)] | 6.2% | 15.9% | 12.3% | 12.6% |
| Restaurant-Level Contribution[(3)] | $ 21,145 | $ 16,279 | $ 23,755 | $ 19,905 |
| Restaurant-Level Contribution Margin | 8.7% | 14.3% | 11.9% | 14.2% |

(1) Comparable Restaurant Sales include sales only from our Twin Peaks restaurants, as our Smokey Bones restaurants will only be included in our comparable restaurant base for purposes of the calculation of Comparable Restaurant Sales after we have owned the Smokey Bones restaurants for 18 full months.

(2) See "*—Non-GAAP Financial Metrics—Adjusted EBITDA and Adjusted EBITDA Margin*" below for a further discussion of Adjusted EBITDA and Adjusted EBITDA Margin, including our management's use of such metrics and the limitations of such metrics as analytical tools, and for a reconciliation of net income (loss) and net income (loss) margin, the most directly comparable financial measures under GAAP, to Adjusted EBITDA and Adjusted EBITDA Margin, respectively.

(3) See "*—Non-GAAP Financial Metrics—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" for a further discussion of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, and for a reconciliation of income from operations, the most directly comparable financial measure under GAAP, to Restaurant-Level Contribution.

**Key Components of our Results of Operations**

The following is a description of certain key components of our results of operations.

***Revenues***. Revenues consist of (i) restaurant sales from our company-owned restaurants (which represent aggregate food and beverage sales, net of discounts, at our company-owned restaurants), and (ii) franchise revenue, which consists of royalties (which are calculated typically as 5.0% of net sales from our franchisees), franchise fees, advertising fees, and management fees and other income from our franchise operations. Restaurant sales in any period are directly influenced by the number of operating weeks in such period, the number of open company-owned restaurants, customer traffic, and PPA.

***Costs and expenses***. Costs and expenses consist of (i) restaurant operating costs, which consist of food and beverage costs, labor and benefits costs, other operating costs, and occupancy costs, (ii) advertising expenses, (iii) pre-opening expenses, (iv) general and administrative expenses, and (v) depreciation and amortization expenses.

***Food and beverage costs***. The components of food and beverage costs at our company-owned restaurants are variable by nature, change with sales volume, are impacted by product mix and are subject to increases or decreases in commodity costs.

***Labor and benefits costs***. Labor and benefits costs consist of all restaurant-level management and hourly labor costs, which include salaries, wages, bonuses, payroll taxes, workers' compensation cost, and employee benefits. Labor and benefits costs are variable by nature and are influenced by minimum wage and payroll tax legislation, health care costs, the number and performance of our company-owned restaurants, and the level of competition for qualified staff.

***Occupancy costs***. Occupancy costs primarily consist of rent, property insurance, common area expenses, property taxes, and other site-related costs of our company-owned restaurants. Occupancy costs exclude expenses associated with unopened restaurants, which are recorded in pre-opening costs, and expenses related to our support center, which are recorded in general and administrative expense. Occupancy cost varies from location to location and is impacted by macroeconomic conditions, including inflation.

***Other operating costs***. Other operating costs include all other restaurant-level operating expenses, such as music and entertainment expenses, utilities, insurance, preventative and recurring repairs and maintenance, restaurant supplies (such as paper and linens), credit card fees, and third-party delivery services fees.

***General and administrative expenses***. General and administrative expenses primarily consist of costs associated with our corporate and administrative functions that support company-owned and franchised restaurant development and operations, as well as legal fees, professional fees and stock-based compensation. General and administrative expenses are impacted by changes in our employee headcount and costs related to strategic and growth initiatives. In preparation for and after the consummation of the Reorganization and the Spin-Off, we have incurred, and we expect to incur in the future, significant additional legal, audit and accounting, board of directors related, and other expenses associated with being a public company.

***Depreciation and amortization***. Depreciation and amortization expenses consist of the depreciation of fixed assets, including leasehold improvements, furniture, fixtures and equipment, and the amortization of definite-lived intangible assets, which are primarily comprised of rights under our franchise agreements.

***Pre-opening expenses***. Pre-opening expenses are expenses incurred in connection with the opening of new company-owned restaurants. Pre-opening expenses include pre-opening rent expense, which is recognized during the period between the date of possession of the restaurant facility and the restaurant opening date. In addition, pre-opening expenses include manager salaries, recruiting expenses, employee payroll, and training costs. Pre-opening expenses can fluctuate from period to period, based on the number and timing of new company-owned restaurant openings.

***Other expense, net***. Other expense, net consists primarily of interest expense related to the Prior Securitization Notes. See "*—Liquidity and Capital Resources—Prior Securitization Notes*" and "*—Twin Securitization Notes*".

**Results of Operations**

The following table summarizes the key components of our consolidated results of operations and the percentages of certain items in relation to total revenues or, if noted, company-owned restaurant sales, for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the fiscal years ended December 31, 2023 and December 25, 2022.

| ***(dollars in thousands)*** | **Thirty-Nine Weeks Ended** | | | | **Year Ended** | | | |
|---|---|---|---|---|---|---|---|---|
| | **September 29, 2024** | | **September 24, 2023** | | **December 31, 2023** | | **December 25, 2022** | |
| Revenue: | | | | | | | | |
| Company-owned restaurant sales | $ 242,594 | 90.8% | $ 114,036 | 83.5% | $ 199,369 | 86.4% | $ 140,639 | 84.8% |
| Franchise revenue | 24,726 | 9.2% | 22,596 | 16.5% | 31,498 | 13.6% | 25,217 | 15.2% |
| Total revenue | $ 267,320 | 100.0% | $ 136,632 | 100.0% | $ 230,867 | 100.0% | $ 165,856 | 100.0% |
| Costs and expenses: | | | | | | | | |
| Restaurant operating costs | | | | | | | | |
| Food and beverage costs[(1)] | $ 66,167 | 27.3% | $ 30,158 | 26.4% | $ 53,512 | 26.8% | $ 39,200 | 27.9% |
| Labor and benefits costs[(1)] | 77,798 | 32.1% | 35,963 | 31.5% | 64,024 | 32.1% | 43,941 | 31.2% |
| Other operating costs[(1)] | 50,073 | 20.6% | 20,703 | 18.2% | 37,722 | 18.9% | 25,110 | 17.9% |
| Occupancy costs[(1)] | 19,872 | 8.2% | 6,634 | 5.8% | 13,112 | 6.6% | 8,063 | 5.7% |
| Advertising expense | 15,080 | 5.6% | 11,204 | 8.2% | 16,792 | 7.3% | 12,690 | 7.7% |
| Pre-opening expense | 935 | 0.3% | 577 | 0.4% | 1,136 | 0.5% | 900 | 0.5% |
| General and administrative expense | 21,160 | 7.9% | 10,400 | 7.6% | 19,252 | 8.3% | 15,818 | 9.5% |
| Depreciation and amortization | 17,500 | 6.5% | 7,156 | 5.2% | 12,377 | 5.4% | 8,458 | 5.1% |
| Total costs and expenses | $ 268,585 | 100.5% | $ 122,795 | 89.9% | $ 217,927 | 94.4% | $ 154,180 | 93.0% |
| Income from operations | $ (1,265) | 0.5% | $ 13,837 | 10.1% | $ 12,940 | 5.6% | $ 11,676 | 7.0% |
| Other expense, net | $ (34,915) | (13.1)% | $ (18,909) | (13.8)% | $ (27,010) | (11.7)% | $ (24,447) | (14.7)% |
| Income tax benefit | (10) | (0.0)% | — | — | 230 | 0.1% | — | — |
| Net income (loss) | $ (36,170) | (13.5)% | $ (5,072) | (3.7)% | $ (13,840) | ( 6.0)% | $ (12,771) | (7.7)% |

(1) As a percentage of company-owned restaurant sales.

***Thirty-Nine Weeks Ended September 29, 2024 Compared to Thirty-Nine Weeks Ended September 24, 2023***

*Revenues*

Total revenue increased by $130.7 million, or 95.6%, to $267.3 million for the thirty-nine weeks ended September 29, 2024, as compared to $136.6 million for the thirty-nine weeks ended September 24, 2023. The increase was primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in revenue of approximately $123.1 million), increases in company-owned Twin Peaks restaurant sales and franchise revenue, both of which were driven by increases in Twin Peaks' AUVs and openings of new Twin Peaks restaurants.

Company-owned restaurant sales increased by $128.6 million, or 112.7%, to $242.6 million for the thirty-nine weeks ended September 29, 2024, as compared to $114.0 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in company-owned restaurant sales of approximately $123.1 million), and increases in AUVs and new restaurant openings.

Franchise revenue increased by $2.1 million, or 9.4%, to $24.7 million for the thirty-nine weeks ended September 29, 2024, as compared to $22.6 million for the thirty-nine weeks ended September 24, 2023, primarily due to increases in new restaurant openings.

*Costs and Expenses*

Food and beverage costs increased by $36.0 million, or 119.4%, to $66.2 million for the thirty-nine weeks ended September 29, 2024, as compared to $30.2 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in food and beverage costs of approximately $33.4 million), increases in AUVs, new restaurant openings, and increases in the prices of food ingredients. As a percentage of company-owned restaurant sales, food and beverage costs increased to 27.3% in the thirty-nine weeks ended September 29, 2024, as compared to 26.4% in the thirty-nine weeks ended September 24, 2023, primarily due to higher prices of food ingredients, partially offset by menu price increases.

Labor and benefits costs increased by $41.8 million, or 116.3%, to $77.8 million for the thirty-nine weeks ended September 29, 2024, as compared to $36.0 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in labor and benefit costs of approximately $40.3 million), new restaurants openings, and wage inflation. As a percentage of company-owned restaurant sales, labor and benefits costs increased to 32.1% in the thirty-nine weeks ended September 29, 2024, as compared to 31.5% in the thirty-nine weeks ended September 24, 2023, primarily due to wage inflation, partially offset by menu price increases.

Other operating costs increased by $29.4 million, or 141.9%, to $50.1 million for the thirty-nine weeks ended September 29, 2024, as compared to $20.7 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in other operating costs of approximately $29.0 million) and new restaurant openings. As a percentage of company-owned restaurant sales, other operating costs increased to 20.6% in the thirty-nine weeks ended September 29, 2024, as compared to 18.2% in the thirty-nine weeks ended September 24, 2023.

Occupancy costs increased by $13.2 million, or 199.5%, to $19.9 million for the thirty-nine weeks ended September 29, 2024, as compared to $6.6 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in occupancy costs of approximately $12.3 million) and new restaurant openings. As a percentage of company-owned restaurant sales, occupancy costs increased to 8.2% in the thirty-nine weeks ended September 29, 2024, as compared to 5.8% in the thirty-nine weeks ended September 24, 2023.

Advertising expenses increased by $3.9 million, or 34.6%, to $15.1 million for the thirty-nine weeks ended September 29, 2024, as compared to $11.2 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in advertising expenses of approximately $2.8 million) and an increase in advertising fees.

General and administrative expenses increased by $10.8 million, or 103.5%, to $21.2 million for the thirty-nine weeks ended September 29, 2024, as compared to $10.4 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in general and administrative expenses of approximately $7.5 million), and increases in wages paid to staff in our corporate and administrative functions, insurance costs and consulting fees.

Depreciation and amortization increased by $10.3 million, or 144.6%, to $17.5 million for the thirty-nine weeks ended September 29, 2024, as compared to $7.2 million for the thirty-nine weeks ended September 24, 2023, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in depreciation and amortization of approximately $8.1 million) and new restaurant openings.

*Other Expense, Net*

Other expense, net was $36.1 million for the thirty-nine weeks ended September 29, 2024, as compared to $18.9 million for the thirty-nine weeks ended September 24, 2023, and in each period, other expense, net consisted primarily of interest expense under the Prior Securitization Notes.

***Year Ended December 31, 2023 Compared to Year Ended December 25, 2022***

*Revenues*

Total revenue increased by $65.0 million, or 39.2%, to $230.9 million for the year ended December 31, 2023, as compared to $165.9 million for the year ended December 25, 2022. The increase was primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in revenue of approximately $42.7 million) (see "*—Accounting Treatment of the Smokey Bones Acquisition*" above), increases in company-owned Twin Peaks restaurant sales and franchise revenue, both of which were driven by increases in Twin Peaks' AUVs and openings of new Twin Peaks restaurants.

Company-owned restaurant sales increased by $58.7 million, or 41.8%, to $199.4 million for the year ended December 31, 2023, as compared to $140.6 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in company-owned restaurant sales of approximately $42.7 million) (see "*—Accounting Treatment of the Smokey Bones Acquisition*" above), increases in AUVs and new restaurant openings.

Franchise revenue increased by $6.3 million, or 4.9%, to $31.5 million for the year ended December 31, 2023, as compared to $25.2 million for the year ended December 25, 2022, primarily due to increases in AUVs and new restaurant openings.

*Costs and Expenses*

Food and beverage costs increased by $14.3 million, or 36.5%, to $53.5 million for the year ended December 31, 2023, as compared to $39.2 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in food and beverage costs of approximately $11.8 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above), increases in AUVs, new restaurant openings, and increases in the prices of food ingredients. As a percentage of company-owned restaurant sales, food and beverage costs decreased to 26.8% in 2023, as compared to 27.9% in 2022, primarily due to menu price increases and optimizing efficiencies.

Labor and benefits costs increased by $20.1 million, or 45.7%, to $64.0 million for the year ended December 31, 2023, as compared to $43.9 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in labor and benefit costs of approximately $14.2 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above), new restaurants openings, and wage inflation. As a percentage of company-owned restaurant sales, labor and benefits costs remained flat at 31.2% in 2023 and 2022, as wage inflation was offset by menu price increases.

Other operating costs increased by $12.6 million, or 50.2%, to $37.7 million for the year ended December 31, 2023, as compared to $25.1 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in other operating costs of approximately $9.5 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above) and new restaurant openings. As a percentage of company-owned restaurant sales, other operating costs was 18.9% in 2023 as compared to 17.9% in 2022.

Occupancy costs increased by $5.0 million, or 62.6%, to $13.1 million for the year ended December 31, 2023, as compared to $8.1 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in occupancy costs of approximately $4.1 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above) and new restaurant openings. As a percentage of company-owned restaurant sales, occupancy costs was 6.6% in 2023 as compared to 5.7% in 2022.

Advertising expenses increased by $4.1 million, or 32.3%, to $16.8 million for the year ended December 31, 2023, as compared to $12.7 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in advertising expenses of approximately $1.0 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above) and an increase in advertising fees.

Pre-opening expenses increased by $0.2 million, or 26.2%, to $1.1 million for the year ended December 31, 2023, as compared to $0.9 million for the year ended December 25, 2022, primarily due to an increase in new restaurant openings.

General and administrative expenses increased by $3.4 million, or 21.7%, to $19.3 million for the year ended December 31, 2023, as compared to $15.8 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in general and administrative expenses of approximately $2.4 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above), and increases in wages paid to staff in our corporate and administrative functions, insurance costs and consulting fees.

Depreciation and amortization increased by $3.9 million, or 46.3%, to $12.4 million for the year ended December 31, 2023, as compared to $8.5 million for the year ended December 25, 2022, primarily due to the Smokey Bones Acquisition in September 2023 (which accounted for an increase in depreciation and amortization of approximately $2.5 million) (see also "*—Accounting Treatment of the Smokey Bones Acquisition*" above) and new restaurant openings.

*Other Expense, Net*

Other expense, net was $27.0 million for the year ended December 31, 2023, as compared to $24.4 million for the year ended December 25, 2022, and in each year, other expense, net consisted primarily of interest expense under the Prior Securitization Notes.

**Non-GAAP Financial Metrics**

To supplement our consolidated financial statements, which are prepared in accordance with GAAP, we use the following non-GAAP financial metrics, which present our operating results on an adjusted basis: (i) Adjusted EBITDA, (ii) Adjusted EBITDA Margin, (iii) Restaurant-Level Contribution, and (iv) Restaurant-Level Contribution Margin. Our presentation of these non-GAAP financial metrics includes isolating the effects of some items that are either nonrecurring in nature or vary from period to period without any correlation to our ongoing core operating performance. These supplemental measures of performance are not required by or presented in accordance with GAAP. Our management believes that these non-GAAP financial metrics will provide investors with additional visibility into our operations, facilitate analysis and comparisons of our ongoing business operations as they exclude items that may not be indicative of our ongoing operating performance, help to identify operational trends, and allow for greater transparency with respect to key metrics used by our management in our financial and operational decision making. These non-GAAP financial metrics may not be comparable to similarly titled measures used by other companies and have important limitations as analytical tools. These non-GAAP financial metrics should not be considered in isolation or as substitutes for analysis of our results of operations as reported under GAAP, as such non-GAAP financial metrics may not provide a complete understanding of our performance. These non-GAAP financial metrics should be reviewed in conjunction with our consolidated financial statements prepared in accordance with GAAP.

***Adjusted EBITDA and Adjusted EBITDA Margin***

Adjusted EBITDA represents net income (loss) adjusted to exclude interest expense, income tax provision (benefit), and depreciation and amortization, and further adjusted to exclude equity-based compensation. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of total revenues.

Adjusted EBITDA and Adjusted EBITDA Margin are not recognized terms under GAAP and should not be considered as alternatives to net income (loss) or net income (loss) margin, the most directly comparable measures under GAAP, as measures of financial performance, or cash provided by operating activities as measures of liquidity, or any other performance measure derived in accordance with GAAP. These non-GAAP financial metrics are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Because not all companies use identical calculations, the presentation of these non-GAAP financial metrics may not be comparable to other similarly titled metrics of other companies and can differ significantly from company to company.

We present Adjusted EBITDA and Adjusted EBITDA Margin in this Information Statement as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We believe that these non-GAAP financial metrics will assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our operating performance. We also believe that Adjusted EBITDA and Adjusted EBITDA Margin are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on our long-term strategic decisions involving our capital structure, the tax jurisdictions in which we operate, and our capital investments. Our management uses Adjusted EBITDA and Adjusted EBITDA Margin, as supplements to GAAP measures of performance, to evaluate the effectiveness of our business strategies, make budgeting decisions, and compare our performance against that of other peer companies that use similar metrics. Our management supplements GAAP results with these non-GAAP financial metrics to provide a more complete understanding of the factors and trends affecting our business than GAAP results provide alone.

Adjusted EBITDA and Adjusted EBITDA Margin have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA and Adjusted EBITDA Margin do not adjust for all non-cash income or expense items that are reflected in our Consolidated Statements of Cash Flows;
- although depreciation is a non-cash charge, the assets being depreciated will often have to be replaced in the future, Adjusted EBITDA and Adjusted EBITDA Margin do not reflect any cash requirements for such replacements;
- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect the impact of stock-based compensation on our results of operations;
- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect our income tax expense (benefit) or the cash requirements to pay our income taxes; and
- other companies in our industry may calculate Adjusted EBITDA and Adjusted EBITDA Margin differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from such non-GAAP financial metrics. We further compensate for the limitations in our use of non-GAAP financial metrics by presenting comparable GAAP measures more prominently.

The following table provides a reconciliation of net income (loss) and net income (loss) margin, the most directly comparable GAAP measures, to Adjusted EBITDA and Adjusted EBITDA Margin, respectively, for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the fiscal years ended December 31, 2023 and December 25, 2022. In evaluating Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that, in the future, we may incur expenses similar to those adjusted for in the following reconciliation.

| | Thirty-Nine Weeks Ended | | Year Ended | |
|---|---|---|---|---|
| ***(dollars in thousands)*** | **September 29, 2024** | **September 24, 2023** | **December 31, 2023** | **December 25, 2022** |
| Net income (loss) | $ (36,170) | $ (5,072) | $ (13,840) | $ (12,771) |
| Interest expense | 35,029 | 19,435 | 29,714 | 24,508 |
| Income tax provision (benefit) | (10) | — | (230) | — |
| Depreciation and amortization | 17,500 | 7,156 | 12,377 | 8,458 |
| EBITDA | 16,349 | 21,519 | 28,021 | 20,195 |
| Equity based compensation | 211 | 252 | 312 | 691 |
| **Adjusted EBITDA** | **$ 16,560** | **$ 21,771** | **$ 28,333** | **$ 20,886** |
| Total revenues | $ 267,320 | $ 136,632 | $ 230,687 | $ 165,856 |
| Net income (loss) margin | (13.5)% | (3.7)% | (6.0)% | (7.7)% |
| **Adjusted EBITDA Margin** | **6.2%** | **15.9%** | **12.3%** | **12.6%** |

***Restaurant-Level Contribution and Restaurant-Level Contribution Margin***

Restaurant-Level Contribution represents company-owned restaurant sales less restaurant operating costs, which consist of food and beverage costs, labor and benefits costs and other operating costs. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales.

Restaurant-Level Contribution and Restaurant-Level Contribution Margin are not recognized terms under GAAP and should not be considered as alternatives to income from operations, the most directly comparable measure under GAAP, as measures of financial performance, or cash provided by operating activities as measures of liquidity, or any other performance measure derived in accordance with GAAP. These non-GAAP financial metrics are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Additionally, these non-GAAP financial metrics exclude general and administrative expenses, pre-opening expenses and depreciation and amortization on restaurant property and equipment, which are essential to support the operations and development of our company-owned restaurants. Because not all companies use identical calculations, the presentation of these non-GAAP financial metrics may not be comparable to other similarly titled metrics of other companies and can differ significantly from company to company.

We present Restaurant-Level Contribution and Restaurant-Level Contribution Margin in this Information Statement as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We believe that these non-GAAP financial metrics will be important tools for investors and analysts because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency, and performance. Our management uses these non-GAAP financial metrics, as supplements to GAAP measures, to evaluate the profitability of sales at our company-owned restaurants, compare the performance of our company-owned restaurants across periods, and compare the financial performance of our company-owned restaurants against that of other peer companies that use similar metrics.

The following table provides a reconciliation of income from operations, the most directly comparable GAAP measure, to Restaurant-Level Contribution for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the years ended December 31, 2023 and December 25, 2022. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales.

| | Thirty-Nine Weeks Ended | | Year Ended | |
|---|---|---|---|---|
| *(dollars in thousands)* | September 29, 2024 | September 24, 2023 | December 31, 2023 | December 25, 2022 |
| Income from operations | $ (1,265) | $ 13,837 | $ 12,940 | $ 11,676 |
| Less: | | | | |
| Royalties, franchise fees, management fees, and other income | (17,185) | (15,691) | (21,950) | (16,947) |
| Plus: | | | | |
| General and administrative expense | 21,160 | 10,400 | 19,252 | 15,818 |
| Depreciation and amortization | 17,500 | 7,156 | 12,377 | 8,458 |
| Pre-opening expense | 935 | 577 | 1,136 | 900 |
| **Restaurant-Level Contribution** | **$ 21,145** | **$ 16,279** | **$ 23,755** | **$ 19,905** |
| Company-owned restaurant sales | $ 242,594 | $ 114,036 | $ 199,369 | $ 140,639 |
| **Restaurant-Level Contribution Margin** | **8.7%** | **14.3%** | **11.9%** | **14.2%** |

***Cash-on-Cash Return***

Cash-on-cash return represents Restaurant-Level Contribution divided by our net initial investment to open a restaurant after deducting any tenant allowances and sale leaseback proceeds. We use cash-on-cash return, as a supplement to GAAP measures, to evaluate the return on cash invested to open a new restaurant and compare the financial performance of our company-owned restaurants against that of other peer companies that use a similar unit-level economic metric.

Cash-on-cash return is not a recognized term under GAAP and should not be considered as an alterative to GAAP measures, as a measure of financial performance, or cash provided by operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP. This non-GAAP financial metric is not intended to be a measure of free cash flow available for our management's discretionary use, as this metric does not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Additionally, this non-GAAP financial metric excludes general and administrative expenses, pre-opening expenses, and depreciation and amortization on restaurant property and equipment, which are essential to support the operations and development of our company-owned restaurants. Because not all companies use identical calculations, the presentation of this non-GAAP financial metric may not be comparable to other similarly titled metrics of other companies and can differ significantly from company to company.

We present cash-on-cash return in this Information Statement as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. We believe that this non-GAAP financial metric will be an important tool for investors and analysts because it is a widely-used metric within the restaurant industry to evaluate return on cash invested to open a new restaurant, efficiency, and performance.

The following table provides a calculation of our targeted cash-on-cash return.

| | Conversions from Previous Restaurants or Retail Stores | | New Builds | |
|---|---|---|---|---|
| *(dollars in thousands)* | $ | % of AUV | $ | % of AUV |
| AUV[(1)] | $ 6,500 | 100.0% | $ 6,500 | 100.0% |
| Restaurant-Level Contribution[(1)(2)] | 1,040 | 16.0 | 1,040 | 16.0 |
| Net initial investment[(3)] | 3,600 | 55.4 | 2,800 | 43.1 |
| **Cash-on-cash return[(1)]** | **$ 1,879** | **28.9%** | **$ 2,412** | **37.1%** |

(1) Reflects targets for the third full year of operations.

(2) See "*—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" above for a further discussion of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, and for a reconciliation of income from operations, the most directly comparable financial measure under GAAP, to Restaurant-Level Contribution.

(3) Reflects capital expenditures incurred to open a restaurant, net of tenant allowances and sale leaseback proceeds, and excluding pre-opening expenses.

With respect to our targeted cash-on-cash returns of approximately 28.9% of AUV for conversions from previous restaurants or retail stores, we have historically achieved a weighted average cash-on-cash return of approximately 25.1%, which is slightly below our target. And with respect to our targeted cash-on-cash returns of approximately 37.1% of AUV for new-build restaurants, we have historically achieved a weighted average cash-on-cash return of approximately 45.9%, which is above our target.

**Liquidity and Capital Resources**

Liquidity is a measurement of our ability to meet potential cash requirements, including ongoing commitments to repay our indebtedness and fund our business operations, acquisitions and expansion of our restaurant locations, and for other general business purposes. Our source of funds for liquidity during the thirty-nine weeks ended September 29, 2024 and the year ended December 31, 2023 consisted primarily of cash generated by our operations.

We intend to expand our franchise locations, which will require significant liquidity, primarily from our franchisees. If real estate locations of sufficient quality cannot be located and either leased or purchased, the timing of restaurant openings may be delayed. Additionally, if we or our franchisees cannot obtain capital sufficient to fund this expansion, the extent of or timing of restaurant openings may be reduced or delayed.

To fund our cash requirements in the ordinary course of business, we anticipate that we will continue to primarily rely on our operating cash flows, supplemented by our total cash and cash equivalents. As a result, we believe we have sufficient sources of funding to meet our business requirements and plans for the next 12 months.

***Summary of Cash Flows***

The following table summarizes the key components of our consolidated cash flows for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the fiscal years ended December 31, 2023 and December 25, 2022.

| ***(dollars in thousands)*** | **Thirty-Nine Weeks Ended** | | **Year Ended** | |
|---|---|---|---|---|
| | **September 29, 2024** | **September 24, 2023** | **December 31, 2023** | **December 25, 2022** |
| Net cash provided by (used in) operating activities | $ (7,629) | $ 9,024 | $ 6,045 | $ (6,157) |
| Net cash (used in) investing activities | (20,306) | (11,334) | (14,614) | (6,377) |
| Net cash provided by financing activities | 33,357 | 7,680 | 15,744 | 6,415 |
| Net increase (decrease) in cash and restricted cash | $ 5,422 | $ 5,370 | $ 7,175 | $ (6,119) |
| Cash and restricted cash at the beginning of the period | $ 24,145 | $ 16,970 | $ 16,970 | $ 23,089 |
| Cash and restricted cash at the end of the period | $ 29,567 | $ 22,340 | $ 24,145 | $ 16,970 |

*Operating Activities*

Net cash used in operating activities was $(7.6) million for the thirty-nine weeks ended September 29, 2024, as compared to net cash provided by operating activities of $9.0 million for the thirty-nine weeks ended September 24, 2023. The change in operating cash flow was primarily due to higher interest costs related to the Prior Securitization Notes and changes in working capital.

Net cash provided by operating activities was $6.0 million for the year ended December 31, 2023, as compared to net cash used in operating activities of $(6.2) million for the year ended December 25, 2022. The change in operating cash flow was primarily due to changes in working capital.

*Investing Activities*

Net cash used in investing activities was $(20.3) million for the thirty-nine weeks ended September 29, 2024, as compared to $(11.3) million for the thirty-nine weeks ended September 24, 2023. The increase in net cash used in investing activities was primarily due to funds used for the construction of three new Twin Peaks restaurants in the first three quarters of 2024.

Net cash used in investing activities was $(14.6) million for the year ended December 31, 2023, as compared to $(6.4) million for the year ended December 25, 2022. The increase in net cash used in investing activities was primarily due to capital expenditures related to the opening of two new company-owned restaurants in 2023, partially offset by proceeds from sale-leaseback transactions.

*Financing Activities*

Net cash provided by financing activities was $33.4 million for the thirty-nine weeks ended September 29, 2024, as compared to $7.7 million for the thirty-nine weeks ended September 24, 2023. Net cash provided by financing activities was primarily comprised of funding provided by FAT Brands, partially offset by the net repayment of equipment financings and construction loans related to restaurant openings.

Net cash provided by financing activities was $15.7 million for the year ended December 31, 2023, as compared to $6.4 million for the year ended December 25, 2022. Net cash provided by financing activities was primarily comprised of net proceeds from equipment financings and construction loans related to new restaurants and funding provided by FAT Brands.

***Operating Leases***

As of September 29, 2024, we had 92 operating leases for our corporate offices and for certain restaurant properties owned by our Company. We recognized lease expense of $16.0 million and $5.4 million for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, respectively. As of September 29, 2024, our operating leases have remaining terms ranging from approximately 0.1 years to 20.5 years, and the weighted average remaining lease term was 9.2 years. See also Note 7: *Leases* to our unaudited condensed consolidated financial statements as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, included elsewhere in this Information Statement.

As of December 31, 2023, we had 96 operating leases for our corporate offices and for certain restaurant properties owned by our Company. We recognized lease expense of $10.5 million and $6.5 million for the year ended December 31, 2023 and December 25, 2022, respectively. As of December 31, 2023, our operating leases have remaining terms ranging from approximately 0.6 years to 21.3 years, and the weighted average remaining lease term was 9.2 years. See also Note 8: *Leases* to our audited consolidated financial statements as of and for the years ended December 31, 2023 and December 25, 2022, included elsewhere in this Information Statement.

***Equipment Financings***

During 2022, one of our wholly-owned subsidiaries entered into certain equipment financing arrangements to borrow up to $1.0 million, the proceeds of which were used to purchase certain equipment for a company-owned restaurant that opened in 2022 and to retrofit certain existing company-owned restaurants with equipment (which we refer to as the "2022 Equipment Financings"). The 2022 Equipment Financings have maturity dates between May 5, 2027 and March 7, 2028, and bear interest at fixed rates between 7.99% and 8.49% per annum.

During 2023, one of our wholly-owned subsidiaries entered into an equipment financing arrangement to borrow up to $1.4 million, the proceeds of which will be used to purchase certain equipment for a new company-owned restaurant (which we refer to as the "2023 Equipment Financing"). The 2023 Equipment Financing has a maturity date of July 1, 2028, and bears interest at 11.5% per annum.

During 2024, one of our wholly-owned subsidiaries entered into certain equipment financing arrangements to borrow up to $4.2 million, the proceeds of which will be used to purchase certain equipment for three new company-owned Twin Peaks restaurants (which we refer to as the "2024 Equipment Financings"). The 2024 Equipment Financings have maturity dates that are 48 months from the date of each draw, and bear interest at 11.5% per annum.

The 2022 Equipment Financings, the 2023 Equipment Financing, and the 2024 Equipment Financings are secured by certain equipment of such respective company-owned restaurants. As of September 29, 2024, the total principal amount outstanding under the 2022 Equipment Financings, the 2023 Equipment Financing, and the 2024 Equipment Financings on a collective basis was $5.5 million, and as of December 31, 2023, the total principal amount outstanding under the 2022 Equipment Financings and the 2023 Equipment Financing on a collective basis was $1.9 million.

***Construction Loans***

In July 2022, one of our wholly-owned subsidiaries entered into a construction loan agreement to borrow up to $4.5 million, the proceeds of which were used to construct a new company-owned restaurant in Northlake, Texas (which we refer to as the "Northlake Construction Loan"). The Northlake Construction Loan had an initial maturity date of March 12, 2023, with an optional six-month extension, bore interest at a fixed rate of 8.0% per annum, and was secured by the land and building of the company-owned restaurant in Northlake, Texas. In December 2022, we entered into a sale leaseback transaction for $4.8 million in net proceeds, a portion of which was used to pay off the Northlake Construction Loan in full.

In December 2022, one of our wholly-owned subsidiaries entered into a construction loan agreement to borrow up to $4.5 million, the proceeds of which were used to construct a new company-owned restaurant in Plano, Texas (which we refer to as the "Plano Construction Loan"). The Plano Construction Loan had an initial maturity date of August 5, 2023, with an optional six-month extension, bore interest at a rate equal to the greater of (i) the 30-day Secured Overnight Financing Rate (which we refer to as "SOFR") plus 360 basis points, and (ii) 8.0% per annum, and was secured by the land and building of the company-owned restaurant in Plano, Texas. In August 2023, we exercised the optional six-month extension. In December 2023, we entered into a sale leaseback transaction for $4.8 million in net proceeds, a portion of which was used to pay off the Plano Construction Loan in full.

In March 2023, one of our wholly-owned subsidiaries entered into a construction loan agreement to borrow up to $4.5 million, the proceeds of which were used to construct a new company-owned restaurant in Sarasota, Florida (which we refer to as the "Sarasota Construction Loan"). The Sarasota Construction Loan had an initial maturity date of January 9, 2024, with an optional three-month extension, bore interest at a rate equal to the greater of (i) the 3-month SOFR plus 575 basis points, and (ii) 4.0% per annum. In September 2023, we entered into a sale leaseback transaction for $4.8 million in net proceeds, a portion of which was used to pay off the Sarasota Construction Loan in full.

In December 2023, one of our wholly-owned subsidiaries entered into a construction loan agreement to borrow up to $4.75 million, the proceeds of which will be used to construct a new company-owned restaurant in McKinney, Texas (which we refer to as the "McKinney Construction Loan"). The McKinney Construction Loan has an initial maturity date of December 28, 2024, with an optional one-year extension, bears interest at a rate equal to the prime lending rate plus 1% per annum, and is secured by the land and building of such company-owned restaurant.

In September 2024, one of our wholly-owned subsidiaries entered into a loan agreement to borrow up to $3.2 million (which we refer to as the "Terrell Loan"), the proceeds of which will be used for general corporate and working capital purposes, including construction and build-out related activities for certain of our company-owned restaurants. The Terrell Loan has an initial maturity date of October 1, 2025, bears interest at a rate of 12.5% per annum, and is secured by the land and building of our company-owned restaurant located in Terrell, Texas.

As of September 29, 2024, the total principal amount outstanding under the McKinney Construction Loan and the Terrell Loan on a collective basis was $6.8 million, and as of December 31, 2023, the principal amount outstanding under the McKinney Construction Loan was $3.6 million.

***Prior Securitization Notes***

In connection with FAT Brands' acquisition of the Twin Group in October 2021, the Top Tier Twin Subsidiary sold and issued, through a private offering pursuant to Rule 144A under the Securities Act, the following three tranches of fixed rate secured notes: (i) $150.0 million aggregate principal amount of Series 2021-1 7.00% Fixed Rate Senior Secured Notes, Class A-2 (which we refer to as the "Prior Class A-2 Notes"), (ii) $50.0 million aggregate principal amount of Series 2021-1 9.00% Fixed Rate Senior Subordinated Secured Notes, Class B-2 (which we refer to as the "Prior Class B-2 Notes"), and (iii) $50.0 million aggregate principal amount of Series 2021-1 10.00% Fixed Rate Subordinated Secured Notes, Class M-2 (which we refer to as the "Prior Class M-2 Notes", and collectively with the Prior Class A-2 Notes and the Prior Class B-2 Notes, the "Prior Securitization Notes"). Net proceeds from the October 2021 sale and issuance of the Prior Securitization Notes were approximately $236.9 million, which consisted of the aggregate principal amount of $250.0 million, net of aggregate original issue discounts of approximately $7.5 million and debt offering expenses of approximately $5.6 million, and such net proceeds were used to finance the cash portion of the purchase price in connection with FAT Brands' acquisition of the Twin Group.

In September 2023, the Top Tier Twin Subsidiary issued an additional $48.0 million aggregate principal amount of Prior Class A-2 Notes, and $50.0 million aggregate principal amount of Prior Class M-2 Notes, to FAT Brands, pending sale to third party investors. FAT Brands subsequently sold the $48.0 million aggregate principal amount of Prior Class A-2 Notes and $12.3 million aggregate principal amount of the Prior Class M-2 Notes, resulting in net proceeds of approximately $56.0 million, which consisted of the aggregate principal amount of $60.3 million, net of aggregate original issue discount and debt offering expenses of approximately $4.3 million, and such net proceeds were used by FAT Brands to fund its operations and for general corporate purposes.

In March 2024, the Top Tier Twin Subsidiary issued an additional $50.0 million aggregate principal amount of Prior Class A-2 Notes to FAT Brands, pending sale to third party investors. FAT Brands subsequently sold the $50.0 million aggregate principal amount of Prior Class A-2 Notes, resulting in net proceeds of approximately $47.1 million, which consisted of the aggregate principal amount of $50.0 million, net of aggregate original issue discount and debt offering expenses of approximately $2.9 million, and such net proceeds were used by FAT Brands to fund its operations and for general corporate purposes.

The Prior Securitization Notes were issued pursuant to a base indenture and a series supplement to the base indenture (which we refer to collectively as the "Prior Indenture"), by and between the Top Tier Twin Subsidiary, as issuer of the Prior Securitization Notes, and UMB Bank, National Association, as trustee and securities intermediary. The Prior Securitization Notes were scheduled to mature on July 25, 2051. The Prior Securitization Notes were generally secured by a security interest in substantially all the assets of the Twin Group.

As of September 29, 2024, the carrying value of the Prior Securitization Notes was $390.8 million, net of aggregate unamortized original issue discounts and debt offering expenses of $4.7 million. For the thirty-nine weeks ended September 29, 2024 and September 24, 2023, we recognized interest expense on the Prior Securitization Notes of $34.9 million and $20.3 million, respectively, which included $9.2 million and $3.6 million for amortization of original issue discounts and debt offering expenses, respectively. The effective interest rate of the Prior Securitization Notes, including the amortization of original issue discounts and debt offering expenses, was 12.3% and 10.5% for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, respectively.

As of December 31, 2023 and December 25, 2022, the carrying value of the Prior Securitization Notes was $338.8 million, net of aggregate unamortized original issue discounts and debt offering expenses of $9.2 million, and $241.8 million, net of aggregate unamortized original issue discounts and debt offering expenses of $8.2 million, respectively. For the year ended December 31, 2023 and December 25, 2022, we recognized interest expense on the Prior Securitization Notes of $29.3 million and $24.2 million, respectively, which included $4.9 million and $2.9 million for amortization of original issue discounts and debt offering expenses, respectively. The effective interest rate of the Prior Securitization Notes, including the amortization of original issue discounts and debt offering expenses, was 10.8% and 9.7% for the years ended December 31, 2023 and December 25, 2022, respectively.

*Call and Redemption of the Prior Securitization Notes*

Under the terms of the Prior Indenture, the Top Tier Twin Subsidiary had the option to redeem the Prior Securitization Notes by paying an amount equal to the aggregate principal amount of the Prior Securitization Notes, accrued and unpaid interest thereon, and any fees, expenses and indemnities owed by the Top Tier Twin Subsidiary thereunder. In connection with the Reorganization, on November 21, 2024, the Top Tier Twin Subsidiary called and redeemed all of the Prior Securitization Notes using the net proceeds from the issuance of the Twin Securitization Notes, and following such call and redemption, all of the Prior Securitization Notes were terminated in their entirety. See also "*—Twin Securitization Notes*" below.

***Twin Securitization Notes***

In connection with the Reorganization, on November 21, 2024, the Top Tier Twin Subsidiary sold and issued, through a private offering pursuant to Rule 144A and Regulation S under the Securities Act, the following four tranches of fixed rate secured notes (which we refer to collectively as the "Twin Securitization Notes"), which have an aggregate principal balance of $416,711,000 and a weighted average interest rate of 9.50% per annum:

| Class | Seniority | Principal Balance | Coupon | Anticipated Repayment Date | Final Legal Maturity Date |
|---|---|---|---|---|---|
| A-2-I | Super Senior | $ 12,124,000 | 9.00% | 10/25/2027 | 10/26/2054 |
| A-2-II | Senior | $ 269,257,000 | 9.00% | 10/25/2027 | 10/26/2054 |
| B-2 | Senior Subordinated | $ 57,619,000 | 10.00% | 10/25/2027 | 10/26/2054 |
| M-2 | Subordinated | $ 77,711,000 | 11.00% | 10/25/2027 | 10/26/2054 |

Net proceeds from the sale and issuance of the Twin Securitization Notes were approximately $407.5 million, which consisted of the aggregate principal amount of $416.7 million, net of aggregate original issue discounts of approximately $3.2 million and debt offering expenses of approximately $6.0 million, and such net proceeds were primarily used to redeem all of the Prior Securitization Notes, with the remainder to be used for working capital and general corporate purposes.

See "*Description of Certain Indebtedness—Twin Securitization Notes.*"

**Capital Expenditures**

Other than described under "*—Liquidity and Capital Resources—Equipment Financing*" and "*—Construction Loan Agreements*" above, we do not have any material contractual obligations for ongoing capital expenditures at this time.

**Contractual Obligations, Commitments and Contingencies**

Our material contractual obligations arising in the normal course of business primarily consist of operating lease obligations, long-term debt, equipment financing obligations, construction loans, and certain other purchase obligations. The timing and nature of these commitments are expected to have an impact on our liquidity and capital requirements in future periods.

As of September 29, 2024, we had operating lease payment obligations of $162.9 million, with $5.1 million to be paid during the last fiscal quarter of 2024 and the remainder thereafter. As of December 31, 2023, we had operating lease payment obligations of $171.1 million, with $23.1 million to be paid within 12 months and the remainder thereafter. See Note 7: *Leases* to our unaudited condensed consolidated financial statements as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and Note 8: *Leases* to our audited consolidated financial statements as of and for the years ended December 31, 2023 and December 25, 2022, included elsewhere in this Information Statement, for additional information relating to our operating leases.

As of September 29, 2024, we had (i) total securitized debt of $386.1 million, with $2.0 million to be paid during the last fiscal quarter of 2024 and the remainder thereafter, (ii) equipment financing payment obligations of $4.7 million, with $0.3 million to be paid during the last fiscal quarter of 2024 and the remainder thereafter, (iii) construction loan payment obligations of $6.8 million, with $3.6 million to be paid during the last fiscal quarter of 2024 and the remainder thereafter, and (iv) payment obligations under a promissory note for $0.1 million, which will be paid off in full by the end of 2024. As of December 31, 2023, we had (i) total securitized debt of $348.0 million, with $7.0 million to be paid within 12 months, and the remainder thereafter, (ii) equipment financing payment obligations of $1.9 million, with $0.5 million to be paid within 12 months, and the remainder thereafter, (iii) construction loan payment obligations of $2.2 million, which will be paid off in full within 12 months, and (iv) payment obligations under a promissory note for $1.0 million, which will be paid off in full within 12 months. See Note 8: *Debt* to our unaudited condensed consolidated financial statements as of September 29, 2024 and for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and Note 9: *Debt* to our audited consolidated financial statements as of and for the years ended December 31, 2023 and December 25, 2022, included elsewhere in this Information Statement, for additional information relating to our securitized debt, equipment financing, construction loans, and promissory note.

Purchase obligations include agreements related to the purchase of food, beverages, paper goods and other supplies, equipment purchases, marketing-related contracts, software license commitments, and IT and other service contracts in the normal course of business. These obligations are generally pursuant to short-term purchase orders at prevailing market prices and are recorded as liabilities when the related goods are received or services rendered. These commitments are cancellable, and there are no material financial penalties associated with these commitments in the event of early termination.

**Off-Balance Sheet Arrangements**

During the thirty-nine weeks ended September 29, 2024 and September 24, 2023, and the years ended December 31, 2023 and December 25, 2022, we did not have, and we do not currently have, any off-balance sheet arrangements.

**Critical Accounting Estimates**

***Goodwill and other intangible assets***. Goodwill and other intangible assets with indefinite lives, such as trademarks, are not amortized but are reviewed for impairment by our management annually, or more frequently if indicators arise, as was done in 2023 and 2022. We did not record impairment charges during fiscal year 2023 or 2022.

***Use of estimates***. The preparation of our financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the respective dates of the financial statements, as well as the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

**Recently Issued Accounting Standards**

In November 2023, the Financial Accounting Standards Board (which we refer to as the "FASB") issued Accounting Standards Update 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure* (which we refer to as "ASU 280"), to require public entities to disclose significant segment expenses and other segment items on an annual and interim basis and to provide for interim periods all disclosures regarding a reportable segment's profits (or losses) and assets that are currently required to be disclosed annually. Public entities with a single reportable segment are required to provide the new disclosures and all other disclosures required under ASC 280. ASU 280 became effective for fiscal years beginning after December 15, 2023 on a retrospective basis, and will become effective for interim periods within fiscal years beginning after December 15, 2024. Early adoption of ASU 280 is permitted. We are currently evaluating the impact of ASU 280 on our consolidated financial statements and expect that the adoption of ASU 280 will result in additional segment disclosures in our consolidated financial statements for the fiscal year ending December 29, 2024 and subsequent annual and interim periods.

**Quantitative and Qualitative Disclosures about Market Risk**

We consider market risk to be the potential loss arising from adverse changes in market rates and prices. In the ordinary course of our business as currently conducted, which primarily consists of our restaurant operations and franchising activities, we are exposed to market risk of the type that may arise from changes in commodity and food prices, inflation, and labor costs. We currently do not enter into derivatives or other financial instruments for trading or speculative purposes.

***Commodity and Food Price Risks***

We purchase certain products that are affected by commodity prices and, therefore, are subject to price volatility caused by market conditions, shortages or supply chain interruptions, weather, governmental regulations, inflation, and other factors that are not within our control. In many cases, we believe that we will be able to address material commodity cost increases through purchasing contracts, pricing arrangements, increases to our menu prices, or other operational adjustments that increase productivity. However, there can be no assurance that these measures will be able to fully offset any increases in commodity prices, which could increase our restaurant operating costs as a percentage of our company-owned restaurant sales and impact our results of operations.

***Effects of Inflation***

Inflation impacts all our restaurant operating costs. For example, we experienced a mid-single digit percentage increase in the cost of our food ingredients in fiscal year 2022, and mid-single digit percentage increases in our labor costs in fiscal years 2023 and 2022, which have adversely impacted our gross margins. While we have been able to partially offset inflation and other changes in our restaurant operating costs by gradually increasing menu prices, coupled with more efficient purchasing practices, greater economies of scale and productivity improvements, there can be no assurance that we will be able to continue to do so in the future. From time to time, competitive conditions could limit our menu pricing flexibility. Additionally, macroeconomic conditions could make additional increases to our menu prices imprudent. There also can be no assurance that increased menu prices will be fully absorbed without any resulting change in the visitation frequency or purchasing patterns of our guests. Furthermore, there can be no assurance that we will generate a sufficient amount of sales revenue growth to offset inflationary or other cost pressures.

Certain of the leases for our restaurants provide for contingent rent obligations based on a percentage of sales. As a result, any menu price increases at such restaurants would only offset a proportionate increase in occupancy and related expenses.

***Labor Costs***

Wages paid at our restaurants are impacted by, among other factors, changes in federal and state hourly minimum wage rates. Accordingly, changes in the federal and state hourly minimum wage rates directly affect our labor costs. Wages and benefits are also affected by supply and demand forces in specific regions. Competition for qualified employees in these regions could require us to pay higher wages and provide greater benefits. Additionally, the COVID-19 pandemic and recent macroeconomic conditions have resulted in aggressive competition for talent, wage inflation, and pressure to improve benefits and workplace conditions in order to remain competitive.

While we generally seek to offset any wage increases with periodic increases to our menu prices and implementation of various operational efficiencies, there can be no assurance that such measures will be able to fully offset any wage increases, and we may seek to increase our menu prices.

**Implications of Being an Emerging Growth Company**

We qualify as an "emerging growth company", as defined in the JOBS Act. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the completion of the Spin-Off, (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the fiscal year on which we are deemed to be a "large accelerated filer" under the Exchange Act, which means the market value of the shares of our Common Stock that are held by non-affiliates exceeds $700.0 million as of the end of the second quarter of that fiscal year), or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

An emerging growth company may take advantage of reduced reporting and other requirements that are otherwise applicable generally to reporting companies that make filings with the SEC. For so long as we remain an emerging growth company, we will not be required to, among other things:

- present more than two years of audited financial statements and two years of related selected financial information and management's discussion and analysis of financial condition and results of operations disclosure in our Registration Statement on Form 10, of which this Information Statement is a part;

- have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; and

- comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis).

We have elected to adopt the reduced disclosure requirements available to emerging growth companies. As a result of these elections, the information that we provide in this Information Statement, including this section, may be different from the information you may receive from other public companies in which you hold securities. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock and the market price of our Class A Common Stock may be more volatile. See also "*Risk Factors—Risks Related to our Class A Common Stock—We are an "emerging growth company" and a "smaller reporting company", and comply with reduced reporting requirements applicable to emerging growth companies and smaller reporting companies, which may make our Class A Common Stock less attractive to investors*."

Additionally, the JOBS Act also permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to "opt-in" to this extended transition period for complying with new or revised accounting standards, and intend to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. Therefore, we will not be subject to the same new or revised accounting standards at the same time as other public companies that comply with such new or revised accounting standards on a non-delayed basis. As a result, our consolidated financial statements may not be comparable to companies that comply with public company effective dates.

## BUSINESS

### Our Company

We are a franchisor and operator of two specialty casual dining restaurant concepts: Twin Peaks and Smokey Bones. As of September 29, 2024, our total restaurant footprint consists of 172 restaurants, of which 74 are domestic franchised Twin Peaks restaurants operated by our franchisee partners, seven are international franchised Twin Peaks restaurants operated by a franchisee partner in Mexico, 33 are domestic company-owned Twin Peaks restaurants, and 58 are domestic company-owned Smokey Bones restaurants. During the thirty-nine weeks ended September 29, 2024, we and our franchise partners opened five franchised Twin Peaks restaurants across our Twin Peaks restaurant system. During fiscal year 2023, we and our franchisee partners opened 12 franchised Twin Peaks restaurants, and we opened two company-owned Twin Peaks restaurants, across our Twin Peaks restaurant system.

Our growth plan is driven by a robust pipeline of new restaurant developments and strong Comparable Restaurant Sales growth. Our pipeline includes more than 100 signed franchised units as of September 29, 2024, providing significant visibility into our near-term growth trajectory. As we continue to expand, of the total number of anticipated new restaurant openings, we have a goal of having approximately 75% be franchised restaurants.

***Our Track Record of Robust Financial Performance and Growth***

Our team of passionate and experienced professionals has capitalized on our growth strategy to deliver robust and consistent sales growth, new restaurant openings, and strong unit economics for our restaurants. We believe that our compelling financial results and growth trajectory illustrate the appeal of our brands to customers and proof of concept while demonstrating the long-term potential of our brands:

- From fiscal year 2019 to fiscal year 2023, our System-Wide Sales have increased from $342.7 million to $583.4 million, representing a compound annual growth rate (which we refer to as "CAGR") of 14.2%.

- Our Comparable Restaurant Sales have demonstrated strong momentum. In fiscal years 2021, 2022 and 2023, we generated Comparable Restaurant Sales growth of 45.5%, 10.9% and (0.2)%, respectively. Relative to fiscal year 2019, we generated Comparable Restaurant Sales growth of 10.8%, 25.5% and 24.7% during fiscal years 2021, 2022 and 2023, respectively.

- From fiscal year 2019 to fiscal year 2023, our revenue has increased from $129.0 million to $230.9 million, representing a CAGR of 15.7%.

- In fiscal years 2019, 2020, 2021, 2022 and 2023, we generated net income (losses) of $(3.4) million, $(10.6) million, $16.3 million, $(12.8) million and $(13.8) million, respectively. Net income or net loss for fiscal years prior to 2022 is not directly comparable to fiscal years 2022 and 2023 due to FAT Brands' acquisition of the Twin Group in 2021. Net loss margin for fiscal years 2019 and 2023 was (2.6)% and (6.0)%, respectively.

- From fiscal year 2019 to fiscal year 2023, our Adjusted EBITDA has increased from $9.0 million to $28.3 million, representing a CAGR of 33.2%. These Adjusted EBITDA figures represent Adjusted EBITDA Margins of 7.0% and 12.3% in fiscal years 2019 and 2023, respectively, equating to an absolute margin increase of 5.3%.

**Twin Peaks: The Ultimate Sports Lodge**

Twin Peaks is an award-winning restaurant and sports bar brand. We believe that Twin Peaks' combination of made-from-scratch food, 29-degree draft beer, innovative cocktail program, and sports on wall-to-wall televisions at rugged lodge atmosphere themed restaurants is highly differentiated from other competitive concepts, allowing us to deliver an engaging and unique experience to our customers. Founded in 2005 in Dallas, Texas, Twin Peaks has grown from a single restaurant to a system of 114 restaurants across 27 states and Mexico as of September 29, 2024. Driven by our goal of revolutionizing the sports bar experience, and with an estimated total market opportunity in the United States of approximately 650 restaurants (based on a whitespace analysis performed by eSite Analytics in 2023), plus substantial international development opportunities, we believe that we are well-positioned to accelerate the growth of Twin Peaks.

At its core, Twin Peaks is an experiential dining brand. We strive to provide a best-in-class dining and sports bar experience for each guest who walks into our Twin Peaks restaurants, which we deliver through our innovative menu, engaging waitstaff, and immersive sports viewing experience. Twin Peaks' made-from-scratch food features a wide array of selections, ranging from craveable game day favorites (such as seared-to-order burgers and hand-breaded chicken wings) to more innovative and premium options (such as New York strip steak, in-house smoked ribs, and street tacos), which may be less common for a typical restaurant and sports bar. Twin Peaks pairs its curated food menu with its customer-favorite 29-degree draft beer and craft cocktails. All of our Twin Peaks restaurants possess the look and feel of a natural and rugged mountain lodge, featuring authentic wood tones, comfortable seating, quality furnishings, and spacious tables for optimal sports viewing and group gatherings. Our Twin Peaks restaurants typically feature between 60 and 100 television set-ups, providing an immersive and customized viewing experience featuring sports programming and pay-per-view events. Guests at our Twin Peaks restaurants are welcomed by an engaging team, highlighted by an all-female waitstaff, who are a valuable aspect of the Twin Peaks business model and key components of the memorable experiences that our Twin Peaks restaurants provide to guests. Additionally, Twin Peaks' waitstaff are empowered to serve as brand ambassadors, helping to extend the visibility of the Twin Peaks brand to a wider audience of customers.

The Twin Peaks restaurant experience we provide to our guests is the foundation of the Twin Peaks brand, and we believe that this is the primary catalyst of Twin Peaks' strong performance. Twin Peaks' broad menu and thoughtfully crafted dining experience drive consistent customer traffic across all dayparts, including lunch, happy hour, dinner and late-night. We structure Twin Peaks' menu utilizing a "barbell" pricing model, offering a broad combination of lower-priced, entry-level menu items along with a range of more premium, higher-priced food and beverages. This pricing strategy offers a differentiated price-to-value proposition for a multitude of guest preferences. Additionally, the breadth of Twin Peaks' beverage offerings supports high-margin revenue across our Twin Peaks restaurant base. We believe that the guests at our Twin Peaks restaurants are highly engaged and enjoy the Twin Peaks restaurant experience, which is best evidenced by Twin Peaks' industry-leading guest satisfaction and intent-to-return scores, as measured by Black Box. We believe that the Twin Peaks concept possesses broad appeal and resonates with the Generation X, Millennial and Generation Z demographic groups, as well as with all genders.

In order to expand our Twin Peaks restaurant footprint, we are capitalizing on a flexible real estate strategy that has proven successful in converting various existing restaurants and retail stores into Twin Peaks restaurants. As of September 29, 2024, of our 114 Twin Peaks restaurants, approximately 80% were conversions from previous restaurants or retail stores. Relative to new-build restaurants, conversions enable broader and more flexible access to real estate, more timely openings, lower build-out costs, and accelerated payback periods.

Our growth plan for Twin Peaks is driven by a robust pipeline of new restaurant developments and strong Comparable Restaurant Sales growth. Our pipeline for new Twin Peaks restaurants includes more than 100 signed franchised units as of September 29, 2024, providing significant visibility into Twin Peaks' near-term growth trajectory. Based on our franchise development pipeline, which continues to grow, for fiscal years 2024 to 2028, we believe that we and our franchisee partners will open between 10 to 12 new franchised Twin Peaks restaurants per year. As we continue to expand our Twin Peaks restaurant system, of the total number of anticipated new restaurant openings, we have a goal of having approximately 75% be franchised restaurants.

As of September 29, 2024, our total domestic Twin Peaks restaurant footprint includes 107 Twin Peaks restaurants across 27 states, of which 74 are franchised restaurants operated by our franchisee partners and 33 are company-owned restaurants. Additionally, we have partnered with a franchisee who operates seven Twin Peaks restaurants in Mexico. During the thirty-nine weeks ended September 29, 2024, we and our franchise partners opened five franchised Twin Peaks restaurants across our Twin Peaks restaurant system, which represented a 11% increase in restaurant count relative to the same period in 2023. During fiscal year 2023, we and our franchisee partners opened 12 franchised Twin Peaks restaurants, and we opened two company-owned Twin Peaks restaurants, across our Twin Peaks restaurant system, which represented a 15% increase in restaurant count relative to 2022. The growth in the number of Twin Peaks restaurants is supported by Twin Peaks' strong and consistent Average Unit Volumes (which we refer to as "AUVs"), which have shown considerable growth and stability as we have expanded the Twin Peaks brand into new locations and markets. We believe that our ability to generate high AUVs across our Twin Peaks restaurant system in a variety of diverse markets demonstrates the immense portability and potential of the Twin Peaks brand. Furthermore, Twin Peaks' consistent AUVs serve as proof points within its existing markets, allowing us to confidently infill these markets with additional Twin Peaks restaurants.

***Twin Peaks' Track Record of Robust Financial Performance and Growth***

We believe that we have capitalized on our growth strategy for Twin Peaks to deliver robust and consistent sales growth, new restaurant openings, and strong unit economics for our Twin Peaks restaurants. From fiscal year 2019 to fiscal year 2023, the number of Twin Peaks restaurants has grown from 84 restaurants to 109 restaurants, representing a CAGR of 6.7%. Additionally, Twin Peaks' AUVs have exhibited significant growth across our Twin Peaks restaurant system. From fiscal year 2019 to fiscal year 2023, Twin Peaks' AUVs have grown from $4.1 million to $5.4 million, representing a CAGR of 7.1%. We believe that the growth of Twin Peaks' AUVs as our Twin Peaks restaurant system has expanded into new markets demonstrates the portability of the Twin Peaks brand and concept as well as our ability to successfully execute our growth strategy for Twin Peaks within new locations and markets.

We believe that Twin Peaks' highly compelling unit economics are a key driver of the expansion of our Twin Peaks restaurant system, allowing us to catalyze growth in our business while simultaneously attracting both new and existing franchisee partners to commit to new restaurant development. When modeling new Twin Peaks restaurant openings, we target the following average unit economics in the third full year of operations:

- AUV of approximately $6.5 million;
- Restaurant-Level Contribution Margin of approximately 16% for our company-owned Twin Peaks restaurants; and
- Cash-on-cash returns of approximately 28.9% for conversions from previous restaurants or retail stores and approximately 37.1% for new-build restaurants. These cash-on-cash return targets are calculated based on a target average investment cost of approximately $3.6 million for conversions from previous restaurants or retail stores and approximately $2.8 million for new-build restaurants (in each case, net of tenant allowances and sale leaseback proceeds and excluding pre-opening expenses).

The following table summarizes our target economics for new Twin Peaks restaurant openings:

**Target Average Unit Economics**

| ***(dollars in thousands)*** | **Conversions** | **New Builds** |
|---|---|---|
| AUV[(1)] | $ 6,500 | $ 6,500 |
| Restaurant-Level Contribution Margin[(1)(2)] | 16.0% | 16.0% |
| Net initial investment[(3)] | $ 3,600 | $ 2,800 |
| Cash-on-cash return[(1)(4)] | 28.9% | 37.1% |

(1) Reflects targets for the third full year of operations.

(2) See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Restaurant-Level Contribution and Restaurant-Level Contribution Margin*" for a further discussion of Restaurant-Level Contribution and Restaurant-Level Contribution Margin, and for a reconciliation of income from operations, the most directly comparable financial measure under GAAP, to Restaurant-Level Contribution.

(3) Reflects capital expenditures incurred to open a restaurant, net of tenant allowances and sale leaseback proceeds, and excluding pre-opening expenses.

(4) See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics—Cash-on-Cash Return*" for a further discussion of cash-on-cash return.

Openings of new franchised Twin Peaks restaurants are particularly profitable for our business model. A franchised Twin Peaks restaurant generating an illustrative AUV of $6.0 million contributes approximately $300,000 in royalty income to us each year (based on a royalty rate of 5.0% of gross sales), which contributes directly to our profitability profile and carries minimal associated variable costs. Additionally, such franchised Twin Peaks restaurant would contribute approximately $150,000 (based on a required contribution of 2.5% of gross sales) to the Twin Peaks National Marketing Fund, which would allow us to increase brand awareness in both new and existing markets.

In 2024, we are targeting to open three to four new company-owned Twin Peaks restaurants, with two closures. During the thirty-nine weeks ended September 29, 2024, our franchisees opened five franchised Twin Peaks restaurants, and we currently estimate that a franchisee will open one additional new franchised Twin Peaks restaurant during the last fiscal quarter of 2024. In total, we are targeting the expansion of our Twin Peaks restaurant footprint by eight new Twin Peaks restaurants in 2024.

***Conversions of Smokey Bones Restaurants into Twin Peaks Restaurants***

In September 2023, FAT Brands acquired Barbeque Integrated, Inc., which is the entity that owns Smokey Bones Bar & Fire Grill (which we refer to as "Smokey Bones"). Subsequent to FAT Brands' acquisition of Smokey Bones, on March 21, 2024, FAT Brands contributed to the Top Tier Twin Subsidiary, and the Top Tier Twin Subsidiary acquired (which we refer to as the "Smokey Bones Acquisition"), all of the outstanding capital stock of Barbeque Integrated, Inc., which included Smokey Bones. We plan to convert approximately half of the acquired 60 Smokey Bones restaurants into new Twin Peaks restaurants (which we refer to as the "Twin Peaks Conversions"). Of the to be converted Smokey Bones restaurants that are within existing franchisee development areas, we plan to work with our existing franchisees to develop those restaurants. Of the to be converted Smokey Bones restaurants that are within new markets, we may partner with a franchisee to develop those restaurants or convert those restaurants into company-owned Twin Peaks restaurants.

We estimate that the required initial investment cost for a conversion of a Smokey Bones restaurant into a Twin Peaks restaurant, excluding pre-opening expenses, to be between approximately $2.0 million to $5.0 million per restaurant, consistent with our initial investment targets for conversions of existing sites. We believe that the opportunity to convert Smokey Bones restaurants enables us and our franchisees to open new Twin Peaks restaurants in attractive locations and markets at a lower cost than a new build and on a shorter timeline, while also providing heightened visibility into our near-term growth objectives for our Twin Peaks restaurant system.

Of the remaining Smokey Bones restaurants that are not converted into Twin Peaks restaurants, we intend to operate them as company-owned Smokey Bones restaurants, or sell them to franchisees who will own and operate them as franchised Smokey Bones restaurants.

***Twin Peaks' Market Opportunity***

Twin Peaks competes in the broader casual dining segment of the U.S. full-service dining industry. According to Technomic, Inc. (which we refer to as "Technomic"), a leading data provider for the restaurant industry, the full-service dining industry is highly fragmented, with various concepts competing for wallet share across a number of menu categories, including sports bars, steak, Italian/pizza, family style, and others. According to Technomic, the full-service dining industry in the United States generated sales of approximately $264 billion and $275 billion in 2022 and 2023, respectively. In fiscal year 2023, our domestic System-Wide Sales growth outpaced that of the broader full-service dining industry, as our domestic System-Wide Sales grew by 11%, relative to 5% for the full-service dining industry as a whole, according to Technomic.

Within the full-service dining industry, Twin Peaks operates within the casual dining segment and the sports bar sub-segment. According to Technomic's 2023 Top 500 Chain Restaurant Report, which ranks U.S. restaurant chains by 2022 domestic system-wide sales, Twin Peaks was ranked 102 on the list of all U.S. restaurant concepts and fifth out of 29 restaurant concepts within the sports bar sub-segment. We believe that the Twin Peaks concept has a significant opportunity to disrupt the sports bar and broader casual dining segments, and we are well-positioned to capitalize on this opportunity. We believe that Twin Peaks' focus on made-from-scratch food, craft beverages, and providing an engaging sports-lodge experience helps differentiate the Twin Peaks concept from competitors while creating an environment difficult for customers to replicate at home. As customers continue to seek engaging and high-quality dining experiences, we are targeting growth rates for Twin Peaks in excess of the broader industry.

We believe that Twin Peaks' success can be best demonstrated by its performance relative to the broader casual dining segment, as tracked by Black Box. Black Box tracks consumer intent-to-return, which we believe is Twin Peaks' strongest measure of success. In fiscal year 2023, Twin Peaks' consumer intent-to-return score, as defined by Black Box, was measured at 95%, as compared to 74% for the broader casual dining segment. We believe that Twin Peaks' strong traffic trends and favorable customer perception are critical drivers of its sales growth and demonstrate the strength and potential of the Twin Peaks concept. As Twin Peaks continues to grow, we believe that Twin Peaks has an opportunity to gain market share by focusing on providing guests with a superior dining and sports viewing experience, thereby driving increased brand awareness, continued growth in Comparable Restaurant Sales, and continued expansion of our Twin Peaks restaurant footprint. Furthermore, we believe that the Twin Peaks concept is uniquely resistant to economic headwinds given the breath of its menu items and range of price points, combined with its focus on providing an immersive sports viewing experience.

***Twin Peaks Aims to Provide Guests with an Unmatched Dining Experience***

Since its inception, Twin Peaks has been driven by its mission of providing guests with an authentic, energetic and comfortable environment, food that makes guests feel good, and beverages to celebrate every win. We consider Twin Peaks' focus on experiential dining to be an integral component of its DNA, a core differentiator of the Twin Peaks concept, and the primary driver of Twin Peaks' unique brand identity and value proposition for consumers. We believe that Twin Peaks' combination of made-from-scratch food, 29-degree draft beers, craft cocktails, engaging waitstaff, and expansive television packages creates a dining and sports-viewing experience that is difficult to replicate at home or elsewhere, which drives strong customer traffic at our Twin Peaks restaurants. Our focus on providing an outstanding experience for each guest is consistent across our Twin Peaks restaurant system. Our Twin Peaks restaurants are thoughtfully crafted to look and feel like a natural and rugged escape, incorporating various iconic features of mountain lodges. In addition to its kitchen, bar and television packages, many of our Twin Peaks lodges include other amenities, such as outdoor patios, fire pits and cigar rooms, offering guests opportunities to socialize while watching their favorite sporting events. While all Twin Peaks restaurants generally exhibit the same look and feel, each Twin Peaks restaurant does so with a distinctive and unique touch, making no two restaurants exactly alike. Additionally, we and our franchisees are able to tailor the look and feel of a Twin Peaks restaurant in order to best appeal to specific localities. As we continue to expand our Twin Peaks restaurant footprint, both domestically and internationally, we aim to continue to provide Twin Peaks' signature dining experience to guests across both new and existing markets. The primary pillars of the Twin Peaks in-restaurant experience are further described below.

*Award-Winning Craft Kitchen and Menu Offerings*

Our Twin Peaks restaurants feature a selection of craveable, bold and exciting menu items, providing guests with a broad range of gastropub-style all-American comfort food suitable for a variety of taste preferences. Twin Peaks' food menu is comprised of approximately 70 core items, which are made-from-scratch and feature fresh and premium ingredients. Twin Peaks offers a variety of shareable menu items to cater specifically to guests gathered in groups, while still providing a number of curated entrée selections. Core menu items include a range of elevated but familiar game day favorites, such as burgers, chicken wings (available in over 30 different cooking styles, sauce varieties, and rubs) and flatbreads, as well as a variety of innovative and creative dishes, such as street tacos, spicy meatball parmesan submarine sandwiches, and New York strip steaks. We have designed the Twin Peaks menu to focus on efficiently limiting the number of ingredients in a given restaurant's pantry, which streamlines the labor hours required to prepare the food offerings while simultaneously allowing team members to excel in the preparation of a targeted number of items. Twin Peaks' menu is driven by its in-house culinary team, which allows Twin Peaks to capitalize on relevant trends and to provide guests with new and innovative dishes. All of our Twin Peaks restaurants feature a well-equipped kitchen, including an in-house smoker, which is utilized across several menu offerings, such as chicken wings and street tacos. We are constantly seeking to innovate across Twin Peaks' menu, leveraging the trusted Twin Peaks brand to encourage guests to try exciting new items, such as a lobster roll BLT. We believe that the quality and breadth of Twin Peaks' menu is a core differentiator of the Twin Peaks brand and a defining element of the Twin Peaks restaurant experience.

*Broad and Differentiated Beverage Offerings*

Twin Peaks' curated food menu is paired with a broad selection of beverage offerings, including a range of ice-cold draft beer, craft cocktails, and spirits. In particular, Twin Peaks' signature, teeth-chattering 29-degree draft beer served in frosted mugs is a customer favorite. Twin Peaks features a rotating selection of ice-cold beers on tap, as well as a range of local and seasonal favorites, which can vary by restaurant. We have spent years perfecting the process behind serving Twin Peaks' 29-degree draft beer, from the washing to the freeze-drying of our mugs. Our Twin Peaks restaurants feature up to 32 beer taps, depending on the size of the venue, with an average of 24 to 32 taps per restaurant across our Twin Peaks restaurant system. Twin Peaks offers a selection of proprietary, in-house beers to all 34 Twin Peaks restaurants across Texas. All of the Twin Peaks signature beers sold in our Twin Peaks restaurants in Texas, such as the Twin Peaks Dirty Blonde, are brewed at Twin Peaks Brewing Co., our brew-pub in Irving, Texas. Additionally, we work with national commercial brewers to produce private label beer outside of Texas in order to offer proprietary beers at all of our Twin Peaks restaurants throughout our Twin Peaks restaurant system. Our brewing operations allow Twin Peaks to generate higher margins on sales of its proprietary beers, while simultaneously offering meaningful value to guests by selling this beer at compelling price points. Twin Peaks currently offers four staple draft beers, as well as a variety of limited edition and seasonal brews.

While Twin Peaks is widely known for its 29-degree draft beer, the Twin Peaks concept extends far beyond its beer offerings. We take great pride in Twin Peaks' extensive selection of premium craft cocktails and distinctive spirits. Twin Peaks offers a curated menu of liquors and spirits, ranging from familiar and accessible options to top-shelf brands. Twin Peaks also leverages its extensive list of spirits to provide guests with classic and creative specialty cocktails, including martinis, mules, margaritas and specialty shots. Twin Peaks' combination of beer and spirits provides guests with an elevated selection of bar options that can pair with any meal and satisfy a diverse range of guest preferences.

*Energetic and Engaging Waitstaff*

Guests at all of our Twin Peaks restaurants are greeted and served by an all-female waitstaff and front of house team, which is a central component of the Twin Peaks restaurant experience. Twin Peaks' team members are focused on delivering an outstanding experience that makes all guests feel like regulars. We have intentionally tailored the job responsibilities of the Twin Peaks waitstaff to allow them to focus a maximum amount of time and energy on providing friendly service and welcoming hospitality. Additionally, the Twin Peaks waitstaff often commands engaged audiences across social media platforms and is encouraged to serve as ambassadors for the Twin Peaks brand. We believe that the Twin Peaks waitstaff provides publicity and a mutually beneficial halo effect for the Twin Peaks brand, allowing Twin Peaks to reach a wider range of customers and drive local traffic.

*The Ultimate Sports Viewing Experience*

Twin Peaks strives to provide its guests with a sports viewing experience that is unrivaled at home or elsewhere. Our Twin Peaks restaurants allow guests to experience every game, match, fight and race in a welcoming and energetic setting. Twin Peaks' sports viewing experience is driven by its expansive television packages. Our Twin Peaks restaurants offer wall-to-wall televisions featuring comprehensive and customizable sports programming packages and pay-per-view events. Twin Peaks' sports programming is flexible and can be easily modified, which we believe allows it to appeal to the broadest number of sports fans by showcasing a multitude of events simultaneously. On days with multiple games, such as NFL Sundays or college football Saturdays, each Twin Peaks restaurant strategically maps out televisions by section so that it can best accommodate guests and pair them with their favorite teams. Our Twin Peaks restaurants are intentionally designed to capitalize on available space and to ensure that there is "not a bad seat in the house". As of September 29, 2024, with respect to our domestic Twin Peaks restaurants currently open, the average restaurant size is approximately 7,800 square feet and typically features between 60 and 100 television setups.

In addition to traditional sports programming, Twin Peaks curates special events and promotions around high-profile sporting events and occasions. For example, we showcase major boxing and mixed martial arts pay-per-view events in our Twin Peaks restaurants, which we believe provides guests with a compelling value proposition, allowing them to watch in our Twin Peaks restaurants rather than incur the cost of pay-per-view packages at home. We believe that the experience Twin Peaks provides to guests for special events has helped establish Twin Peaks as a chosen destination for sports viewing. Twin Peaks' slate of special events is intentionally coordinated with the sports calendar, and our Twin Peaks team organizes effective marketing campaigns around the NFL, college football, fantasy football, MLB, NBA, March Madness, and other major sporting events throughout the year.

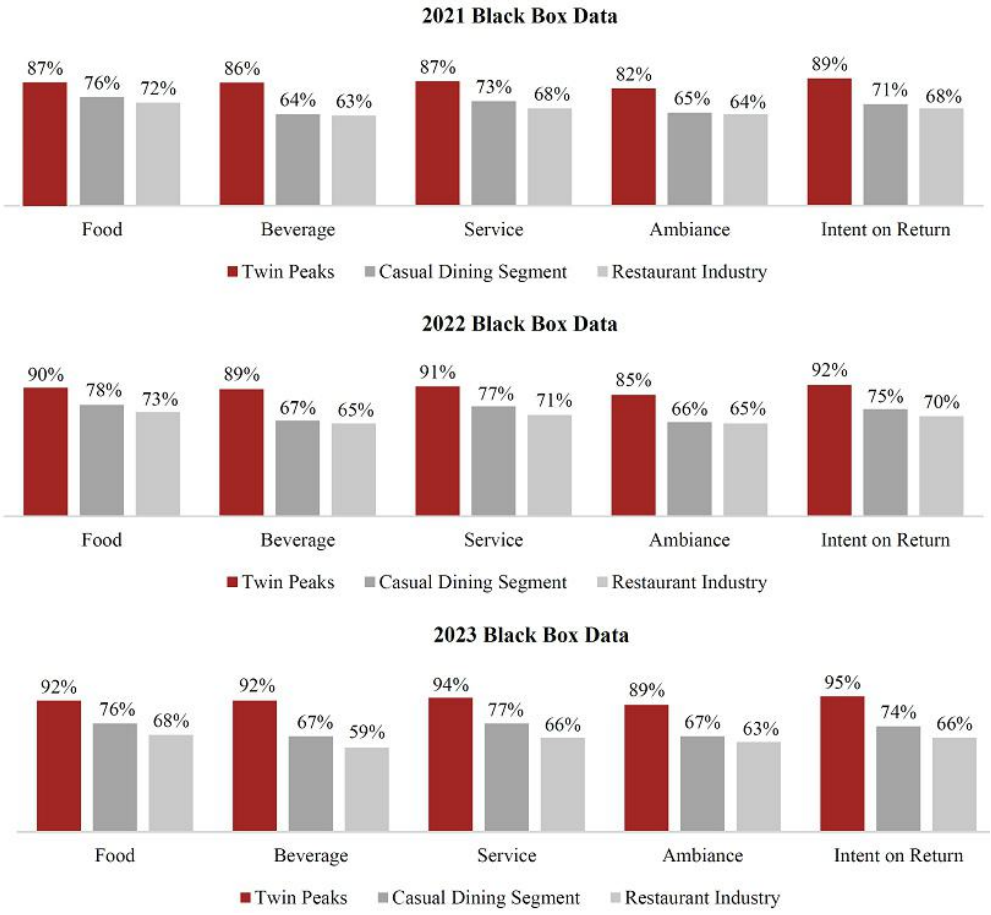
*Curated Special and Private Events*

Our Twin Peaks restaurants arrange a variety of seasonal in-restaurant events throughout the year. These events are often coordinated with specific holidays or other unique occasions, such as St. Patrick's Day, Valentine's Day, Cinco de Mayo, Black Friday, Veteran's Day, National Pickle Day, the anniversary of the end of Prohibition, and others. Twin Peaks also regularly pairs beverage promotions with costume events led by the Twin Peaks waitstaff, allowing us to drive sales of specific menu items. We believe that Twin Peaks' dynamic event calendar drives guest engagement and allows the Twin Peaks waitstaff to deliver unique twists to Twin Peaks' already engaging restaurant experience. These seasonal events are particularly critical in driving customer traffic to our Twin Peaks restaurants during the summer months, when the sports calendar is relatively quiet. Additionally, our Twin Peaks restaurants host a variety of private events, such as birthday parties and corporate events. We believe that Twin Peaks' engaging restaurant experience positions it well to continue to grow its private events business.

***Twin Peaks' Competitive Strengths***

*Differentiated Customer Experience Generating Industry-Leading Guest Satisfaction*

We believe that the Twin Peaks restaurant experience is unparalleled due to its broad made-from-scratch food selection, full-service beverage offerings, and expansive sports viewing packages that are delivered in a welcoming and comfortable atmosphere. As a result, guests at our Twin Peaks restaurants are highly supportive of, and loyal to, the Twin Peaks brand. We believe that Twin Peaks' Black Box scores in various categories of consumer sentiment, particularly intent-to-return, are critical measures of Twin Peaks' success. We analyze several consumer sentiment scores reported by Black Box, including consumer perception of Twin Peaks' food, beverages, service and ambiance, and consumer intent-to-return. For fiscal year 2023, Twin Peaks' average scores for its food, beverages, service and ambiance, and consumer intent-to-return, as reported by Black Box, were 92%, 92%, 94%, 89% and 95%, respectively. Per Black Box, these scores are higher in every category relative to the broader casual dining segment, which we believe is a testament to the strength of the Twin Peaks concept.



We believe that Twin Peaks' growth trajectory is reflected in its consistent and growing AUVs. From fiscal year 2019 to fiscal year 2023, our Twin Peaks restaurants have grown their AUVs by 31.7%. Furthermore, as we have expanded our Twin Peaks restaurant footprint to 114 locations as of September 29, 2024 (as compared to 84 restaurants as of December 29, 2019), the AUVs of our Twin Peaks restaurants have increased, highlighting the strength and stability of the Twin Peaks brand across increasing locations and markets.

*Unique Barbell Pricing Model Offering Compelling Guest Value Proposition*

Twin Peaks utilizes a "barbell" pricing strategy for its menu across all of the Twin Peaks restaurants, providing a compelling price-to-value proposition that appeals to a diverse range of guests. Twin Peaks' extensive food and beverage menu selections are suitable for guests with a wide variety of culinary preferences and budget considerations. For example, based on menu pricing as of December 31, 2023, Twin Peaks offered food items ranging from a $10.99 cheeseburger to a $24.99 New York strip steak. Twin Peaks' beverage offerings cover a similar diversity of price points. Twin Peaks' spirit selection includes affordable and familiar brands along with rare, more premium selections, allowing it to cater to a wide variety of tastes. Twin Peaks also offers a multitude of game day, lunch, happy hour and holiday specials across both its food and beverage items, which provides guests with exceptional value while promoting specific menu items. We believe that Twin Peaks' compelling entry-level price points drive its strong customer traffic momentum, while its selection of more premium food and beverage items cater to guests looking for higher-end options. We believe that Twin Peaks' extensive menu offerings and diverse range of price points appeal to a broad range of consumers across various ages and incomes, who are also similarly attracted to Twin Peaks' focus on quality food, premium beverages, consistent innovation, and engaging hospitality. During fiscal year 2023, Twin Peaks' per person average check (which we refer to as "PPA") was approximately $22.18.

*Revenue Maximizing Dynamic Menu and Pricing Capabilities*

Menus at our Twin Peaks restaurants are completely digital and accessible by QR code, although guests can be provided with paper printouts of daily specials when needed. Twin Peaks' digital menus allow us to implement menu engineering, where we have the ability to move items around the menu in order to promote higher-margin products and respond in real time to cost changes related to commodity price movements or inventory levels by focusing on specific items. We are also able to quickly implement selective price adjustments. Dynamic menus enable us to curate our menus by restaurant when needed, which is especially critical for franchisees operating in states with higher labor costs, who may charge slightly higher prices in order to generate sufficient margins.

*Broad Daypart Appeal across Multiple Dining Occasions*

Twin Peaks' diverse menu offerings, compelling value proposition, and welcoming lodge environment create broad appeal across multiple dayparts and guest occasions. Twin Peaks' extensive food and beverage options appeal to guests at all times of the day, driving traffic and sales volumes across lunch, dinner and late night periods. Twin Peaks' menus feature dedicated lunch specials, providing professionals seeking a respite from the office, or sports fans looking to catch a daytime game, with an engaging lunchtime experience. We continue to grow Twin Peaks' seasonal brunch menu, which is particularly geared to early start time sports. Twin Peaks' happy hour deals attract after-work crowds with daily specials across its food and beverage categories. We believe that Twin Peaks' expansive television packages and breadth of elevated food and beverage offerings are particularly well-positioned for the dinner daypart, offering guests the opportunity to enjoy prime time sports in a comfortable atmosphere. Our Twin Peaks restaurants are open as late as 2:00 am on weekends, serving guests looking to watch late night sporting events with a full menu of food and beverage offerings. We believe that the extended hours of our Twin Peaks restaurants are another key differentiator of the Twin Peaks brand, serving guests at times when many other restaurants are closed or offering more limited menu selections. Twin Peaks focuses on providing a welcoming and energetic guest experience across all dayparts, which we believe creates a consistent value proposition and experience for guests.

*High-Growth, Asset-Light Franchisor Business Model with Compelling Franchisee Value Proposition*

Our operating model for Twin Peaks incorporates the most effective attributes of franchised restaurant concepts, while leveraging the benefits of our company-owned Twin Peaks restaurant platforms. We benefit from the recurring and high-visibility cash flow streams driven by royalty revenue generated from our franchised Twin Peaks restaurants. Additionally, our high-growth and high-margin company-owned Twin Peaks restaurants allow us to directly control the in-restaurant Twin Peaks experience, selectively test new innovative menu offerings, and obtain more direct feedback on guest experiences. Our Twin Peaks restaurants generate attractive and consistent AUVs, restaurant-level profitability, and cash-on-cash returns while driving strong brand loyalty amongst guests. As of September 29, 2024, 81 of our Twin Peaks restaurants are franchised, which represents approximately 71% of our Twin Peaks restaurant system. Our franchisor business model is a critical component of our financial performance, and we expect Twin Peaks' franchising operations to be a key driver of our long-term growth. We believe that Twin Peaks' unit economics represent an attractive investment opportunity for both new and existing franchisee partners, as evidenced by the growth of our franchised Twin Peaks restaurant base from 56 franchised Twin Peaks restaurants as of December 29, 2019 to 81 franchised Twin Peaks restaurants as of September 29, 2024. Furthermore, our franchising operations drive our profitability margins and reduce the amount of capital expenditures required to operate our business. Our net loss margin was (7.7)% and (6.0)% for fiscal years 2022 and 2023, respectively. Our historical Adjusted EBITDA Margins of 12.6% and 12.3% for fiscal years 2022 and 2023, respectively, illustrate the highly profitable nature of our business model.

We believe that the strength of our franchisor business model for Twin Peaks can be best illustrated by our development pipeline for new franchised Twin Peaks restaurants, which consisted of signed agreements for over 100 new franchised Twin Peaks restaurants as of September 29, 2024.

*Experienced Franchisee Partners*

Our ability to drive revenue and profitability growth through our franchising operations for Twin Peaks is contingent upon our ability to select and partner with experienced and well-capitalized franchisee partners. Our current network of franchisees consists of a group of highly experienced operators with proven support of the Twin Peaks brand. We specifically seek to partner with well-capitalized franchisee partners who have prior experience in managing full-service restaurants or related hospitality venues. Our franchisees often have meaningful experience as independent operators of other national dining concepts, such as Red Robin, Papa John's and Panera. We strategically partner with franchisees who have been vetted through our thorough selection process.

Of our franchisees with open Twin Peaks restaurants as of September 29, 2024, each franchisee operates an average of approximately four Twin Peaks restaurants and has been a part of our Twin Peaks restaurant system for an average of approximately seven years (based on the number of years since a franchisee partner first executed a franchisee agreement with us). We are confident in our ability to drive growth of our Twin Peaks restaurant base through both our existing network of franchisees as well as through new franchisee partnerships. When signing new franchisee partners, we target an initial commitment of at least three franchised restaurants, which we believe supports our ability to partner with well-capitalized and dedicated operators.

We provide our franchisees with significant support from the outset of our partnership, from development and design of the Twin Peaks restaurant to a weekly dashboard of key performance indicators in order to maximize franchisee productivity and profitability. We offer immersive training support for franchisees opening a new Twin Peaks restaurant, as well as in-depth course curriculum to train and develop manager-level franchisee employees. When a new franchised Twin Peaks restaurant is opened, a representative from our Twin Peaks team joins the franchisee on site to facilitate a smooth launch. After a franchised Twin Peaks restaurant is opened, we provide franchisees with up-to-date performance metrics, leveraging our data and technology infrastructure to support our franchisees in driving efficiencies within their restaurants. In order to ensure optimal performance in our franchised Twin Peaks restaurants, our franchisees are required to dedicate a significant amount of focus and personnel to the Twin Peaks brand. Each franchisee is required to have a designated principal, who functions as a director of operations strictly for Twin Peaks restaurants. A franchisee's designated principal is required to work solely on the Twin Peaks concept.

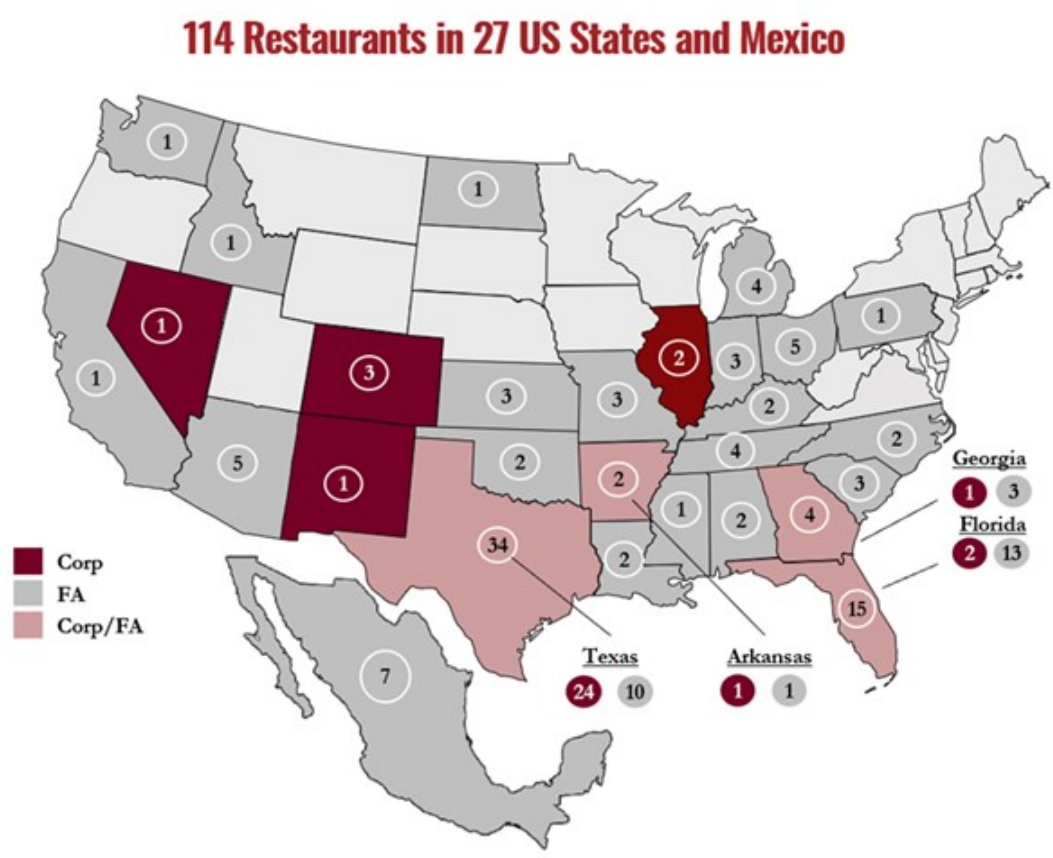
*Attractive Unit Economics*

We believe that the growing popularity of the Twin Peaks restaurant experience and the efficient operating model of our Twin Peaks restaurants translate into attractive unit-level economics at our company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. Our Twin Peaks restaurant model has been intentionally designed to help franchisees achieve compelling AUVs, strong restaurant-level profitability margins, and an attractive return on invested capital. During fiscal year 2023, our Twin Peaks restaurants generated an AUV of $5.4 million across our system. During fiscal year 2023, AUVs across our company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants were $5.0 million and $5.6 million, respectively.

We believe that the continued growth of our franchisee system for Twin Peaks reflects the attractiveness of our unit economic model and the favorable return on investment presented by our Twin Peaks restaurants. We target payback periods of three years for our Twin Peaks restaurants. For new builds, we leverage sale-leaseback transactions where necessary to help us achieve our targeted returns. We believe that this payback period represents an attractive investment opportunity for franchisee partners in the full-service dining space. Furthermore, we believe that our unit economics are a key driver of our Twin Peaks restaurant growth with our franchisee partners.

*Portable Concept with Proven Success across Various Locations and Markets*

Twin Peaks' differentiated concept has proven successful across the majority of the United States. As of September 29, 2024, there are Twin Peaks restaurants in 27 states across various regions of the country. We have generated positive Comparable Restaurant Sales growth across our restaurant system while expanding into new markets and regions with varying population densities and characteristics. We believe that the broad appeal of the Twin Peaks brand and Twin Peaks' best-in-class guest experience have been the primary drivers of Twin Peaks' success across the country. The Twin Peaks concept has also succeeded in a variety of real estate formats and locations. While we are flexible when evaluating new Twin Peaks restaurant locations, our preferred location type is a freestanding second-generation restaurant building near major roadways and within retail corridors, with 150 or more available parking spaces, and in an area with a residential population of at least 150,000 people within a five-mile radius. The flexibility of our real estate model, coupled with the broad appeal of Twin Peaks' menu offerings, pricing strategy, and in-restaurant experience, have also enabled us and our franchisee partners to operate successful Twin Peaks restaurants in both urban and suburban areas. Accordingly, we believe that the Twin Peaks concept is well-positioned for continued growth in both new and existing markets. On a global scale, as of September 29, 2024, one of our franchisee partners is operating seven franchised Twin Peaks restaurants in Mexico, and has committed to develop and open an additional 25 franchised Twin Peaks restaurants in Mexico. Twin Peaks' existing presence, and continued growth, in Mexico demonstrate the brand's international portability and potential outside the United States.




Data as of September 29, 2024.

*Differentiated Real Estate Strategy and Proven Conversion Capabilities*

To date, we have executed on our differentiated real estate strategy to build out our Twin Peaks system of restaurants throughout the United States and Mexico. We have demonstrated an ability to successfully convert existing buildings to Twin Peaks restaurants. Approximately 91 of our 114 Twin Peaks restaurants (or approximately 80%) were successfully converted from various forms of existing buildings. Our conversions on average cost between approximately $2.0 million to $5.0 million per Twin Peaks restaurant and take approximately nine months to complete. Our new-builds on average cost between approximately $4.0 million and $6.0 million per Twin Peaks restaurant and take up to 18 months to complete. We believe that our ability to simultaneously evaluate conversions and new-builds for new Twin Peaks restaurant openings, combined with the support we provide to franchisees in selecting sites for new Twin Peaks restaurant development, are key differentiators of our business model. We believe that we are able to select the best possible real estate for a new Twin Peaks restaurant, allowing us to open new restaurants in the most attractive locations available. Given our asset-light business model, we do not seek to own significant amounts of real estate, however, when developing a new Twin Peaks restaurant, we may acquire a plot of land or an existing building. In order to minimize the amount of committed capital for each new Twin Peaks restaurant, we may engage in sale-leaseback transactions with third-party investors.

We believe that the planned conversion of Smokey Bones restaurants to Twin Peaks restaurants will catalyze our near-term unit growth. Over the next two years, we plan to work with our Twin Peaks franchisee partners to convert certain Smokey Bones restaurants that are within their existing development territories into Twin Peaks restaurants, with these restaurants being operated by such franchisees. Furthermore, we plan to convert additional Smokey Bones restaurants to company-owned Twin Peaks restaurants. For additional information regarding our planned conversions of Smokey Bones restaurants, see "*—Twin Peaks: The Ultimate Sports Lodge —Conversions of Smokey Bones Restaurants into Twin Peaks restaurants*" above.

***Twin Peaks' Menu***

*Menu overview*

We believe that Twin Peaks' made-from-scratch dishes with fresh, never frozen ingredients set Twin Peaks apart from its competitors. Twin Peaks offers a wide range of options which cater to different tastes and preferences while never sacrificing quality. Guests can choose from a multitude of cuisines, from fresh salads to savory American staples. With enticing burgers, wings, flatbreads and more, Twin Peaks' menu offers a variety of options for its guests.

*Smoked Stack Burger*

*Steak Salad*

*Chips and Queso*

*Mac and Cheese*

*Apple Turnover*

*Flatbread*

*Composition of Twin Peaks Culinary Team*

Our Twin Peaks culinary team consists of three segments: corporate level, our Food & Beverage Committee, and restaurant level. At the corporate level, the team is led by our Director of Culinary, Beverage and Menu Innovation and our Vice President of Supply Chain (Food & Beverage). The menu development and strategy we conduct at the corporate level is connected to the restaurant level by our Food & Beverage Committee, which consists of select franchisees and stakeholders who deliberate on menu innovation and test new menu items before they are launched. At the restaurant level, there are robust teams in place that are led by "Master Trainers" and "Red Hat" certified team members.

*Innovation Process*

Twin Peaks' innovation process begins at our support center, where our Twin Peaks team develops scratch-made food and hand-crafted beverage innovations. We conduct rigorous product trials and use technology to gather the data needed to evaluate new menu items. Our Food & Beverage Committee further evaluates new Twin Peaks menu offerings prior to launch, after which the restaurant-level teams provide real-time feedback from our Twin Peaks restaurants. Through multi-restaurant testing, we are able to effectively evaluate operational execution, customer feedback, and customer intent to purchase.

We believe that the Twin Peaks menu is at the core of what makes Twin Peaks a favored sports lodge with fans. We strive to continuously innovate across Twin Peaks' menu in order to provide guests with a diverse range of food and beverage options. We supplement our rigorous innovation process with an in-depth menu item development review plan. We begin with a marketplace review designed to identify clear objectives to address specific consumer preferences. We then develop, screen and test potential menu items around target customer demographics, brand fit, and preliminary costing and pricing considerations. Finally, we develop a strategy to launch the new menu item across our Twin Peaks restaurants, including the development of an optimal marketing strategy. Following the launch of a new menu item, we actively track sales to evaluate the results and its resonance with guests.

We believe that Twin Peaks' focus on gastropub-style comfort food with forward-looking and exciting menu items drives broad guest appeal across dayparts and occasions. Whether visiting for a quick time-out or for an entire sporting event, we believe that Twin Peaks' innovative platform enhances the overall experience of guests.

*Digital Menus*

We have adopted digital menus utilizing QR codes at all of our Twin Peaks restaurants. These digital menus are updated in-house by our marketing team members, who have the ability to access support from our digital menu provider as needed. Updates to our digital menus are made both manually and via upload, and range from simple, single-item price modifications to more complex, comprehensive rollouts of new items and prices. Twin Peaks also offers a printed food menu that is available at all of our Twin Peaks restaurants for guests who are unable to access the menus digitally, as well as for regularly updated daily specials and select discounts.

***Our Twin Peaks Restaurants***

*Summary of Existing Properties*

As of September 29, 2024, we operated 33 company-owned Twin Peaks restaurants and our franchisees operated 81 franchised Twin Peaks restaurants across 27 states throughout the United States and Mexico. Additionally, as of September 29, 2024, we had a pipeline of commitments to open over 100 new franchised Twin Peaks restaurants. In general, all of our Twin Peaks restaurants are leased. While we may temporarily own some real estate for a limited number of properties, our goal is to lease all of our company-owned Twin Peaks restaurants.

*Restaurant Design and Format*

We build our Twin Peaks restaurants to make guests feel like they are at the center of the game. We believe that creating a fan-first, lodge-style environment to deliver an immersive sports viewing experience differentiates Twin Peaks from its competitors. We strive to transport guests in our Twin Peaks lodge-style restaurants with wall-to-wall televisions for virtually every game, match, fight and race. We believe that Twin Peaks' rugged lodge-style restaurants create a unique sports viewing and dining experience, where stone and rustic timber create a quintessential cabin environment punctuated by a fire pit on the patio, hunting trophies on the walls, and the welcoming and engaging nature of our waitstaff.

*Site Selection Process*

Our site selection process for our Twin Peaks restaurants is designed to identify ideal locations where we can provide a truly memorable experience for guests, while ensuring our Twin Peaks restaurants perform to our standards. Our Twin Peaks team utilizes a detailed, data-driven approach to ensure sites meet our qualification requirements and adhere to our "built to last" mantra. Our Twin Peaks team actively pursues sites in markets that match our targeted set of demographics, population density, and other characteristics.

We target trade areas that allow for the development of free-standing buildings with outdoor space, easy accessibility, and high visibility near other consumer traffic drivers, such as retail corridors, sports and entertainment venues, colleges and universities, and business districts. We also consider various other site-specific factors, including traffic patterns and destination attractions. Given the size requirements for our Twin Peaks restaurants, the majority of them are free-standing locations.

Our current domestic Twin Peaks restaurants average over 7,800 square feet. For new restaurant openings, we typically target restaurant spaces with 6,000-8,000 square feet, and over 150 parking spaces. Current international Twin Peaks restaurant locations in Mexico have a smaller footprint averaging approximately 6,000 square feet. We require ample parking spaces for our Twin Peaks restaurants, as vehicle accessibility is necessary for customer traffic. We typically seek corner locations with easy access and high visibility along major freeways and retail corridors. If built from the ground up, our domestic prototype Twin Peaks restaurant is approximately 6,500 square feet, plus room for an outdoor patio that is approximately 2,100 square feet. We target areas with heavy daytime populations, mid-grade business hotels, upscale apartments, and a strong work base, such as a central business district. We also look for areas with above-average happy hour income for the market. Our ideal demographic composite includes a population of at least 150,000 people within a five-mile radius, a daytime population of 150,000 people or more, a daytime working population of at least 100,000 people, and an average household income of $75,000 or greater.

*Construction and Opening Process*

The development, construction and opening of a typical Twin Peaks restaurant generally can take from nine months in the case of a conversion of an existing site, to up to 18 months for a new build. We use a variety of general contractors on a regional basis, and employ a mixed approach of bidding, direct purchasing, and strategic negotiation to ensure the best value and highest quality construction. We generally utilize ground leases and typically receive landlord development allowances and/or rent credits for leasehold improvements. We aim to constantly optimize our buildout costs through value-focused back-of-house, front-of-house construction management, and by brokering deals with our landlords to reduce our net capital costs without compromising the guest experience. Upon completion of construction or conversion of a Twin Peaks restaurant, our team works to ensure an efficient and well-executed opening process with management development programs, employee training, and support for both company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants.

Initial investment costs for our Twin Peaks restaurants vary significantly depending on the type of restaurant (conversion of an existing site or new build). Based on our past experience, and as set forth in Twin Peaks' 2023 Franchise Disclosure Document, we expect that our franchisees will incur initial investment costs of $2.0 million to $5.0 million in connection with a conversion of an existing site, and $4.0 million to $6.0 million in connection with a new build Twin Peaks restaurant. In connection with openings of new company-owned Twin Peaks restaurants, we typically target initial investment costs of $4.0 million for a conversion of an existing site and $6.0 million for a new build-out.

***Our Twin Peaks Team***

*Structure of Operations Team*

We have intentionally structured the Twin Peaks operations team to support our full system of company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. The Twin Peaks operations team is led by our Chief Operating Officer and our Vice President of Operations, who in turn oversee four Regional Vice Presidents. These Regional Vice Presidents are each responsible for company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants across different territories. Each Regional Vice President oversees one or more Director of Operations or Area Director team members. A Director of Operations covers a minimum of three company-owned Twin Peaks restaurants and up to 10 franchised Twin Peaks restaurants, while an Area Director oversees, and participates in, the operations of two to three company-owned Twin Peaks restaurants. All director-level personnel are responsible for managing their own financial performance, staffing, and facility needs.

Each of our Twin Peaks franchisee partners appoints a Designated Principal who serves as the leader of such franchisee's operations team, and who acts as the liaison between the franchisee and our corporate teams. These Designated Principals oversee all planning, organization and control of activities for their franchise groups, including development of management teams, execution of brand standards, attendance at all franchise-related conferences, and related responsibilities. By requiring each Designated Principal to be fully dedicated to the Twin Peaks brand, we are able to ensure that each franchisee partner is fully aligned with respect to the efficient management of Twin Peaks restaurants and the hiring of appropriate team members to support these operations.

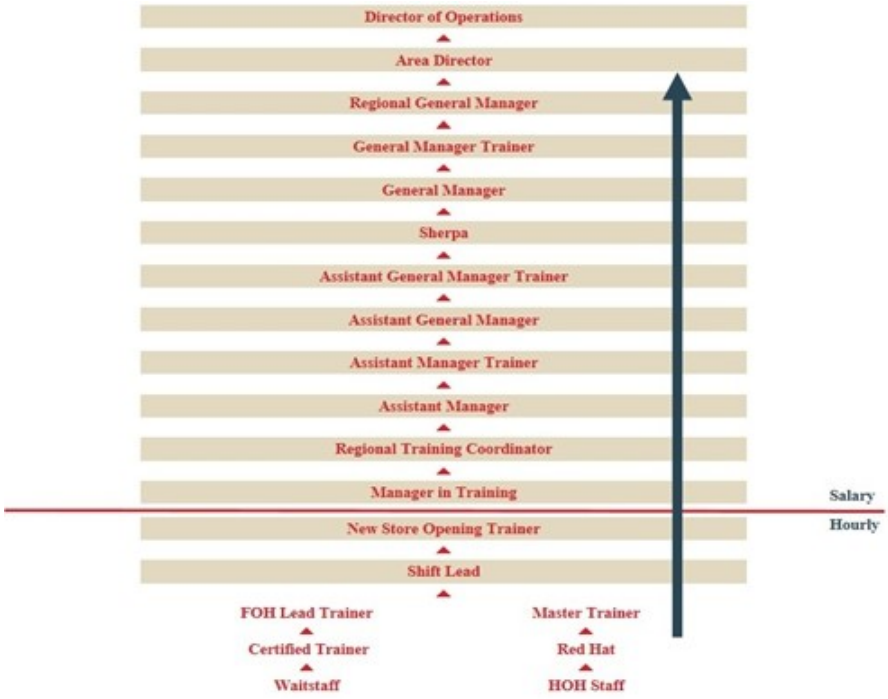
*Training and Leadership Development*

We emphasize continuous investment in our team members by ensuring that they have access to the right training and development programs to succeed. We leverage a state-of-the-art e-learning system designed to educate team members at both our company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. All managers and new franchisee partners participate in this virtual training program. Franchisees are able to leverage our online "Peaks Point" system to monitor training and development. We also provide in-depth course curriculum to advance the development of our employees. These training programs vary in duration and content depending on the employee level. For example, Designated Principals and Manager candidates participate in our nine to 11-week Manager-in-Training program, whereas a Shift Lead will participate in a two-week program with the General Manager. We believe that this education and development is a crucial element of the Twin Peaks brand and culture, allowing us and our franchisees to drive efficient operations in each of our Twin Peaks restaurants while supporting our team members in developing effective leadership and operational capabilities.

We also conduct hands-on, pre-opening training support for all new Twin Peaks restaurant openings across all markets. We provide a designated New Store Opening Manager for each new Twin Peaks restaurant opening, who is responsible for leading the location's training team and guiding restaurant managers in utilizing our relevant brand systems and tools. This program promotes sufficient training of restaurant managers to ensure proper leadership and oversight at new Twin Peaks restaurants. We also provide front of house and "heart of house" coordinators to guide training programs and evaluate performance through opening. In total, we provide approximately 27 trainers for each new Twin Peaks restaurant opening. During the weekend prior to a new restaurant's soft opening, such restaurant conducts a "Friends & Family" weekend to give teams the opportunity to experience a full restaurant with high order volumes in a lower-risk environment. Both before and after a restaurant opens, a Director of Operations conducts regular visits to provide ongoing training and support. Our intensive hands-on support, which we provide at both new company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants, ensures that our teams and franchisees are equipped to provide consistent dining experiences to all guests.

We believe that promoting internally allows us to provide substantial career advancement opportunities to our team members while enabling us to capitalize on their in-house operational expertise. We have intentionally structured our Twin Peaks operations platform to encourage our employees to pursue a career trajectory that allows them to work upwards from waitstaff or kitchen team member to a managerial role. For example, our Shift Leads are exclusively promoted from within. We believe that the visibility into long-term career advancement that we offer to our employees is critical in both attracting and maintaining quality talent. For example, in 2023, more than 25 of Twin Peaks' restaurant manager-level employees were promoted from within.

The graphic below outlines the upward career trajectory that we offer to our employees at our Twin Peaks restaurants.




***Franchisee Relationships***

Our franchise agreements for our Twin Peaks restaurants typically grant our franchisees the right to operate for an initial term of 15 years, with an additional renewal term of 15 years, subject to various conditions that include upgrades to the location and maintenance of the applicable brand image. All franchise agreements grant licenses to use the Twin Peaks trademarks, trade secrets, and proprietary methods, recipes and procedures. Our obligations under a franchise agreement include providing an initial training program, grand opening support, inspection of the restaurant, consultation in connection with operations, management services, the development of advertising materials, assistance in local marketing, and other ongoing advice and support. The initial franchise cost for a Twin Peaks location is $50,000, and each additional location requires a development fee of 50% of the initial franchise fee. Our franchisees are required to pay royalties of 5.0% of gross sales. Additionally, our Twin Peaks franchisees are required to contribute 2.5% of their gross sales to the Twin Peaks National Marketing Fund, which creates a pooled fund for the creation of marketing and advertising materials to support the Twin Peaks brand on both national and local scales. Our franchisees are required to purchase certain equipment, supplies, and inventory from one or more of our affiliates or approved suppliers to ensure quality and maintain our strict standards.

We have at times entered into development agreements with franchisee partners that provide for planned assigned areas of restaurant development on a multi-restaurant, multi-year basis. The terms of such development agreements can vary, based on the number of restaurants contemplated. For example, a typical development agreement for the development of five Twin Peaks restaurants may allow for 18 months to open the first restaurant, and 12 months thereafter for subsequent restaurants. These development agreements generally vary for each franchisee partner, and we may grant rights to develop a larger number of restaurants more quickly or may shorten the time allowed for development. The development fee paid by a franchisee partner under a development agreement is typically $50,000 for the first restaurant, and $25,000 for each additional restaurant commitment. This development fee is deductible against the franchise fee for each Twin Peaks restaurant developed under the development agreement.

We maintain programs to monitor and evaluate the adherence of our franchised Twin Peaks restaurants to our quality, service, and cleanliness standards. In addition to our hands-on training and assistance, we regularly provide franchisee reviews, monthly development calls, quarterly franchise meetings, and access to our following franchise committees: marketing, food and beverage, development, operations/training, and franchise business council.

We believe that our franchise model for our franchised Twin Peaks restaurants positions us for continued growth over the long term in both domestic and international markets. We believe that we will continue to generate franchisee demand for the Twin Peaks brand from both existing and new franchisee partners, driven by compelling unit economics and strong investment returns. As Twin Peaks grows, we are targeting to have approximately 75% of our Twin Peaks restaurants be franchised Twin Peaks restaurants. Franchising will also be a core component of our international expansion strategy for the Twin Peaks brand. We believe that we have an opportunity for future growth in Mexico with our existing franchisee partner who operates seven Twin Peaks restaurants in Mexico as of September 29, 2024, as well as in other markets across Europe, Asia, Central and South America, Canada, Africa, and Australia.

***Marketing Strategy for the Twin Peaks Brand***

We leverage a variety of marketing and advertising efforts specifically designed to promote the core attributes of the Twin Peaks brand. All content is thoughtfully designed to showcase Twin Peaks' food and beverage quality, engaging dining experience, and welcoming restaurant environment. Our marketing strategy focuses on offering guests new, authentic and exciting ways to engage and interact with the Twin Peaks brand. Marketing initiatives typically revolve around four key components:

- *Annual Marketing Calendar*. Defined marketing programs developed for the year ahead.
- *Local Media Strategy Team*. Our marketing team works closely with our franchisee partners to strategize on and purchase local media.
- *Public Relations Team*. National and local public relations teams focused on new store openings, local exposure, and press releases and other publicity.
- *Social Media Support*. Our social media accounts focus on promoting event-specific and general Twin Peaks content.

Our Twin Peaks restaurants provide an event-driven dining experience, and as such, in-restaurant events are a core component of Twin Peaks' marketing strategy. We leverage a full marketing calendar throughout the year, which we share with our Twin Peaks franchisees on a monthly basis, in order to drive customer traffic and unique visit occasions amongst guests. Some of these promotions capitalize on major sporting events, such as a pay-per-view boxing match. Other promotions are intentionally scheduled around months with fewer sporting events in order to drive customer traffic during periods of lower volume. Additionally, we curate in-restaurant events around holidays and other special occasions, including St. Patrick's Day, Valentine's Day, Cinco de Mayo, Black Friday, Veteran's Day, National Pickle Day, the anniversary of the end of Prohibition and others, which we believe offers guests unique in-restaurant experiences and drives innovative ways to engage with the Twin Peaks brand. We leverage social media, digital marketing and in-store content to build awareness and excitement around these events.

We have established the Twin Peaks National Marketing Fund, which is funded by contributions from both company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. All franchised Twin Peaks restaurants are required to contribute 2.5% of their gross sales to the Twin Peaks National Marketing Fund, and our company-owned Twin Peaks restaurants currently contribute this amount to the Twin Peaks National Marketing Fund as well. We maintain full control over the use of the funds in the Twin Peaks National Marketing Fund. We look to spend a portion of such funds on planning, creative, production and management expenses, including strategic annual planning, website maintenance, menu management, uniform and merchandise management, and other related activities for the Twin Peaks brand. The balance of the Twin Peaks National Marketing Fund is spent on local marketing initiatives, which include both onsite and offsite events, menu specials, promotional papers, sponsorships, search engine optimization, and digital and printed materials for Twin Peaks restaurants. Local marketing is especially critical for new Twin Peaks restaurant openings by helping it cultivate awareness and visibility of the Twin Peaks brand in both new and existing markets. We collaborate with our Twin Peaks franchisee partners to optimize local marketing efforts, with our team working closely with franchisees to buy local media and maximize its impact with local customer bases. In addition to the contributions to the Twin Peaks National Marketing Fund, all franchised Twin Peaks restaurants are also required to spend 0.5% of their gross sales directly on local marketing initiatives. All local marketing and related creative content must be approved by our corporate team prior to use. To help support these efforts, we maintain a digital creative library featuring marketing assets, how-to toolkits, and other relevant content. Additionally, our public relations team functions both nationally and regionally to drive local exposure and awareness for new Twin Peaks restaurant openings.

Twin Peaks maintains an active brand presence on key social media platforms, with over 3.8 million followers across national and local channels (including accounts managed by our franchisee partners) as of September 29, 2024. At the corporate level, we maintain active accounts for the Twin Peaks brand across Facebook, Instagram, TikTok, X, and Threads. Our marketing team manages all activity across our corporate accounts. Our corporate Twin Peaks TikTok account has quickly grown exceptionally, as since launching the account in the summer of 2022, we have grown our audience to over 307,000 followers as of September 29, 2024. Additionally, each of our Twin Peaks restaurants also has individual Facebook and Instagram accounts that are run at the local level, with our internal marketing teams monitoring and advising on content. Our marketing team works closely with a creative agency to develop a full social media calendar each month. For example, social media posts from our corporate Twin Peaks accounts focus on a variety of content, including costume parties, promotions, major sporting events, national holidays, food and beverage highlights, and our waitstaff. Our franchisee partners have access to this content and calendar and are encouraged to utilize our imagery and messaging in combination with their own local content. We monitor the performance of our social media accounts on a monthly basis by tracking follower count and engagement through a dedicated social media software tool, which allows us to measure content performance across channels and gain a clear picture of the type of content that is resonating with our audience.

We utilize marketing technology to provide each of our Twin Peaks restaurants with digital platforms to manage their marketing initiatives and customer bases. We leverage Fishbowl to manage customer relationships and drive our email marketing efforts, which includes a weekly newsletter distributed to our subscriber list to inform them of upcoming Twin Peaks events and promotions. Our internal marketing team facilitates and manages all messaging for national content as well as local and individual promotions. We encourage our franchisees to tailor messaging as needed to suit their specific purposes for email marketing.

**Smokey Bones: The Masters of Meat**

Smokey Bones is a full-service, meat-centric restaurant brand and concept specializing in award-winning ribs and a variety of other slow-smoked, fire-grilled, or seared meats, along with a full bar featuring a wide selection of domestic, import and local craft beers, a variety of spirits, and several signature handcrafted cocktails. Smokey Bones serves dine-in guests for lunch, dinner, and late night, and offers pick-up, delivery, online ordering, and catering options. Smokey Bones was founded in 1999 as a growth concept, and in 2019, the brand was strategically repositioned to create more dining occasions while simplifying and streamlining operations.

As experts of authentic fire-grilled and house-smoked meats, Smokey Bones is passionate about serving meat lovers and dining adventurists a deep variety of bold, fire-inspired signature and classic menu offerings. Smokey Bones serves premium quality cuts of a variety of meats, expertly prepared with traditional and global flavors, in a relaxed, but elevated casual dining atmosphere. Smokey Bones appeals to a broad range of guests, ranging from young families to retired couples, and its well-diversified channel and day of the week mix demonstrates that Smokey Bones is a favorite dining choice in the markets where our Smokey Bones restaurants are located.

Smokey Bones' successful brand re-positioning in 2019 quickly gained resonance with core consumer demographics, and from 2019 to 2023, guest frequency and guest satisfaction increased by 14% and 8%, respectively. Additionally, in 2019, several technology investments were implemented to streamline operations and improve the guest experience. Smokey Bones' online ordering system streamlined online user interface with an intuitive, accessible ordering experience, and Smokey Bones implemented geofencing technology, which alerts restaurants when customers are nearby for order pickups or can be used to prompt customers to place new orders when they're close to a Smokey Bones location.

***Smokey Bones' Track Record of Growth***

Smokey Bones was founded in 1999 with the opening of its first restaurant in Florida, and over the past 25 years has grown to 58 restaurants in 16 states in the eastern United States. We believe that the Smokey Bones brand has cemented itself as a key mid-size player in the casual dining space. From fiscal year 2019 to fiscal year 2023, Smokey Bones' revenue has increased from $149.1 million to $172.3 million, representing a CAGR of 3.7%, and Smokey Bones' AUVs have grown from $2.5 million to $2.8 million, representing a CAGR of 2.9%.

***Our Smokey Bones Restaurants***

*Smokey Bones' Menu is Streamlined for Operational Efficiency*

Smokey Bones' uniquely meat-driven menu offers diners a range of protein options, ranging from traditional barbecue dishes like our award-winning Baby Back ribs and create-your-own combos, to steaks, seafood, burgers, wings and shareable samplers. Each Smokey Bones restaurant has high-capacity smokers, and Smokey Bones smokes all of its meats in-house, daily.

Smokey Bones' broad menu consists of scratch-made offerings, but recipes are created with ease of execution and operational efficiency in mind. Smokey Bones has recently undergone a menu rationalization initiative in order to simplify and streamline its menu, which will reduce complexity for the kitchen while prioritizing items with highest guest preference and the most favorable margins. This initiative reduced Smokey Bones' core menu from 12 pages to six, and minimized single-use SKUs.

Along with in-house smokers and meat expertise, Smokey Bones' beverage program is a key differentiator. Smokey Bones' alcohol sales, which represent 18% of its dine-in business, exceed the typical sales mix in a casual dining restaurant, largely due to Smokey Bones' focus on specialty cocktails and a locally-relevant beer selection.

*Restaurant Design and Format*

The original Smokey Bones restaurant design incorporated a homey, log cabin aesthetic, and while the concept has evolved over time and many of the original restaurants have been remodeled, Smokey Bones has retained many of the elements that create a familiar and inviting environment for guests, such as dark wood, fireplaces and smoke and flame visuals. Our Smokey Bones restaurants feature a large central bar that is both a focal point and gathering spot, and are outfitted with numerous televisions throughout the bar and dining areas. Our Smokey Bones restaurants have open floorplans and incorporate flexible seating arrangements to easily facilitate large parties and special events, and some locations also feature outdoor patios. Newer Smokey Bones restaurants have dedicated take-out areas to support the increased off-premise business.

**Our Growth Strategies**

***Grow Our Twin Peaks Restaurant Base in the United States and Abroad***

We are in the early stages of fulfilling our total restaurant potential. We have a long track record of successful development of new restaurants and a versatile real estate model that is built for growth. Based on our internal analysis and third-party research conducted by eSite Analytics, we believe that there exists long-term potential for over 650 Twin Peaks restaurants in the United States. Additionally, based on our internal analysis of the international footprints of other relevant restaurant concepts, we believe that the Twin Peaks brand has the potential for a total of 250 additional restaurants internationally. We believe that the Twin Peaks brand and concept have proven portability, with strong AUVs and returns on investment across a diverse range of geographic regions, population densities, and real estate settings.

- *Grow Number of Domestic and International Franchised Twin Peaks Restaurants with Existing and New Franchisees*. We are aiming to achieve our domestic restaurant potential by expanding in both existing and new markets. As of September 29, 2024, we have an extensive domestic development pipeline of over 100 total commitments to open new franchised Twin Peaks restaurants. Our current plan for franchised Twin Peaks restaurant openings in 2024 targets approximately six new franchised Twin Peaks restaurants, five of which were opened during the first three quarters of 2024. Some of these planned new franchised Twin Peaks restaurants will be conversions of current Smokey Bones restaurants into franchised Twin Peaks restaurants (see *"—Twin Peaks: The Ultimate Sports Lodge—Conversions of Smokey Bones Restaurants into Twin Peaks Restaurants*" above). Approximately 73% of our current franchise commitments for Twin Peaks restaurants are from existing franchisee partners with at least one Twin Peaks restaurant currently in operation, which we believe is due to the attractiveness of the Twin Peaks concept, our restaurant business model, as well as our positive franchisee relationships. We believe that our highly franchised business model provides a platform for continued growth, as it allows us to focus on our core strengths of menu innovation, guest engagement, marketing, and franchisee selection and support, while growing our restaurant presence and Twin Peaks brand recognition with limited capital investment by us. We also believe that international growth presents a significant opportunity. We believe that, in addition to continued growth of the Twin Peaks brand in Mexico, there is an opportunity to expand the Twin Peaks brand to Europe, Asia, Central and South America, Canada, Africa, and Australia.

- *Strategically Grow Company-Owned Twin Peaks Restaurants.* As of September 29, 2024, we are currently aiming to open a total of nine potential company-owned Twin Peaks restaurants within the next two years, some of which will be planned conversions of current Smokey Bones restaurants into company-owned Twin Peaks restaurants (see "*—Twin Peaks: The Ultimate Sports Lodge—Conversions of Smokey Bones Restaurants into Twin Peaks restaurants*" above).

***Continue to Grow Comparable Restaurant Sales***

- *Food & Beverage Innovation*. We seek to introduce innovative food and bar menu items that we believe align with evolving guest preferences and broaden the appeal of our brands, and we will continue to explore menu offerings that aim to increase guest visits. For example, in order to drive guest frequency and broaden the appeal of the menu at our Twin Peaks restaurants, we recently added new, on-trend categories to the food menu, such as street tacos, flatbreads, and unique flavor changes to the wing sauces. Additionally, we consistently modify and advance our bar menu to best serve a broad range of guests. Our team has exhibited a proven track record of food and beverage innovation, which we believe can be leveraged to further drive Comparable Restaurant Sales growth.

- *Expand Daypart Offerings.* We believe that we have a significant opportunity to capitalize on underpenetrated daypart opportunities. For example, we continue to drive growth at our Twin Peaks restaurants with our seasonal brunch menu (focused around early start time sports), and at both our Twin Peaks restaurants and Smokey Bones restaurants we offer competitively priced lunch combo selections and happy hour food and beverage selections. Our happy hour specials focus on both the traditional happy hour daypart to drive guest count during periods of lower traffic, along with a late-night happy hour program to ensure that we are maximizing our sales and profit opportunities through the close of business each night.

- *Expanded Product Offerings.* We have a strong PPA, at approximately $22.18 for Twin Peaks restaurants, and approximately $23.74 for Smokey Bones restaurants, during fiscal year 2023. We continually look to find innovative new product offerings to retain and attract customers and to grow the PPA at our restaurants. For example, our Twin Peaks restaurants have unique PPA sales drivers beyond traditional appetizers and desserts, such as cigars and limited-time spirit offerings, including rare bourbon, whiskey and tequila barrel selections, which add to aggregate check amounts and may drive restaurant visits for unique occasions. We also have ancillary buildouts that we have implemented, and are continuing to explore, in select Twin Peaks restaurants, such as a Cigar Bar, a Speakeasy, a Top Golf Swing Suite, and additional Man Cave seating for large parties.

***Increase Awareness of our Brands***

We believe that the strong consumer sentiment scores for both the Twin Peaks and Smokey Bones brands highlight the strength of our concepts and their resonance with guests. We believe that we have a significant opportunity to leverage our favorable perception to expand the visibility and awareness of our brands. Each new restaurant we open increases awareness of the particular brand and enables us to reach more guests. In addition, we will continue to invest in marketing and advertising to drive guest frequency and overall visibility of our brands. We introduce new marketing strategies through various channels, including social media, online, print, digital advertising and radio, with the intent to drive broad awareness of our brands and customer traffic to our restaurants. We will also continue to harness local marketing initiatives by developing media and marketing programs unique to a restaurant's specific market, and by working closely with our franchisees to maximize the effectiveness of these efforts. Simultaneously, we will continue to grow our digital presence via social media and email marketing initiatives. For example, the waitstaff at our Twin Peaks restaurants often command large social media followings across various platforms, which we believe provides a positive halo effect for the Twin Peaks brand, and drives additional customer traffic to our Twin Peaks restaurants. We intend to drive repeat customer traffic in our restaurants by becoming our guests' preferred sports bar destination, and we believe that investments in targeted marketing initiatives that heighten this message and reinforce our authenticity will continue to generate guest loyalty and promote brand advocacy.

Additionally, Twin Peaks has established a national marketing fund (which we refer to as the "Twin Peaks National Marketing Fund"), which is funded by contributions from both company-owned Twin Peaks restaurants and franchised Twin Peaks restaurants. All franchised Twin Peaks restaurants are required to contribute 2.5% of gross sales to the Twin Peaks National Marketing Fund, and our company-owned Twin Peaks restaurants currently also contribute this amount to the Twin Peaks National Marketing Fund as well. The Twin Peaks National Marketing Fund has grown significantly in recent years as we have expanded our Twin Peaks restaurant footprint. Excluding rebates, annual collections in the Twin Peaks National Marketing fund have grown by over 55% since 2019, with over $13 million collected in 2023. The growth of the Twin Peaks National Marketing Fund allows us to aggressively grow the awareness of the Twin Peaks brand on both the national and local scale, and we plan to continue leveraging this fund as our Twin Peaks restaurant system expands. We believe that the Twin Peaks National Marketing Fund will continue to be critical in generating awareness and excitement around new Twin Peaks restaurant openings, as well as driving System-Wide Sales growth across our restaurant system. We typically budget a portion of the Twin Peaks National Marketing Fund to local media and marketing efforts, with the balance spent on a range of other marketing and advertising initiatives, such as creative, production, website maintenance, and other activities.

***Expand Margins through Operating Leverage***

Over the last several years, we have invested in our corporate infrastructure to successfully support both our franchisees and company-owned restaurants. Key areas of recent investment include innovative menu items, technology infrastructure, senior leadership, and other categories. We believe that these investments will allow us to continue to drive operational efficiency across our business. We aim to leverage our corporate cost base over time to enhance our margins, as we believe selling, general and administrative expenses will grow at a slower rate than our restaurant base and revenue. By continuing to optimize our infrastructure and leveraging our scale efficiencies, we can further enhance our profitability as we grow.

***Continue to Attract and Develop Great People***

We have an uncompromising focus on providing an unparalleled guest experience, which we believe starts with our employees. We and our franchisees continually invest in our teams by employing passionate individuals who exemplify our brands at every level, from waitstaff to kitchen staff to restaurant management. We aim to develop our employees by having comprehensive internal training and career advancement programs, which result in a highly competent, empowered and well-compensated work force. We strive to maintain a work-place culture of respect, inclusivity and support, ensuring that all employees are passionate about our shared goal of delivering an unmatched dining experience and continuing to grow our respective brands. We believe that our focus on appropriately training and mentoring our team members and inspiring them to focus on delivering a best-in-class guest experience translates directly into efficient restaurant-level operations, as well as industry-leading guest satisfaction scores and return rates.

***Explore Acquisition of Complementary Brands***

We have developed a successful playbook spanning operations, training and marketing programs. We believe that other brands could benefit by leveraging our robust and established infrastructure, and we are well-positioned to acquire complementary regional brands to further expand our platform.

**Experienced Leadership Team**

We are led by a strong senior management team with a combined eight decades of experience in the full-service dining sector and franchising industry. Our strategic vision is set by our Chief Executive Officer, Joseph Hummel, who has more than 25 years of industry experience. Our leadership team understands our unique segment of the restaurant industry and brings years of relevant experience leading our business to attain profitable and effective operational objectives. Our leadership team is the most important driver of our success and has positioned us well for long-term growth. We believe that our track record of success and expansion, combined with our internal platform for career development and advancement opportunities available to all employees, will allow us to continue to attract and retain exceptional talent.

**Team and Culture**

***Our Values***

Our employees are fundamental to our business and function as the primary driver of our success. Our team culture revolves around six foundational guiding principles that we strive for every day:

- *Respect*. We treat others as we expect to be treated, and we do the right thing.
- *Excellence*. We surpass ordinary standards. We execute at the highest level.
- *Expertise*. We are knowledgeable, highly skilled masters of our craft. We are known for best-in-class systems and tools used to operate and grow our brands.
- *Hospitality*. We are passionate about every guest experience. Our recipe for hospitality success is generosity, enthusiasm, and a “do it now” attitude.
- *Adventurous*. We take risks, and we try new things that separate us from the norm. We know how to have fun while doing it.
- *Loyalty*. We are loyal to one another and to our brands. We function as one team.

Guided by these principles, our team is inspired to deliver unmatched hospitality throughout our restaurants. We believe that our employees operate as one team, with mutual respect and loyalty to one another and to our brands. Furthermore, we believe that our passion for our mission motivates our franchisees to provide the same degree of service and dedication that we offer in each of our company-owned restaurants.

We strive to maintain a workplace culture where our team members are proud to work and are motivated by a common goal of providing our guests with an engaging dining experience. As such, we have been successful in attracting outstanding employees who are passionate about our brands. We offer competitive compensation and benefits, as well as bonus programs for manager-level employees. Simultaneously, we invest in programs to promote employee leadership and development, offering all team members opportunities to advance their careers with us. We foster a culture of support and empowerment, and have a focus on enabling our female team members to advance within our corporate structure. For example, our Vice President of Marketing started with Twin Peaks as a bartender and successfully advanced up the ranks from there, demonstrating our focus on promoting women to leadership positions.

***Human Resource Functions and Support***

We have established a full department dedicated to human resources (which we refer to as "HR") and training functions. Led by our Chief Legal Officer and our Vice President of HR / Learning and Development, our HR department ensures that all team members have access to appropriate resources and are provided with the necessary support to execute at the highest level. We operate based on an open-door policy, encouraging employees to contact members of our HR team with any questions or concerns they have regarding their jobs or working environments. Within our restaurants, the safety and wellbeing of all employees is paramount. While HR departments are localized for our franchisees, we provide all team members across our system with best practices and access to a hotline that they can call regarding any concerns with on-the-job safety.

***Corporate Support Center***

We have developed a support center designed to provide daily support for the respective operations of our company-owned Twin Peaks and Smokey Bones restaurants and franchised Twin Peaks restaurants. Our support center supports, among other areas of our operations, legal, HR, recruiting, training, construction, IT, finance, accounting, and marketing. The majority of our support center employees work out of our corporate office in Dallas, Texas.

***Employee Base***

As of September 29, 2024, we had approximately 5,700 employees, of which 63 are corporate employees supporting our overall Company, including our Twin Peaks restaurants, 35 are corporate employees supporting our Smokey Bones restaurants, approximately 3,200 are employees working in our Twin Peaks restaurants, and approximately 2,400 are employees working in our Smokey Bones restaurants. Our franchisee partners are independent businesses, and as such, their employees are not included in our employee statistics.

**Technology Infrastructure**

***Key Systems***

All of our restaurants use a computerized point-of-sale and back-office system, which we believe is capable of supporting our growth plans and continuing to enhance our customer experience. Our point-of-sale system, NCR Aloha, was selected to increase operational efficiency and order accuracy. An easy-to-use interface for our waitstaff allows our team to focus primarily on the guest experience. This point-of-sale system utilizes a highly reliable back-end infrastructure, touch screen interface, visual order confirmation, and integration with high-speed credit card, mobile app, and gift card processing. We also utilize various enterprise software systems to help manage our operations, including a bar management system and other systems for optimized beverage ordering and management and managing restaurant-level financial results. Bars at our company-owned Twin Peaks restaurants leverage specialized technology that provides real-time information regarding inventory levels, which allows our restaurant managers to closely monitor and optimize performance and efficiency. Our financial software, Red Onion, provides insight to all aspects of our financial performance. Many of these systems were recently upgraded to help support our future growth plans and reduce labor needs from management. Our back-office computer systems were designed with growth and franchisee satisfaction in mind. We believe that our recent investments in technology infrastructure and systems will support our future growth and expansion opportunities. As we continue to implement functionality and additional system optimization, we believe that our technology infrastructure will allow us to more closely monitor our business performance and drive efficiency across our restaurant system.

***Data Collection and Security***

Our platform processes a large volume of personal information, and, as a result, we are subject to numerous laws, regulations, industry standards, and other obligations related to privacy, data protection, and data security. We carefully adhere to these requirements and standards to ensure guest safety and trust. Our system does not collect any information that could be considered non-standard for a restaurant and franchising company.

Jurisdictions around the world have adopted or are proposing to adopt laws and regulations related to privacy, data protection and data security, and we may become subject to additional requirements and obligations as we expand our operations into new geographic markets. Additionally, a disruption or failure of our systems or technology, or a data security incident, could harm our ability to effectively manage our business. See "*Risk Factors—Risks Related to our Business Operations—We and our franchisees rely on computer systems to process transactions and manage our businesses, and a disruption or a failure of such systems or technology could harm our ability to effectively manage our businesses*."

**Supply Chain and Sourcing**

Our unwavering commitment to quality in our food and beverage offerings is reflected in our supply chain and sourcing model. We aim to maintain the safety and quality of our food, emphasizing fresh ingredients across our menus, and we require all ingredients and supplies to satisfy our rigorous quality standards. Our focus is on obtaining high quality ingredients that we can leverage across our menus, as we strive to minimize the number of "finished products" sourced externally. We partner with a network of vendors to source our food and beverage products, kitchen equipment, packaging, and other items. We manage these sourcing relationships on behalf of our franchisees, and we require all of our franchisees to purchase from the designated suppliers. Our vendors and distribution partners are fully vetted regarding quality, safety, and compliance, and we have direct vendor contracts or pricing agreements in place which cover the majority of our purchases from them.

For certain ingredients, we leverage forward buying and hedging strategies in order to minimize the impact of price fluctuations. Our digital menus and dynamic pricing capabilities allow us to quickly modify menu prices when necessary in order to maintain margins for certain items that have experienced cost increases.

For our Twin Peaks restaurants, our external sourcing activities are supplemented by our in-house brewery operations. All of our signature beer sold at our Twin Peaks restaurants in Texas are brewed at Twin Peaks Brewing Co., our award-winning brew-pub in Irving, Texas (which is adjacent to a Twin Peaks restaurant). Our brewing operations allow us to maintain quality, consistency, and control over our proprietary beers. Currently, our Twin Peaks brewery is licensed to brew approximately 20,000 kegs per year.

**Competition**

We compete in the highly competitive and fragmented restaurant industry, more specifically within the casual dining segment of the U.S. full-service restaurant industry. We compete primarily with sports bar concepts and other casual dining establishments. These competitors include both large, established national and global brands, as well as smaller, locally-owned restaurants and chains. Given our focus in the sports bar and bar and grill categories, we believe that we also compete with limited-service chains focused on off-premise consumption of similar food and beverage offerings, such as chicken wings, burgers, etc. The number, size and strength of competitive restaurant concepts varies by region. We believe that differentiation among brands and concepts in the spaces in which we operate is driven by the in-restaurant experience, ambiance, food taste and quality, service, location, and value, among other factors. As we continue to grow our restaurant footprint, both domestically and internationally, we expect to face increased competition from both established and emerging brands across our markets. We also compete with other restaurant and retail establishments for site selection and restaurant staff. See "*Risk Factors—Risks Related to our Business Operations—The full-service restaurant industry in which we operate is highly competitive*."

**Intellectual Property**

Our principal trademarks for the Twin Peaks brand include "Twin Peaks", "EATS. DRINKS. SCENIC VIEWS", "29° Draft Beer", "Twin Peaks Brewing", and our Twin Peaks and mountains designs and logos, which we have registered with the United States Patent and Trademark Office. We have also registered, or applied for registration of, various other related terms, designs and logos as trademarks in the United States. In addition, we have registered, or applied for registration of, "Twin Peaks", "EATS. DRINKS. SCENIC VIEWS", and our Twin Peaks and mountains designs and logos as trademarks in Mexico and certain other countries where we are considering expanding our Twin Peaks restaurant footprint. Furthermore, the Twin Peaks website name and address, and the Facebook, Instagram and X accounts for the Twin Peaks brand, are our intellectual property. We also maintain certain recipes for Twin Peaks menu items, as well as certain standards, specifications and operating procedures for our Twin Peaks restaurants, as trade secrets or confidential information.

Our principal trademarks for the Smokey Bones brand include "Smokey Bones", "Masters of Meat", "Meat is What We Do", and our Smokey Bones flame designs and logos, which we have registered with the United States Patent and Trademark Office. We have also registered, or applied for registration of, various other related terms, designs and logos as trademarks in the United States. In addition, we have registered, or applied for registration of, "Smokey Bones", "the Burger Experience", and "the Wing Experience" as trademarks in certain other countries where we are considering expanding our Smokey Bones restaurant footprint. Furthermore, the Smokey Bones website name and address, and the Facebook, Instagram and X accounts for the Smokey Bones brand, are our intellectual property. We also maintain certain recipes for Smokey Bones menu items, as well as certain standards, specifications and operating procedures for our Smokey Bones restaurants, as trade secrets or confidential information.

We believe that our trademarks, service marks, trade names and other intellectual property rights have significant value, and are important to the marketing and reputation of our brand. An important part of our intellectual property strategy is the monitoring and enforcement of our intellectual property rights in markets in which our restaurants currently exist or markets which we intend to enter in the future. We monitor trademark registers to discover and oppose third-party trademark applications for confusingly similar trademarks in order to preserve and enhance the scope of protection for our brand and our competitive position. We enforce our rights through a number of methods, including by sending cease-and-desist letters and instituting opposition or cancellation motions. However, we cannot predict whether steps taken to protect our intellectual property rights will be adequate. See "*Risk Factors—Risks Related to our Business Operations—Failure to protect our service marks or other intellectual property could harm our business.*"

**Properties**

Our corporate office is located in Dallas, Texas, where we currently lease approximately 8,337 square feet pursuant to a lease agreement that expires in 2025, with a five-year renewal option.

As of September 29, 2024, we operated 33 company-owned Twin Peaks restaurants across eight states throughout the United States. All of our company-owned Twin Peaks restaurants are on leased facilities.

As of September 29, 2024, we operated 58 company-owned Smokey Bones restaurants across 16 states throughout the eastern United States. One Smokey Bones restaurant is currently being converted to a company-owned Twin Peaks restaurant. All of our company-owned Smokey Bones restaurants are on leased facilities.

We believe that our facilities are sufficient to meet our current and anticipated near-term needs.

**Environmental Matters**

Our operations, including the selection and development of company-owned restaurants and franchised restaurants and any construction or improvements we or our franchisees make at those locations, are subject to a variety of federal, state, local, and foreign laws and regulations relating to environmental protection in the United States and in any other country in which we operate. Such laws and regulations concern the protection of the environment, climate change, pollution, waste disposal, the presence, discharge, storage, handling, release, treatment and disposal of (or exposure to) hazardous or toxic substances, and clean-up of contaminated soil and groundwater. Various federal, state, local, and international environmental laws and regulations can provide for significant fines and penalties for non-compliance, as well as liabilities for remediation. Under such environmental laws and regulations, an owner or operator of real estate may be liable for the costs of removal or remediation of waste or hazardous or toxic substances on, in or emanating from, such property. Such liability may be imposed without regard to whether the owner or operator knew of, or was responsible for, the presence of such waste or hazardous or toxic substances. Some of our restaurants may be located in areas that were previously occupied by companies or operations that had a more significant environmental impact. We could face costs or liability related to environmental conditions at prior, existing or future restaurant locations, including sites where we have franchised restaurants. Third parties may also make claims against owners or operators of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such waste or hazardous substances at, on or from our company-owned restaurants or franchised restaurants.

Additionally, there has been increased public focus by governmental and non-governmental entities and our customers on environmental and sustainability matters such as climate change, reduction of greenhouse gas emissions, water consumption, waste, packaging, and animal health and welfare. As a result, we may face increased pressure to provide expanded disclosure, make or expand commitments, establish targets or goals, or take other actions in connection with environmental and sustainability matters. Legislative, regulatory or other efforts to address environmental and sustainability matters could negatively impact our cost structure and operational efficiencies, or result in future increases in the cost of raw materials, transportation, utilities, and taxes, which could decrease our operating profits and necessitate future investments in facilities and equipment.

Storage, discharge and disposal of hazardous substances are not a significant part of our operations. Additionally, we are not aware of any environmental laws or regulations that will materially affect our results of operations, or result in material capital expenditures relating to our operations. However, we cannot predict what environmental laws and regulations will be enacted in the future, how existing or future environmental laws and regulations will be administered, interpreted or enforced, or the amount of future expenditures that we may need to comply with, or to satisfy claims relating to, environmental laws and regulations.

**Government Regulation**

***U.S. Operations***

We are subject to extensive federal, state and local government regulation, including those relating to, among others, franchising, alcoholic beverage sales, menu labeling and nutritional disclosure, food preparation, public health and safety, zoning and building codes, and environmental matters. Failure to obtain or retain required licenses, permits or registrations, or applicable exemptions, would adversely affect the operations of our restaurants, as well as our ability to franchise. Although we have not experienced and do not anticipate any significant problems in obtaining required licenses, permits, registrations, approvals or exemptions, any difficulties, delays or failures in obtaining such licenses, permits, registrations, approvals or exemptions could delay or prevent the opening of, or adversely impact the viability of, a restaurant in a particular area. Additionally, a pandemic, epidemic, outbreak of an infectious disease, such as COVID-19 and any of its various strains, or other public health crisis could result in revised state and local government regulations affecting our business, which could significantly impact our restaurant operations. Such regulations could govern, for example, employee leave, opening and closing of restaurants and dining rooms, sanitation practices, guest spacing within dining rooms and other social distancing practices, and personal protective equipment.

Our franchising activities are subject to the rules and regulations of the FTC, state and local franchise registration requirements, and various state laws regulating the offer and sale of franchises through the provision of franchise disclosure documents containing certain mandatory disclosures. Substantive state laws that regulate the franchisor-franchisee relationship exist in a substantial number of states, and bills have been introduced in Congress from time to time that would provide for federal regulation of the franchisor-franchisee relationship. The state laws often limit, among other things, the duration and scope of non-competition provisions, the ability of a franchisor to terminate or refuse to renew a franchise agreement, and the ability of a franchisor to designate sources of supply. We believe that our franchising procedures comply in all material respects with both the FTC franchise rules and regulations and all applicable state laws regulating franchising in those states in which we have offered franchises.

The development of additional restaurants will be subject to compliance with applicable regulations, including those relating to zoning, land use, water quality and retention, and other environmental matters. We believe federal and state environmental regulations have not had a material effect on our operations, but more stringent and varied requirements of local government bodies with respect to zoning, land use and environmental factors, among others, could delay construction of, and increase development costs for, new restaurants.

We are also subject to the Fair Labor Standards Act, the Immigration Reform and Control Act of 1986, and various other federal and state laws governing matters such as minimum wages, exempt versus non-exempt status, overtime, unemployment tax rates, workers' compensation rates, citizenship requirements, and other working conditions. A significant portion of the hourly staff at our restaurants is paid at rates consistent with the applicable federal or state minimum wage, and, accordingly, increases in the minimum wage and/or changes in exempt versus non-exempt status will increase labor costs. We are also subject to the ADA, which prohibits discrimination on the basis of disability with respect to employment and public accommodations, which may require us to design or modify our restaurants to make reasonable accommodations for disabled persons.

Each of our restaurants is required to obtain a license to sell alcoholic beverages on its premises from a state authority and, in certain locations, county and municipal authorities. Typically, our licenses to sell alcoholic beverages must be renewed annually and may be suspended or revoked at any time for cause. Alcoholic beverage control regulations govern various aspects of the daily operations of our company-owned restaurants and franchised restaurants, including the minimum age of guests and team members, hours of operation, advertising, wholesale purchasing, other relationships with alcoholic beverages manufacturers, wholesalers and distributors, inventory control, handling and storage, and storage and dispensing of alcoholic beverages. We are also subject to "dram shop" statutes in certain states in which our restaurants are located. These statutes generally provide that a person injured by an intoxicated person has the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated individual. As of September 29, 2024, we are currently the subject of five lawsuits that allege violations of dram shop statutes. We carry liquor liability coverage as part of our existing comprehensive general liability insurance for our restaurants.

We are also subject to the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act of 2010 (which we refer to as the "PPACA"), which establishes a uniform, federal requirement for certain restaurants to post certain nutritional information on their menus. Specifically, the PPACA amended the Federal Food, Drug and Cosmetic Act to require chain restaurants with 20 or more locations operating under the same name and offering substantially the same menu to publish the total number of calories of standard menu items on menus and menu boards, along with a statement that puts this calorie information in the context of a total daily caloric intake. The PPACA also requires covered restaurants to provide to customers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus and menu boards about the availability of this information. The PPACA further permits the United States Food and Drug Administration to require covered restaurants to make additional nutrient disclosures, such as disclosure of trans-fat content. Additionally, a number of states, counties and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to guests or have enacted legislation restricting the use of certain types of ingredients in restaurants. Furthermore, some government authorities are increasing regulations regarding trans-fats and sodium, and some jurisdictions have banned certain cooking ingredients, such as trans-fats, or have discussed banning certain products, such as large sodas. Such regulations may require us to limit trans-fats and sodium in our menu offerings, switch to higher cost ingredients, or remove certain products and ingredients all together from our menus.

***International Operations***

Our franchised Twin Peaks restaurants in Mexico are subject to national and local laws and regulations in that country. We believe that our international franchised restaurants and procedures comply in all material respects with the applicable laws of Mexico.

See also "*Risk Factors—Risks Related to Regulatory Matters and Legal Proceedings.*"

**Legal Proceedings**

We are involved in various claims and legal actions and proceedings that arise in the ordinary course of our business, including claims and proceedings resulting from employment-related matters. We do not believe that the ultimate resolution of any of these matters, individually or taken in the aggregate, will have a material adverse effect on our financial position, results of operations, liquidity or capital resources. However, a significant increase in the number of claims or an increase in amounts owing under successful claims could materially and adversely affect our business, financial condition, results of operations, and cash flows.

**Executive Officers and Non-Executive Directors**

Set forth below are the names, ages and positions of each of our executive officers and non-executive directors, as of the date of this Information Statement, and a description of the business experience of each of them.

| Name | Age | Position |
|---|---|---|
| ***Executive Officers*** | | |
| Joseph Hummel | 56 | Chief Executive Officer and Chairperson of the Board |
| Kenneth J. Kuick | 55 | Chief Financial Officer |
| Clay C. Mingus | 48 | Chief Legal Officer and Secretary |
| Hal Lawlor | 59 | President, Smokey Bones |
| ***Non-Executive Directors*** | | |
| Kenneth J. Anderson[(2)] | 70 | Independent Director[(1)] |
| Lynne Collier[(2)] | 57 | Independent Director[(1)] |
| James Ellis[(2)] | 77 | Independent Director[(1)] |
| David Jobe[(2)] | 64 | Independent Director[(1)] |

(1) Determined to be independent pursuant to the independence standards of the Nasdaq Listing Rules.

(2) Such director will hold office until the 2025 annual meeting of our stockholders and until his or her successor has been duly elected and qualified.

***Business Experience***

*Executive Officers*

***Joseph Hummel***. Mr. Hummel has served as our Chief Executive Officer since July 2017, and as a director of our Company since February 2024. Prior to joining our Company, Mr. Hummel was the Chief Operating Officer and a partner at La Cima Restaurants, LLC, a franchiser of 43 Twin Peaks restaurants in Alabama, Georgia, Tennessee, Florida, North Carolina and South Carolina, from August 2011 to July 2017. Prior to La Cima Restaurants, Mr. Hummel worked at Hooters of America from October 2003 to August 2011, where he started as the Vice President of National Purchasing and was eventually promoted to Executive Vice President of Operations and Purchasing. Mr. Hummel has over 30 years of executive experience in the food and restaurant industry. Mr. Hummel received a Bachelor of Science degree in Business Administration from Clemson University.

***Kenneth J. Kuick***. Mr. Kuick has served as our Chief Financial Officer since April 2024. Mr. Kuick has also served as the Co-Chief Executive Officer of FAT Brands since May 2023 and the Chief Financial Officer of FAT Brands since May 2021. Prior to joining FAT Brands, Mr. Kuick was the Chief Financial Officer of Noodles & Company, a national fast-casual restaurant concept, from November 2018 to August 2020, where he was responsible for leading the finance, accounting and supply chain functions. Prior to Noodles & Company, Mr. Kuick was the Chief Accounting Officer of VICI Properties Inc., a real estate investment trust specializing in casino properties, from October 2017 to August 2018, where he was responsible for accounting, consolidated financial operations, capital markets transactions, treasury, internal audit, tax and external reporting. Prior to VICI Properties, Mr. Kuick was the Chief Accounting Officer of Caesars Entertainment Operating Company, a subsidiary of Caesars Entertainment Corporation, from November 2014 to October 2017, and was the Vice President, Assistant Controller for Caesars Entertainment Corporation from December 2011 to November 2014. Mr. Kuick is a Certified Public Accountant. Mr. Kuick received a Bachelor of Science degree in Accounting and Business Systems from Taylor University.

***Clay C. Mingus.*** Mr. Mingus has served as our Chief Legal Officer and Secretary since July 2017. Prior to joining our Company, Mr. Mingus was the Chief Legal Officer of La Cima Restaurants, LLC, a franchiser of 43 Twin Peaks restaurants in Alabama, Georgia, Tennessee, Florida, North Carolina and South Carolina, from August 2011 to July 2017. Prior to La Cima Restaurants, Mr. Mingus was the Vice President of Legal and General Counsel at Hooters of America from July 2007 to July 2011. Mr. Mingus received a Bachelor of Arts degree in English from Purdue University and a Juris Doctorate degree from University of Georgia School of Law.

***Hal Lawlor.*** Mr. Lawlor has served as the President, Smokey Bones since March 2024. Prior to the Smokey Bones Acquisition, Mr. Lawlor was the President of Barbeque Integrated, Inc. (which is the entity that owns Smokey Bones) from June 2023 to March 2024, as well as the Chief Operating Officer of Barbeque Integrated, Inc. from June 2019 to June 2023. Since joining Smokey Bones, Mr. Lawlor has successfully launched four virtual brands for Smokey Bones, including the Wing Experience, Burger Experience, Bowl Market and Tender Box. Mr. Lawlor has been integral in building a successful off-premise dining program for the Smokey Bones brand to further its sales and reach. Prior to Smokey Bones, Mr. Lawlor was a Regional Vice President of Operations for P.F. Chang's Bistro, the international Asian-inspired restaurant concept, from January 2016 to May 2019, where he led strategic operations for a group of 61 restaurants across the Northeast and Midwest regions of the United States. Prior to P.F. Chang's Bistro, Mr. Lawlor was at Red Lobster from February 1994 to January 2016, where he began his career as a line cook, and was subsequently promoted to various leadership positions, including as the Director of Operations, Regional Vice President, and ultimately as the Vice President of Operations. Mr. Lawlor has more than 25 years of experiences in the restaurant industry. Mr. Lawlor graduated from the Culinary School at First Coast Technical College.

*Non-Executive Directors*

***Kenneth J. Anderson***. In December 2024, Mr. Anderson was appointed as a director to our Board of Directors in connection with the Reorganization. Mr. Anderson also served on the board of directors of FAT Brands from October 2021 to March 2023. Mr. Anderson currently serves as the Chief Executive Officer of Cedar Tree Capital, an investment firm, where he provides strategic planning and investment advice to high net-worth families with a focus on public equities and alternative investments. Prior to Cedar Tree Capital, Mr. Anderson was a founder of, and served as a Client Service Director at, Aspiriant, an independent wealth management firm, from October 2002 to October 2021, where he also was a member of its board of directors. Prior to Aspiriant, Mr. Anderson was a Client Service Director at myCFO from March 2000 to its sale in October 2002. Prior to myCFO, Mr. Anderson was a Tax Partner at Arthur Andersen LLP for 20 years. Mr. Anderson has more than 35 years of experience in providing financial strategies and advice related to taxes, estate planning, investments, insurance, and philanthropy. Mr. Anderson is a Certified Public Accountant and a licensed attorney in Illinois. Mr. Anderson received a Bachelor's degree in Accounting and Economics from Valparaiso University. Mr. Anderson was selected to serve on our Board of Directors because of his extensive accounting, tax, and financial strategies and planning experience and background.

***Lynne Collier.*** In December 2024, Ms. Collier was appointed as director to our Board of Directors in connection with the Reorganization. Ms. Collier also currently serves as a director and the chair of the audit committee of the board of directors of FAT Brands, where she was appointed to the board of directors of FAT Brands in July 2022. Ms. Collier has also been the Head of Consumer Discretionary at Water Tower Research, LLC, an investor relations advisory firm, since October 2022. Prior to Water Tower Research, Ms. Collier was a Managing Director in the Investor Relations Division of ICR Inc. from April 2021 to June 2022. Prior to ICR, Ms. Collier was a sell-side consumer analyst at a number of financial institutions, including serving as a Managing Director at Loop Capital Markets LLC from October 2018 to April 2021, a Managing Director at Canaccord Genuity Inc. from July 2016 to October 2018, and a Managing Director at Sterne Agee from May 2009 to June 2016. Ms. Collier has nearly 30 years of experience in capital markets with a focus on the restaurant industry. Ms. Collier received a Bachelor's degree in Finance from Baylor University, and a Master of Business Administration degree in Finance from Texas Christian University. Ms. Collier was selected to serve on our Board of Directors because of her extensive experience in accounting and investors relations, and her years of experience in capital markets, particularly with respect to the restaurant industry.

***James Ellis.*** In December 2024, Mr. Ellis was appointed as a director to our Board of Directors in connection with the Reorganization. Mr. Ellis also currently serves as a director on the board of directors of FAT Brands since September 2023. Mr. Ellis was previously the Dean of the Marshall School of Business at the University of Southern California ("USC") from April 2007 to June 2019. Prior to his appointment as the Dean of the Marshall School of Business, Mr. Ellis was the Vice Provost, Globalization, at USC from September 2005 to April 2007, and prior to that, the Vice Dean, External Relations and Corporate Programs, at USC from July 2004 to September 2005. Mr. Ellis was also a professor in the Marketing Department at the Marshall School of Business from January 1997 to June 2021, when he retired from his teaching role. Mr. Ellis continues to serve on the boards of directors of a number of public and private companies, including FAT Brands, J.G. Boswell Company (OTCMKTS:BWEL), and Mercury General Corporation (NYSE: MCY). Mr. Ellis received a Bachelor's degree in Business Administration from the University of New Mexico, and a Master of Business Administration degree from Harvard Business School. Mr. Ellis was selected to serve on our Board of Directors because of his extensive business and marketing expertise.

***David Jobe.*** In December 2024, Mr. Jobe was appointed as a director to our Board of Directors in connection with the Reorganization. Mr. Jobe is a co-founder, and has served as the Chief Executive Officer, of Prosper Company, a purpose-driven, inclusive community within the foodservice and hospitality industries, since September 2022. Prior to Prosper Company, Mr. Jobe served as the President, a Partner and a member of the board of directors of Revelry Group, a certified B Corporation that creates shared value for companies in the food, beverage, and hospitality sectors, from January 2019 to August 2022. Prior to Revelry Group, Mr. Jobe was at Winsight Media for 20 years where he served in a number of roles, including as the President and Chief Customer Officer. Mr. Jobe has over 25 years of experience in the global foodservice, hospitality and convenience retailing industries. Mr. Jobe received a Bachelor of Arts degree in Business Administration from Washington State University. Mr. Jobe was selected to serve on our Board of Directors because of his extensive experience in the global foodservice and hospitality industries, where he has built deep connections and strategic relationships with senior executives for leading suppliers and operators.

**Family Relationships**

There are no familial relationships among any of our executive officers or non-executive directors.

**Overlap of Certain Directors and Management**

Two of our directors, Lynne Collier and James Ellis, also serve as directors of FAT Brands, and our Chief Financial Officer, Kenneth J. Kuick, is also the co-chief executive officer and chief financial officer of FAT Brands. For a description of the treatment of related party transactions and corporate opportunities where a director or officer of our Company also serves as a director or officer of FAT Brands, see the sections entitled "*Certain Relationships and Related Party Transactions—Related Party Transactions Policies and Procedures*" and "*Description of Capital Stock—Provisions of our Amended and Restated Certificate of Incorporation Relating to Related Person Transactions and Corporate Opportunities*".

**Board of Directors**

Our business and affairs are managed under the direction of our Board of Directors. In connection with the Reorganization, we have amended and restated our certificate of incorporation (which we refer to as our "Amended and Restated Certificate of Incorporation) and our bylaws (which we refer to as our "Amended and Restated Bylaws"). Our Amended and Restated Certificate of Incorporation provides that the number of directors on our Board of Directors shall be no less than three, with the actual number of directors fixed from time to time by our Board of Directors. Immediately following the Reorganization, our Board of Directors will be composed of five members, as set forth above. Joseph Hummel will serve as the Chairperson of our Board of Directors. Each director will continue to serve until the election and qualification of his or her successor, or until the earliest of his or her death, resignation, or removal.

***Director Independence***

Our Board of Directors undertakes a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our Board of Directors has determined that Kenneth J. Anderson, Lynne Collier, James Ellis, and David Jobe do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent", as defined under the independence standards of the Nasdaq Listing Rules. In making these determinations, our Board of Directors considered the current and prior relationships that each non-executive director has or had with our Company and all other facts and circumstances that our Board of Directors deemed relevant in determining their independence, including the beneficial ownership of shares of our Common Stock held by such non-executive director, and the transactions described in "*Certain Relationships and Related Party Transactions*".

*Lead Independent Director*

Our corporate governance guidelines provide that, if the Chairperson of our Board of Directors is an independent director, the Chairperson will also serve as the lead independent director of our Board of Directors (which we refer to as the "Lead Independent Director"), provided, however, that, at any time when the Chairperson of the Board of Directors is not an independent director, one of our independent directors will serve as the Lead Independent Director. Given that Joseph Hummel, the Chairperson of our Board of Directors, is not an independent director, James Ellis serves as the Lead Independent Director. As the Lead Independent Director, James Ellis will preside over periodic meetings of our independent directors, coordinate activities of the independent directors, ensure that our Board of Directors functions independent of our Company's management, and perform such additional duties as our Board of Directors may otherwise determine and delegate. The Lead Independent Director may be appointed and replaced from time to time by our Board of Directors.

***Diversity***

We believe that having a diverse Board of Directors can offer a breadth and depth of perspectives that enhance the performance of our Board of Directors. Our nominating and corporate governance committee values diversity of abilities, experience, perspective, education, gender, background, race, ethnicity and national origin. Recommendations concerning director nominees are based on merit and past performance, as well as expected contributions to the performance of our Board of Directors, and, accordingly, diversity is taken into consideration.

We similarly believe that having a diverse and inclusive organization overall is beneficial to our success, and we are committed to diversity and inclusion at all levels of our organization to ensure that we attract, retain and promote the brightest and most talented individuals. We have recruited and selected senior management candidates that represent a diversity of business understanding, personal attributes, abilities, and experience.

We have not adopted a formal policy with respect to the identification and nomination or appointment of women and of other diverse candidates to our Board of Directors or our senior management team. Our nominating and corporate governance committee and our senior executives take gender and other diversity representation into consideration as part of their overall recruitment and selection process. We have not adopted targets for gender or other diversity representation in part due to the need to consider a balance of criteria for each individual appointment. We do not believe that quotas or strict rules set out in a formal policy would result in improved identification or selection of the best candidates, as we believe that quotas based on specific criteria would limit our ability to ensure that the overall composition of our Board of Directors and senior management team meets the needs of our Company and our stockholders.

Immediately following the Reorganization, we will have one woman on our Board of Directors (representing 20% of our directors), and our Board of Directors is committed to maintaining or increasing the number of women on our Board of Directors as board turnover occurs from time to time, taking into account the skills, background, experience and knowledge desired at a particular time by our Board of Directors and its committees. In addition, we currently have three women servings as vice presidents on our senior executive team.

**Role of our Board of Directors in Risk Oversight**

Our Board of Directors oversees our business and considers the risks associated with our business strategy and decisions. One of the key functions of our Board of Directors is informed oversight of our risk management processes, which are designed to support the achievement of organizational objectives, improve long-term organizational performance, and enhance stockholder value while mitigating and managing identified risks. A fundamental part of our approach to risk management is not only understanding the most significant risks our Company faces and the necessary steps to manage those risks, but also deciding what level of risk is appropriate. Our Board of Directors plays an integral role in guiding our management's risk tolerance and determining an appropriate level of risk.

Our Board of Directors currently implements its risk oversight function as a whole. Each of the three standing committees (the audit committee, the compensation committee, and the nominating and corporate governance committee) of our Board of Directors also provides risk oversight in respect of its respective areas of concentration and reports material risks to our Board of Directors for further consideration. In particular, our Board of Directors is responsible for monitoring and assessing strategic risk exposure, including risks associated with operational, governmental, environmental, legal, compliance, corporate governance, financial, credit, liquidity, cybersecurity and data privacy matters, evaluating our risk management processes, allocating responsibilities for risk overnight among the full Board of Directors and the three standing committees, and fostering an appropriate culture of integrity and compliance with legal obligations. Our Board of Directors also appreciates the evolving nature of our business and industry and oversees the monitoring and mitigation of new threats and risks as they emerge.

Our audit committee monitors and evaluates our major financial and accounting risk exposures, and other risks that could have a significant impact on our financial statements, in addition to oversight of the performance of our internal audit function. Our audit committee also monitors major legal, regulatory, compliance, investment, tax, cybersecurity, and data privacy risks, and the steps our management takes to identify and control these exposures, including by reviewing and setting guidelines, policies, and internal controls that govern the processes by which risk assessment and management is undertaken. In particular, our audit committee oversees our cybersecurity and data privacy programs and reports on these matters to our Board of Directors. Our management periodically updates our audit committee on cybersecurity and data privacy matters, including cybersecurity incidents involving us, our franchisees, as well as our third-party service providers, progress of ongoing initiatives, and the effectiveness of internal control and compliance mechanisms. These mechanisms include assessments of prospective third-party service providers' cybersecurity and data privacy practices prior to entering into or renewing business transactions with them or providing them access to our data or information systems. The results of these assessments inform the controls that we would implement to mitigate any uncovered third-party service provider security risks. Our audit committee also monitors compliance with legal and regulatory programs. Our compensation committee monitors and assesses whether any of our compensation policies, programs and practices has the potential to encourage excessive risk-taking. Our nominating and corporate governance committee oversees risks associated with director independence and the composition and organization of our Board of Directors, plans for leadership succession, monitors the effectiveness of our corporate governance guidelines and code of business conduct and ethics, including whether such guidelines and code are successful in preventing illegal or improper liability-creating conduct, and provides general oversight of our other corporate governance policies and practices. While each standing committee of our Board of Directors is responsible for evaluating certain risks and overseeing the management of such risks, our entire Board of Directors is regularly informed through committee reports about such risks.

At periodic meetings of our Board of Directors and its committees, our management reports to, and seeks guidance from, our Board of Directors and its committees with respect to the most significant risks that could affect our business, such as financial, tax, and audit-related risks, legal, regulatory and compliance risks, and cybersecurity and data privacy risks. We have implemented controls and procedures for our management to quickly report and escalate violations or breaches of our compliance programs, policies and practices, as well as occurrences of cybersecurity, data privacy and other incidents, to our Board of Directors or an applicable committee.

**Committees of our Board of Directors**

Our Board of Directors has established three standing committees: the (i) audit committee, (ii) compensation committee, and (iii) nominating and corporate governance committee. Each of our audit committee, our compensation committee, and our nominating and corporate governance committee is comprised exclusively of independent directors, as determined in accordance with the independence standards of the Nasdaq Listing Rules.

***Audit Committee***

Our Board of Directors has established an audit committee, which is comprised of three independent directors, Kenneth J. Anderson, Lynne Collier and James Ellis. Kenneth J. Anderson serves as the chairperson of our audit committee. Our Board of Directors has designated Kenneth J. Anderson as the "audit committee financial expert" within the meaning of applicable SEC regulations, and has determined that each member of our audit committee is (i) independent under the independence standards of the Nasdaq Listing Rules, and meets the independence requirements of Rule 10A-3 under the Exchange Act, and (ii) "financially literate" under the applicable Nasdaq Listing Rules, as each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements and has sufficient knowledge in financial and auditing matters to serve on our audit committee. In arriving at these determinations, our Board of Directors examined each audit committee member's scope of experience and the nature of his or her employment.

The primary purpose of our audit committee is to assist our Board of Directors in overseeing:

- our corporate accounting, financial reporting, and auditing processes and activities;
- our systems of internal control;
- the integrity and audits of our financial statements;
- the scope of our annual audits;
- our compliance with legal and regulatory requirements;
- the engagement, qualifications, and independence of our independent registered public accounting firm;
- the performance of our accounting practices, internal audit function, and independent registered public accounting firm; and
- our overall risk exposure and the management thereof.

Specific responsibilities of our audit committee include, among other matters:

- being responsible for the selection, engagement, qualifications, independence, and performance of our independent registered public accounting firm;
- meeting periodically with our management, internal audit staff, and our independent registered public accounting firm in separate executive sessions;
- reviewing and discussing with our independent registered public accounting firm the plans for, and the scope and results of, our annual audit, and reviewing with our management and our independent registered public accounting firm our interim and year end results of operations;
- having sole authority to approve in advance all audit and permissible non-audit services to be performed by our independent registered public accounting firm, the scope and terms thereof, and the fees therefor;

- reviewing our system of audit and financial accounting controls, and the results of internal audits;
- preparing the audit committee report that the SEC requires in our annual proxy statement; and
- reviewing, approving and overseeing any related party transactions; and
- reviewing and overseeing legal and regulatory compliance matters, including risks related to cybersecurity, information security, and data privacy.

Our audit committee operates under a written audit committee charter that defines our audit committee's primary duties in a manner consistent with applicable Nasdaq Listing Rules.

***Compensation Committee***

Our Board of Directors has established a compensation committee, which is comprised of two independent directors, Kenneth J. Anderson and James Ellis. Kenneth J. Anderson serves as the chairperson of our compensation committee. Our Board of Directors has determined that each member of our compensation committee is independent under the independence standards of the Nasdaq Listing Rules, and is a "non-employee director" (as defined in Rule 16b-3 under the Exchange Act).

The primary purpose of our compensation committee is to assist our Board of Directors in overseeing our compensation programs, policies and plans, and to review and determine the compensation to be paid to our directors, executive officers, and other senior management, as appropriate. Specific responsibilities of our compensation committee include, among other matters:

- administering, reviewing, and making recommendations to our Board of Directors regarding, our 2024 Incentive Compensation Plan and any other compensation or benefit programs, policies, and plans;
- reviewing and approving on an annual basis our corporate goals and objectives with respect to compensation for executive officers, and evaluating on an annual basis each executive officer's performance in light of such goals and objectives;
- reviewing and approving, or recommending that our Board of Directors approve, the compensation, including salary, bonus and equity and non-equity incentive compensation, of, and terms of other compensatory arrangements with, our chief executive officer and other executive officers;
- reviewing, concurrently with our nominating and corporate governance committee, the appropriate level of compensation for Board and committee service by non-executive directors; and
- reviewing our incentive compensation arrangements to ensure that they do not encourage unnecessary risk-taking, and reviewing and discussing, at least annually, the relationship among our risk management policies and practices, our corporate strategy, and our compensation arrangements.

Our compensation committee also has the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director or executive compensation.

Our compensation committee operates under a written compensation committee charter that defines our compensation committee's primary duties in a manner consistent with applicable Nasdaq Listing Rules.

*Compensation Committee Interlocks and Insider Participation*

None of the members of our compensation committee is currently, or has been at any time, an officer or employee of our Company or any of our subsidiaries. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or our compensation committee.

***Nominating and Corporate Governance Committee***

Our Board of Directors has established a nominating and corporate governance committee, which is comprised of three independent directors, Kenneth J. Anderson, Lynne Collier and David Jobe. Lynne Collier serves as the chairperson of our nominating and corporate governance committee. Our Board of Directors has determined that each member of our nominating and corporate governance committee is independent under the independence standards of the Nasdaq Listing Rules.

Specific responsibilities of our nominating and corporate governance committee include, among other matters:

- identifying, evaluating, and recommending to our Board of Directors potential director candidates for nomination to become members of our Board of Directors, including the nomination of incumbent directors for reelection;
- ensuring that our Board of Directors reflects the appropriate balance of knowledge, experience, skills, expertise, diversity, and independence;
- considering and making recommendations to our Board of Directors regarding the organization, function, and composition, including chairpersonship, of our Board of Directors and its committees;
- overseeing the self-evaluation of our Board of Directors and its committees, and our Board of Director's evaluation of management;
- reviewing succession planning for our executive leadership team;
- reviewing matters relating to human capital management, including policies and strategies regarding recruiting, retention, career development and progression, diversity and inclusion, and other employment practices;
- reviewing and considering environmental, social responsibility, and sustainability matters; and
- overseeing our corporate governance policies, procedures and guidelines, including periodically reviewing and, if appropriate, recommending to our Board of Directors changes to, our corporate governance policies, procedures and guidelines.

Our nominating and corporate governance committee operates under a written nominating and corporate governance committee charter that defines our nominating and corporate governance committee's primary duties in a manner consistent with applicable Nasdaq Listing Rules.

**Code of Business Conduct and Ethics**

Our Board of Directors has adopted a code of business conduct and ethics (which we refer to as our "code of business conduct and ethics") that applies to our directors, officers, employees, and contractors. Among other matters, our code of business conduct and ethics is designed to deter wrongdoing and promote the following:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- full, fair, accurate, timely and understandable disclosure in our communications with, and reports to, our stockholders and other public communications;
- compliance with applicable governmental laws, rules and regulations;

- protection of our assets, including corporate opportunities and confidential information;
- a professional and respectful work environment, free of discrimination or harassment;
- prompt internal reporting of violations of our code of business conduct and ethics to appropriate persons identified therein; and
- accountability for adherence to our code of business conduct and ethics.

Any waiver of our code of business conduct and ethics for our directors, executive officers, or any employees may be made only by our Board of Directors, and will be promptly disclosed as required by law or the Nasdaq Listing Rules.

**Controlled Company Exemptions**

Immediately following the Reorganization and the Spin-Off, FAT Brands will own (i) an expected 44,571,771 shares of our Class A Common Stock, and (ii) all of the 2,870,000 outstanding shares of our Class B Common Stock. Our Class B Common Stock is entitled to 50 votes per share, and our Class A Common Stock is entitled to one vote per share. Because of the 50-to-1 voting ratio between our Class B Common Stock and our Class A Common Stock, immediately following the Spin-Off, FAT Brands will hold approximately 98.6% of the total voting power of the outstanding shares of our Common Stock, and, as a result, will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of all the members of our Board of Directors and the approval of significant corporate transactions. Under the Nasdaq Listing Rules, a company is deemed to be a "controlled company" if more than 50% of the voting power for the election of directors is held by an individual, group or another company. As such, we expect to be a "controlled company" within the meaning of the Nasdaq Listing Rules, since FAT Brands will continue to control a majority of the voting power of the outstanding shares of our Common Stock.

A controlled company may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of the listing of our Class A Common Stock:

- we have a board of directors that is composed of a majority of "independent directors", as defined under the Nasdaq Listing Rules;
- we have a compensation committee that is composed entirely of independent directors;
- we have a nominating and corporate governance committee that is composed entirely of independent directors; and
- the compensation of our Chief Executive Officer must be determined or recommended solely by independent directors.

Notwithstanding the foregoing, we do not currently intend to rely on any of the "controlled company" exemptions provided under the Nasdaq Listing Rules.

Furthermore, see "*Reorganization—Arrangements with respect to the Shares of Class A Common Stock held by FAT Brands*" for a description of certain arrangements with respect to the shares of our Class A Common Stock held by FAT Brands that affect the ability of FAT Brands to vote, dispose of, or otherwise exercise investment power over the shares of our Class A Common Stock held by it under certain circumstances.

## EXECUTIVE AND DIRECTOR COMPENSATION

### Overview

This discussion provides an overview of our executive compensation philosophy and objectives, our executive compensation programs, policies, processes and practices, and the compensation determinations with respect to the following executive officers, who are collectively referred to herein as our "Named Executive Officers":

| Name | Position |
|---|---|
| Joseph Hummel | Chief Executive Officer[1] |
| Clay C. Mingus | Chief Legal Officer and Secretary[1] |
| Michael Locey | Chief Development Officer[1] |
| Kenneth J. Kuick | Chief Financial Officer[2] |

(1) Such executive officer was a Named Executive Officer for fiscal year 2023.

(2) Kenneth J. Kuick was appointed as our Chief Financial Officer on April 1, 2024, and we expect that Mr. Kuick will be a Named Executive Officer for fiscal year 2024 and going forward following the Spin-Off.

The Twin Group is currently a part of the FAT Brands organization. As such, in fiscal years 2023 and 2022, the appropriate levels of annual salary and annual target bonus compensation for our Chief Executive Officer were determined and approved by the compensation committee of the board of directors of FAT Brands (which we refer to as the "FAT Brands Compensation Committee"), and the appropriate levels of annual salary and annual target bonus compensation for our Chief Legal Officer and Secretary and our Chief Development Officer were determined by our Chief Executive Officer, who provided his determinations to the FAT Brands Compensation Committee for consideration and final approval, consistent with FAT Brands' compensation policies and practices. The determinations of the annual salaries and annual target bonus compensation of our Name Executive Officer generally took into account such Named Executive Officer's experience, roles, and performance, as well the compensation practices of similar companies in our industry.

Until the completion of the Reorganization and the Spin-Off, we anticipate that the FAT Brands Compensation Committee will continue to determine and manage the compensation of our Chief Executive Officer, and that our Chief Executive Officer and the FAT Brands Compensation Committee will continue to determine and manage the compensation of our Named Executive Officers (other than our Chief Executive Officer). Following our transition to being a publicly traded company, our compensation committee will be responsible for, or will assist our Board of Directors in, overseeing our compensation programs, policies, processes and practices. Our compensation committee will also be responsible for ensuring that our compensation programs, policies, processes and practices appropriately balance risk and reward consistent with our risk profile, and do not encourage excessive risk-taking behavior by our management, including our Named Executive Officers. Our compensation committee's oversight will include reviewing and making recommendations to our Board of Directors concerning the level and nature of compensation payable to our directors and officers, reviewing compensation objectives, evaluating performance, and ensuring that total compensation paid to executive officers, including our Named Executive Officers, is reasonable and consistent with the objectives and philosophy of our compensation programs.

The following discussion contains forward-looking statements that are based on our current determinations, plans, considerations, and expectations regarding our future compensation programs, policies, processes and practices. The compensation programs, policies, processes and practices, including our compensation philosophy, that we adopt in the future, as well as the actual amount and form of compensation, may differ materially from our currently planned compensation programs as summarized in this discussion.

**Executive Compensation**

***Summary Compensation Table***

The following table summarizes information regarding the compensation that was earned by our Named Executive Officers during fiscal years 2023 and 2022.

| Name and Principal Position(s) | Year | Salary ($) | Non-equity incentive plan compensation ($) | All other compensation ($) | Total ($) |
|---|---|---|---|---|---|
| Joseph Hummel | 2023 | 350,000 | 350,000(1) | 5,549(2) | 705,549 |
| Chief Executive Officer | 2022 | 350,000 | 350,000(1) | 5,549(2) | 705,549 |
| Clay C. Mingus | 2023 | 309,000 | 123,600(3) | 12,022(4) | 444,622 |
| Chief Legal Officer and Secretary | 2022 | 300,000 | 120,000(3) | 16,248(5) | 436,248 |
| Michael Locey | 2023 | 267,800 | 107,120(3) | 12,351(6) | 387,271 |
| Chief Development Officer | 2022 | 260,000 | 104,000(3) | 12,402(7) | 376,402 |
| Kenneth J. Kuick(8) | 2023 | — | — | — | — |
| Chief Financial Officer | 2022 | — | — | — | — |

(1) This amount reflects an annual target amount of non-equity incentive plan compensation in the form of a cash bonus equal to 100% of Mr. Hummel's annual base salary for such year, which non-equity incentive plan compensation was earned by Mr. Hummel upon the achievement of specified Company and individual performance goals.

(2) Represents (i) a cell phone allowance of $1,200, and (ii) payments of premiums on various life, disability and accidental death and dismemberment insurance policies in the aggregate amount of $4,349.

(3) This amount reflects an annual target amount of non-equity incentive plan compensation in the form of a cash bonus equal to 40% of such Named Executive Officer's annual base salary for such year, which non-equity incentive plan compensation was earned by such Named Executive Office upon the achievement of specified Company and individual performance goals.

(4) Represents (i) a cell phone allowance of $1,200, (ii) payments of premiums on various life, disability and accidental death and dismemberment insurance policies in the aggregate amount of $3,244, and (iii) a Company-paid 401(k) plan matching contribution of $7,578.

(5) Represents (i) a cell phone allowance of $1,200, (ii) payments of premiums on various life, disability and accidental death and dismemberment insurance policies in the aggregate amount of $3,244, and (iii) a Company-paid 401(k) plan matching contribution of $11,804.

(6) Represents (i) a cell phone allowance of $1,200, (ii) payments of premiums on various life, disability and accidental death and dismemberment insurance policies in the aggregate amount of $517, and (iii) a Company-paid 401(k) plan matching contribution of $10,634.

(7) Represents (i) a cell phone allowance of $1,200, (ii) payments of premiums on various life, disability and accidental death and dismemberment insurance policies in the aggregate amount of $517, and (iii) a Company-paid 401(k) plan matching contribution of $10,685.

(8) Kenneth J. Kuick was hired and appointed as our Chief Financial Officer on April 1, 2024, and as such, he did not receive any compensation from us in fiscal years 2023 and 2022. Commencing on the effective date of the Spin-Off, Mr. Kuick will be entitled to receive an annual base salary of $ .

***Components of Executive Compensation***

In fiscal years 2023 and 2022, the compensation of our Chief Executive Officer was determined by the FAT Brands Compensation Committee, and the compensation of our Named Executive Officers (other than our Chief Executive Officer) was determined by our Chief Executive Officer, who provided his determinations to the FAT Brands Compensation Committee for consideration and final approval. For fiscal year 2024 and going forward, the compensation of our Named Executive Officers will be determined by our compensation committee. Such decisionmakers have based and will base such compensation determinations on the following elements described below.

*Annual Base Salary*. Base salary is designed to compensate our Named Executive Officers at a fixed level of compensation that serves as a retention tool throughout the executive's career. In determining base salaries, the following factors, among others, was and will continue to be considered: (i) each executive's roles and responsibilities, unique skills, and future potential with our Company, (ii) salary levels for similar positions in our industry and market, and (iii) internal pay equity.

*Annual Target Bonus Opportunities*. Annual target cash bonus opportunities are designed to incentivize our Named Executive Officers at a variable level of compensation based on our Company's and the executive's performance. Our annual target cash bonus opportunity program was and will continue to be designed to reward the achievement of specific financial and operational objectives, based on annual performance criteria that is flexible and that changes with the needs of our business. For fiscal years 2023 and 2022, annual target cash bonus opportunities were based on the achievement of Company performance goals related to our System-Wide Sales and Adjusted EBITDA, as compared to the annual budget for such year and prior year results, as well as the achievement of individual performance goals set out in the beginning of such year.

*Retirement Savings Opportunities*. Our executives and all other eligible employees are able to participate in a 401(k) Retirement Savings Plan (which we refer to as the "401(k) plan"). We provide the 401(k) plan to help our employees save some amount of their cash compensation for retirement in a tax efficient manner. Under the 401(k) plan, our employees are eligible to defer a portion of their base salary or cash bonus, and we, at our discretion, may make a matching contribution and/or a profit sharing contribution on their behalf. We do not currently intend to provide an option for our employees to invest in shares of our Class A Common Stock through the 401(k) plan.

*Health and Welfare Benefits*. We provide to our executives and all other eligible full-time employees a competitive benefits package, which includes health and welfare benefits, such as medical, dental, disability and life insurance benefits. The programs under which these benefits are offered do not discriminate in scope, terms, or operation in favor of our executives, and will generally be available to all of our full-time employees.

*Reimbursement of Business Expenses*. We also reimburse our executives for reasonable out-of-pocket expenses incurred in connection with the performance of their duties with our Company.

***Future Additional Component of Executive Compensation***

*Equity Awards*. In connection with the Reorganization and the Spin-Off, our Board of Directors has adopted, and, prior to the completion of the Spin-Off, we intend to submit to our stockholders for approval, our 2024 Incentive Compensation Plan (as defined below). We anticipate that, following the Reorganization and the Spin-Off, equity awards granted under our 2024 Incentive Compensation Plan will be an important component of the total executive compensation package. We believe that time-vested equity awards will encourage our executives to focus on our long-term goals and enhance stockholder value, while, at the same time, also attract, motivate and retain high-quality executives. In determining equity awards, our compensation committee will take into account our overall financial and operational performance, as well as such executive's individual performance. The equity awards that we plan to grant under our 2024 Incentive Compensation Plan are intended to recognize such executive's efforts and services to our Company, and to provide a retention element to such executive's overall compensation. We anticipate that equity awards granted under our 2024 Incentive Compensation Plan will generally be subject to time vesting, and will vest subject to the executive's continued employment. We also intend to provide performance-based equity awards to our executives under our 2024 Incentive Compensation Plan. For more information regarding equity-based compensation that our executives may receive under our 2024 Incentive Compensation Plan, see "—Equity-Based Compensation—2024 Incentive Compensation Plan" below.

***Executive Compensation Program and Philosophy Following the Reorganization and the Spin-Off***

Our executive compensation program will be designed to provide for compensation that is sufficient to attract, motivate and retain executives of outstanding ability and potential, and to establish a meaningful relationship between executive compensation and the creation of stockholder value. We will seek to provide total compensation packages that are competitive in terms of potential value to our executives, and which will be tailored to our unique characteristics and needs within our industry, in order to create an executive compensation program that adequately rewards our executives for their roles in creating and increasing value for our stockholders. The compensation decisions regarding our executives are based on our need to attract individuals with the skills necessary for us to achieve our business plan, to reward those individuals fairly over time, and to retain those individuals who continue to perform at or above our expectations.

As described above, our executive compensation program will have three primary components: (i) base salary, (ii) incentive target cash bonus opportunity, and (iii) equity and/or equity-based awards. We view these three components of our executive compensation program as related but distinct. Although our compensation committee will review total compensation, we do not believe that significant compensation derived from one component of compensation should negate or reduce compensation from other components. We anticipate determining the appropriate level for each compensation component based in part, but not exclusively, on our view of internal equity and consistency, company performance, individual performance, market practices of peer companies of comparable size and business model, and other information deemed relevant and timely. We will also adopt policies, processes and practices for allocating compensation between annual and long-term compensation, between cash and non-cash compensation, or among different forms of compensation. In addition to the guidance provided by our compensation committee, we may utilize the services of independent third-party compensation consultants from time to time in connection with the hiring of, and compensation awarded to, our executive officers.

Additionally, our compensation committee will be charged with performing an annual review of our executive compensation program, including its cash and equity compensation components, to confirm that it provides adequate incentives and motivation to our executive officers, encourages and maintains a performance-driven company culture, aligns the interests of our executive officers with the interests of our stockholders, and adequately compensates our executive officers relative to comparable officers in other similarly situated companies in our industry.

***Benchmarking of Cash and Equity Compensation***

We believe that, when making compensation-related decisions, it is important to be informed of current practices of similarly situated publicly-held companies in our industry. We expect that our compensation committee will stay apprised of the cash and equity compensation practices of publicly-held companies in our industry through the review of such companies' public reports and through other resources, including consulting with independent compensation consultants. It is expected that any companies chosen for inclusion in any benchmarking group would have business characteristics comparable to us, which characteristics may include similar business strategies, stage of development, financial growth metrics, employee headcount, and market capitalization. While benchmarking may not always be appropriate as a standalone tool for setting compensation due to the aspects of our business objectives that may be unique to us, we generally believe that gathering this information will be an important part of our compensation-related decision-making process.

***Compensation Clawback Policy***

In December 2024, our Board of Directors adopted an executive officer compensation clawback policy that complies with Nasdaq Listing Rule 5608 and the final clawback rules adopted by the SEC under Section 10D of, and Rule 10D-1 under, the Exchange Act.

***Employment or Severance Agreements***

We do not currently have any employment agreements or severance arrangements with any of our executives or other employees.

**Equity-Based Compensation**

***2024 Incentive Compensation Plan***

In connection with the Reorganization and the Spin-Off, our Board of Directors has approved and adopted, and, prior to the completion of the Spin-Off, we intend to submit to our stockholders for approval, the Twin Hospitality Group Inc. 2024 Incentive Compensation Plan (which we refer to as our "2024 Incentive Compensation Plan") in order to grant equity and equity-based awards to attract and retain directors, officers, employees and other service providers. Our 2024 Incentive Compensation Plan will provide for the granting of equity-based awards, including our Class A Common Stock, restricted stock, restricted stock units, dividend equivalents, options to purchase shares of our Class A Common Stock, stock appreciation rights, and performance awards.

*Administration of our 2024 Incentive Compensation Plan and Eligibility*

Our 2024 Incentive Compensation Plan will be administered by the compensation committee of our Board of Directors, which, subject to applicable law, may delegate certain of its authority with respect to a number of shares reserved and available for awards under our 2024 Incentive Compensation Plan to our Chief Executive Officer or such other executive officers as our compensation committee deems appropriate.

Subject to the terms of our 2024 Incentive Compensation Plan, our compensation committee will be authorized to (i) select eligible persons to receive awards (which includes our directors, officers, employees, consultants, and independent contractors, and persons expected to become our directors, officers, employees, consultants, and independent contractors), (ii) grant awards, (iii) determine the type, number and other terms and conditions of, and all other matters relating to, awards, (iv) prescribe award agreements (which need not be identical for each participant) and the rules and regulations for the administration of our 2024 Incentive Compensation Plan, (v) construe and interpret our 2024 Incentive Compensation Plan and award agreements, (vi) correct defects, supply omissions or reconcile inconsistencies in our 2024 Incentive Compensation Plan, and (vii) make all other decisions and determinations as our compensation committee may deem necessary or advisable for the administration of our 2024 Incentive Compensation Plan. Decisions of our compensation committee will be final, conclusive and binding on all persons or entities, including our Company, any subsidiary, any participant or beneficiary, any transferee under our 2024 Incentive Compensation Plan, or any other person claiming rights from or through any of the foregoing persons or entities.

*Share Authorization*

The total number of shares of our Class A Common Stock subject to awards that will be reserved and available for issuance under our 2024 Incentive Compensation Plan will be 1,000,000 shares. The number of shares of our Class A Common Stock available under our 2024 Incentive Compensation Plan will be reduced by the sum of the aggregate number of shares of our Class A Common Stock which become subject to outstanding awards granted under our 2024 Incentive Compensation Plan. To the extent that shares of our Class A Common Stock subject to an outstanding award granted under our 2024 Incentive Compensation Plan are not issued or delivered by reason of the forfeiture, expiration or termination of such award, or the settlement of such award in cash, then such shares of our Class A Common Stock generally will again become available under our 2024 Incentive Compensation Plan.

In the event of any equity restructuring that causes the per share value of shares of our Class A Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, our compensation committee will appropriately adjust the number and class of securities available under our 2024 Incentive Compensation Plan and the terms of each outstanding award under our 2024 Incentive Compensation Plan. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization or partial or complete liquidation, our compensation committee may make such equitable adjustments as it determines to be appropriate and equitable to prevent dilution or enlargement of rights of participants. The decision of our compensation committee regarding any such adjustment will be final, binding and conclusive.

*Restricted Stock and Restricted Stock Units*

Under our 2024 Incentive Compensation Plan, our compensation committee will be authorized to grant shares of restricted stock and restricted stock units. Grants of shares of restricted stock will be subject to such risks of forfeiture and other restrictions as our compensation committee may impose, including time- or performance-based restrictions, or both. A participant granted shares of restricted stock generally has all of the rights of a stockholder of our Company (including voting and dividend rights), unless otherwise determined by our compensation committee.

An award of restricted stock units confers upon a participant the right to receive shares of our Class A Common Stock or cash equal to the fair market value of the specified number of shares of our Class A Common Stock covered by the restricted stock units at the end of a specified deferral period, subject to such risks of forfeiture and other restrictions as our compensation committee may impose. An award of restricted stock units carries no voting or other rights associated with share ownership prior to settlement.

*Stock Options and Stock Appreciation Rights*

Under our 2024 Incentive Compensation Plan, our compensation committee will be authorized to grant (i) stock options, including both incentive stock options (which we refer to as "ISOs") that are intended to comply with the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"), and non-qualified stock options, and (ii) stock appreciation rights, entitling the participant to receive the amount by which the fair market value of a share of our Class A Common Stock on the date of exercise exceeds the grant price of the stock appreciation right. The exercise price per share of our Class A Common Stock subject to an option and the grant price of a stock appreciation right are to be determined by our compensation committee; provided, that the exercise price per share of an option and the grant price of a stock appreciation right may not be less than 100% of the fair market value of a share of our Class A Common Stock on the date the option or stock appreciation right is granted. An option granted to a person who owns or is deemed to own shares of our capital stock representing 10% or more of the voting power of all classes of our capital stock (sometimes referred to as a "10% owner") will not qualify as an ISO unless the exercise price for the option is not less than 110% of the fair market value of a share of our Class A Common Stock on the date the ISO is granted.

For purposes of our 2024 Incentive Compensation Plan, the term "fair market value" means the fair market value of shares of our Class A Common Stock, awards under our 2024 Incentive Compensation Plan, or other property as determined by our compensation committee or under procedures established by our compensation committee. The maximum term of each option or stock appreciation right, the times at which each option or stock appreciation right will be exercisable, and provisions requiring forfeiture of unexercised options or stock appreciation rights at or following termination of employment or service generally will be fixed by our compensation committee, except that no option or stock appreciation right may have a term exceeding 10 years, and no ISO granted to a 10% owner may have a term exceeding five years (to the extent required by the Code at the time of grant). Methods of exercise and settlement and other terms of options and stock appreciation rights will be determined by our compensation committee. Accordingly, our compensation committee may permit the exercise price of options awarded under our 2024 Incentive Compensation Plan to be paid in cash, shares of our Class A Common Stock, other awards under our 2024 Incentive Compensation Plan, or other property (including loans to participants). Our compensation committee may grant stock appreciation rights in tandem with options (which we refer to as "tandem stock appreciation rights") under our 2024 Incentive Compensation Plan. A tandem stock appreciation right may be granted at the same time as the related option is granted or, for options that are not ISOs, at any time thereafter before exercise or expiration of such option. A tandem stock appreciation right may only be exercised when the related option would be exercisable and the fair market value of the shares of our Class A Common Stock subject to the related option exceeds the option's exercise price. Any option related to a tandem stock appreciation right will no longer be exercisable to the extent the tandem stock appreciation right has been exercised, and any tandem stock appreciation right will no longer be exercisable to the extent the related option has been exercised.

*Performance Awards*

Under our 2024 Incentive Compensation Plan, our compensation committee will be authorized to grant performance awards to participants on terms and conditions established by our compensation committee. The performance criteria to be achieved during any performance period and the length of the performance period will be determined by our compensation committee upon the grant of the performance award. Performance awards may be settled by delivery of cash, shares of our Class A Common Stock or other property, or any combination thereof, as determined by our compensation committee.

After the end of each performance period, our compensation committee will determine and certify whether the performance goals have been achieved. In determining the achievement of such performance goals, our compensation committee may, at the time the performance goals are set, require that those goals be determined by excluding the impact of (i) any restructurings, discontinued operations, extraordinary items (as defined pursuant to generally accepted accounting principles), and other unusual or non-recurring charges, (ii) any changes in accounting standards required by generally accepted accounting principles, or (iii) such other exclusions or adjustments as our compensation committee specifies at the time the award is granted.

*Other Stock-Based Awards*

Under our 2024 Incentive Compensation Plan, our compensation committee will be authorized to grant other stock-based awards valued in whole or in part by reference to, or otherwise based on, shares of our Class A Common Stock. Our compensation committee will determine the terms and conditions of such other stock-based awards, including the number of shares of Class A Common Stock to be granted pursuant to such other stock-based awards, the manner in which such other stock-based awards will be settled (e.g., in shares of our Class A Common Stock, cash or other property), and the conditions to the vesting and payment of such other stock-based awards (including the achievement of performance objectives).

*Other Terms of Awards*

Awards granted under our 2024 Incentive Compensation Plan may be settled in the form of cash, shares of our Class A Common Stock, other awards or other property, in the discretion of our compensation committee. Our compensation committee may require or permit participants to defer the settlement of all or part of an award in accordance with such terms and conditions as our compensation committee may establish. Our compensation committee will be authorized to place cash, shares of our Class A Common Stock, or other property in trusts or make other arrangements to provide for payment of our obligations under our 2024 Incentive Compensation Plan. Our compensation committee may condition any payment relating to an award on the withholding of taxes and may provide that a portion of any shares of our Class A Common Stock or other property to be distributed will be withheld (or that previously acquired shares or other property be surrendered by the participant) to satisfy withholding and other tax obligations. Awards granted under our 2024 Incentive Compensation Plan generally may not be pledged or otherwise encumbered and are not transferable except by will or by the laws of descent and distribution, or to a designated beneficiary upon the participant's death, except that our compensation committee may, in its discretion, permit transfers, subject to any terms and conditions our compensation committee may impose pursuant to the express terms of an award agreement. A beneficiary, transferee, or other person claiming any rights under our 2024 Incentive Compensation Plan from or through any participant will be subject to all terms and conditions of our 2024 Incentive Compensation Plan and any award agreement applicable to such participant, except as otherwise determined by our compensation committee, and to any additional terms and conditions deemed necessary or appropriate by our compensation committee.

Awards under our 2024 Incentive Compensation Plan generally will be granted without a requirement that the participant pay consideration in the form of cash or property for the grant (as distinguished from the exercise), except to the extent required by law. Our compensation committee may, however, grant awards in exchange for other awards under our 2024 Incentive Compensation Plan, awards under other plans of our Company, or other rights to payment from our Company, and may grant awards in addition to and in tandem with such other awards, rights or other awards.

*Acceleration of Vesting; Change in Control*

Subject to certain limitations, our compensation committee may, in its discretion, accelerate the exercisability, the lapsing of restrictions, or the expiration of deferral or vesting periods of any award granted under our 2024 Incentive Compensation Plan. In the event of a "change in control" of our Company (as defined under our 2024 Incentive Compensation Plan), and only to the extent provided in any employment or other agreement between the participant and our Company or any related entity, or in any award agreement, or to the extent otherwise determined by our compensation committee in its sole discretion in each particular case, (i) any option or stock appreciation right that was not previously vested and exercisable at the time of the "change in control" will become immediately vested and exercisable, (ii) any restrictions, deferral of settlement and forfeiture conditions applicable to a restricted stock award, restricted stock unit award or another stock-based award subject only to future service requirements will lapse and such awards will be deemed fully vested, and (iii) with respect to any outstanding award subject to achievement of performance goals and conditions under our 2024 Incentive Compensation Plan, our compensation committee may, in its discretion, consider such awards to have been earned and payable based on actual achievement of performance goals as measured immediately prior to the consummation of the change in control, or based upon target performance (either in full or pro-rata based on the portion of the performance period completed as of the "change in control").

Subject to any limitations contained in our 2024 Incentive Compensation Plan relating to the vesting of awards in the event of any merger, consolidation or other reorganization in which our Company does not survive, or in the event of any "change in control", the agreement relating to such transaction and/or our compensation committee may provide for: (i) the continuation of the outstanding awards by our Company, if our Company is a surviving entity, (ii) the assumption or substitution for outstanding awards by the surviving entity or its parent or subsidiary pursuant to the provisions contained in our 2024 Incentive Compensation Plan, (iii) full exercisability or vesting and accelerated expiration of the outstanding awards, (iv) replacement of the outstanding awards with other rights or property selected by our compensation committee, or (v) settlement of the value of the vested portion of the outstanding awards in cash or cash equivalents or other property followed by cancellation of such awards. The foregoing actions may be taken without the consent or agreement of a participant in our 2024 Incentive Compensation Plan and without any requirement that all such participants be treated consistently.

*Other Adjustments*

Under our 2024 Incentive Compensation Plan, our compensation committee or our Board of Directors will be authorized to make adjustments in the terms and conditions of, and the criteria included in, awards (i) in recognition of unusual or nonrecurring events (including, without limitation, acquisitions and dispositions of businesses and assets) affecting our Company, any subsidiary or any business unit, or our financial statements, (ii) in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations, or business conditions, or (iii) in view of our compensation committee's assessment of the business strategy of our Company, any subsidiary or business unit, performance of comparable organizations, economic and business conditions, personal performance of a participant, and any other circumstances deemed relevant.

*Amendment; Termination*

Our Board of Directors may amend, alter, suspend, discontinue or terminate our 2024 Incentive Compensation Plan or our compensation committee's authority to grant awards without the consent of stockholders or participants or beneficiaries, except that stockholder approval must be obtained for any amendment or alteration if such approval is required by law or regulation or under the rules of any stock exchange or quotation system on which shares of our Class A Common Stock may then be listed or quoted; provided, that, except as otherwise permitted by our 2024 Incentive Compensation Plan or an award agreement, without the consent of an affected participant, no such action by our Board of Directors may materially and adversely affect the rights of such participant under the terms of any previously granted and outstanding award. Our compensation committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any award theretofore granted and any award agreement relating thereto, except as otherwise provided in our 2024 Incentive Compensation Plan; provided, that, except as otherwise permitted by our 2024 Incentive Compensation Plan or award agreement, without the consent of an affected participant, no such action by our compensation committee or our Board of Directors may materially and adversely affect the rights of such participant under terms of such award.

Our 2024 Incentive Compensation Plan will terminate at the earliest of (i) such time as no shares of our Class A Common Stock remain available for issuance under our 2024 Incentive Compensation Plan, (ii) termination of our 2024 Incentive Compensation Plan by our Board of Directors, or (iii) the tenth anniversary of the effective date of our 2024 Incentive Compensation Plan. Awards outstanding upon termination or expiration of our 2024 Incentive Compensation Plan will remain in effect until they have been exercised or terminated, or have expired.

*Initial Awards under our 2024 Incentive Compensation Plan*

Immediately following the completion of the Spin-Off, we intend to grant the following awards to our non-executive directors under our 2024 Incentive Compensation Plan:

| Name of Grantee | Type and Amount of Award [1] |
|---|---|
| Non-Executive Directors | |
| Kenneth J. Anderson | Stock options with respect to 10,000 shares of Class A Common Stock |
| Lynne Collier | Stock options with respect to 10,000 shares of Class A Common Stock |
| James Ellis | Stock options with respect to 10,000 shares of Class A Common Stock |
| David Jobe | Stock options with respect to 10,000 shares of Class A Common Stock |

(1) The stock options reflected in this table will vest ratably in three equal installments every year from the date of grant, subject to such grantee's continued service on our Board of Directors.

***Twin Hospitality Group Management Equity Plan***

In connection with the Reorganization and the Spin-Off, our Board of Directors has approved and adopted, and, prior to the completion of the Spin-Off, we intend to submit to our stockholders for approval, the Twin Hospitality Group Inc. Management Equity Plan (which we refer to as the "Management Equity Plan"), pursuant to which we intend to grant restricted stock unit (which we refer to as "RSU") awards on a one-time basis to key officers and employees of our Company in connection with the Spin-Off. The Management Equity Plan reserves 4,742,346 shares of our Class A Common Stock for RSU awards, and we intend to grant RSU awards with respect to all such reserved shares. The RSUs to be granted under the Management Equity Plan will represent a right to receive shares of our Class A Common Stock, including dividend equivalent payments with respect to such underlying shares that are payable after the date of grant of such RSUs until such RSUs have vested and such underlying shares are issued. The RSUs to be granted under the Management Equity Plan are separate and distinct from awards granted under our 2024 Incentive Compensation Plan.

Following the completion of the Spin-Off and the settlement of outstanding RSUs, the Management Equity Plan will terminate.

The following are key features of the RSUs that will be granted under the Management Equity Plan:

- The RSUs will vest and be settled in four tranches as follows: (i) 25% on the six-month anniversary of the Spin-Off; (ii) 25% on January 2, 2026; (iii) 25% on January 2, 2027; and (iv) 25% on January 2, 2028, in each case, subject to the continued employment of the award holder through the vesting date.

- Each vested RSU entitles the holder to receive one share of our Class A Common Stock, subject to the recipient executing, if requested by our Company, a general release of claims against our Company. If, however, the award holder is terminated for Cause (as defined in the Management Equity Plan), such RSUs will be forfeited, even if vested.

- Each RSU contains a corresponding dividend equivalent unit, which entitles the holder to receive a cash payment equal to the dividends, if any, that are payable with respect to the underlying share of Class A Common Stock after the date of grant of such RSU and through the vesting and settlement of such RSU and date of issuance of such underlying share. These dividend equivalent units will be accumulated and paid at the same time and to the same extent that the related RSUs are settled.

- The RSUs may be adjusted for stock splits, recapitalizations, or other similar corporate reorganizations.

- Because the purpose of the Management Equity Plan is to provide one-time RSU awards to our key officers and employees in connection with the Spin-Off, if all or any portion of a RSU award is forfeited, then the shares of Class A Common Stock underlying such forfeited RSUs will not be added back to the pool of shares of Class A Common Stock reserved and available for awards under the Management Equity Plan, but will be issued to FAT Brands as fully-paid shares of Class A Common Stock immediately following such forfeiture.

We intend to grant to our Named Executive Officers, other officers, and employees RSU awards under the Management Equity Plan, each of which will be vested and settled as described above, as set forth below:

| Name of Grantee | Value of RSUs to be Granted* | Number of RSUs to be Granted |
|---|---|---|
| Named Executive Officers | | |
| Joseph Hummel | $ | 2,371,173 |
| Clay C. Mingus | $ | 711,351 |
| Michael Locey | $ | 284,540 |
| | | |
| Other Officers and Employees | | |
| (as a group (12 persons)) | $ | 1,375,282 |

* The value of the RSUs assumes a value of $ per share of our Class A Common Stock.

**Director Compensation**

***Executive Directors***

We do not pay any compensation to our directors who also serve as executive officers of our Company (which we refer to as "executive directors") for their services as directors on our Board of Directors. Currently, our only executive director is Joseph Hummel, who is our Chief Executive Officer. See "*—Executive Compensation—Summary Compensation Table*" and "*—Components of Executive Compensation*" above for a description of the compensation we paid in 2023 and 2022 to Mr. Hummel in his capacity as our Chief Executive Officer.

***Non-Executive Director Compensation Program***

We currently have five directors on our Board of Directors, of which we believe that four directors, Kenneth J. Anderson, Lynne Collier, James Ellis, and David Jobe, are considered "independent", as determined in accordance with the independence standards of the Nasdaq Listing Rules (which we refer to as "non-executive directors").

In connection with the Reorganization, our Board of Directors has established a compensation program for our non-executive directors, pursuant to which we will pay the following fee and grant the following equity award to each of our non-executive directors following their respective elections or re-elections at each annual meeting of our stockholders:

- an annual cash retainer of $100,000; and
- an annual grant of stock options exercisable for 10,000 shares of our Class A Common Stock, which will vest ratably in three equal installments every year from the date of grant, subject to continued service on our Board of Directors.

We will also reimburse our independent directors for reasonable out-of-pocket expenses incurred in connection with the performance of their duties as directors, including, without limitation, travel expenses in connection with their attendance in person at meetings of our Board of Directors and its committees.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and accompanying footnotes set forth certain information with respect to the beneficial ownership of our Common Stock, immediately prior to and immediately after the completion of the Spin-Off, by:

- each of our Named Executive Officers and directors individually;
- all of our Named Executive Officers and directors as a group; and
- each person or entity (or group of affiliated persons or entities) known by us to beneficially own 5% or more of the outstanding shares of our Common Stock.

To our knowledge, each stockholder named in the table has sole voting and investment power with respect to all of the shares of our Common Stock shown as "beneficially owned" (as determined by the rules of the SEC) by such stockholder, except as otherwise set forth in the footnotes to the table. The SEC has defined "beneficial" ownership of a security to mean the possession, directly or indirectly, of voting power and/or investment power. Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. A person is deemed to be the beneficial owner of any shares of Common Stock if that person has or shares voting power and/or investment power with respect to those shares or has the right to acquire beneficial ownership at any time within 60 days.

The percentages in the table below reflect beneficial ownership immediately prior to, and immediately after, the completion of the Spin-Off, and are based on 47,298,271 shares of our Class A Common Stock and 2,870,000 shares of our Class B Common Stock outstanding as of the date immediately prior to, and as of the date immediately following, the completion of the Spin-Off.

Unless otherwise noted below, the address for each of the stockholders listed in the table below is c/o Twin Hospitality Group Inc., 5151 Belt Line Road, Suite 1200, Dallas, Texas 75254.

| | Common Stock Beneficially Owned Immediately Prior to the Spin-Off | | | | | Common Stock Beneficially Owned Immediately After the Spin-Off | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Class A Common Stock | | Class B Common Stock | | % of Total | Class A Common Stock | | Class B Common Stock | | % of Total |
| Name of Beneficial Owner | Shares | % of Class | Shares | % of Class | Voting Power | Shares | % of Class | Shares | % of Class | Voting Power |
| **Named Executive Officers and Directors:** | | | | | | | | | | |
| Joseph Hummel | — | * | — | * | † | — | * | — | * | † |
| Kenneth J. Kuick | — | * | — | * | † | 16,722 | * | — | * | † |
| Clay C. Mingus | | * | — | * | † | — | * | — | * | † |
| Michael Locey | — | * | — | * | † | — | * | — | * | † |
| Kenneth J. Anderson | — | * | — | * | † | 27,783 | * | — | * | † |
| Lynne Collier | — | * | — | * | † | 1,520 | * | — | * | † |
| James Ellis | — | * | — | * | † | — | * | — | * | † |
| David Jobe | — | * | — | * | † | — | * | — | * | † |
| **All of our Named Executive Officers and directors as a group (eight persons)** | — | * | — | * | † | 46,025 | * | — | * | † |
| | | | | | | | | | | |
| **5% or more Stockholders:** | | | | | | | | | | |
| FAT Brands Inc.[4] | 47,298,271 | 100% | 2,870,000 | 100% | 100% | 44,571,771 | 94.2% | 2,870,000 | 100% | 98.6% |

* Represents less than 1% of the number of outstanding shares of our Class A Common Stock or Class B Common Stock, as applicable.

† Represents less than 1% of the total voting power of our Common Stock.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than the compensation arrangements for our executive officers and directors, which are described above in the section entitled "Executive and Director Compensation", this section describes transactions, or series of related transactions, during our last three fiscal years or as currently proposed, to which we were a party or will be a party, in which:

- the amount involved exceeded or will exceed $120,000; and
- any of our executive officers or directors, or the beneficial owners of 5% or more of the outstanding shares of any class of our Common Stock, or any members of the immediate family of, or any entity affiliated with, any such person, had or will have a direct or indirect material interest.

### Historical Relationship Between the Twin Group and FAT Brands

The Twin Group was acquired by FAT Brands in October 2021, and prior to the Reorganization and the Spin-Off, the Twin Group was comprised of a number of companies that were wholly-owned subsidiaries of FAT Brands. Accordingly, prior to the Reorganization and the Spin-Off, we have operated as part of FAT Brands' broader corporate organization.

#### *Prior Securitization Management Agreement*

In connection with the Prior Securitization Notes, the Top Tier Twin Subsidiary and FAT Brands entered into a management agreement (which we refer to as the "Prior Securitization Management Agreement"), pursuant to which FAT Brands, on behalf of the Top Tier Twin Subsidiary, was responsible for managing the assets securing the Prior Securitization Notes. Upon the completion of the call and redemption of all of the Prior Securitization Notes (as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources —Prior Securitization Notes—Call and Redemption of the Prior Securitization Notes*"), the Prior Securitization Management Agreement was terminated.

### Agreements to be Entered into with FAT Brands in Connection with the Reorganization

In connection with the Reorganization, we will enter into the following agreements with FAT Brands that will provide a framework for our ongoing relationship with FAT Brands.

#### *Sale and Contribution Agreement*

In connection with the Reorganization, in November 2024, we entered into a Sale and Contribution Agreement with FAT Brands (which we refer to as the "Sale and Contribution Agreement"), pursuant to which (i) FAT Brands sold and assigned to us the equity interests in the Top Tier Twin Subsidiary equivalent to $1.0 million in fair value, in exchange for the payment by us to FAT Brands of $1.0 million, and (ii) FAT Brands contributed and assigned to us all of the remaining equity interests in the Top Tier Twin Subsidiary. Following such sale and contribution by FAT Brands to us of all of the outstanding equity interests in the Top Tier Twin Subsidiary pursuant to the Sale and Contribution Agreement, the Top Tier Twin Subsidiary, along with all of the other companies in the Twin Group, became direct or indirect wholly-owned subsidiaries of our Company.

#### *Master Separation and Distribution Agreement*

In connection with the Reorganization, we will enter into a Master Separation and Distribution Agreement with FAT Brands (which we refer to as the "Master Separation and Distribution Agreement"), which contains provisions relating to the Reorganization and the conduct of the Spin-Off and future transactions, and will govern the relationship between our Company and FAT Brands following the Reorganization and the Spin-Off. Unless otherwise provided by specific provisions of the Master Separation and Distribution Agreement, the Master Separation and Distribution Agreement will terminate on the date that is the five-year anniversary of the date upon which FAT Brands ceases to beneficially own at least 20% of the outstanding shares of our Common Stock. The provisions of the Master Separation and Distribution Agreement relating to our cooperation with FAT Brands in connection with future litigation will survive seven years after the termination of the Master Separation and Distribution Agreement, the provisions relating to registration rights that we will provide to FAT Brands will survive in accordance with the terms described under "*—Registration Rights*" below, and the provisions relating to respective indemnification by our Company and FAT Brands, and certain other provisions, will survive indefinitely. The following sets forth the key terms of the Master Separation and Distribution Agreement.

*Share Exchange*. Pursuant to the Master Separation and Distribution Agreement, FAT Brands will exchange all 5,000 shares of Class A Common Stock that it currently holds (representing 100% of the issued and outstanding capital stock of our Company) for 47,298,271 shares of our Class A Common Stock and 2,870,000 shares of our Class B Common Stock, which will be issued by us to FAT Brands.

*The Spin-Off*. Under the Master Separation and Distribution Agreement, we will agree to use our commercially reasonable efforts to satisfy certain conditions precedent to the completion of the Spin-Off, which include, among others, that FAT Brands is satisfied, in its sole discretion, that it will beneficially own at least 80.1% of our outstanding Common Stock immediately following the consummation of the Spin-Off, and that no order, injunction or decree issued by any court or agency of competent jurisdiction, or other legal restraint or prohibition, preventing the consummation of the Spin-Off or any other transactions contemplated by the Master Separation and Distribution Agreement will be in effect. FAT Brands may, in its sole discretion, choose to proceed with or abandon the Spin-Off.

*Registration Rights*. The shares of our Class A Common Stock and Class B Common Stock held by FAT Brands immediately after the Spin-Off will be deemed "restricted securities" (as defined in Rule 144 under the Securities Act), and as such, FAT Brands may only sell a limited number of such shares into the public markets without registration under the Securities Act. Therefore, under the Master Separation and Distribution Agreement, we will agree to provide to FAT Brands, after the date that is 180 days after the closing of the Spin-Off, certain registration rights to register the shares of our Class A Common Stock and Class B Common Stock held by it. At the request of FAT Brands, we will use our commercially reasonable efforts to register the shares of our Class A Common Stock and Class B Common Stock that are held by FAT Brands after the completion of the Spin-Off, or subsequently acquired, for public sale under the Securities Act on a registration statement on Form S-1 or any similar long form registration statement (which we refer to as a "Long-Form Registration"), or on a registration statement on Form S-3 or any similar short form registration statement at such time we qualify to use such short from registration statement (which we refer to as a "Short-Form Registration"). FAT Brands may request up to two Long-Form Registrations and up to two Short-Form Registrations in any calendar year, though no Long-Form Registrations may be requested after such time as we are eligible to use Form S-3 or any similar short form registration statement at such time. FAT Brands may also request that we file a resale shelf registration statement to register under the Securities Act the resale of all of its registrable shares after such time as we are eligible to use Form S-3 or any similar short form registration statement at such time. Additionally, we will also provide FAT Brands with "piggy-back" registration rights to include its shares of our Class A Common Stock and Class B Common Stock in future registrations under the Securities Act of offers and sales of our securities by us or others. FAT Brands may request up to three of these "piggy-back" registrations. FAT Brands' registration rights will remain in effect until the earliest of the date on which the shares of our Class A Common Stock and Class B Common Stock held by FAT Brands (i) have been disposed of in accordance with an effective registration statement, (ii) have been distributed to the public in accordance with Rule 144 under the Securities Act, or may be sold without restriction pursuant to Rule 144, (iii) have been otherwise transferred to a non-affiliated entity, or (iv) have ceased to be outstanding. We have agreed to cooperate in these registrations and related offerings. All expenses payable in connection with such registrations will be paid by us, except that FAT Brands will pay all its own internal administrative, legal and similar costs and expenses, as well as the underwriting discounts and commissions applicable to the sale of its shares of our Class A Common Stock and Class B Common Stock in such registrations and related offerings.

*Potential FAT Brands Distribution*. Under the Master Separation and Distribution Agreement, we will agree to cooperate with FAT Brands, and at its request, to promptly take any and all actions reasonably necessary or desirable to effect the Potential FAT Brands Distribution. FAT Brands will determine, in its sole discretion, whether to proceed with the Potential FAT Brands Distribution, the timing of the Potential FAT Brands Distribution, and the form, structure and all other terms of any transaction to effect the Potential FAT Brands Distribution. The Potential FAT Brands Distribution may not occur at all. At any time prior to completion of the Potential FAT Brands Distribution, FAT Brands may decide to abandon the Potential FAT Brands Distribution, or may modify or change the terms of the Potential FAT Brands Distribution, which could have the effect of accelerating or delaying the timing of the Potential FAT Brands Distribution. See also "*Reorganization—Potential FAT Brands Distribution*" and "*—Tax Matters Agreement*" below.

*Anti-Dilution Option*. Under the Master Separation and Distribution Agreement, we will grant FAT Brands a continuing right to purchase from us shares of our Class A Common Stock as is necessary for FAT Brands to maintain an aggregate ownership interest of our Common Stock representing at least 80.1% of the outstanding shares of our Common Stock or at least 80.1% of the outstanding shares of our Class A Common Stock (which we refer to as the "Anti-Dilution Option"). The Anti-Dilution Option may be exercised by FAT Brands in connection with any issuance by us of shares of our Class A Common Stock. If we sell and issue shares of our Class A Common Stock for cash consideration, and if FAT Brands exercises the Anti-Dilution Option, FAT Brands will pay a price per share of Class A Common Stock equal to the offering price per share in such sale and issuance. If we (i) issue shares of our Class A Common Stock pursuant to any stock option or other equity incentive award, or (ii) sell and issue shares of our Class A Common Stock for consideration other than cash, and if FAT Brands exercises the Anti-Dilution Option, FAT Brands will pay a price per share of Class A Common Stock equal to the closing price of our Class A Common Stock as quoted on the Nasdaq Capital Market on the date of such issuance (which triggered the Anti-Dilution Option). The Anti-Dilution Option will terminate on the date that the Potential FAT Brands Distribution is completed.

*Indemnification*. Under the Master Separation and Distribution Agreement, we and FAT Brands will have cross-indemnities that generally place on us and our subsidiaries the financial responsibility for all liabilities associated with the historical and current businesses and operations of the Twin Group, and generally place on FAT Brands the financial responsibility for liabilities associated with all of FAT Brands' other historical and current businesses and operations (not including the businesses and operations of the Twin Group), in each case regardless of the time such liabilities arise. Each of our Company and FAT Brands will also indemnify the other with respect to any breaches of the Master Separation and Distribution Agreement and the Tax Matters Agreement.

We will indemnify FAT Brands against liabilities arising from misstatements or omissions of material fact in this Information Statement or in the Registration Statement on Form 10, of which this Information Statement is a part, except for misstatements or omissions of material fact with respect to information that FAT Brands provided to us specifically for inclusion in this Information Statement or the Registration Statement on Form 10, of which this Information Statement is a part. We will also indemnify FAT Brands against liabilities arising from any misstatements or omissions of material fact in our subsequent SEC filings, and with respect to information we provide to FAT Brands specifically for inclusion in FAT Brands' SEC filings following the completion of the Spin-Off, but only to the extent that such information pertains to us or our business, FAT Brands provides us with prior written notice that such information will be included in its SEC filings, and the liability does not result from any action or inaction by FAT Brands.

FAT Brands will indemnify us for liabilities arising from misstatements or omissions of material fact with respect to information that FAT Brands provided to us specifically for inclusion in this Information Statement or the Registration Statement on Form 10, of which this Information Statement is a part, to the extent that such information pertains to FAT Brands or its business. FAT Brands will also indemnify us against liabilities arising from information that FAT Brands provides to us specifically for inclusion in our SEC filings following the completion of the Spin-Off, but only to the extent that such information pertains to FAT Brands or its business, we provide FAT Brands with prior written notice that such information will be included in our SEC filings, and the liability does not result from any action or inaction by us.

*Release*. The Master Separation and Distribution Agreement contains a general release for liabilities arising from events occurring on or before the time of the Spin-Off (which we refer to as the "Release"). Under the Release, we will release FAT Brands, its subsidiaries, and each of their respective directors, officers and employees, and FAT Brands will release us, our subsidiaries, and each of our respective directors, officers and employees, from any liabilities arising from past events between us on the one hand, and FAT Brands on the other hand, occurring on or before the time of the Spin-Off, including in connection with the activities to implement and effect the Spin-Off. The Release does not apply to liabilities allocated between the parties under the Master Separation and Distribution Agreement or the Tax Matters Agreement, or to other ongoing contractual arrangements.

*Financial, Accounting, and other Information*. Under the Master Separation and Distribution Agreement, we will agree to use our commercially reasonable efforts to enable our auditors to complete a sufficient portion of our audit, and to provide on a timely basis to FAT Brands any and all financial and other information that FAT Brands may need to in connection with the preparation of its annual and quarterly financial statements.

*Non-Solicitation*. Under the Master Separation and Distribution Agreement, for a period of two years following the completion of the Spin-Off, we and FAT Brands will agree not to, directly or indirectly, solicit the other's active employees without the prior consent by the other.

*Notifiable Transactions*. Under the Master Separation and Distribution Agreement, FAT Brands will agree to use its commercially reasonable efforts to provide advance notice to our Board of Directors in the event that FAT Brands intends to pursue a transaction (even if no such transaction is imminent or probable at such time) that is reasonably expected to cause FAT Brands' beneficial ownership of our outstanding Common Stock to fall below 50%.

*Expenses*. The Master Separation and Distribution Agreement provides that (i) all costs and expenses of the respective parties which are capitalizable in accordance with GAAP and applicable SEC rules in connection with the Spin-Off will be payable by us, and (ii) all costs and expenses of the respective parties incurred prior to or upon the consummation of the Spin-Off and which are not capitalizable in accordance with GAAP and applicable SEC rules, and all costs and expenses of the Parties in connection with any matter not relating to the Spin-Off, will be payable by the party which is the primary beneficiary of the relevant services (as reasonably agreed between the parties), and any shared costs and expenses of the parties will be apportioned between the parties in such proportions as may be reasonably agreed between the parties.

***Tax Matters Agreement***

In connection with the Reorganization, we will enter into a tax matters agreement with FAT Brands (which we refer to as the "Tax Matters Agreement"). The Tax Matters Agreement will govern our and FAT Brands' respective rights, responsibilities and obligations with respect to certain tax matters (including tax liabilities, tax attributes, tax returns, and tax audits).

Prior to the Reorganization, the income, assets and operations of each member of the Twin Group (excluding Barbeque Integrated, Inc.) were included in the income tax returns filed by FAT Brands' consolidated group for U.S. federal income tax purposes (which we refer to as the "FAT Brands Consolidated Group") as disregarded entities of FAT Brands, and Barbeque Integrated, Inc. was included in the FAT Brands Consolidated Group after FAT Brands acquired Barbeque Integrated, Inc. in September 2023. Following the Reorganization, the Twin Group, including Barbeque Integrated, Inc., were, and, if FAT Brands maintains an aggregate ownership of our Common Stock representing at least 80% of our Common Stock, will continue to be, included in the FAT Brands Consolidated Group, as well as in certain other consolidated, combined or unitary groups that include FAT Brands and/or certain of its subsidiaries (each such group, a "FAT Brands Tax Group"). Each member of a consolidated group during any part of a consolidated return year is jointly and severally liable for the tax on the consolidated return of such year and for any subsequently determined deficiency thereon. Similarly, in some jurisdictions, each member of a consolidated, combined or unitary group for state, local or foreign income tax purposes is jointly and severally liable for the state, local or foreign income tax liability of each other member of such consolidated, combined or unitary group. Accordingly, although the Tax Matters Agreement allocates tax liabilities between us and FAT Brands, for any period in which any member of the Twin Group was included in the FAT Brands Consolidated Group or any FAT Brands Tax Group, we could be liable in the event that any income tax liability was incurred, but not discharged, by any other member of the FAT Brands Consolidated Group or any FAT Brands Tax Group, as the case may be.

Under the Tax Matters Agreement, we will generally make payments to FAT Brands such that, with respect to tax returns for any taxable period in which any of the Twin Group are included in the FAT Brands Consolidated Group or any FAT Brands Tax Group, the amount of taxes to be paid by us will be determined by computing the excess (if any) of any taxes due on any such tax return over the amount that would otherwise be due if such return were recomputed by excluding the Twin Group. We will be responsible for any taxes with respect to tax returns that include only the Twin Group.

The Tax Matters Agreement provides that FAT Brands will generally have the right to control audits or other tax proceedings with respect to any tax returns of the FAT Brands Consolidated Group or a FAT Brands Tax Group. We will generally have the right to control any audits or other tax proceedings with respect to tax returns that include only the Twin Group, provided that, as long as FAT Brands is required to consolidate the results of operations and financial position of the Twin Group in its financial statements, FAT Brands will have certain oversight and participation rights with respect to such audits or other tax proceedings.

As of the date of this Information Statement, FAT Brands has advised us that it does not have a definite present plan to undertake the Potential FAT Brands Distribution. However, because FAT Brands intends to retain the ability to engage in the Potential FAT Brands Distribution in the future, the Tax Matters Agreement also addresses our and FAT Brands' respective rights, responsibilities and obligations with respect to the Potential FAT Brands Distribution. If FAT Brands were to decide to undertake the Potential FAT Brands Distribution, we have agreed to cooperate with FAT Brands and to take any and all actions reasonably requested by FAT Brands in connection with the Potential FAT Brands Distribution. We have also agreed not to knowingly take or fail to take any actions that could reasonably be expected to preclude FAT Brands' ability to undertake the Potential FAT Brands Distribution, or result in the Potential FAT Brands Distribution failing to qualify as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Section 355 of the Code. In the event that FAT Brands completes the Potential FAT Brands Distribution, we have agreed not to take certain actions, during the two-year period following the Potential FAT Brands Distribution, that are designed to preserve the tax-free nature of the Potential FAT Brands Distribution for U.S. federal income tax purposes. Specifically, during such period, except in specific circumstances, we and our subsidiaries generally would be prohibited from taking the following actions without first obtaining the opinion of tax counsel or an IRS ruling to the effect that such actions will not result in the Potential FAT Brands Distribution failing to qualify as a tax-free spin-off: (i) ceasing to conduct our business, (ii) entering into certain transactions pursuant to which all or a portion of the shares of our Common Stock or certain of our and our subsidiaries' assets would be acquired, (iii) liquidating, merging or consolidating with any other person, (iv) issuing equity securities beyond certain thresholds, (v) repurchasing our shares other than in certain open-market transactions, (vi) amending our Amended and Restated Certificate of Incorporation or taking any other action that would affect the voting rights of our capital stock, or (vii) taking or failing to take any other action that would be reasonably likely to cause the Potential FAT Brands Distribution to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes. Additionally, we generally will be responsible for, among other things, (a) any taxes resulting from the failure of the Potential FAT Brands Distribution to qualify as a tax-free transaction to the extent such taxes are attributable to, or result from, any action or failure to act by us, or certain transactions involving us following the Potential FAT Brands Distribution, and (b) a percentage of such taxes to the extent such taxes are not attributable to, or do not result from, any action or failure to act by either us or FAT Brands.

**Indemnification of Directors and Officers**

Our Amended and Restated Certificate of Incorporation will contain provisions limiting the liability of our directors and officers, and our Amended and Restated Bylaws will provide that we will indemnify each of our directors and executive officers to the fullest extent permitted under Delaware law. Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws will also provide our Board of Directors with discretion to indemnify our other officers, employees, and agents when determined appropriate by our Board of Directors. Additionally, we have entered or will enter into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them in certain circumstances. For more information regarding these indemnification provisions, see "*Description of Capital Stock—Limitations on Liability and Indemnification of Directors and Officers"*.

**Related Party Transactions Policies and Procedures**

In connection with the Reorganization, we will adopt a written Related Person Transaction Policy (which we refer to as the "Related Person Transaction Policy"), which will set forth our policies and procedures with respect to the review, approval, ratification and disclosure of all related person transactions. In accordance with the Related Person Transaction Policy, our Audit Committee will have overall responsibility for implementation of, and compliance with, the Related Person Transaction Policy.

For purposes of the Related Person Transaction Policy, a "related person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which (i) we were, are or will be a participant, (ii) the amount involved exceeded, exceeds or will exceed $120,000, and (iii) any related person (as defined in the Related Person Transaction Policy) had, has or will have a direct or indirect material interest. A "related person transaction" does not include any employment relationship or transaction involving an executive officer and any related compensation resulting solely from such employment relationship that has been reviewed and approved by our Board of Directors or our Compensation Committee, as applicable. A "related person" includes (a) our directors and executive officers, (b) any 5% beneficial owner of our voting securities, and (c) any immediate family member of the foregoing.

The Related Person Transaction Policy will require that notice of a proposed related person transaction be provided to a designated compliance officer prior to entry into such transaction. If the compliance officer determines that such transaction is a related person transaction, the proposed transaction will be submitted to our Audit Committee for consideration at its next meeting. Under the Related Person Transaction Policy, our Audit Committee may approve only those related person transactions that are in, or are not inconsistent with, the best interests of our Company and our stockholders. In reviewing and approving any related party transaction, our Audit Committee is tasked with considering all of the relevant facts and circumstances, including consideration of the various factors enumerated in the Related Person Transaction Policy.

The Related Person Transaction Policy will also provide that our Audit Committee continue to review and monitor certain previously approved or ratified related person transactions that are ongoing to determine whether the related person transaction remains in our and our stockholders' best interests. Additionally, our Audit Committee will make periodic inquiries of directors and executive officers with respect to any potential related person transaction to which they may be a party or of which they may be aware.

## DESCRIPTION OF CERTAIN INDEBTEDNESS

### Twin Securitization Notes

In connection with the Reorganization and the Spin-Off, on November 21, 2024, the Top Tier Twin Subsidiary sold and issued, through a private offering pursuant to Rule 144A and Regulation S under the Securities Act, the following four tranches of fixed rate secured notes (which we refer to collectively as the "Twin Securitization Notes"), which have an aggregate principal balance of $416,711,000 and a weighted average interest rate of 9.50% per annum:

| Class | Seniority | Principal Balance | Coupon | Anticipated Repayment Date | Final Legal Maturity Date |
|---|---|---|---|---|---|
| A-2-I | Super Senior | $ 12,124,000 | 9.00% | 10/25/2027 | 10/26/2054 |
| A-2-II | Senior | $ 269,257,000 | 9.00% | 10/25/2027 | 10/26/2054 |
| B-2 | Senior Subordinated | $ 57,619,000 | 10.00% | 10/25/2027 | 10/26/2054 |
| M-2 | Subordinated | $ 77,711,000 | 11.00% | 10/25/2027 | 10/26/2054 |

The Twin Securitization Notes were issued pursuant to a Base Indenture, dated as of November 21, 2024 (which we refer to as the "Base Indenture") and the Series 2024-1 Supplement to Base Indenture, dated as of November 21, 2024 (w hich, together with the Base Indenture, we refer to as the "Indenture"), each by and between the Top Tier Twin Subsidiary, as issuer of the Twin Securitization Notes, and UMB Bank, N.A., as trustee (which we refer to as the "Trustee") and securities intermediary.

#### *Payment Terms and Repayments*

Payments of the principal and accrued interest on the Twin Securitization Notes are due on a quarterly basis on the 25$^{th}$ day of each January, April, July and October (or if such date is not a business day, the next succeeding business day), in each case from amounts that are available for payment thereon under the Base Indenture. The legal final maturity date of the Twin Securitization Notes is October 26, 2054, however it is currently anticipated that, unless earlier prepaid to the extent permitted under the Base Indenture, the Twin Securitization Notes will be repaid on October 25, 2027 (which we refer to as the "Anticipated Repayment Date"). If the Top Tier Twin Subsidiary has not repaid or refinanced the Twin Securitization Notes by the Anticipated Repayment Date, additional interest will accrue on the then outstanding balance of each class of the Twin Securitization Notes at a rate of 5.0% per annum. Each class of the Twin Securitization Notes may be prepaid in whole or in part on any business day; provided that optional prepayment made after the Anticipated Repayment Date must be applied first to Class A-2-I, second to Class A-2-II, third to Class B-2, and fourth to Class M-2, of the Twin Securitization Notes.

Additionally, pursuant to the Base Indenture, upon each "Qualified Equity Offering" (as defined in the Base Indenture), which is a public or private offering by us of our common equity securities for cash, subject to certain limited exceptions, we are required to deposit 75% of the net proceeds from such offering into a segregated, non-interest bearing trust account that the Top Tier Twin Subsidiary has established with the Trustee to be used towards the repayment of the Twin Securitization Notes, until an aggregate of $75,000,000 has been repaid in that manner. If the amount of net proceeds from our Qualified Equity Offerings used for repayment of the Twin Securitization Notes is not at least $25,000,000 on or prior to each of April 25, 2025, July 25, 2025 and October 27, 2025, or is not at least $75,000,000 on or prior to January 26, 2026, then under any such circumstance, a "Cash Flow Sweeping Event" (as defined in the Base Indenture) would occur, whereupon certain excess cash flows from our operations will be used to make additional principal payments, on a pro rata basis, on the three most senior classes of the Twin Securitization Notes.

#### *Credit Enhancement*

Credit enhancement for the Twin Securitization Notes provides protection against losses, delays in payment, and other shortfalls of cash flow. The credit enhancement for the Twin Securitization Notes generally consists of a segregated, non-interest bearing reserve account that the Top Tier Twin Subsidiary has established with the Trustee and funded with approximately $7.8 million at the closing of the sale and issuance of the Twin Securitization Notes (which we refer to as the "Reserve Account"), and, with respect to each class of the Twin Securitization Notes, subordination of certain payments as follows:

| Class | Credit Enhancement |
|---|---|
| Class A-2-I | Payments with respect to Classes A-2-II, B-2 and M-2 of the Twin Securitization Notes and the Reserve Account are subordinated to payments with respect to Class A-2-I of the Twin Securitization Notes. |
| Class A-2-II | Payments with respect to Classes B-2 and M-2 of the Twin Securitization Notes and the Reserve Account are subordinated to payments with respect to Class A-2-II of the Twin Securitization Notes. |
| Class B-2 | Payments with respect to Class M-2 of the Twin Securitization Notes and the Reserve Account are subordinated to payments with respect to Class B-2 of the Twin Securitization Notes. |
| Class M-2 | None. |

#### *Notes Guarantee and Collateral*

The Twin Securitization Notes are generally secured by security interests in substantially all of the assets of our subsidiaries. Under the Base Indenture, the Top Tier Twin Subsidiary has granted to the Trustee, for the benefit of the secured parties (which include the holders of the Twin Securitization Notes), a security interest in substantially all of its assets to secure its obligations under the Indenture. Additionally, all of our other subsidiaries other than the Top Tier Twin Subsidiary (which we refer to collectively as the "Guarantors") entered into a Guarantee and Collateral Agreement, dated November 21, 2024 (which we refer to as the "Guarantee and Collateral Agreement"), in favor of the Trustee, pursuant to which the Guarantors are (i) jointly and severally guaranteeing the payment obligations on the Twin Securitization Notes and the other obligations of the Top Tier Twin Peaks Subsidiary under the Indenture and the other securitization transaction agreements, and (ii) securing such guarantees by the grant to the Trustee, for the benefit of the secured parties (which include the holders of the Twin Securitization Notes), of a security interest in substantially all of their respective assets (which we refer to as the "Securitized Assets"), which include all of the revenue-generating assets of the Guarantors.

#### *Financial Ratios*

Under the terms of the Indenture, the Top Tier Twin Subsidiary is required to maintain certain debt-service coverage ratios (which we refer to as the "P&I DSCR"), and any failure to do so will trigger a Cash Flow Sweeping Event. The P&I DSCR is calculated by dividing (i) our net cash flow over the four immediately preceding quarterly collection periods, by (ii) an amount equal to (a) the Debt Service (as defined in the Indenture), multiplied by (b) four. In addition, the Top Tier Twin Subsidiary is required to maintain an interest-only debt-service coverage ratio (which we refer to as the "Interest-Only DSCR") greater than 1.10, and any failure to do so is an Event of Default (as defined in the Base Indenture) under the terms of the Indenture (see "*—Events of Default*" below). The Interest-Only DSCR is calculated as of any quarterly calculation date without giving effect to the aggregate amount of scheduled principal payments due with respect to the applicable quarterly collection period at the applicable quarterly payment date.

***Covenants and Restrictions***

The Indenture and the Securitization Management Agreement (as described below under "—*Securitization Management Agreement*") contain customary covenants by, and restrictions on, the Top Tier Twin Subsidiary and the Guarantors (which we refer to collectively as the "Securitization Entities") and our Company, including, among others:

- the Top Tier Twin Subsidiary must maintain specified reserve accounts to be used to make required payments under the Twin Securitization Notes;
- we and the Securitization Entities must maintain certain debt service coverage ratios and leverage ratios;
- the sum of our System-Wide Sales must be at or above certain levels on certain measurement dates;
- there are provisions relating to optional and mandatory prepayments, and the related payment of specified amounts; and
- there are covenants relating to recordkeeping, access to information, and similar matters.

Additionally, the Indenture and the Securitization Management Agreement contain various covenants that limit the ability of the Securitization Entities to engage in specified types of transactions. For example, the Indenture and the Securitization Management Agreement contain covenants that, among other things, restrict, subject to certain exceptions, the ability of the Securitization Entities to:

- incur or guarantee additional indebtedness;
- sell certain assets;
- create or incur liens on certain assets to secure indebtedness; or
- consolidate, merge, or sell or otherwise dispose of all or substantially all of its assets.

***Events of Default***

The Twin Securitization Notes are subject to certain customary events of default under the Indenture (which we refer to as "Events of Default"), including, among others, the occurrence of any of the following events:

- failure of the Top Tier Twin Subsidiary to pay any required interest, principal or other amounts due on or with respect to the Twin Securitization Notes;
- failure of the Top Tier Twin Subsidiary to maintain the Interest-Only DSCR greater than 1.10;
- failure of the Securitization Entities to comply with applicable covenants, or breach by the Securitization Entities of respective representations or warranties, with respect to the Twin Securitization Notes, and such failure or breach continuing for a certain period of time;
- occurrence of certain bankruptcy events with respect to the Securitization Entities; and
- rendering of certain judgments.

***Exchangeable Notes***

At the option of the holders, any of the Twin Securitization Notes may be exchanged for a proportionate interest in exchangeable notes (which we refer to as the "Exchangeable Notes"), consisting of up to $326,876,000 of Class A2IIB2 of the Exchangeable Notes, and up to $404,587,000 of Class A2IIB2M2 of the Exchangeable Notes, which will reflect in the aggregate the characteristics of the corresponding classes of the Twin Securitization Notes that are exchanged. Any exchange of any of the Twin Securitization Notes for an interest in the Exchangeable Notes will not affect the aggregate amount of indebtedness under the Twin Securitization Notes or the amount of indebtedness with respect to any class under the Twin Securitization Notes.

***Securitization Management Agreement***

In connection with the sale and issuance of the Twin Securitization Notes and the transactions related thereto (which we refer to collectively as the "Twin Securitization Transaction"), the Top Tier Twin Subsidiary (as issuer), the Guarantors, our Company (as the manager), and the Trustee entered into a Management Agreement, dated as of November 21, 2024 (which we refer to as the "Securitization Management Agreement"), pursuant to which we are responsible for managing the Securitized Assets. Our primary responsibilities under the Securitization Management Agreement are to perform certain management, franchising, distribution, intellectual property-related and other operational functions on behalf of the Securitization Entities with respect to the Securitized Assets. As compensation for the performance of our duties and obligations under the Securitization Management Agreement, the Top Tier Twin Subsidiary will pay to our Company a monthly management fee of $291,667.66, subject to 3% annual increases.

***Limited Guaranty of the Trustee***

In connection with the Twin Securitization Transaction, we entered into a Limited Guaranty, dated as of November 21, 2024 (which we refer to as the "Limited Guaranty") with the Trustee, pursuant to which we are providing a guaranty in favor of the Trustee, and we may be required to make indemnification payments, with respect to any claims or damages resulting from or arising out of certain "bad boy" acts, including, but not limited to, fraud, unpermitted dispositions or encumbrances of the Securitized Assets, and certain insolvency events, by any of the Securitization Entities or our Company.

***Noteholders' Warrants and Other Agreements***

In connection with the Twin Securitization Transaction, the Top Tier Twin Subsidiary, our Company, FAT Brands, and the initial holders of the Twin Securitization Notes entered into a letter agreement dated November 21, 2024 (which we refer to as the "Letter Agreement"), under which we agreed to issue to the holders of the Twin Securitization Notes warrants (which we refer to as the "Noteholders' Warrants") exercisable for the aggregate number of shares of our Class A Common Stock equal to 5.0% of the number of issued and outstanding shares of our Class A Common Stock at the time of the Spin-Off. The Noteholders' Warrants will be exercisable during the period commencing on October 25, 2025 and ending on the five-year anniversary of the date of issuance, at an exercise price of $0.01 per share (subject to certain customary adjustments), and will include certain registration rights with respect to the underlying shares of our Class A Common Stock issuable upon exercise of the Noteholders' Warrants. The Noteholders' Warrants and the underlying shares of our Class A Common Stock issuable upon exercise of the Noteholders' Warrants will be subject to a lock-up on transfers until we have used at least $75,000,000 of the net proceeds from our Qualified Equity Offerings to prepay the Twin Securitization Notes.

Under the Letter Agreement, we also granted to the holders of the Twin Securitization Notes the right to appoint one observer to our Board of Directors, who will have the right to attend and participate in meetings of our Board of Directors and its committees but will not have any voting rights. Such Board observer will be subject to customary confidentiality obligations and may be excluded from certain meetings if attendance by such Board observer would jeopardize any attorney-client privilege.

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The summary description of the material terms of the Twin Securitization Notes in this section and elsewhere in this Information Statement is qualified by reference to the complete text of the (i) Base Indenture, (ii) Series 2024-1 Supplement to Base Indenture, (iii) Guarantee and Collateral Agreement, (iv) Securitization Management Agreement, and (v) Limited Guaranty, copies of which are filed as Exhibits 10.8, 10.9, 10.10, 10.11 and 10.12, respectively, to our Registration Statement on Form 10, of which this Information Statement is a part. This summary does not purport to be complete and may not contain all of the information about the Twin Securitization Notes that may be important to you. We urge you to read the full text of each of the agreements referenced above.

## DESCRIPTION OF CAPITAL STOCK

*The description below of our capital stock and provisions of our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws are summaries and are qualified by reference to our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws, copies of which are filed as exhibits to the Registration Statement on Form 10, of which this Information Statement is a part, and by reference to the applicable provisions of the General Corporation Law of the State of Delaware (which we refer to as the "DGCL").*

### General

Upon completion of the Reorganization, our authorized capital stock will consist of an aggregate of 112,870,000 shares of capital stock, par value $0.0001 per share, of which:

- 102,870,000 shares are designated as Common Stock; and
- 10,000,000 shares are designated as preferred stock.

Our Common Stock will be subdivided into two series consisting of:

(i) 100,000,000 shares designated as Class A Common Stock; and

(ii) 2,870,000 shares designated as Class B Common Stock.

Each of our Class A Common Stock and Class B Common Stock will be deemed to be a separate series of Common Stock for any and all purposes under the DGCL.

Unless our Board of Directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

As of the date of this Information Statement, there were 47,298,271 shares of our Class A Common Stock and 2,870,000 shares of our Class B Common Stock issued and outstanding.

After the completion of the Spin-Off, we will be a "controlled company", as defined under the Nasdaq Listing Rules. See "*Management—Controlled Company Exemptions*."

### Common Stock

We have two classes of authorized Common Stock, which is our Class A Common Stock and our Class B Common Stock. The rights of the holders of our Class A Common Stock and our Class B Common Stock will be identical, except with respect to voting, transfer, and conversion rights.

#### *Voting Rights*

Each outstanding share of our Class A Common Stock will be entitled to one vote on all matters submitted to a vote of our stockholders. Each outstanding share of our Class B Common Stock will be entitled to 50 votes on all matters submitted to a vote of our stockholders. Directors will be elected by a plurality of the votes entitled to be cast. Our stockholders will not have cumulative voting rights. As a result, the holders of shares of our Common Stock having a majority of the voting rights can elect all of the directors then standing for election. Except as otherwise provided in our Amended and Restated Certificate of Incorporation or as required by law, all matters to be voted on by our stockholders, other than matters relating to the election and removal of directors, shall be approved if votes cast in favor of the matter exceed the votes cast opposing the matter at a meeting at which a majority of the outstanding shares entitled to vote on such matter is represented in person or by proxy. The holders of our Class A Common Stock and the holders of our Class B Common Stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by the DGCL or our Amended and Restated Certificate of Incorporation. The DGCL could require holders of our Class A Common Stock or holders of our Class B Common Stock to vote separately in the following circumstances:

- if we were to seek to amend our Amended and Restated Certificate of Incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and

- if we were to seek to amend our Amended and Restated Certificate of Incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

*Quorum*

The holders of a majority of the total voting power of our issued and outstanding capital stock, present in person or represented by proxy, will constitute a quorum at all meetings of the stockholders for the transaction of business.

*Holdings by FAT Brands and the FAT Brands Common Stockholders*

Immediately following the completion of the Spin-Off, we expect that:

- the FAT Brands Common Stockholders receiving shares of our Class A Common Stock in the Spin-Off will own 2,726,500 shares of our Class A Common Stock, and will hold approximately 1.4% of the total voting power of our Common Stock; and

- FAT Brands will own (i) 44,571,771 shares of our Class A Common Stock, and (ii) all of the 2,870,000 outstanding shares of our Class B Common Stock, which in the aggregate represents approximately 98.6% of the total voting power of our Common Stock.

Accordingly, FAT Brands will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of significant corporate transactions.

***Conversion***

Each share of our Class B Common Stock is convertible into one share of Class A Common Stock at the option of the holder, provided that if the shares of our Class B Common Stock are distributed to stockholders of FAT Brands in connection with the Potential FAT Brands Distribution, the shares of our Class B Common Stock will no longer be convertible into shares of our Class A Common Stock at the option of the holder. Any and all conversions will be effected on a share-for-share basis.

***Dividends***

Holders of our Common Stock will be entitled to receive dividends when and if declared by our Board of Directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. See "*Dividend Policy*".

***Liquidation, Dissolution, and Winding-Up***

Upon our liquidation, dissolution, or winding-up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Common Stock will be entitled to receive pro rata our remaining assets available for distribution.

***Other Rights and Preferences***

Except for the conversion provisions with respect to our Class B Common Stock described above, holders of shares of our Common Stock have no preemptive, conversion, or subscription rights, and there are no redemption or sinking fund provisions applicable to our Common Stock. Our Common Stock will not be subject to further calls or assessment by us. All shares of our Common Stock that will be outstanding at the time of the completion of the Spin-Off will be fully paid and non-assessable. The rights, preferences, and privileges of the holders of shares of our Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may issue in the future.

**Preferred Stock**

Under our Amended and Restated Certificate of Incorporation, we will be authorized to issue up to 10,000,000 shares of preferred stock. The preferred stock may be issued in one or more series, and our Board of Directors is expressly authorized, without any further action by our stockholders, to (i) fix the descriptions, powers, preferences, rights, qualifications, limitations, and restrictions with respect to any series of preferred stock, and (ii) specify the number of shares of any series of preferred stock. Any issuance of our preferred stock could adversely affect the voting power of holders of shares of our Common Stock and the likelihood that such holders would receive dividend payments and payments upon our liquidation, dissolution, or winding-up. Additionally, our issuance of preferred stock could have the effect of delaying, deferring, or preventing a change of control of, or other corporate action with respect to, our Company. Upon the completion of the Spin-Off, no shares of preferred stock will be outstanding. We presently do not have any plans to establish any series, or issue any shares, of preferred stock.

**Anti-Takeover Provisions**

Certain provisions of the DGCL, our Amended and Restated Certificate of Incorporation, and our Amended and Restated Bylaws may have the effect of discouraging others from attempting hostile takeovers, and/or preventing changes in the composition of our Board of Directors and management. It is possible that these provisions could make it more difficult to accomplish transactions that our stockholders may otherwise deem to be in their best interests.

***Section 203 of the DGCL***

Section 203 of the DGCL prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers, and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2⁄3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;

- any sale, transfer, pledge, or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;

- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges, or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with such person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. Under our Amended and Restated Certificate of Incorporation, we will explicitly opt out of these provisions for so long as FAT Brands owns at least 15% of the total voting power of our Common Stock. If FAT Brands owns less than 15% of the total voting power of our Common Stock, we will be subject to Section 203 of the DGCL and, as a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

***Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws***

The below are provisions in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws that could deter hostile takeovers or delay or prevent changes in control of our management team.

*Dual Class Stock*

As described in "*—Common Stock—Voting Rights*" above, our Amended and Restated Certificate of Incorporation will provide for a dual class Common Stock structure, which will provide FAT Brands with the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of significant corporate transactions.

*Preferred Stock*

As described in "*—Preferred Stock*" above, under our Amended and Restated Certificate of Incorporation, our Board of Directors will have the authority, without any further action by our stockholders, to issue up to 10,000,000 shares of preferred stock, with rights and preferences, including voting rights, designated by our Board of Directors. The existence of authorized but unissued shares of preferred stock generally enables our Board of Directors to render more difficult or to discourage any attempt to obtain control of our Company through a merger, tender offer, proxy contest, or other means.

*Removal of Directors*

Our Amended and Restated Certificate of Incorporation will provide that, subject to the rights of any series of preferred stock to remove directors elected by such series of preferred stock, if any, any individual director or our entire Board of Directors may be removed from office at any time by the affirmative vote of our stockholders holding at least a majority of the total voting power of all of our then-outstanding shares of capital stock entitled to vote generally on the election of directors, voting together as a single class.

*Board of Director Vacancies*

Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws will authorize only our Board of Directors to fill any vacancies on our Board of Directors, including newly created vacancies, provided that, until FAT Brands' holdings in our Common Stock are reduced so that it no longer maintains a majority of the total voting power of our Common Stock, any vacancies on our Board of Directors caused by stockholder action may only be filled by stockholder action. Additionally, the number of directors constituting our Board of Directors is permitted to be set only by a resolution adopted by a majority of our Board of Directors. These provisions will prevent a stockholder from increasing the size of our Board of Directors and then gaining control of our Board of Directors by filling the resulting vacancies with its own nominees, and will generally make it more difficult to change the composition of our Board of Directors.

*Stockholder Action by Written Consent*

Our Amended and Restated Certificate of Incorporation will provide that, for so long as FAT Brands holds a majority of the total voting power of our Common Stock, any action required or permitted to be taken by our stockholders at a duly called annual or special meeting of our stockholders may be effected by consent in writing by the holders of our outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. If FAT Brands holds less than a majority of the total voting power of our Common Stock, any action required or permitted to be taken by our stockholders will have to be effected at a duly called annual or special meeting of our stockholders, and may not be effected by our stockholders by written consent without a meeting.

*Special Meetings of the Stockholders*

Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws will provide that special meetings of our stockholders may be called only by our secretary upon the written request of a majority of our Board of Directors, the chairperson of our Board of Directors, or our Chief Executive Officer, thus prohibiting stockholders from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal, or to take any action, including the removal of directors.

*Advance Notice Requirements for Stockholder Proposals and Director Nominations*

Our Amended and Restated Bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our Amended and Restated Bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our Company.

*Choice of Forum*

Our Amended and Restated Certificate of Incorporation will provide that, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers, employees, agents, or stockholders to us or our stockholders, (iii) any action asserting a claim against us or any of our current or former directors, officers, employees, agents, or stockholders arising out of or relating to any provision of the DGCL, our Amended and Restated Certificate of Incorporation, or our Amended and Restated Bylaws, (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our current or former directors, officers, employees, agents, or stockholders governed by the internal affairs doctrine of the State of Delaware. This choice of forum provision does not apply to suits brought to enforce any duty or liability created by the Securities Act or the Exchange Act, or the respective rules and regulations thereunder. Additionally, our Amended and Restated Certificate of Incorporation will also provide that the federal district courts of the United States will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Our Amended and Restated Certificate of Incorporation will provide that neither the exclusive forum provision nor the federal forum provision applies to suits brought to enforce any duty or liability created by the Exchange Act.

Furthermore, our Amended and Restated Certificate of Incorporation will also provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to the foregoing provisions; provided, however, that stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. We recognize that the forum selection provisions in our Amended and Restated Certificate of Incorporation may impose additional litigation costs on our stockholders in pursuing any such claims, particularly if such stockholders do not reside in or near the State of Delaware. Moreover, the forum selection provisions in our Amended and Restated Certificate of Incorporation may limit the ability of our stockholders to bring a claim or action in a forum that they find favorable for disputes with us or our directors, officers, employees, or agents, which may discourage such lawsuits against us and our directors, officers, employees, and agents even though such a claim or action, if successful, might benefit our stockholders. The Court of Chancery of the State of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring such action, and such judgments may be more or less favorable to us than our stockholders.

For more information on the risks associated with our choice of forum provision, see "*Risk Factors—Risks Related to our Class A Common Stock—The provision of our Amended and Restated Certificate of Incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.*"

*Amendment of our Amended and Restated Certificate of Incorporation*

Except as otherwise provided in our Amended and Restated Certificate of Incorporation, we reserve the right to amend and repeal any provisions contained in our Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware, and all rights of our stockholders will be subject to this reservation.

**Limitations on Liability and Indemnification of Directors and Officers**

Our Amended and Restated Certificate of Incorporation will contain provisions that limit the liability of our directors and officers for monetary damages to the fullest extent permitted by Delaware law. Delaware law allows a corporation to provide that its directors or officers will not be personally liable for monetary damages for any breach of fiduciary duties as a director or officer, except:

- a director or officer will have liability for any breach of such director's or officer's duty of loyalty to the corporation or its stockholders;
- a director or officer will have liability for any act or omission not in good faith, or that involves intentional misconduct or a knowing violation of law;
- a director or officer will have liability for unlawful payments of dividends or unlawful stock repurchases or redemptions;
- a director or officer will have liability for any transaction from which such director or officer derived an improper personal benefit; or
- an officer will have liability in any action by or in the right of the corporation.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies, such as injunctive relief or rescission.

Our Amended and Restated Certificate of Incorporation will authorize us to indemnify our directors, officers, employees, and other agents to the fullest extent permitted by Delaware law. Additionally, our Amended and Restated Bylaws will provide that we indemnify our directors and executive officers to the fullest extent permitted by Delaware law, and may indemnify our other officers, employees, and agents. Our Amended and Restated Bylaws will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent. We have entered and expect to continue to enter into indemnification agreements to indemnify our directors and executive officers. With certain exceptions, these indemnification agreements provide for indemnification for related expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by any of these individuals in connection with any action, proceeding, or investigation. We believe that these certificate of incorporation and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We will also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and/or damage awards against directors and officers as required by these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, executive officers, or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**Provisions of our Amended and Restated Certificate of Incorporation Relating to Related Person Transactions and Corporate Opportunities**

In anticipation that we and FAT Brands may engage in the same or similar activities or lines of business and may have an interest in the same areas of corporate opportunities, and in recognition of the benefits to be derived by us through our ongoing contractual, corporate, and business relations with FAT Brands (including the service of certain directors of FAT Brands as directors of our Company, and the service of Kenneth Kuick, the co-chief executive officer and chief financial officer of FAT Brands, as our Chief Financial Officer), certain provisions of our Amended and Restated Certificate of Incorporation described below define and govern the conduct of certain affairs of our Company as they may involve FAT Brands and its directors or officers, and the powers, rights, duties, and liabilities of our Company and our directors, officers, and stockholders in connection with such affairs.

Our Amended and Restated Certificate of Incorporation provides that FAT Brands will have the right to, and will have no duty not to, (i) engage in the same or similar business activities or lines of business as we do, (ii) do business with any of our franchisees or customers, and (iii) employ or otherwise engage any of our officers or employees. We will not be deemed to have an interest or expectancy in any such activities merely because we engage in the same or similar activities or otherwise. To the fullest extent permitted by applicable law, and except as provided in the following paragraphs, neither FAT Brands nor any of its directors or officers will be liable to us or our stockholders for breach of any fiduciary duty by reason of any such activities of FAT Brands or of such person's participation in such activities.

Additionally, our Amended and Restated Certificate of Incorporation also provides that, until the later of (a) the first date on which FAT Brands ceases to beneficially own 20% or more of the number of the then outstanding shares of each class of our Common Stock, and (b) the date upon which none of our directors are also directors of FAT Brands, to the fullest extent permitted by applicable law, and except as provided in the following paragraphs, in the event that FAT Brands acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us, FAT Brands will not have any duty to communicate or present it to us, and FAT Brands will not be liable to us or our stockholders for breach of any fiduciary duty as our stockholder by reason of the fact that it pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity, or does not present such corporate opportunity to us.

Furthermore, our Amended and Restated Certificate of Incorporation further provides that, until the later of (a) the first date on which FAT Brands ceases to beneficially own 20% or more of the number of the then outstanding shares of each class of our Common Stock, and (b) the date upon which none of our directors are also directors of FAT Brands, to the fullest extent permitted by applicable law, in the event that a director of our Company who is also a director of FAT Brands acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us and which may be properly pursued by us, such director (i) will be deemed to have fully satisfied and fulfilled such person's fiduciary duty to us and our stockholders with respect to such corporate opportunity, (ii) will not be liable to us or our stockholders for any breach of fiduciary duty because FAT Brands pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity, or does not present such corporate opportunity to us, (iii) will be deemed to have acted in good faith and in a manner such person reasonably believes to be in and not opposed to our best interests, and (iv) will be deemed not to have breached such person's duty of loyalty to us or our stockholders and not to have received an improper personal gain therefrom; provided that such director acts in good faith in a manner consistent with the following policy:

- where a corporate opportunity is offered to a director of our Company who is also a director of FAT Brands, we will be entitled to pursue such opportunity only if such opportunity is expressly offered to such person solely in his or her capacity as our director; and

- if a director of our Company who is also a director of FAT Brands acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us in any manner not addressed by the foregoing bullet point, such director will have no duty to communicate or present such corporate opportunity to us, and will, to the fullest extent permitted by law, not be liable to us or our stockholders for any breach of fiduciary duty as our director by reason of the fact that FAT Brands pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity, or does not present such corporate opportunity to us.

Moreover, our Amended and Restated Certificate of Incorporation further provides that, to the fullest extent permitted by applicable law, so long as the material facts as to a contract, agreement, arrangement, or transaction between us and FAT Brands are disclosed to or are known by our Board of Directors or the committee thereof that authorizes such contract, agreement, arrangement, or transaction, and our Board of Directors or such committee in good faith authorizes and approves such contract, agreement, arrangement, or transaction by the affirmative vote of a majority of the disinterested directors, even if less than a quorum, no such contract, agreement, arrangement, or transaction will be void or voidable solely for the reason that FAT Brands is a party thereto.

**Listing**

We have applied to list our Class A Common Stock on the Nasdaq Capital Market under the symbol "TWNP".

**Transfer Agent and Registrar**

The transfer agent and registrar for our Class A Common Stock and our Class B Common Stock is VStock Transfer, LLC.

**Recent Sales of Unregistered Securities**

On October 1, 2021, the Top Tier Twin Subsidiary completed the sale and issuance, through a private offering pursuant to Rule 144A under the Securities Act, of the following three tranches of fixed rate secured notes: (i) $150.0 million aggregate principal amount of Prior Class A-2 Notes, (ii) $50.0 million aggregate principal amount of Prior Class B-2 Notes, and (iii) $50.0 million aggregate principal amount of Prior Class M-2 Notes. Net proceeds from the October 2021 private offering of the Prior Securitization Notes were approximately $236.9 million, which consisted of the aggregate principal amount of $250.0 million, net of aggregate original issue discounts of approximately $7.5 million and debt offering expenses of approximately $5.6 million, and such net proceeds were used to finance the cash portion of the purchase price in connection with FAT Brands' acquisition of all of the subsidiaries of the Top Tier Twin Subsidiary. We believe that the sales and issuances of the Prior Securitization Notes in the October 2021 private offering were exempt from the registration requirements of the Securities Act in reliance upon Rule 144A under the Securities Act.

On September 8, 2023, the Top Tier Twin Subsidiary completed the sale and issuance of an additional $48.0 million aggregate principal amount of Prior Class A-2 Notes, and $50.0 million aggregate principal amount of Prior Class M-2 Notes, to FAT Brands, pending sale, through a private offering pursuant to Rule 144A and Regulation S under the Securities Act, to third party investors. FAT Brands subsequently sold the $48.0 million aggregate principal amount of Prior Class A-2 Notes and $12.3 million aggregate principal amount of the Prior Class M-2 Notes, resulting in net proceeds of approximately 56.0 million, which consisted of the aggregate principal amount of $60.3 million, net of aggregate original issue discount and debt offering expenses of approximately $4.3 million, and such net proceeds were used by FAT Brands to fund its operations and for general corporate purposes. We believe that the sales and issuances of the additional Prior Securitization Notes in the September 2023 private offering were exempt from the registration requirements of the Securities Act in reliance upon Rule 144A or Regulation S, as the case may be, under the Securities Act.

On March 20, 2024, the Top Tier Twin Subsidiary completed the sale and issuance of an additional $50.0 million aggregate principal amount of Prior Class A-2 Notes to FAT Brands, pending sale, through a private offering pursuant to Rule 144A and Regulation S under the Securities Act, to third party investors. FAT Brands subsequently sold the $50.0 million aggregate principal amount of Prior Class A-2 Notes, resulting in net proceeds of approximately 47.1 million, which consisted of the aggregate principal amount of $50.0 million, net of aggregate original issue discount and debt offering expenses of approximately $2.9 million, and such net proceeds were used by FAT Brands to fund its operations and for general corporate purposes. We believe that the sales and issuances of the additional Prior Securitization Notes in the March 2024 private offering were exempt from the registration requirements of the Securities Act in reliance upon Rule 144A or Regulation S, as the case may be, under the Securities Act.

In connection with the incorporation of our Company by FAT Brands, on February 6, 2024, we sold and issued 5,000 shares of our Class A Common Stock to FAT Brands. We believe that the sale and issuance of such shares of our Class A Common Stock to FAT Brands was exempt from the registration requirements of the Securities Act in reliance upon Section 4(a)(2) of the Securities Act.

On November 21, 2024, the Top Tier Twin Subsidiary completed the sale and issuance, through a private offering pursuant to Rule 144A and Regulation S under the Securities Act, of the following four tranches of the Twin Securitization Notes: (i) $12,124,000 Series 2024-1 9.00% Fixed Rate Super Senior Secured Notes, Class A-2-I, (ii) $269,257,000.00 Series 2024-1 9.00% Fixed Rate Senior Secured Notes, Class A-2-II, (iii) $57,619,000.00 Series 2024-1 10.00% Fixed Rate Senior Subordinated Secured Notes, Class B-2, and (iv) $77,711,000.00 Series 2024-1 11.00% Fixed Rate Subordinated Secured Notes, Class M-2. Net proceeds from the November 2024 private offering of the Twin Securitization Notes were approximately $407.5 million, which consisted of the aggregate principal amount of $416.7 million, net of aggregate original issue discounts of approximately $3.2 million and debt offering expenses of approximately $6.0 million, and such net proceeds were primarily used to redeem all of the Prior Securitization Notes, with the remainder to be used for working capital and general corporate purposes. We believe that the sales and issuances of the Twin Securitization Notes in the November 2024 private offering were exempt from the registration requirements of the Securities Act in reliance upon Rule 144A or Regulation S, as the case may be, under the Securities Act.

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to the Spin-Off, there has been no public market for our Class A Common Stock, and we cannot predict the effect, if any, that sales of shares or the availability of any shares for sale will have on the market price of our Class A Common Stock prevailing from time to time. Sales of a substantial number of shares of our Class A Common Stock (including shares of Class A Common Stock issued upon the exercise of options, warrants or convertible securities, if any) or the perception that such sales could occur, could adversely affect the market price of our Class A Common Stock and our ability to raise additional capital through future offers and sales of our securities.

After giving effect to the Reorganization, and immediately following the completion of the Spin-Off, we will have 47,298,271 shares of our Class A Common Stock issued and outstanding, and 2,870,000 shares of our Class B Common Stock issued and outstanding. All of the shares of our Class A Common Stock distributed in the Spin-Off will be freely transferable without restriction or further registration under the Securities Act, unless such shares are purchased by "affiliates" (as such term is defined in Rule 144 under the Securities Act (which we refer to as "Rule 144")). Any outstanding shares of our Class A Common Stock not distributed in the Spin-Off and all outstanding shares of our Class B Common Stock are "restricted securities" (as such term is defined in Rule 144). Subject to certain restrictions, holders of restricted shares will be entitled to sell those shares in the open market if they qualify for an exemption from registration under the Securities Act, such as conducting sales pursuant to Rule 144 or Rule 701 under the Securities Act, or any other applicable exemption under the Securities Act.

### Registration Rights of FAT Brands

The shares of our Class A Common Stock held by FAT Brands immediately after the Spin-Off will be deemed "restricted securities" (as defined in Rule 144), and as such, FAT Brands may only sell a limited number of such shares into the public markets without registration under the Securities Act. Therefore, pursuant to the Master Separation and Distribution Agreement we will enter into with FAT Brands in connection with the Reorganization, we will agree to provide FAT Brands with certain registration rights to register the shares of our Class A Common Stock held by it. FAT Brands may request up to two Long-Form Registrations and up to two Short-Form Registrations, although no Long-Form Registrations may be requested after such time as we are eligible to use Form S-3 or any similar short form registration statement at such time. FAT Brands may also request that we file a resale shelf registration statement to register under the Securities Act the resale of its registrable shares after such time as we are eligible to use Form S-3 or any similar short form registration statement at such time. FAT Brands will be entitled to unlimited shelf takedowns. Additionally, we will also provide FAT Brands with "piggy-back" registration rights to include its shares of our Class A Common Stock in future registrations under the Securities Act of our securities by us or others. FAT Brands may request up to three of these "piggy-back" registrations. FAT Brands' registration rights will remain in effect until the earlier of the date on which the shares of our Class A Common Stock held by FAT Brands (i) have been disposed of in accordance with an effective registration statement, (ii) have been distributed to the public in accordance with Rule 144, or may be sold without restriction pursuant to Rule 144(k) under the Securities Act, (iii) have been otherwise transferred to a non-affiliated entity, and any subsequent disposition of such shares do not require registration or qualification under the Securities Act, or (iv) have ceased to be outstanding. See "*Certain Relationships and Related Party Transactions—Agreements to be Entered into with FAT Brands in Connection with the Reorganization—Master Separation and Distribution Agreement—Registration Rights.*"

### Rule 144

In general, under Rule 144 under the Securities Act as currently in effect, beginning 90 days after the date of this Information Statement, a stockholder who beneficially own shares of our Class A Common Stock considered to be "restricted securities" under Rule 144, who is not deemed to have been an affiliate of our Company at any time during the three months preceding a sale, and who has beneficially owned such restricted securities for at least six months (including the holding period of any prior stockholder other than an affiliate of our Company), would be entitled to sell those shares; provided that current public information about us is available. Additionally, under Rule 144, if such stockholder has beneficially owned those shares for at least one year (including the holding period of any prior stockholder other than an affiliate of our Company), such stockholder would be entitled to sell those shares without regard to the requirements and conditions of Rule 144, including whether current public information about us is available.

Beginning 90 days after the date of this Information Statement, an affiliate of our Company who has beneficially owned shares of our Class A Common Stock for at least six months is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of (i) 1% of the aggregate number of shares of our Class A Common Stock then outstanding (which is approximately 472,982 shares of Class A Common Stock immediately after the Spin-Off, and (ii) the average weekly trading volume of our Class A Common Stock on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale; provided that current public information about us is available and such affiliate complies with the other requirements and conditions of Rule 144 relating to manner of sale and notice. To the extent that an affiliate of our Company sells shares of our Class A Common Stock, other than pursuant to Rule 144 or an effective registration statement under the Securities Act, the purchaser's holding period for the purpose of effecting a sale under Rule 144 commences on the date of transfer of such shares from such affiliate. Additionally, sales by our affiliates under Rule 144 are also subject to certain manner of sale provisions, notice requirements, and the availability of current public information about us.

Substantially all of the outstanding shares of our Class A Common Stock will either be unrestricted or will be eligible for sale under Rule 144, subject to the volume limitations and additional requirements and conditions under Rule 144 applicable to our affiliates as described above. We cannot estimate the number of shares of our Class A Common Stock that our existing stockholders will elect to sell following the Spin-Off.

**Rule 701**

In general, under Rule 701 of the Securities Act (which we refer to as "Rule 701") as currently in effect, any of our directors, officers, employees, consultants, or advisors who is not an affiliate of our Company, and who purchased or purchases, pursuant to an offer made or option granted prior to the date of this Information Statement, shares of our Class A Common Stock from us pursuant to a written compensatory plan or other written agreement in accordance with Rule 701, is eligible, beginning 90 days after the date of this Information Statement, to resell such Rule 701 Class A Common Stock in reliance on Rule 144, but without compliance with the holding period, public information, volume limitation, and notice requirements of Rule 144. Additionally, under Rule 701, an employee, consultant or advisor who is an affiliate of our Company, and who purchased or purchases Rule 701 Class A Common Stock, is eligible, beginning 90 days after the date of this Information Statement, to resell such Rule 701 Class A Common Stock in reliance on Rule 144, but without compliance with the holding period requirements of Rule 144.

**2024 Incentive Compensation Plan; Twin Hospitality Group Management Equity Plan; Registration Statement on Form S-8**

Under our 2024 Incentive Compensation Plan, the total number of shares of our Class A Common Stock that is reserved and available for awards is equal to 1,000,000 shares of our Class A Common Stock, less the aggregate number of shares of our Class A Common Stock which have become subject to outstanding awards granted under our 2024 Incentive Compensation Plan. For a description of our 2024 Incentive Compensation Plan, see "*Executive and Director Compensation—Equity-Based Compensation—2024 Incentive Compensation Plan*".

Under the Management Equity Plan, an aggregate of 4,742,346 shares of our Class A Common Stock are reserved for RSU awards, and we intend to grant RSU awards with respect to all such reserved shares. For a description of the Management Equity Plan and the RSU awards that will be granted thereunder, see "*Executive and Director Compensation—Equity-Based Compensation—Twin Hospitality Group Management Equity Plan*".

Following the completion of the Spin-Off, we intend to file a (i) registration statement on Form S-8, which will become effective automatically upon filing, to register the total number of shares of our Class A Common Stock that may be issued under our 2024 Incentive Compensation Plan, and (ii) registration statement on Form S-8, which will become effective automatically upon filing, to register the total number of shares of our Class A Common Stock that will be issued upon the vesting of RSU awards granted under the Management Equity Plan. These shares will be freely tradable and immediately available for sale in the open market following their issuance, subject to the volume limitations and additional requirements and conditions under Rule 144 applicable to our affiliates, and applicable restrictions imposed by our insider trading policy.

**THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL MATTERS RELATING TO SHARE TRANSFER RESTRICTIONS THAT MAY BE OF IMPORTANCE TO A STOCKHOLDER. EACH STOCKHOLDER SHOULD CONSULT HIS, HER OR ITS OWN LEGAL ADVISOR REGARDING THE PARTICULAR SECURITIES LAWS AND TRANSFER RESTRICTION CONSEQUENCES OF HOLDING AND DISPOSING OF SHARES OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.**

## CHANGE IN ACCOUNTANTS

In July 2023, we engaged Macias Gini & O'Connell LLP to conduct an audit of the consolidated financial statements of the Twin Group as of and for the year ended December 25, 2022. On March 20, 2024, our engagement of Macias Gini & O'Connell LLP ended upon the completion of such audit. Macias Gini & O'Connell LLP's report on the audited consolidated financial statements of the Twin Group as of and for the year ended December 25, 2022 did not contain any adverse opinion or disclaimer of opinion, nor was such report qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal year ended December 25, 2022, and the subsequent period from December 26, 2022 to March 20, 2024, (i) there were no disagreements with Macias Gini & O'Connell LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Macias Gini & O'Connell LLP, would have caused them to make reference to the subject matter of the disagreements in connection with their report on our consolidated financial statements for the year ended December 25, 2022, and (ii) there were no "reportable events" as such term is defined in Item 304(a)(1)(v) of Regulation S-K. We have requested that Macias Gini & O'Connell LLP furnish to us a letter addressed to the SEC stating whether or not Macias Gini & O'Connell LLP agrees with the above statements. A copy of such letter, dated November 1, 2024, is filed as Exhibit 16.1 to our Registration Statement on Form 10, of which this Information Statement is a part.

In November 2023, we engaged CohnReznick LLP as our new PCAOB registered public accounting firm, which engagement was ratified by our Board of Directors. The audited consolidated financial statements of the Twin Group as of and for the year ended December 31, 2023 have been audited by CohnReznick LLP.

On September 5, 2024, we terminated our engagement of CohnReznick LLP as our PCAOB registered public accounting firm. CohnReznick LLP's report on the audited consolidated financial statements of the Twin Group as of and for the year ended December 31, 2023 did not contain any adverse opinion or disclaimer of opinion, nor was such report qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal year ended December 31, 2023, and the subsequent period from January 1, 2024 to September 5, 2024, (i) there were no disagreements with CohnReznick LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of CohnReznick LLP, would have caused them to make reference to the subject matter of the disagreements in connection with their report on our consolidated financial statements for the year ended December 31, 2023, and (ii) there were no "reportable events" as such term is defined in Item 304(a)(1)(v) of Regulation S-K. We have requested that CohnReznick LLP furnish to us a letter addressed to the SEC stating whether or not CohnReznick LLP agrees with the above statements. A copy of such letter, dated November 1, 2024, is filed as Exhibit 16.2 to our Registration Statement on Form 10, of which this Information Statement is a part.

In October 2024, we engaged Macias Gini & O'Connell LLP as our new PCAOB registered public accounting firm, which engagement was ratified by our Board of Directors.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a Registration Statement on Form 10 (which we refer to as the "Registration Statement") with respect to the shares of our Class A Common Stock that FAT Brands Common Stockholders will receive in the Spin-Off as contemplated by this Information Statement. This Information Statement, which constitutes part of the Registration Statement, does not contain all of the information set forth in the Registration Statement or the exhibits and schedules which are part of the Registration Statement. Some items included in the Registration Statement have been omitted from this Information Statement in accordance with the rules and regulations of the SEC. For further information about our Company and the shares of our Class A Common Stock that FAT Brands Common Stockholders will receive in the Spin-Off, we refer you to the Registration Statement, including all amendments, supplements, exhibits, and schedules thereto.

Statements contained in this Information Statement regarding the contents of any agreement, contract or other document are not necessarily complete. If an agreement, contract or other document has been filed as an exhibit to the Registration Statement, please refer to a copy of such agreement, contract or other document that has been filed. Each statement in this Information Statement relating to an agreement, contract or other document that is filed as an exhibit to the Registration Statement is qualified in all respects by reference to the full text of such agreement, contract or other document filed as an exhibit to the Registration Statement.

You may access and read the Registration Statement, including the related exhibits and schedules thereto, this Information Statement, and any document we file with the SEC at the SEC's website that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are available to the public without charge through the SEC's website at www.sec.gov.

Upon effectiveness of the Registration Statement, we will be subject to the information and periodic reporting requirements of the Exchange Act, and under those requirements, we will file periodic reports, proxy statements, and other information with the SEC. Those periodic reports, proxy statements, and other information may be accessed and read at the SEC's website described above.

Our corporate website is www.twinpeaksrestaurant.com. Following the completion of the Spin-Off, you may go to our website to access our periodic reports, proxy statements, and other information that we file with the SEC as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference into, and is not a part of, this Information Statement or our Registration Statement on Form 10, of which this Information Statement is a part. We have included our website address in this Information Statement solely as an inactive textual reference.

## INDEX TO FINANCIAL STATEMENTS

**FINANCIAL STATEMENTS OF BARBEQUE INTEGRATED, INC.**

**Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2023**



**Audited Consolidated Financial Statements as of and for the Year Ended January 1, 2023**

## Report of Independent Registered Public Accounting Firm

Member
FAT Brands Twin Peaks I, LLC

***Opinion on the Consolidated Financial Statements***

We have audited the accompanying consolidated balance sheet of FAT Brands Twin Peaks I, LLC (the "Company") as of December 31, 2023, and the related consolidated statements of operations, changes in member's equity (deficit), and cash flows for the fiscal year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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 audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ CohnReznick LLP

We have served as the Company's auditor since 2023.
Dallas, Texas
May 7, 2024

## Report of Independent Registered Public Accounting Firm

To Shareholders and Board of Directors
FAT Brands Twin Peaks I, LLC

***Opinion***

We have audited the accompanying consolidated balance sheet of FAT Brands Twin Peaks I, LLC (the "Company") as of December 25, 2022, the related consolidated statements of operations, changes in member's equity, and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 25, 2022, and the results of its operations and its cash flows for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

**/s/ MACIAS GINI & O'CONNELL LLP**

We have served as the Company's auditor since 2023.
Irvine, California
March 20, 2024

FAT BRANDS TWIN PEAKS I, LLC
CONSOLIDATED BALANCE SHEETS
*(dollars in thousands)*

| | December 31, 2023 | December 25, 2022 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash | $ 4,491 | $ 2,971 |
| Restricted cash | 15,046 | 10,240 |
| Accounts receivable, net | 2,276 | 913 |
| Other current assets | 6,280 | 2,475 |
| Total current assets | 28,093 | 16,599 |
| | | |
| Non-current restricted cash | 4,608 | 3,759 |
| Lease right-of-use asset | 169,355 | 50,913 |
| Goodwill | 117,159 | 105,116 |
| Other intangible assets, net | 169,728 | 162,857 |
| Property and equipment, net | 74,822 | 50,214 |
| Other non-current assets | 1,817 | 1,684 |
| Total assets | $ 565,582 | $ 391,142 |
| | | |
| Liabilities and member's (deficit) equity | | |
| Current liabilities | | |
| Accounts payable | $ 9,487 | $ 5,737 |
| Accrued expenses and other liabilities | 25,677 | 15,116 |
| Deferred income, current portion | 1,118 | 866 |
| Lease liability, current portion | 21,585 | 6,334 |
| Acquisition payable, current portion | 3,000 | 3,000 |
| Long-term debt, current portion | 9,861 | 1,858 |
| Total current liabilities | 70,728 | 32,911 |
| | | |
| Deferred income, net of current portion | 4,365 | 4,362 |
| Lease liability, net of current portion | 149,489 | 45,851 |
| Long-term debt, net of current portion | 334,020 | 241,649 |
| Due to affiliates | 18,013 | 4,693 |
| Other non-current liabilities | 4,478 | 1,500 |
| Total liabilities | 581,093 | 330,966 |
| | | |
| Commitments and contingencies (Note 13) | | |
| | | |
| Member's (deficit) equity | (15,511) | 60,176 |
| Total liabilities and member's (deficit) equity | $ 565,582 | $ 391,142 |

The accompanying notes are an integral part of these audited consolidated financial statements.

FAT BRANDS TWIN PEAKS I, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
*(dollars in thousands)*

| | Fiscal Year Ended December 31, 2023 | Fiscal Year Ended December 25, 2022 |
|---|---|---|
| Revenue | | |
| Restaurant sales | $ 199,369 | $ 140,639 |
| Franchise revenue | 31,498 | 25,217 |
| Total revenue | 230,867 | 165,856 |
| | | |
| Costs and expenses | | |
| Restaurant operating costs | | |
| Food and beverage costs | 53,512 | 39,200 |
| Labor and benefits costs | 64,024 | 43,941 |
| Other operating costs | 37,722 | 25,110 |
| Occupancy costs | 13,112 | 8,063 |
| Advertising expense | 16,792 | 12,690 |
| Pre-Opening expense | 1,136 | 900 |
| General and administrative expense | 19,252 | 15,818 |
| Depreciation and amortization | 12,377 | 8,458 |
| Total costs and expenses | 217,927 | 154,180 |
| | | |
| Income from operations | 12,940 | 11,676 |
| | | |
| Other income (expense), net | | |
| Interest expense, net | (29,714) | (24,508) |
| Other income | 2,704 | 61 |
| Total other expense, net | (27,010) | (24,447) |
| | | |
| Loss before income tax | (14,070) | (12,771) |
| | | |
| Income tax provision (benefit) | (230) | — |
| | | |
| Net loss | $ (13,840) | $ (12,771) |

The accompanying notes are an integral part of these audited consolidated financial statements.

FAT BRANDS TWIN PEAKS I, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S (DEFICIT) EQUITY
*(dollars in thousands)*

| | | |
|---|---|---|
| Balance at December 26, 2021 | $ | 72,256 |
| Share-based compensation | | 691 |
| Net loss | | (12,771) |
| Balance at December 25, 2022 | $ | 60,176 |
| Distribution to Parent | | (93,993) |
| Contribution of Barbeque Integrated, Inc. from Parent | | 31,834 |
| Share-based compensation | | 312 |
| Net loss | | (13,840) |
| Balance at December 31, 2023 | $ | (15,511) |

The accompanying notes are an integral part of these audited consolidated financial statements.

FAT BRANDS TWIN PEAKS I, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
*(dollars in thousands)*

| | Fiscal Year Ended December 31, 2023 | Fiscal Year Ended December 25, 2022 |
|---|---|---|
| Cash flows from operating activities | | |
| Net loss | $ (13,840) | $ (12,771) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities | | |
| Depreciation and amortization | 12,377 | 8,458 |
| Share-based compensation | 312 | 691 |
| Change in lease right-of-use assets | (821) | 892 |
| Accretion of loan fees and interest | 4,861 | 4,183 |
| Change in: | | |
| Accounts receivable | (246) | 70 |
| Other current assets | 255 | (255) |
| Other non-current assets | 336 | (291) |
| Accounts payable | 171 | (2,497) |
| Accrued expenses and other liabilities | 1,681 | 248 |
| Deferred income | 959 | 1,115 |
| Other current and non-current liabilities | — | (6,000) |
| Total adjustments | 19,885 | 6,614 |
| Net cash provided by (used in) operating activities | 6,045 | (6,157) |
| Cash flows from investing activities | | |
| Proceeds from sale of property and equipment | 9,259 | 9,934 |
| Purchases of property and equipment | (23,873) | (17,811) |
| Principal receipts from notes receivable | — | 1,500 |
| Net cash used in investing activities | (14,614) | (6,377) |
| Cash flows from financing activities | | |
| Proceeds from borrowings of long-term debt, net of issuance costs | 9,405 | 7,182 |
| Repayment of borrowings | (8,885) | (5,459) |
| Financing proceeds from affiliates | 15,224 | 4,692 |
| Net cash provided by financing activities | 15,744 | 6,415 |
| Net increase (decrease) in cash and restricted cash | 7,175 | (6,119) |
| Cash and restricted cash at beginning of the period | 16,970 | 23,089 |
| Cash and restricted cash at end of the period | $ 24,145 | $ 16,970 |
| Supplemental disclosures of cash flow information | | |
| Cash paid for interest | $ 26,137 | $ 21,333 |
| Supplemental disclosure of non-cash financing activity | | |
| Issuance and distribution of long-term debt to the Parent | $ 93,994 | $ — |
| Contribution of Barbeque Integrated Inc. from Parent | $ 31,834 | $ — |

The accompanying notes are an integral part of these audited consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION**

*Organization and Nature of Business*

FAT Brands Twin Peaks I, LLC (the "Company") is a wholly-owned subsidiary of FAT Brands Inc. (the "Parent") and is the owner and franchisor of the Twin Peaks restaurant brand. The Parent is a publicly traded company whose common shares are traded under the symbol "FAT" on the NASDAQ stock market. On October 1, 2021, the Parent acquired the Twin Peaks restaurant brand and upon closing contributed the acquired assets and liabilities to the Company. The Parent elected to push down the new acquisition basis of its assets and liabilities to the Company on October 1, 2021.

We operate as one operating segment and our chief operating decision maker reviews operating results and performance for all company-owned and franchised locations together. As of December 31, 2023, the Company owned two restaurant brands, 109 Twin Peaks locations, of which 76 were franchised and the remaining 33 operated as owned restaurants, and 61 Smokey Bones locations operated as owned restaurants. Our revenues are derived from franchised Twin Peaks restaurants (comprised of royalties, franchise fees and advertising revenue) as well as sales of food and beverages at our Company-owned restaurant locations. The Company licenses the right to use the Twin Peaks brand name and provides franchisees with operating procedures and methods of merchandising. Upon signing a franchise agreement, the franchisor is committed to provide training, some supervision and assistance, and access to operations manuals. As needed, the franchisor will also provide advice and written materials concerning techniques of managing and operating the restaurants.

Our Parent is a leading multi-brand restaurant franchising company that develops, markets and acquires primarily quick-service, fast casual, casual and polished casual dining restaurant concepts around the world.

*Contribution of Barbeque Integrated, Inc. "Smokey Bones"*

On September 25, 2023 (the "acquisition date"), Fat Brands, Inc completed their acquisition of Barbeque Integrated, Inc. ("Smokey Bones") and on March 21, 2024 (the "contribution date") contributed all of the equity in Smokey Bones to the Company at the Parent's carry over basis. The contribution was non-taxable for federal income tax purposes. The Company retroactively recorded the contribution of Smokey Bones and consolidated the assets, liabilities, and operating results since the Parent's acquisition date September 25, 2023, as required by the business combinations under common control guidance in ASC 805-50, *Business Combinations — Related Issues*. The net purchase price of the Parent for Smokey Bones was $31.8 million. The preliminary allocation of the $31.8 million purchase consideration to the net tangible and intangible assets of Smokey Bones on September 25, 2023 is presented in the table below (in millions):

| | | |
|---|---|---|
| Cash | $ | 1.9 |
| Accounts receivable | | 1.2 |
| Other current assets | | 4.1 |
| Operating lease right-of-use asset | | 109.6 |
| Goodwill | | 12.0 |
| Other intangible assets | | 8.8 |
| Property and equipment | | 18.1 |
| Other assets | | 1.8 |
| Accounts payable | | (3.6) |
| Accrued expenses and other liabilities | | (12.5) |
| Operating lease liability, current portion | | (109.6) |
| Total net identifiable assets | $ | 31.8 |

There were no intercompany transactions between the Company and Smokey Bones. On the contribution date, the approximate carrying values of current assets, total assets, current liabilities, and total liabilities were $8.1 million, $154.4 million, $16.3 million and $127.4 million, respectively.

*Liquidity*

The Company's primary requirements for liquidity are to fund working capital needs, operating and finance lease obligations, capital expenditures and debt service on the securitized debt. The ongoing capital expenditures are principally related to opening new restaurants and the remodeling and maintenance of existing restaurants. The primary sources of liquidity are restaurant operations, cash on hand and availability of advances from our Parent.

The Company is contemplating an initial registration with the Securities and Exchange Commission (the "SEC") that would involve the spin-off of the Company from the Parent and a sale of a portion of the Parent's equity ownership in the Company to the public. The proceeds would be used to extinguish Securitized Debt as well as used to fund the Company's capital expenditures and working capital requirements. There are no assurances that such a public sale of Company shares will occur or that the Company may need to explore other financing alternatives.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fiscal Year* — The Company operates on a 52/53 week calendar and its fiscal year ends on the last Sunday of the calendar year. Fiscal year 2023 consisted of 53 weeks and ended on December 31, 2023 ("fiscal 2023"). Fiscal year 2022 contained 52 weeks and ended on December 25, 2022 ("fiscal 2022"). Unless otherwise stated, references to years in this report relate to fiscal years.

*Basis of Presentation* — The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include our accounts and the accounts of our subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Certain reclassifications have been made to prior period amounts to conform to the current year presentation.

*Use of Estimates in the Preparation of the Consolidated Financial Statements* — The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability of goodwill and other intangible assets, and allowances for uncollectible notes receivable and accounts receivable. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Credit and Depository Risks* — Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. Cash and cash equivalents balances are maintained in financial institutions, which at times exceed federally insured limits. The Company monitors the financial condition of these institutions and has not experienced losses on these accounts in the past. Management evaluates each of its franchisee's financial condition prior to entry into a franchise agreement, as well as periodically through the term of the agreement, and believes that it has adequately provided for any exposure to potential credit losses.

*Concentration Risk* — 48% of the Company's franchise revenue is derived from three franchisees.

*Restricted Cash* — The Company has restricted cash consisting of funds required to be held in trust in connection with its securitized debt. The current portion of restricted cash was $15.0 million December 31, 2023. Non-current restricted cash of $4.6 million as of December 31, 2023 includes interest reserves required to be set aside for the duration of the Securitized Debt.

*Accounts Receivable, Net* — Accounts receivable are due within less than 12 months are recorded at the invoiced amount and are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Company's best estimate of the amount of expected probable credit losses in existing accounts receivable. The allowance is based on a variety of factors including historical collection, current economic conditions and current franchisee information. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

*Impairment of Long-Lived Assets* — Long-lived assets, which include property and equipment and operating lease right-of-use assets, are reviewed for impairment on a regular basis, in addition to whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of the assets to the undiscounted future cash flows expected to be generated by the asset group. If the assets are determined to be impaired, the amount of impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Estimates of future cash flows are based on the Company's experience and knowledge of local operations.

*Leases* — We currently lease all of our domestic Company-operated restaurants, our home office and certain equipment under various non-cancelable lease agreements that expire on various dates. Upon the possession of a leased asset, we determine its classification as an operating or financing lease. All of our real estate leases are classified as operating leases and most of our equipment leases are classified as finance leases.

Rent expense for the Company's leases, which generally have escalating rentals over the term of the lease, is recorded on a straight-line basis over the lease term. Our real estate leases typically provide for fixed minimum rent payments and/or contingent rent payments based upon sales in excess of specified thresholds. When the achievement of such sales thresholds is deemed to be probable, contingent rent is accrued in proportion to the sales recognized during the period. Lease expense associated with rent escalation and contingent rental provisions is not material and is included within operating lease cost.

We calculate operating lease assets and lease liabilities as the present value of fixed lease payments over the reasonably certain lease term beginning at the commencement date. We measure the lease liability by discounting the future fixed contractual payments included in the lease agreement, using our incremental borrowing rate. As most of the Company's leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases, the asset is depreciated on a straight-line basis over the remaining lease term, along with recognition of interest expense associated with accretion of the lease liability. For leases with a lease term of 12 months or less ("short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the consolidated balance sheets. Variable lease cost for both operating and finance leases, if any, is recognized as incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We expend cash for leasehold improvements to build out and equip our leased premises. Generally, a portion of the leasehold improvements and building costs are reimbursed by our landlords as landlord incentives pursuant to agreed-upon terms in our lease agreements. If obtained, landlord incentives usually take the form of up-front cash, full or partial credits against our future minimum or contingent rents otherwise payable by us, or a combination thereof. In most cases, landlord incentives are received after we take possession of the property, as we meet required milestones during the construction of the property. We include these amounts in the measurement of the initial operating lease liability, which are also reflected as a reduction to the initial measurement of the right-of-use asset.

*Inventory* — Inventories consist of food, beverages, supplies and small wares, and are stated at the lower of cost (weighted-average cost method) or net realizable value. Inventory costs are included in the line item "Other current assets" on the consolidated balance sheets.

*Pre-Opening Costs* — Pre-opening costs including rent, wages, benefits and travel for the training and opening teams, food, beverage and other restaurant operating costs, are expensed as incurred prior to a restaurant opening.

*Share-based Compensation* — The Parent has a stock option plan which provides for options to purchase shares of the Parent's common stock. Options issued under the plan may have a variety of terms as determined by the Parent's Board of Directors including the option term, the exercise price and the vesting period. Options granted to employees and directors are valued at the date of grant and recognized as an expense over the vesting period in which the options are earned. Cancellations or forfeitures are accounted for as they occur. Stock options issued to non-employees as compensation for services are accounted for based upon the estimated fair value of the stock option. The Company recognizes this expense over the period in which the services are provided. Management utilizes the Black-Scholes option-pricing model to determine the fair value of the stock options issued by the Parent. See Note 11 for more details on the Company's share-based compensation expense.

*Employee Retention Credit ("ERC")* — On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief and Security Act (the "CARES Act") to provide certain relief as a result of the COVID-19 pandemic. The CARES Act provides tax relief, along with other stimulus measures, including a provision for an Employee Retention Credit ("ERC"). As there is no authoritative guidance under U.S. GAAP on accounting for government assistance to for-profit business entities, the Company accounts for the ERC by analogy to International Accounting Standards, Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20"). During 2022, the Company filed with the Internal Revenue Service ("IRS") credits totaling $1.9 million and, in accordance with IAS 20, fully reserved the amounts claimed until such time when it was determined that the Company has reasonable assurance that the credits will be realized. During 2023, the Company received in cash from the IRS all of the credits claimed and recognized $1.9 million as other income in the 2023 consolidated statement of operations.

*Goodwill and Other Intangible Assets* — Intangible assets are stated at the estimated fair value at the date of acquisition and include goodwill, trademarks, and franchise agreements. Goodwill and other intangible assets with indefinite lives, such as trademarks, are not amortized but are reviewed for impairment annually or more frequently if indicators arise. All other intangible assets are amortized over their estimated weighted average useful lives, which range from nine to fourteen years. Management assesses potential impairments to goodwill at least annually at reporting unit level, or more frequently when there is evidence that events or changes in circumstances indicate that the carrying amount of goodwill may not be recovered. The Company performs the annual goodwill and indefinite-lived intangible assets impairment analysis as of the first day of the fourth quarter. The Company has a single reporting unit. Judgments regarding the existence of impairment indicators and future cash flows related to intangible assets are based on operational performance of the acquired businesses, market conditions and other factors.

*Fair Value Measurements* — The Company determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in GAAP. As necessary, the Company measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3 inputs are unobservable and reflect the Company's own assumptions.

The Company does not have a material amount of financial assets or liabilities that are required to be measured at fair value on a recurring basis under U.S. GAAP. None of the Company's non-financial assets or non-financial liabilities are required to be measured at fair value on a recurring basis. The Company believes the fair value of its total long-term debt at December 31, 2023 is approximately $340 million based on the effective interest rate of the newly issued debt with face amount of $98 million with identical terms during September 2023.

*Income Taxes* — The Company is as wholly-owned subsidiary of the Parent. As a single member LLC, the Company is a disregarded entity for US federal tax income tax purposes and its activities are included on the corporate returns filed by the Parent. Income tax expense or benefit is not separately computed and presented in the Company's financial statements as permissible under ASC 740. The Company files separate state income tax returns, but the amounts are not significant.

Smokey Bones, a wholly owned subsidiary of the Company, is organized as a corporation and is subject to income taxes and utilizes the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between financial reporting and tax reporting bases of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Realization of deferred tax assets is dependent upon future earnings, the timing and amount of which are uncertain.

*Earnings Per Share* — As a single member LLC, the Company does not compute or disclose earnings per share calculations.

*Revenue Recognition* — Revenue consists of Company owned restaurant sales and franchise revenue (franchise fees, royalties, advertising revenue and management fees). Generally, revenue is recognized as promised goods or services transfer to the guest or customer in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

Company owned restaurant revenue is recognized at the point in time when food and beverage products are sold. We present company restaurant sales net of sales-related taxes collected from customers and remitted to governmental taxing authorities.

The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which includes the transfer of the franchise license. The services provided by the Company are highly interrelated with the franchise license and are considered a single performance obligation. Franchise fee revenue from the sale of individual franchises is recognized over the term of the individual franchise agreement on a straight-line basis. Unamortized non-refundable deposits collected in relation to the sale of franchises are recorded as deferred franchise fees. Franchise fees recorded as deferred revenue to be recognized over the life of the franchise agreements were $4.6 million and $4.4 million at December 31, 2023 and December 25, 2022, respectively.

The franchise fee may be adjusted from time to time at management's discretion and the adjusted franchise fee is included in franchise agreement modifications or renewal contracts. Deposits are non-refundable upon acceptance of the franchise application. In the event a franchisee does not comply with its development timeline for opening franchise stores, the franchise rights may be terminated, at which point the franchise fee revenue is recognized as non-refundable deposits.

In addition to franchise fee revenue, the Company collects a royalty calculated as a percentage of net sales from our franchisees. Royalties are recognized as revenue when the related sales are made by the franchisees. Royalties collected in advance of sales are classified as deferred income until earned.

The Company requires advertising fee payments from franchisees based on a percent of net sales. The Company also receives, from time to time, payments from vendors that are to be used for advertising. Advertising funds collected are required to be spent for specific advertising purposes. Advertising revenue and the associated expense are recorded gross on the Company's consolidated statements of operations. Assets and liabilities associated with the related advertising fees are reflected in the Company's consolidated balance sheets.

Deferred income pertains to gift cards that have been sold but not yet redeemed and earned awards under the Company's loyalty program but not yet redeemed. Revenue is recognized when gift cards and loyalty rewards are redeemed by the customer. Breakage for unredeemed amounts is estimated based on historical experience and is recognized as revenue in proportion to the pattern of rights exercised by the customer. Gift card liability balance at December 31, 2023 and December 25, 2022 was $3.4 million and $0.9 million, respectively.

*Recently Issued Accounting Standards*

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*, to require a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Public entities with a single reportable segment are required to provide the new disclosures and all the disclosures required under ASC 280. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. Early adoption is permitted. We are currently evaluating the impact of this ASU on our consolidated financial statements and expect that adoption of ASU 2023-07 will lead to additional segment disclosures in our annual financial statements for 2024 and subsequently reported annual and interim periods.

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment, net consists primarily of real estate (including land, buildings and tenant improvements) and equipment.

As of December 31, 2023 and December 25, 2022, the Company's gross carrying value of property and equipment and accumulated depreciation balances were (*in millions*):

| | 2023 | 2022 |
|---|---|---|
| Real estate | $ 4.8 | $ 3.7 |
| Building and leasehold improvements | 53.7 | 37.6 |
| Furniture, Fixtures, and Equipment | 29.5 | 12.6 |
| Construction in Process | 4.7 | 4.1 |
| Total property and equipment, gross | 92.7 | 58.0 |
| Less: accumulated depreciation | (17.9) | (7.8) |
| Total property and equipment, net | $ 74.8 | $ 50.2 |

Depreciation expense on property and equipment for the fiscal years ended December 31, 2023 and December 25, 2022 was $10.1 million and $6.5 million, respectively.

**NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table summarizes contract liabilities related to the franchise fees as of December 31, 2023 and December 25, 2022 *(in thousands):*

| | 2023 | 2022 |
|---|---|---|
| Franchise fees liability at the beginning of the year | 4,362 | 3,353 |
| Revenue recognized | 520 | 226 |
| Franchise fees received during the period | 740 | 1,235 |
| Franchise fees liability at the end of the year | 4,582 | 4,362 |

The following table presents disaggregated revenue by the method of recognition (*in thousands*)*:*

| | 2023 | 2022 |
|---|---|---|
| Revenue recognized over time | | |
| Franchise fees | $ 520 | $ 226 |
| Revenue recognized at a point in time | | |
| Royalties | $ 19,019 | $ 15,720 |
| Advertising fees | 9,548 | 8,270 |
| Restaurant sales | 199,369 | 140,639 |
| Management fees and other income | 2,411 | 1,001 |
| Total | $ 230,347 | $ 165,630 |

**NOTE 5. GOODWILL**

The following table reflects the changes in carrying amounts of goodwill for the Company's two reporting units for the fiscal years ended December 31, 2023 and December 25, 2022 (*in millions*):

| | 2023 | 2022 |
|---|---|---|
| Balance, beginning | $ 105.1 | $ 105.1 |
| Acquired – Smokey Bones | 12.1 | — |
| Impaired | — | — |
| Balance, end of year | $ 117.2 | $ 105.1 |

**NOTE 6. OTHER INTANGIBLE ASSETS, NET**

Other intangible assets consist primarily of trademarks and franchise agreements that were classified as identifiable intangible assets at the time of the brands' acquisition by our Parent. Franchise agreements and customer relationships are amortized over the useful life of the asset. Certain trademarks are considered to have an indefinite useful life and are not amortized.

*Changes in Carrying Value of Other Intangible Assets*

The changes in carrying value of other intangible assets were as follows for the fiscal years ended December 31, 2023 and December 25, 2022 (*in millions*):

| | Amortizing | | Non-Amortizing indefinite-lived | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Balance, beginning | $ 26.1 | $ 28.1 | $ 136.8 | $ 136.8 | $ 162.9 | $ 164.9 |
| Acquisition – Smokey Bones | 8.8 | — | — | — | 8.8 | — |
| Repurchased franchise right | 0.3 | — | — | — | 0.3 | — |
| Amortization expense | (2.3) | (2.0) | — | — | (2.3) | (2.0) |
| Impairments | — | — | — | — | — | — |
| Balance, end of year | $ 32.9 | $ 26.1 | $ 136.8 | $ 136.8 | $ 169.7 | $ 162.9 |

*Gross Carrying Value and Accumulated Amortization of Other Intangible Assets*

The carrying value of amortizing other intangible assets was as follows as of December 31, 2023 and December 25, 2022 (*in millions*):

| | December 31, 2023 | | | December 25, 2022 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Franchise agreements | $ 28.2 | $ (4.5) | $ 23.7 | $ 28.2 | $ (2.5) | $ 25.7 |
| Trademarks | 8.8 | (0.2) | 8.6 | — | — | — |
| Other | 0.9 | (0.1) | 0.8 | 0.4 | — | 0.4 |
| | $ 37.9 | $ (4.8) | $ 33.1 | $ 28.6 | $ (2.5) | $ 26.1 |

The expected future amortization of the Company's intangible assets is as follows (*in millions*):

| Fiscal year: | |
|---|---|
| 2024 | $ 2.9 |
| 2025 | 2.9 |
| 2026 | 2.9 |
| 2027 | 2.9 |
| 2028 | 2.9 |
| Thereafter | 18.6 |
| Total | $ 33.1 |

**NOTE 7. ACCRUED EXPENSES**

Accrued expenses consist of the following (*in thousands*)*:*

| | 2023 | 2022 |
|---|---|---|
| Accrued interest | $ 6,104 | $ 3,500 |
| Payroll and payroll related | 6,190 | 3,644 |
| Sales and beverage taxes payable | 3,143 | 1,126 |
| Property taxes payable | 2,576 | 1,222 |
| Accrued advertising | 1,515 | 3,857 |
| Other accrued expenses | 6,149 | 1,767 |
| Total | $ 25,677 | $ 15,116 |

**NOTE 8. LEASES**

*Operating Leases*

As of December 31, 2023 and December 25, 2022, the Company has recorded 96 and 31 operating leases for corporate offices and for certain owned restaurant properties, respectively. The leases have remaining terms ranging from approximately 0.6 years to 21.3 years. The Company recognized lease expense of $10.5 million and $6.5 million for the fiscal years ended December 31, 2023 and December 25, 2022, respectively. The weighted average remaining lease term of the operating leases as of December 31, 2023 was 9.2 years.

Operating lease right-of-use assets and operating lease liabilities as of December 31, 2023 and December 25, 2022 were as follows (*in millions*):

| | 2023 | 2022 |
|---|---|---|
| Operating lease right of use assets | $ 166.7 | $ 50.9 |
| Operating lease liabilities | $ 168.2 | $ 52.2 |

The operating lease right-of-use assets and operating lease liabilities include obligations relating to the optional term extensions available on certain restaurant leases based on management's intention to exercise the options. The weighted average discount rate used to calculate the carrying value of the right-of-use assets and lease liabilities was 9.0%, which is based on the Company's incremental borrowing rate at the time the lease is acquired.

The contractual future maturities of the Company's operating lease liabilities subsequent to December 31, 2023, including anticipated lease extensions, are as follows (*in millions*):

| Fiscal Year | |
|---|---|
| 2024 | $ 20.2 |
| 2025 | 20.1 |
| 2026 | 20.0 |
| 2027 | 20.0 |
| 2028 | 19.2 |
| Thereafter | 254.4 |
| Total lease payments | 353.9 |
| Less imputed interest | 185.7 |
| Total present value of operating lease liabilities | $ 168.2 |

Supplemental cash flow information for the fiscal years ended December 31, 2023 and December 25, 2022 related to leases is as follows (*in millions*):

| | 2023 | 2022 |
|---|---|---|
| Cash paid for amounts included in the measurement of operating lease liabilities: | | |
| Operating cash flows from operating leases | $ 6.5 | $ 5.7 |
| Operating lease right-of-use assets obtained in exchange for new lease obligations: | | |
| Operating lease liabilities | $ 8.1 | $ 6.4 |

*Financing Leases*

On December 1, 2023, the Company executed a financing lease for restaurant equipment for 2 newly constructed corporate restaurants.

Financing lease right-of-use assets and financing lease liabilities as of December 31, 2023 and December 25, 2022 were as follows (*in millions*):

| | 2023 | 2022 |
|---|---|---|
| Financing lease right-of-use assets | $ 3.6 | — |
| Financing lease liabilities | $ 2.9 | — |

The weighted average discount rate used to calculate the carrying value of the right-of-use assets and lease liabilities was 8.3%, which is based on the Company's incremental borrowing rate at the time the lease is acquired.

The contractual future maturities of the Company's financing lease liabilities as of December 31, 2023 including anticipated lease extensions, are as follows (*in millions*):

| Fiscal Year | |
|---|---|
| 2024 | $ 1.3 |
| 2025 | 1.7 |
| Total lease payments | 3.0 |
| Less imputed interest | 0.1 |
| Total present value of financing lease liabilities | $ 2.9 |

Supplemental cash flow information for the fiscal years ended December 31, 2023 and December 25, 2022 related to leases is as follows (*in millions*):

| | 2023 | 2022 |
|---|---|---|
| Cash paid for amounts included in the measurement of financing lease liabilities: | | |
| Operating cash flows from financing leases | $ 0.1 | — |
| Financing lease right of use assets obtained in exchange for new lease obligations: | | |
| Financing lease liabilities | $ 3.6 | — |

*Restaurant Properties Sale Leaseback Transactions*

In the fourth quarter of 2023, we completed sale leaseback transactions of two newly constructed restaurant properties. The restaurant properties were sold at the construction cost resulting in proceeds of $9.3 million with no gain or loss. The initial term of the leases is 20 years and they have been accounted for as operating leases.

In the fourth quarter of 2022, we completed sale leaseback transactions of two newly constructed restaurant properties. The restaurant properties were sold at the construction cost resulting in proceeds of $9.9 million with no gain or loss. The initial term of the leases is 20 years and they have been accounted for as operating leases.

**NOTE 9. DEBT**

Long-term debt consisted of the following (*in millions*):

| | December 31, 2023 | | | | December 25, 2022 |
|---|---|---|---|---|---|
| | Final Maturity | Rate | Face Value | Book Value | Book Value |
| Senior debt | 7/25/2051 | 8.00% | $ 198.0 | $ 193.7 | $ 147.9 |
| Senior subordinated debt | 7/25/2051 | 10.00% | 50.0 | 48.6 | 47.7 |
| Subordinated debt | 7/25/2051 | 11.00% | 100.0 | 96.5 | 46.2 |
| Total Securitized Debt | | | 348.0 | 338.8 | 241.8 |
| Equipment notes | 12/16/2025 to 3/7/2029 | 7.99% to 11.5% | 1.9 | 1.9 | 1.3 |
| Promissory note | 10/4/2024 | 5.3% | 1.0 | 1.0 | — |
| Construction loan | 12/28/2024 | Prime + 1% | 2.2 | 2.2 | 0.4 |
| Total debt | | | $ 353.1 | 343.9 | 243.5 |
| Current portion of long-term debt | | | | (9.9) | (1.9) |
| Long-term debt, net of current portion | | | | $ 334.0 | $ 241.6 |

*Twin Peaks Securitization*

In connection with the acquisition of Twin Peaks, on October 1, 2021, the Company completed the issuance and sale in a private offering of an aggregate principal amount of $250.0 million of Series 2021-1 Fixed Rate Secured Notes (the "Twin Acquisition Notes"). The net proceeds from the sale of the Notes were used by the Parent to finance the cash portion of the purchase price for the acquisition of Twin Peaks Buyer, LLC and its direct and indirect subsidiaries. Net proceeds totaled $237 million, which consisted of the combined face amount of $250.0 million ($150 million senior debt, $50 million senior subordinated debt, and $50 million subordinated debt), net of debt offering costs of $5.6 million and original issue discount of $7.5 million. Substantially all of the proceeds were used to acquire Twin Peaks. Immediately following the closing of the acquisition of Twin Peaks, the Parent contributed the franchising subsidiaries of Twin Peaks to the Company, pursuant to a Contribution Agreement.

On September 8, 2023, FAT Brands Twin Peaks I, LLC issued an additional $50.0 million of subordinated debt and $48.0 million of senior debt for an aggregate of $98.0 million principal amount of fixed rate secured notes to FAT Brands Inc. (collectively with the Twin Acquisition Notes, the "Twin Peaks Securitization Notes").

As of December 31, 2023, the carrying value of the Twin Peaks Securitization Notes was $338.8 million (net of debt offering costs of $2.1 million and original issue discount of $5.6 million). The Company recognized interest expense on the Twin Peaks Securitization Notes of $29.3 million for year ended December 31, 2023, which includes $1.8 million for amortization of debt offering costs and $3.1 million for amortization of the original issue discount. The effective interest rate of the Twin Peaks Securitization Notes, including the amortization of debt offering costs and original issue discount, was 10.8% and 9.7% during the years ended December 31, 2023 and December 25, 2022.

The Twin Peaks Securitization Notes are generally secured by a security interest in substantially all the assets of FAT Brands Twin Peaks I, LLC, and its subsidiaries.

The Twin Peaks Securitization Notes require that the principal (if any) and interest obligations be segregated to ensure appropriate funds are reserved to pay the quarterly principal and interest amounts due. The amount of monthly cash flow that exceeds the required monthly interest reserve is generally remitted to the Parent. Interest payments are required to be made on a quarterly basis and, unless repaid on or before July 25, 2023, additional interest equal to 1.0% per annum will accrue on the then outstanding principal balance of each tranche. The material terms of the Twin Peaks Securitization Notes also include, among other things, the following financial covenants: (i) debt service coverage ratio, (ii) leverage ratio and (iii) senior leverage ratio. As of December 31, 2023 and December 25, 2022, and all the way through the date of issuance of these financial statements, the Company was in compliance with these covenants.

*Equipment Financing*

During fiscal year 2022, the Company entered into certain equipment financing arrangements to borrow up to $1.0 million per restaurant, the proceeds of which will be used to purchase certain equipment for a new Twin Peaks restaurant and to retrofit existing restaurants with equipment (the "Equipment Financing"). The Equipment Financing has maturity dates ranging from May 5, 2027 to March 7, 2029, and bears interest at fixed rates between 7.99% and 8.49% per annum. The Equipment Financing is secured by certain equipment of the Twin Peaks restaurant.

During fiscal year 2023, the Company entered into an equipment financing arrangements to borrow up to $1.4 million which will be used to purchase certain equipment for a new Twin Peaks restaurant. The maturity date is December 16, 2025 and bears interest of 11.5% and is secured by certain equipment of the Twin Peaks restaurant.

*Construction Loan Agreement*

On July 12, 2022, an indirect subsidiary of the Company entered into a construction loan agreement, the proceeds of which were used for a new corporate Twin Peaks in Northlake, Texas. The loan was paid in full in December 2022.

On December 5, 2022, an indirect subsidiary of the Company entered into a construction loan agreement to borrow up to $4.5 million, the proceeds of which will be used for a new corporate Twin Peaks restaurant (the "Construction Loan"). The Construction Loan has an initial maturity of August 5, 2023, with an optional six-month extension, bearing interest at the greater of the three-month Secured Overnight Financing Rate (SOFR) plus 360 basis points, or 8% per year, and is secured by land and building. This note was paid off in December 2023 with the proceeds from sale leaseback of the restaurant.

On December 28, 2023, the Company entered into a construction loan agreement to borrow up to $4.75 million, the proceeds of which will be used for a new corporate Twin Peaks. The Construction Loan has an initial maturity of December 28, 2024, with an optional one year extension, bearing interest at prime plus 1% and is secured by land and building.

*Promissory Note*

On December 4, 2023, the Company purchased a franchisee location for $1.3 million, consisting of cash and a promissory note for $1.0 million which bears interest at a rate of 5.03% and is due in 10 equal monthly payments.

Scheduled principal maturities of long-term debt for the next five fiscal years are as follows (*in millions*):

| Fiscal Year | | |
|---|---|---|
| 2024 | $ | 10.6 |
| 2025 | | 7.8 |
| 2026 | | 7.3 |
| 2027 | | 7.2 |
| 2028 | | 7.0 |

**NOTE 10. INCOME TAX**

The Company's income tax expense related to Smokey Bones was comprised of the following

| | December 31, 2023 |
|---|---|
| Current | |
| Federal | $ — |
| State | 25,016 |
| | 25,016 |
| Deferred | |
| Federal | (255,237) |
| State | — |
| | (255,237) |
| Total income tax expense (benefit) | $ (230,221) |

The Company accounts for income taxes whereby deferred income tax assets and liabilities are computed annually for differences between the financial reporting and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax rates and laws applicable to periods in which the differences are expected to affect taxable income.

The components of the deferred tax assets and liability at December 31, 2023 was as follows

| | December 31, 2023 |
|---|---|
| Deferred tax assets: | |
| Property and equipment depreciation | $ 597,163 |
| Lease termination | 592,894 |
| Lease liabilities | 27,971,674 |
| Net operating loss carryforward | 3,357,953 |
| Accrued payroll | 98,651 |
| Insurance reserves | 131,835 |
| 163(j) interest limitation | 605,071 |
| Other | 300,703 |
| Total DTA | $ 33,655,944 |
| | |
| Deferred tax liabilities | |
| Right of Use assets | $ (27,932,927) |
| Amortization of intangibles | (2,210,507) |
| Total DTL | (30,143,434) |
| Valuation allowances | (3,554,153) |
| Net deferred tax liability | $ (41,643) |

Net deferred tax liability was included in other non-current liabilities on the consolidated balance sheet as of December 31, 2023. A valuation allowance is utilized to reduce the carrying amount of deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2023, the Company has a deferred tax liability of $41,643, representing the benefit management has estimated will more likely than not be realized. After consideration of all of the evidence, both positive and negative, management has determined that a valuation allowance at December 31, 2023 is necessary to reserve its deferred tax assets.

As of December 31, 2023, the Company estimates indefinite pre-tax net operating loss carryforwards of approximately $11.9 million and pre-tax state and city net operating loss carryforwards of approximately $12.6 million. The Company's net operating losses are not subject to annual Section 382 limitations due to lack of ownership changes impacting the future realization.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Increases or decreases to the unrecognized tax benefits could result from management's belief that a position can or cannot be sustained upon examination based on subsequent information or potential lapse of the applicable statute of limitation for certain tax positions.

Smokey Bones files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The table below summarizes the open tax years and ongoing examinations in major jurisdictions as of January 1, 2023:

| Jurisdiction | Open Years |
|---|---|
| United States—Federal Income Tax | 2020 – 2023 |
| United States—Various States | 2020 – 2023 |

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2023, the Company had no material uncertain tax positions and provisions for interest or penalties related to uncertain tax positions.

**NOTE 11. SHARE-BASED COMPENSATION**

Effective September 30, 2017, our Parent adopted the 2017 Omnibus Equity Incentive Plan (the "Plan"). The Plan was amended on December 20, 2022 to increase the number of shares available for issuance under the Plan. The Plan is a comprehensive incentive compensation plan under which our Parent can grant equity-based and other incentive awards to officers, employees and directors of, and consultants and advisors to, our Parent and its subsidiaries. The Plan provides a maximum of 5,000,000 shares available for grant.

On November 16, 2021, our Parent granted certain employees of the Company 200,000 stock options with an exercise price of $11.43. The options vest over a period of three years, with one-third of each grant vesting annually. The related compensation expense is recognized over the vesting period.

During 2022 and 2023, the Company recognized equity-based compensation expense in the amount of $0.7 million and $0.3 million, respectively, representing the allocation from our Parent of share-based compensation expense for grants to the Company's employees. As of December 31, 2023, there remains $0.1 million of share-based compensation expense relating to non-vested grants, which will be recognized over the remaining vesting period, subject to future forfeitures.

The fair value on the date of grant was $1.2 million. The range of assumptions used in the Black-Scholes option pricing model to value the options granted on November 16, 2021 are as follows:

| | |
|---|---|
| Expected dividend yield | 4.6% |
| Expected volatility | 88.8% |
| Risk-free interest rate | 1.4% |
| Expected term (*in years*) | 6.0 |

As of December 31, 2023, there were 200,000 options outstanding with a weighted average exercise price of $11.43.

**NOTE 12. RELATED PARTY TRANSACTIONS**

We may engage in transactions with other companies, owned or controlled by affiliates of our Parent in the normal course of business.

The Due to Affiliates represents the payable as of the end of the reporting period of advances (for capital expenditures or other working capital needs) received from the Parent or its affiliates and are settled in accordance with the legal and contractual restrictions governing transactions by and among the Parent's consolidated entities. The outstanding balance at December 31, 2023 and December 25, 2022 was $16.5 million and $4.7 million, respectively.

As discussed in Note 9, Debt, on September 8, 2023, the Company issued an additional $98.0 million aggregate principal amount of fixed rate secured notes to FAT Brands Inc. The Company has incurred a total interest of $1.6 million and paid interest of $1.2 million for the fiscal year ended December 31, 2023. As of December 31, 2023, $48.0 million principal amount senior debt and $12.3 million of subordinated debt was sold to a third-party net of debt issuance cost and discounts of $4.3 million. Subsequent to December 31, 2023, $31 million has been sold by the Parent to a third-party net of debt issuance costs and discount of $2.6 million.

Subsequent to December 31, 2023, the Company issued an additional $50.0 million aggregate principal amount of fixed rate notes to FAT Brands Inc., which were subsequently sold to third parties net of debt issuance costs and original issuance discount of $2.9 million.

On October 1, 2021, the Company entered into a management agreement (the "Management Agreement") with the Parent. The Parent is authorized by us to perform management services on our behalf. The Management Agreement provides for an annual management fee of $2.5 million, subject to a three percent annual increase. For the fiscal years ended December 31, 2023 and December 25, 2022, we paid the Parent $2.5 million and $2.5 million, respectively, and recorded the same amount of expense to general and administrative expense on our consolidated statements of operations.

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The Company is periodically involved in various claims and litigation in the normal course of business. While the Company estimates its exposure for these claims and establishes reserves for the estimated probable liabilities, the actual liabilities could be in excess of these reserves. The Company believes that the result of any potential claims will not have a material adverse effect on the Company's financial condition.

**NOTE 14. SUBSEQUENT EVENTS**

Subsequent events were reviewed through May 7, 2024, the date the consolidated financial statements were available to be issued. The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. See paragraph 2 to Note 12. Related Party Transactions for the only material subsequent event.

FAT BRANDS TWIN PEAKS I, LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(*dollars in thousands*)

| | September 29, 2024 (unaudited) | December 31, 2023 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash | $ 7,942 | $ 4,491 |
| Restricted cash | 19,897 | 15,046 |
| Accounts receivable, net | 1,787 | 2,276 |
| Other current assets | 8,321 | 6,280 |
| Total current assets | 37,947 | 28,093 |
| | | |
| Non-current restricted cash | 1,728 | 4,608 |
| Lease right-of-use asset | 159,646 | 169,355 |
| Goodwill | 117,185 | 117,159 |
| Other intangible assets, net | 167,482 | 169,728 |
| Property and equipment, net | 81,349 | 74,822 |
| Other non-current assets | 1,764 | 1,817 |
| Total assets | $ 567,101 | $ 565,582 |
| | | |
| Liabilities and member's (deficit) equity | | |
| Current liabilities | | |
| Accounts payable | $ 8,957 | $ 9,487 |
| Accrued expenses and other liabilities | 27,129 | 25,677 |
| Deferred income, current portion | 3,002 | 3,641 |
| Lease liability, current portion | 21,435 | 21,585 |
| Acquisition payable, current portion | — | 3,000 |
| Long-term debt, current portion | 16,116 | 9,861 |
| Total current liabilities | 76,639 | 73,251 |
| | | |
| Deferred income, net of current portion | 4,792 | 4,365 |
| Lease liability, net of current portion | 143,495 | 149,489 |
| Long-term debt, net of current portion | 381,482 | 334,020 |
| Due to affiliates | 10,000 | 18,013 |
| Other non-current liabilities | 2,321 | 1,955 |
| Total liabilities | 618,729 | 581,093 |
| | | |
| Commitments and contingencies (Note 12) | | |
| | | |
| Member's (deficit) equity | (51,628) | (15,511) |
| Total liabilities and member's (deficit) equity | $ 567,101 | $ 565,582 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS TWIN PEAKS I, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(*dollars in thousands*)

| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|---|---|---|---|---|
| | **September 29, 2024** | **September 24, 2023** | **September 29, 2024** | **September 24, 2023** |
| Revenue | | | | |
| Restaurant sales | $ 75,599 | $ 37,889 | $ 242,594 | $ 114,036 |
| Franchise revenue | 8,066 | 8,061 | 24,726 | 22,596 |
| Total revenue | 83,665 | 45,950 | 267,320 | 136,632 |
| Costs and expenses | | | | |
| Restaurant operating costs | | | | |
| Food and beverage costs | 20,826 | 10,072 | 66,167 | 30,158 |
| Labor and benefits costs | 24,778 | 12,186 | 77,798 | 35,963 |
| Other operating costs | 16,761 | 7,054 | 50,073 | 20,703 |
| Occupancy costs | 6,639 | 2,251 | 19,872 | 6,634 |
| Advertising expense | 4,328 | 3,925 | 15,080 | 11,204 |
| Pre-Opening expense | 843 | 537 | 935 | 577 |
| General and administrative expense | 7,167 | 3,581 | 21,160 | 10,400 |
| Depreciation and amortization | 5,913 | 2,509 | 17,500 | 7,156 |
| Total costs and expenses | 87,255 | 42,115 | 268,585 | 122,795 |
| Income from operations | (3,590) | 3,835 | (1,265) | 13,837 |
| Other income (expense), net | | | | |
| Interest expense, net | (12,617) | (7,060) | (35,029) | (19,435) |
| Other income | — | 21 | 114 | 526 |
| Total other expense, net | (12,617) | (7,039) | (34,915) | (18,909) |
| Income (loss) before income tax | (16,207) | (3,204) | (36,180) | (5,072) |
| Income tax provision (benefit) | 10 | — | (10) | — |
| Net income (loss) | $ (16,217) | $ (3,204) | $ (36,170) | $ (5,072) |

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS TWIN PEAKS I, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S (DEFICIT) EQUITY
(UNAUDITED)
(*dollars in thousands*)

For the Thirty-Nine Weeks ended September 29, 2024

| | | |
|---|---|---|
| Balance at December 31, 2023 | $ | (15,511) |
| Distribution to Parent, net | | (158) |
| Share-based compensation | | 211 |
| Net loss | | (36,170) |
| Balance at September 29, 2024 | $ | (51,628) |

For the Thirty-Nine Weeks Ended September 24, 2023

| | | |
|---|---|---|
| Balance at December 25, 2022 | $ | 60,176 |
| Distribution to Parent, net | | (93,993) |
| Share-based compensation | | 252 |
| Net income | | (5,072) |
| Balance at September 24, 2023 | $ | (38,637) |

For the Thirteen Weeks Ended September 29, 2024

| | | |
|---|---|---|
| Balance at June 30, 2024 | $ | (79,666) |
| Contribution from Parent, net | | 44,246 |
| Share-based compensation | | 9 |
| Net loss | | (16,217) |
| Balance at September 29, 2024 | $ | (51,628) |

For the Thirteen Weeks Ended September 24, 2023

| | | |
|---|---|---|
| Balance at June 25, 2023 | $ | 58,476 |
| Distribution to Parent, net | | (93,993) |
| Share-based compensation | | 84 |
| Net Income | | (3,204) |
| Balance at September 24, 2023 | $ | (38,637) |

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS TWIN PEAKS I, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
*(dollars in thousands)*

| | Thirty-Nine Weeks Ended September 29, 2024 | Thirty-Nine Weeks Ended September 24, 2023 |
|---|---|---|
| Cash flows from operating activities | | |
| Net Income (loss) | $ (36,170) | $ (5,072) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities | | |
| Depreciation and amortization | 17,482 | 7,156 |
| Share-based compensation | 211 | 252 |
| Change in lease right-of-use assets | 2,150 | 603 |
| Accretion of loan fees and interest | 9,191 | 3,757 |
| Change in: | | |
| Accounts receivable | 489 | (628) |
| Other current assets | (2,041) | (609) |
| Other non-current assets | 54 | (724) |
| Accounts payable | (530) | 1,569 |
| Accrued expenses and other liabilities | 1,450 | 2,599 |
| Deferred income | (212) | 121 |
| Other current and non-current liabilities | 297 | — |
| Total adjustments | 28,541 | 14,096 |
| Net cash provided by (used in) operating activities | (7,629) | 9,024 |
| Cash flows from investing activities | | |
| Purchases of property and equipment | (20,306) | (11,334) |
| Net cash used in investing activities | (20,306) | (11,334) |
| Cash flows from financing activities | | |
| Proceeds from borrowings of long-term debt, net of issuance costs | 7,902 | 6,339 |
| Repayment of borrowings | (7,149) | (174) |
| Financing proceeds from affiliates | 32,604 | 1,515 |
| Net cash provided by (used in) financing activities | 33,357 | 7,680 |
| Net increase (decrease) in cash and restricted cash | 5,422 | 5,370 |
| Cash and restricted cash at beginning of the period | 24,145 | 16,970 |
| Cash and restricted cash at end of the period | $ 29,567 | $ 22,340 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | $ 25,483 | $ 15,080 |
| Supplemental disclosure of non-cash financing activity | | |
| Issuance and distribution of long-term debt, net to the Parent | $ 43,775 | $ 93,993 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 1. ORGANIZATION**

*Organization and Nature of Business*

FAT Brands Twin Peaks I, LLC (the "Company") is a wholly-owned subsidiary of FAT Brands Inc. (the "Parent") and is the owner and franchisor of the Twin Peaks restaurant brand. The Parent is a publicly traded company whose common shares are traded under the symbol "FAT" on the NASDAQ stock market. On October 1, 2021, the Parent acquired the Twin Peaks restaurant brand and upon closing contributed the acquired assets and liabilities to the Company. The Parent elected to push down the new acquisition basis of its assets and liabilities to the Company on October 1, 2021.

We operate as one operating segment and our chief operating decision maker reviews operating results and performance for all company-owned and franchised locations together. As of September 29, 2024, the Company owned two restaurant brands, 115 Twin Peaks locations, of which 81 were franchised and the remaining 33 operated as owned restaurants and 60 Smokey Bones locations operated as owned restaurants. Our revenues are derived from franchised Twin Peaks restaurants (comprised of royalties, franchise fees and advertising revenue) as well as sales of food and beverages at our Company-owned restaurant locations. The Company licenses the right to use the Twin Peaks brand name and provides franchisees with operating procedures and methods of merchandising. Upon signing a franchise agreement, the franchisor is committed to provide training, some supervision and assistance, and access to operations manuals. As needed, the franchisor will also provide advice and written materials concerning techniques of managing and operating the restaurants.

Our Parent is a leading multi-brand restaurant franchising company that develops, markets and acquires primarily quick-service, fast casual, casual and polished casual dining restaurant concepts around the world.

*Pro Forma Information*

On September 25, 2023, FAT Brands Inc. completed their acquisition of Barbeque Integrated, Inc. ("Smokey Bones"), and, on March 21, 2024, contributed all of the equity in Smokey Bones to the Company. The table below presents the combined pro forma revenue and net loss of the Company and Barbeque Integrated Inc. for the thirteen and thirty-nine weeks ended September 24, 2023, respectively, assuming the acquisition had occurred on December 27, 2022 (the beginning of the Company's 2023 fiscal year). This pro forma information does not purport to represent what the actual results of operations of the Company would have been had the acquisition of Barbeque Integrated Inc. occurred on this date nor does it purport to predict the results of operations for future periods.

| (*in millions*) | **Thirteen Weeks Ended September 24, 2023** | **Thirty-Nine Weeks Ended September 24, 2023** |
|---|---|---|
| Revenue | $ 83.3 | $ 266.3 |
| Net Income (Loss) | $ 5.7 | $ 4.1 |

*Liquidity*

The Company's primary requirements for liquidity are to fund working capital needs, operating and finance lease obligations, capital expenditures and debt service on the securitized debt. The ongoing capital expenditures are principally related to opening new restaurants and the remodeling and maintenance of existing restaurants. The primary sources of liquidity are restaurant operations, cash on hand and availability of advances from our Parent.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fiscal Year* — The Company operates on a 52/53 week calendar and its fiscal year ends on the last Sunday of the calendar year. Fiscal year 2023 consisted of 53 weeks and ended on December 31, 2023 ("fiscal 2023"). Fiscal year 2024 is a 52-week year.

*Basis of Presentation* — The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include our accounts and the accounts of our subsidiaries and should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2023, included elsewhere in this information statement. In the opinion of the Company, all adjustments considered necessary for the fair presentation of the Company's results of operations, financial position and cash flows for the periods presented have been included and are of a normal, recurring nature. All intercompany accounts and transactions have been eliminated in consolidation. Certain reclassifications have been made to prior period amounts to conform to the current year presentation.

*Use of Estimates* — The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability of goodwill and other intangible assets, and allowances for uncollectible notes receivable and accounts receivable. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Concentration Risk* — 46% of the Company's franchise revenue is derived from three franchisees.

*Restricted Cash* — The Company has restricted cash consisting of funds required to be held in trust in connection with its securitized debt. The current portion of restricted cash was $19.9 million as of September 29, 2024. Non-current restricted cash of $1.8 million as of September 29, 2024 includes interest reserves required to be set aside for the duration of the Securitized Debt.

*Recently Issued Accounting Standards*

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*, to require a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Public entities with a single reportable segment are required to provide the new disclosures and all the disclosures required under ASC 280. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. Early adoption is permitted. We are currently evaluating the impact of this ASU on our condensed consolidated financial statements and expect that adoption of ASU 2023-07 will lead to additional segment disclosures in our annual financial statements for fiscal 2024 and subsequent annual and interim periods.

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment, net consists primarily of real estate (including land, buildings and tenant improvements) and equipment.

Property and equipment and accumulated depreciation balances were (*in millions*):

| | September 29, 2024 | December 31, 2023 |
|---|---|---|
| Real estate | $ 4.8 | $ 4.8 |
| Building and leasehold improvements | 62.4 | 53.7 |
| Furniture, Fixtures, and Equipment | 35.3 | 29.5 |
| Construction in Process | 9.8 | 4.7 |
| Total property and equipment, gross | 112.3 | 92.7 |
| Less: accumulated depreciation | (31.0) | (17.9) |
| Total property and equipment, net | $ 81.3 | $ 74.8 |

Depreciation expense on property and equipment for the thirteen weeks ended September 29, 2024 and September 24, 2023 was $4.6 million and $2.0 million, respectively. Depreciation expense on property and equipment for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 was $13.8 million and $5.6 million, respectively.

**NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table presents disaggregated revenue by the method of recognition for the thirteen and thirty-nine weeks ended (*in thousands*):

| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|---|---|---|---|---|
| | September 29, 2024 | September 24, 2023 | September 29, 2024 | September 24, 2023 |
| Revenue recognized over time | | | | |
| Franchise fees | $ 60 | $ 332 | $ 173 | $ 425 |
| Revenue recognized at a point in time | | | | |
| Royalties | $ 5,042 | $ 4,719 | $ 15,135 | $ 13,736 |
| Advertising fees | 2,495 | 2,363 | 7,541 | 6,905 |
| Restaurant sales | 75,599 | 37,890 | 242,594 | 114,036 |
| Management fees and other income | 469 | 646 | 1,877 | 1,530 |
| Total | $ 83,665 | $ 45,950 | $ 267,320 | $ 136,632 |

**NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET**

Other intangible assets consist primarily of trademarks and franchise agreements that were classified as identifiable intangible assets at the time of the brands' acquisition by our Parent. Franchise agreements and customer relationships are amortized over the useful life of the asset. Certain trademarks are considered to have an indefinite useful life and are not amortized.

*Changes in Carrying Value of Other Intangible Assets*

The changes in carrying value of other intangible assets were as follows (*in millions*):

| | | Non-Amortizing Intangible Assets | |
|---|---|---|---|
| | Amortizing | Goodwill | Trademarks |
| Balance, December 31, 2023 | $ 32.9 | $ 117.2 | $ 136.8 |
| Amortization expense | (2.2) | | |
| Balance, September 29, 2024 | $ 30.7 | $ 117.2 | $ 136.8 |

*Gross Carrying Value and Accumulated Amortization of Other Intangible Assets*

The carrying value of amortizing other intangible assets was as follows (*in millions*):

| | September 29, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Franchise agreements | $ 28.2 | $ (6.1) | $ 22.1 | $ 28.2 | $ (4.5) | $ 23.7 |
| Trademarks | 8.8 | (0.9) | 7.9 | 8.8 | (0.2) | 8.6 |
| Other | 0.7 | (0.1) | 0.6 | 0.7 | (0.1) | 0.6 |
| | $ 37.7 | $ (7.0) | $ 30.7 | $ 37.7 | $ (4.8) | $ 32.9 |

The expected future amortization of the Company's intangible assets is as follows (*in millions*):

| Fiscal year: | |
|---|---|
| Remainder of 2024 | $ 0.8 |
| 2025 | 2.9 |
| 2026 | 2.9 |
| 2027 | 2.9 |
| 2028 | 2.9 |
| Thereafter | 18.3 |
| Total | $ 30.7 |

**NOTE 6. ACCRUED EXPENSES**

Accrued expenses consist of the following (*in millions*):

| | September 29, 2024 | December 31, 2023 |
|---|---|---|
| Accrued interest | $ 6.8 | $ 6.1 |
| Payroll and payroll related | 6.7 | 6.2 |
| Sales and beverage taxes payable | 2.9 | 3.1 |
| Other accrued expenses | 10.7 | 10.3 |
| Total | $ 27.1 | $ 25.7 |

**NOTE 7. LEASES**

*Operating Leases*

As of September 29, 2024 and December 31, 2023, the Company has recorded 92 and 96 operating leases for corporate offices and for certain owned restaurant properties, respectively. The leases have remaining terms ranging from approximately 0.1 years to 20.5 years. The Company recognized lease expense of $5.3 and $1.8 million for the thirteen weeks ended September 29, 2024 and September 24, 2023, respectively. The Company recognized lease expense of $16.0 and $5.4 million for the thirty-nine weeks ended September 29, 2024 and September 24, 2023, respectively. The weighted average remaining lease term of the operating leases as of September 29, 2024 was 9.2 years.

Operating lease right-of-use assets and operating lease liabilities were as follows (*in millions*):

| | September 29, 2024 | December 31, 2023 |
|---|---|---|
| Operating lease right of use assets | $ 157.4 | $ 165.1 |
| Operating lease liabilities | $ 162.9 | $ 168.2 |

The operating lease right-of-use assets and operating lease liabilities include obligations relating to the optional term extensions available on certain restaurant leases based on management's intention to exercise the options. The weighted average discount rate used to calculate the carrying value of the right-of-use assets and lease liabilities was 9.0%, which is based on the Company's incremental borrowing rate at the time the lease is acquired.

The contractual future maturities of the Company's operating lease liabilities subsequent to September 29, 2024, including anticipated lease extensions, are as follows (*in millions*):

| Fiscal Year | |
|---|---|
| Remainder 2024 | $ 5.1 |
| 2025 | 19.9 |
| 2026 | 19.8 |
| 2027 | 19.8 |
| 2028 | 18.8 |
| Thereafter | 250.9 |
| Total lease payments | 334.3 |
| Less imputed interest | 171.4 |
| Total present value of operating lease liabilities | $ 162.9 |

Supplemental cash flow information for thirty-nine weeks ended September 29, 2024 and September 24, 2023 related to leases is as follows (*in millions*):

| | Thirty-Nine Weeks Ended | |
|---|---|---|
| | September 29, 2024 | September 24, 2023 |
| Cash paid for amounts included in the measurement of operating lease liabilities: | | |
| Operating cash flows from operating leases | $ 15.0 | $ 4.8 |

*Financing Leases*

On December 1, 2023, the Company executed a financing lease for restaurant equipment for two newly constructed corporate restaurants.

Financing lease right-of-use assets and financing lease liabilities as of September 29, 2024 and December 31, 2023 were as follows (*in millions*):

| | September 29, 2024 | December 31, 2023 |
|---|---|---|
| Financing lease right-of-use assets | $ 2.2 | $ 3.6 |
| Financing lease liabilities | $ 2.0 | $ 2.9 |

The weighted average discount rate used to calculate the carrying value of the right-of-use assets and lease liabilities was 8.3%, which is based on the Company's incremental borrowing rate at the time the lease is acquired.

The contractual future maturities of the Company's financing lease liabilities as of September 29, 2024, including anticipated lease extensions, are as follows (*in millions*):

| Fiscal Year | |
|---|---|
| Remainder 2024 | $ 0.4 |
| 2025 | 1.4 |
| Total lease payments | 2.5 |
| Less imputed interest | 0.2 |
| Total present value of financing lease liabilities | $ 2.3 |

Supplemental cash flow information for the thirty-nine weeks ended September 29, 2024 and September 24, 2023 related to leases is as follows (*in millions*):

| | Thirty-Nine Weeks Ended | |
|---|---|---|
| | September 29, 2024 | September 24, 2023 |
| Cash paid for amounts included in the measurement of financing lease liabilities: | | |
| Operating cash flows from financing leases | $ 1.1 | $ 0.9 |
| Financing lease right of use assets obtained in exchange for new lease obligations: | | |
| Financing lease liabilities | $ — | $ 3.6 |

**NOTE 8. DEBT**

Long-term debt consisted of the following (*in millions*):

| | September 29, 2024 | | | | December 31, 2023 |
|---|---|---|---|---|---|
| | Final Maturity | Rate | Face Value | Book Value | Book Value |
| Senior debt | 7/25/2051 | 7.00% | $ 243.7 | $ 241.5 | $ 193.7 |
| Senior subordinated debt | 7/25/2051 | 9.00% | 49.0 | 48.6 | 48.6 |
| Subordinated debt | 7/25/2051 | 10.00% | 98.1 | 95.9 | 96.5 |
| Total Securitized Debt | | | 390.8 | 386.0 | 338.8 |
| Equipment notes | 5/8/2027 to 7/31/2028 | 7.99% to 11.5% | 4.7 | 4.7 | 1.9 |
| Promissory note | 10/4/2024 | 5.3% | 0.1 | 0.1 | 1.0 |
| Construction loan | 12/28/2024 | Prime + 1% | 3.6 | 3.6 | 2.2 |
| Construction loan | 10/1/2025 | 12.5% | 3.2 | 3.2 | — |
| Total debt | | | $ 402.4 | 397.6 | 343.9 |
| Current portion of long-term debt | | | | (16.1) | (9.9) |
| Long-term debt, net of current portion | | | | $ 381.5 | $ 334.0 |

*Twin Peaks Securitization*

In connection with the acquisition of Twin Peaks, on October 1, 2021, the Company completed the issuance and sale in a private offering of an aggregate principal amount of $250.0 million of Series 2021-1 Fixed Rate Secured Notes. The net proceeds from the sale of the Notes were used by the Parent to finance the cash portion of the purchase price for the acquisition of Twin Peaks Buyer, LLC and its direct and indirect subsidiaries. Net proceeds totaled $237 million, which consisted of the combined face amount of $250.0 million ($150 million senior debt, $50 million senior subordinated debt, and $50 million subordinated debt), net of debt offering costs of $5.6 million and original issue discount of $7.5 million. Substantially all of the proceeds were used to acquire Twin Peaks. Immediately following the closing of the acquisition of Twin Peaks, the Parent contributed the franchising subsidiaries of Twin Peaks to the Company, pursuant to a Contribution Agreement.

On September 8, 2023, FAT Brands Twin Peaks I, LLC issued an additional $50.0 million of subordinated debt and $48.0 million of senior debt for an aggregate of $98.0 million principal amount of fixed rate secured notes to FAT Brands Inc., of which $60.3 million was sold to third parties, net of debt issuance cost and discounts of $4.2 million. During the thirty-nine weeks ended September 29, 2024, $35.3 million was sold to third parties, net of debt issuance cost and discounts of $3.3 million.

On March 20, 2024, FAT Brands Twin Peaks I, LLC issued an additional $50.0 million aggregate principal amount of one tranche of fixed rate secured notes to FAT Brands Inc., of which $38.8 million was sold to third parties during the first quarter, net of debt issuance cost and discounts of $2.4 million and $11.2 was sold to third parties during the second quarter ended June 30, 2024, net of discounts of $0.5 million.

As of September 29, 2024, the carrying value of the securitized notes was $390.8 million (net of debt offering costs of $0.8 million and original issue discount of $3.9 million). During the thirteen weeks ended September 29, 2024, the Company recognized interest expense on the securitized notes of $12.3 million, which includes $0.6 million for amortization of debt offering costs and $2.9 million for amortization of the original issue discount. During the thirty-nine weeks ended September 29, 2024, the Company recognized interest expense on the securitized notes of $34.9 million, which includes $1.7 million for amortization of debt offering costs and $7.5 million for amortization of the original issue discount. The effective interest rate of the securitized notes, including the amortization of debt offering costs and original issue discount, was 12.3% and 10.5% during the thirty-nine weeks ended September 29, 2024 and September 24, 2023.

The securitized notes are generally secured by a security interest in substantially all the assets of FAT Brands Twin Peaks I, LLC, and its subsidiaries.

The securitized notes require that the principal (if any) and interest obligations be segregated to ensure appropriate funds are reserved to pay the quarterly principal and interest amounts due. The amount of monthly cash flow that exceeds the required monthly interest reserve is generally remitted to the Parent. Interest payments are required to be made on a quarterly basis and, unless repaid on or before July 25, 2023, additional interest equal to 1.0% per annum will accrue on the then outstanding principal balance of each tranche. The material terms of the securitized notes also include, among other things, the following financial covenants: (i) debt service coverage ratio, (ii) leverage ratio and (iii) senior leverage ratio. As of September 29, 2024, and all the way through the date of issuance of these financial statements, the Company was in compliance with these covenants.

*Equipment Financing*

During fiscal year 2022, the Company entered into certain equipment financing arrangements to borrow up to $1.0 million per restaurant, the proceeds of which will be used to purchase certain equipment for a new Twin Peaks restaurant and to retrofit existing restaurants with equipment (the "Equipment Financing"). The Equipment Financing has maturity dates ranging from May 5, 2027 to March 7, 2028, and bears interest at fixed rates between 7.99% and 8.49% per annum. The Equipment Financing is secured by certain equipment of the Twin Peaks restaurant.

During fiscal year 2023, the Company entered into equipment financing arrangements to borrow up to $1.4 million which will be used to purchase certain equipment for a new Twin Peaks restaurant. The maturity date is July 1, 2028, bears interest of 11.5%, and is secured by certain equipment of the Twin Peaks restaurant.

During fiscal year 2024, the Company entered into equipment financing arrangements to borrow up to $4.2 million which will be used to purchase certain equipment for three new Twin Peaks restaurants. The loans mature in 48 months and bear interest of 11.5% and are secured by certain equipment of the Twin Peaks restaurants.

*Construction Loan Agreements*

On December 5, 2022, an indirect subsidiary of the Company entered into a construction loan agreement to borrow up to $4.5 million, the proceeds of which will be used for a new corporate Twin Peaks restaurant (the "Construction Loan"). The Construction Loan had an initial maturity of August 5, 2023, with an optional six-month extension, bearing interest at the greater of the three-month Secured Overnight Financing Rate (SOFR) plus 360 basis points, or 8% per year, and is secured by land and building. This note was paid off in December 2023 with the proceeds from sale leaseback of the restaurant.

On December 28, 2023, the Company entered into a construction loan agreement to borrow up to $4.75 million, the proceeds of which will be used for a new corporate Twin Peaks. The Construction Loan has an initial maturity of December 28, 2024, with an optional one-year extension, bearing interest at prime plus 1% and is secured by land and building.

On September 20, 2024, the Company entered into a loan agreement to borrow $3.2 million with an initial maturity of October 1, 2025, bearing interest at 12.5% per annum and is secured by land and building of a new corporate restaurant. As of September 29, 2024, the total amount outstanding on the loan was $3.2 million.

*Promissory Note*

On December 4, 2023, the Company purchased a franchisee location for $1.3 million, consisting of cash and a promissory note for $1 million which bears interest at a rate of 5.03% and is due in 10 equal monthly payments.

**NOTE 9. INCOME TAX**

The Company's income tax expense provision related to Smokey Bones, which has been consolidated since September 25, 2023, was comprised of the following (*in millions*):

| | Thirty-Nine Weeks Ended September 29, 2024 |
|---|---|
| Provision for income taxes | $ (0.1) |
| Effective tax rate | 0.1% |

Income tax (benefit) provision related to continuing operations differ from the amounts computed by applying the statutory income tax rate to pretax income as follows (*in millions*):

| | Thirty-Nine Weeks Ended September 29, 2024 |
|---|---|
| Tax benefit at statutory rate | $ (7.6) |
| State and local income taxes | (1.7) |
| State and federal valuation allowances | 3.4 |
| Nondeductible Expenses | 0.3 |
| Tax credits | (1.0) |
| Remove non-taxable jurisdiction | 6.6 |
| Total income tax provision | $ (0.1) |

**NOTE 10. SHARE-BASED COMPENSATION**

Effective September 30, 2017, our Parent adopted the 2017 Omnibus Equity Incentive Plan (the "Plan"). The Plan was amended on December 20, 2022 to increase the number of shares available for issuance under the Plan. The Plan is a comprehensive incentive compensation plan under which our Parent can grant equity-based and other incentive awards to officers, employees and directors of, and consultants and advisors to, our Parent and its subsidiaries. The Plan provides a maximum of 5,000,000 shares available for grant.

On November 16, 2021, our Parent granted certain employees of the Company 200,000 stock options with an exercise price of $11.43. The options vest over a period of three years, with one-third of each grant vesting annually. The related compensation expense is recognized over the vesting period.

During the thirty-nine weeks ended September 29, 2024 and September 24, 2023, the Company recognized equity-based compensation expense in the amount of $0.2 million, representing the allocation from our Parent of share-based compensation expense for grants to the Company's employees.

**NOTE 11. RELATED PARTY TRANSACTIONS**

We may engage in transactions with our Parent and other companies, owned or controlled by affiliates of our Parent, in the normal course of business.

The Due to Affiliates represents the payable as of the end of the reporting period of advances (for capital expenditures or other working capital needs) received from the Parent or its affiliates and are settled in accordance with the legal and contractual restrictions governing transactions by and among the Parent's consolidated entities. During the thirty-nine weeks ended September 29, 2024, the Parent paid $3.0 million of acquisition payable on the Company's behalf, which is reflected in our consolidated statement of cash flows as an increase in amounts due to affiliates. The outstanding Due to affiliates balance at September 29, 2024 and December 31, 2023 was $10.0 million and $18.0 million, respectively.

At September 29, 2024, $27.0 million of our securitized debt was held by the Parent and its affiliates. Cash interest paid to the Parent and its affiliates during the thirty-nine weeks ended September 29, 2024 was $4.0 million. No cash interest was paid to the Parent and its affiliates during the thirty-nine weeks ended September 24, 2023.

On October 1, 2021, the Company entered into a management agreement (the "Management Agreement") with the Parent. The Parent is authorized by us to perform management services on our behalf. The Management Agreement provides for an annual management fee of $2.5 million, subject to a three percent annual increase. For the thirty-nine weeks ended September 29, 2024 and September 24, 2023, we paid the Parent $1.9 million and recorded the same amount of expense to general and administrative expense on our consolidated statements of operations.

**NOTE 12. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The Company is periodically involved in various claims and litigation in the normal course of business. While the Company estimates its exposure for these claims and establishes reserves for the estimated probable liabilities, the actual liabilities could be in excess of these reserves. The Company believes that the result of any potential claims will not have a material adverse effect on the Company's financial condition.

In May 2024, FAT Brands Inc. ("FAT Brands" or the "Parent") was informed that it was indicted by the U.S. Department of Justice (the "DOJ") on two violations of Section 402 of the Sarbanes-Oxley Act for directly and indirectly extending and/or arranging for the extension of credit in 2019 and 2020 to its former CEO Andrew Wiederhorn in the amount of $2.65 million. These charges allege that FAT Brands, through its subsidiary Fatburger N.A., transferred approximately $0.6 million to Mr. Wiederhorn in the form of a personal loan on January 30, 2019, and lent approximately $2 million in 2020 to its former parent company Fog Cutter Capital Group Inc. ("FCCG") which indirectly funded a personal loan from FCCG to Mr. Wiederhorn. The indictment also includes charges against Mr. Wiederhorn, FAT Brands' former CFO, Rebecca Hershinger, and FAT Brands' former tax advisor, William Amon, on violations of various federal tax and other laws related to loans from FCCG to Mr. Wiederhorn.

Also in May 2024, the U.S. Securities and Exchange Commission ("SEC") filed a complaint against FAT Brands, claiming violations of Section 17(a)(2) of the Securities Act of 1933; Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(k), and 14(a) of the Securities Exchange Act of 1934; and Rules 10b-5(b), 12b-20, 13a-1, 13a-13, 14a-3, and 14a-9 thereunder. The SEC's claims pertain principally to allegations that, for fiscal periods covering 2017 through 2020, FAT Brands failed to disclose certain related party transactions, failed to disclose the salaries of Mr. Wiederhorn's adult children working at FAT Brands, failed to maintain proper books and records and internal accounting controls, made false or misleading statements regarding its liquidity and use of proceeds from certain transactions, and directly or indirectly extended credit to Mr. Wiederhorn in the form of a personal loan. The SEC's complaint also names Mr. Wiederhorn, Ms. Hershinger, and FAT Brands' SVP of Finance, Ron Roe, as defendants. The SEC is seeking injunctive relief, disgorgement, and civil monetary penalties.

The Parent intends to vigorously defend against such matters, which do not directly involve or allege any wrongdoing on the part of the Company.

**NOTE 13. SUBSEQUENT EVENTS**

Subsequent events were reviewed through November 1, 2024, the date the consolidated financial statements were available to be issued. The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. The Company has concluded no subsequent events have occurred that require disclosure.

Independent Auditor's Report

To Management
Barbeque Integrated, Inc.

*Opinion*

We have audited the accompanying consolidated financial statements of Barbeque Integrated, Inc., which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of operations, stockholder's equity, and cash flows for the periods from September 25, 2023 through December 31, 2023 (Successor) and January 2, 2023 through September 24, 2023 (Predecessor), and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Barbeque Integrated, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the periods from September 25, 2023 through December 31, 2023 (Successor) and January 2, 2023 through September 24, 2023 (Predecessor) in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

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

*Responsibilities of Management for the Financial Statements*

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Barbeque Integrated, Inc.'s ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

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

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

In performing an audit in accordance with GAAS, we:

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

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

/s/ CohnReznick LLP

Los Angeles, California
May 6, 2024

BARBEQUE INTEGRATED, INC.
CONSOLIDATED BALANCE SHEET

December 31, 2023

| | December 31, 2023 |
|---|---|
| Assets | |
| **Current assets:** | |
| Cash and cash equivalents | $ 2,187,527 |
| Accounts receivable | 1,345,507 |
| Other current assets | 3,396,504 |
| Total current assets | 6,929,538 |
| | |
| Property and equipment, net | 16,821,736 |
| Lease right-of-use asset, net | 107,548,761 |
| Goodwill | 12,042,832 |
| Other intangible assets, net | 8,580,000 |
| Other non-current assets | 671,720 |
| Total assets | $ 152,594,587 |
| | |
| Liabilities and Stockholder's Equity | |
| **Current liabilities:** | |
| Accounts payable | $ 3,740,494 |
| Accrued expenses and other liabilities | 6,826,987 |
| Unearned revenue | 2,523,031 |
| Lease liability, current portion | 12,895,780 |
| Total current liabilities | 25,986,292 |
| | |
| Lease liability, net of current portion | 95,674,316 |
| Due to affiliate | 1,500,000 |
| Other non-current liabilities | 454,144 |
| Total liabilities | 123,614,752 |
| | |
| Commitments and contingencies | |
| | |
| **Stockholder's equity:** | |
| Common stock, $.001 par value, 1,000 shares authorized, Issued and outstanding | 1 |
| Additional paid-in capital | 31,833,499 |
| Accumulated deficit | (2,853,665) |
| Total stockholder's equity | 28,979,835 |
| Total liabilities and stockholder's equity | $ 152,594,587 |

The accompanying notes are an integral part of these audited consolidated financial statements.

BARBEQUE INTEGRATED, INC
CONSOLIDATED STATEMENTS OF OPERATIONS

Period from September 25, 2023 through December 31, 2023 (Successor) and
Period from January 2, 2023 through September 24, 2023 (Predecessor)

| | Successor | Predecessor |
|---|---|---|
| | **September 25, 2023 through December 31, 2023** | **January 2, 2023 through September 24, 2023** |
| Revenue | | |
| Restaurant sales | $ 42,663,054 | $ 129,646,797 |
| | | |
| Cost and expenses | | |
| Restaurant operating costs | | |
| Food and beverage costs | 11,815,548 | 35,833,418 |
| Labor and benefits | 14,192,566 | 39,896,725 |
| Other operating costs | 9,537,354 | 29,704,313 |
| Occupancy expense | 4,136,094 | 11,123,883 |
| Advertising expense | 1,026,462 | 2,741,088 |
| General and administrative expense | 2,447,782 | 7,115,995 |
| Depreciation and amortization | 2,490,371 | 4,411,506 |
| Total cost and expenses | 45,646,177 | 130,826,928 |
| | | |
| Loss from operations | (2,983,123) | (1,180,131) |
| | | |
| Other expense | | |
| Interest expense | (5,072) | (1,443,811) |
| Other expense | (95,691) | (1,561,000) |
| Total other expense | (100,763) | (3,004,811) |
| | | |
| Loss from before income taxes | (3,083,886) | (4,184,942) |
| | | |
| Income tax benefit | 230,221 | 279,641 |
| | | |
| **Net loss** | $ (2,853,665) | $ (3,905,301) |

The accompanying notes are an integral part of these audited consolidated financial statements.

BARBEQUE INTEGRATED, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY (DEFICIT)

Period from September 25, 2023 through December 31, 2023 (Successor) and
Period from January 2, 2023 through September 24, 2023 (Predecessor)

| Predecessor | Shares | Common Stock | Additional Paid-In Capital | Accumulated Deficit | Total |
|---|---|---|---|---|---|
| Balances - January 1, 2023 | 1000 | $ 1 | $ 23,421,960 | $ (32,391,320) | $ (8,969,359) |
| Net loss | — | — | — | (3,905,301) | (3,905,301) |
| Balances - September 24, 2023 | 1000 | 1 | 23,421,960 | (36,296,621) | (12,874,660) |
| **Successor** | | | | | |
| Balances - September 25, 2023 | — | $ — | $ — | $ — | $ — |
| Acquisition by FAT Brands Inc | 1000 | 1 | 31,833,499 | — | 31,833,500 |
| Net loss | — | — | — | (2,853,665) | (2,853,665) |
| Balances - December 31, 2023 | 1000 | $ 1 | $ 31,833,499 | $ (2,853,665) | $ 28,979,835 |

The accompanying notes are an integral part of these audited consolidated financial statements.

BARBEQUE INTEGRATED, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Period from September 25, 2023 through December 31, 2023 (Successor) and
Period from January 2, 2023 through September 24, 2023 (Predecessor)

| | Successor | Predecessor |
|---|---|---|
| | September 25, 2023 through December 31, 2023 | January 2, 2023 through September 24,2023 |
| **Cash flows from operating activities:** | | |
| Net loss | $ (2,853,665) | $ (3,905,301) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 2,490,370 | 4,411,506 |
| Operating lease expense | (130,402) | (557,053) |
| Deferred income taxes | (189,626) | (334,284) |
| Interest accretion on debt | — | 1,406,789 |
| Loss on lease termination | — | 378,831 |
| Lease termination payments | (112,500) | (337,499) |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (229,053) | 459,500 |
| Other current assets | 662,524 | 850,742 |
| Other non-current assets | 997,886 | — |
| Accounts payable | 161,494 | (1,195,859) |
| Accrued expenses and other liabilities | (1,751,060) | (882,748) |
| Unearned revenue | 704,427 | (684,459) |
| Net cash used in operating activities | (249,605) | (389,835) |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (966,776) | (2,068,058) |
| Net cash used in investing activities | (966,776) | (2,068,058) |
| **Cash flows from financing activities:** | | |
| Borrowings under revolving line of credit | — | 1,000,000 |
| Advances from affiliate | 1,500,000 | — |
| Net cash provided by financing activities | 1,500,000 | 1,000,000 |
| Net increase (decrease) in cash and cash equivalents | 283,619 | (1,457,893) |
| Cash and cash equivalents, beginning of period | 1,903,908 | 3,361,801 |
| Cash and cash equivalents, end of period | $ 2,187,527 | $ 1,903,908 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid during the period for interest | $ 4,193 | $ 28,597 |
| Cash paid during the period for income taxes | $ 56 | $ 33,171 |
| Cash paid during the period for leases | $ 3,238,253 | $ 9,121,250 |
| **Supplemental disclosure of non cash investing and financing activities:** | | |
| Acquisition by FAT Brands, Inc. | $ 31,833,499 | $ — |

The accompanying notes are an integral part of these audited consolidated financial statements.

**NOTE 1. ORGANIZATION**

*Organization and Nature of Business*

The principal business of Barbeque Integrated, Inc., and its subsidiaries, Smokey Bones, LLC and Integrated Card Solutions, LLC (collectively, the "Company"), a wholly-owned subsidiary of Barbeque Holding, LLC ("Predecessor Owner"), is to own and operate 61 Smokey Bones Bar & Fire Grills restaurants located in the Eastern and Midwest United States. We operate as one operating segment and our chief operating decision maker reviews operating results and performance for all locations on aggregate basis.

On September 25, 2023, FAT Brands, Inc. ("Parent") completed their acquisition of Barbeque Integrated, Inc. (the "Acquisition") from the Predecessor Owner. The consideration was $31.8 million. The preliminary assessment of the fair value of the net assets and liabilities acquired by the Company through the transaction was estimated at $31.8 million. In connection with the acquisition, the Company incurred $3.3 million of fees that were contingent upon the closing of the transaction. As such, these expenses were not recognized until the transaction was consummated and are, therefore, not included in the predecessor or successor financial statements. The preliminary allocation of the consideration to the identifiable assets acquired is presented in the table below (in millions):

| | | |
|---|---|---|
| Cash | $ | 1.9 |
| Accounts receivable | | 1.2 |
| Other current assets | | 4.1 |
| Other intangible assets | | 8.8 |
| Goodwill | | 12.0 |
| Operating lease right-of-use assets | | 109.6 |
| Other assets | | 1.8 |
| Property and equipment | | 18.1 |
| Accounts payable | | (3.6) |
| Accrued expenses and other liabilities | | (12.5) |
| Operating lease liability | | (109.6) |
| Total net identifiable assets | $ | 31.8 |

The Parent is a leading multi-brand restaurant franchising company that develops, markets and acquires primarily quick-service, fast casual, casual and polished casual dining restaurant concepts around the world.

*Liquidity*

The Company's primary requirements for liquidity are to fund working capital needs, operating lease obligations, and capital expenditures. The ongoing capital expenditures are principally related to opening new restaurants and the remodeling and maintenance of existing restaurants. The primary sources of liquidity are restaurant operations, cash on hand and availability of advances from our Parent.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fiscal Year* — The Company operates on a 52/53 week calendar and its fiscal year ends on the last Sunday of the calendar year. Fiscal year 2023 consisted of 52 weeks and ended on December 31, 2023 ("fiscal 2023"). Unless otherwise stated, references to years in this report relate to fiscal years.

*Basis of Presentation* — The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include our accounts and the accounts of our subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company is presenting comparative financial statements, which include financial results of the predecessor and successor. The predecessor period includes the results of operations from January 2, 2023 through September 24, 2023. This period will be referred to predecessor in the accompanying consolidated financial statements and notes to those consolidated financial statements. The successor period includes the balance as of fiscal year ended December 31, 2023 and results of operations from September 25, 2023 through December 31, 2023. These periods will be referred to successor in the accompanying consolidated financial statements and notes to those consolidated financial statements.

*Use of estimates in the preparation of the consolidated financial statements* — The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability of goodwill and determination of fair value of tangible and intangible assets in connection with the purchase price allocation as a result of the acquisition by the Parent. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Credit and Depository Risks* — Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. Cash and cash equivalents balances are maintained in financial institutions, which at times exceed federally insured limits. The Company monitors the financial condition of these institutions and has not experienced losses on these accounts in the past.

*Accounts Receivable and Allowance for Credit Losses* — Accounts receivable are primarily comprised of credit card receivables and other receivables from third-party delivery services that are paid in a short period of time, normally three months or less. Expected credit losses are not measured for groups of financial assets whose historical credit loss information adjusted for current conditions and reasonable forecasts results in an expectation that nonpayment of the amortized cost basis is at or near zero. Credit card receivables and receivables from third-party delivery services generally settle within a short period of time, have historically had little to no credit losses, and management continues to expect to collect more than substantially all of those receivables. Accordingly, an allowance for credit losses has not been provided for credit card receivables and receivables from third-party delivery services carried at amortized cost.

*Impairment of Long-Lived Assets* — Long-lived assets, which include property and equipment and operating lease right-of-use assets, are reviewed for impairment on a regular basis, in addition to whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of the assets to the undiscounted future cash flows expected to be generated by the asset group.

If the assets are determined to be impaired, the amount of impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Estimates of future cash flows are based on the Company's experience and knowledge of local operations.

*Leases* — We currently lease all of our restaurants and our home office and certain equipment under various non-cancelable lease agreements that expire on various dates. Upon the possession of a leased asset, we determine its classification as an operating or financing lease. All of our real estate and equipment leases are classified as operating leases.

Rent expense for the Company's leases, which generally have escalating rentals over the term of the lease, is recorded on a straight-line basis over the lease term. Our real estate leases typically provide for fixed minimum rent payments and/or contingent rent payments based upon sales in excess of specified thresholds. When the achievement of such sales thresholds is deemed to be probable, contingent rent is accrued in proportion to the sales recognized during the period. Lease expense associated with rent escalation and contingent rental provisions is not material and is included within operating lease cost.

We calculate operating lease assets and lease liabilities as the present value of fixed lease payments over the reasonably certain lease term beginning at the commencement date. We measure the lease liability by discounting the future fixed contractual payments included in the lease agreement, using our incremental borrowing rate. As most of the Company's leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For leases with a lease term of 12 months or less ("short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the consolidated balance sheets. Variable lease cost for operating finance leases, if any, is recognized as incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We expend cash for leasehold improvements to build out and equip our leased premises. Generally, a portion of the leasehold improvements and building costs are reimbursed by our landlords as landlord incentives pursuant to agreed-upon terms in our lease agreements. If obtained, landlord incentives usually take the form of up-front cash, full or partial credits against our future minimum or contingent rents otherwise payable by us, or a combination thereof. In most cases, landlord incentives are received after we take possession of the property, as we meet required milestones during the construction of the property. We include these amounts in the measurement of the initial operating lease liability, which are also reflected as a reduction to the initial measurement of the right-of-use asset.

*Inventory* — Inventory consists of food, beverages and merchandise and is stated at the lower of cost or net realizable value. Cost is determined utilizing the first-in, first-out method. Appropriate consideration is given to obsolescence, excessive levels, deterioration and other factors in evaluating lower of cost or market.

*Pre-Opening Costs* — Pre-opening costs including rent, wages, benefits and travel for the training and opening teams, food, beverage and other restaurant operating costs, are expensed as incurred prior to a restaurant opening.

*Goodwill and Other Intangible Assets* — Intangible assets are stated at the estimated fair value at the date of acquisition and include goodwill and trademarks. Goodwill is reviewed for impairment annually or more frequently if indicators arise.

Trademark intangible assets are amortized over the estimated weighted average useful life of 10 years. Management assesses potential impairments to goodwill at least annually at reporting unit level, or more frequently when there is evidence that events or changes in circumstances indicate that the carrying amount of goodwill may not be recovered. The Company performs the annual goodwill impairment analysis as of the first day of the fourth quarter. The Company has a single reporting unit. Judgments regarding the existence of impairment indicators and future cash flows related to intangible assets are based on operational performance of the business, market conditions and other factors.

*Fair Value Measurements* — The Company determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in GAAP. As necessary, the Company measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3 inputs are unobservable and reflect the Company's own assumptions.

The Company does not have a material amount of financial assets or liabilities that are required to be measured at fair value on a recurring basis under U.S. GAAP. None of the Company's non-financial assets or non-financial liabilities are required to be measured at fair value on a recurring basis. The Company believes the fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amounts due to their short duration.

*Income Taxes* — Deferred income tax assets and liabilities are based on the difference between the financial statement and tax bases of assets and liabilities as measured by the tax rates that are anticipated to be in effect when those differences reverse. The deferred tax provision generally represents the net change in deferred tax assets and liabilities during the period. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is established when it is necessary to reduce deferred tax assets to amounts for which realization is more likely than not. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position.

*Revenue Recognition* — Revenue consists of Company owned restaurant sales and revenue is recognized as promised goods or services transfer to the guest or customer in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

Restaurant revenue is recognized at the point in time when food and beverage products are sold. We present company restaurant sales net of sales-related taxes collected from customers and remitted to governmental taxing authorities.

Unearned revenue pertains to gift cards that have been sold but not yet redeemed and earned awards under the Company's loyalty program but not yet redeemed. Revenue is recognized when gift cards and loyalty rewards are redeemed by the customer. Breakage for unredeemed amounts is estimated based on historical experience and is recognized as revenue in proportion to the pattern of rights exercised by the customer. Gift card and loyalty liability balance at December 31, 2023 was $2,967,140.

*Recently adopted accounting pronouncement* — On January 1, 2023, the Company adopted FASB Accounting Standards Update No, 2016-13, *Measurement of Credit Losses on Financial Instruments*, and its related amendments ("ASC 326"). The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to a current and expected loss model and adds certain new required disclosures. Under the current and expected loss model, entities recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with ASC 326, the Company evaluates certain criteria, including aging and historical write-offs, current economic condition of specific customers and future economic conditions to determine the appropriate allowance for credit losses. The impact of the adoption of the amended guidance was not material to the consolidated financial statements.

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment, net consists primarily of real estate (including land, buildings and tenant improvements) and equipment.

The Company's gross carrying value of property and equipment and accumulated depreciation balances for the fiscal year ended:

| | December 31, 2023 |
|---|---|
| Leasehold improvements | $ 4,577,599 |
| Furniture, fixtures and equipment | 14,514,507 |
| Total property and equipment, gross | 19,092,106 |
| Less: Accumulated depreciation and amortization | (2,270,370) |
| | $ 16,821,736 |

Depreciation expense on property and equipment for the period from September 25, 2023 through December 31, 2023 (Successor) and period from January 2, 2023 through September 24, 2023 (Predecessor) was approximately $2.3 million and $4.4 million, respectively.

**NOTE 4. OTHER INTANGIBLE ASSETS, NET**

Other intangible assets consist of trademarks that were classified as identifiable intangible assets at the time of acquisition by the Parent (Note 1). Trademarks are amortized over the useful life of 10 years.

The changes in carrying value of other intangible assets were as follows for the fiscal year ended:

| | December 31, 2023 |
|---|---|
| Balance, beginning | $ — |
| Acquired | 8,800,000 |
| Amortization expense | (220,000) |
| Impaired | — |
| Balance, end of year | $ 8,580,000 |

The expected future amortization of the Company's capitalized trademarks is as follows:

| **Fiscal year:** | |
|---|---|
| 2024 | $ 880,000 |
| 2025 | 880,000 |
| 2026 | 880,000 |
| 2027 | 880,000 |
| 2028 | 880,000 |
| Thereafter | 4,180,000 |
| | $ 8,580,000 |

**NOTE 5. ACCRUED EXPENSES AND OTHER LIABILITIES**

Accrued expenses and other liabilities consist of the following:

| | December 31, 2023 |
|---|---|
| Payroll and payroll related | $ 1,886,095 |
| Accrued occupancy costs | 1,528,717 |
| Accrued sales taxes | 1,032,252 |
| Other accrued expenses | 2,379,923 |
| Total | $ 6,826,987 |

**NOTE 6. LEASES**

Operating lease right-of-use and operating lease liabilities relating to operating leases are as follows:

| | December 31, 2023 |
|---|---|
| Lease right-of-use asset | |
| Property | $ 108,562,784 |
| Equipment | 293,058 |
| Total | 108,855,842 |
| Accumulated amortization | (1,307,081) |
| Lease right-of-use asset, net | $ 107,548,761 |
| | |
| Lease liability | |
| Property | $ 108,488,916 |
| Equipment | 81,180 |
| Total operating leases | 108,570,096 |
| Lease liability, current portion | (12,895,780) |
| Lease liability, net of current portion | $ 95,674,316 |

| | December 31, 2023 |
|---|---|
| Weighted average remaining term in years | |
| Operating leases, property | 5.4 |
| Operating leases, equipment | 1.5 |
| Weighted average discount rate | |
| Operating leases, property | 8.40% |
| Operating leases, equipment | 6.02% |

Maturities of the operating lease liabilities are as follows at December 31, 2023:

| Fiscal year: | Amount |
|---|---|
| 2024 | $ 12,895,780 |
| 2025 | 12,653,609 |
| 2026 | 12,568,947 |
| 2027 | 12,506,681 |
| 2028 | 11,662,073 |
| Thereafter | 160,281,948 |
| Total lease payments | 222,569,038 |
| Less imputed interest | (113,998,942) |
| Present value of lease liabilities | 108,570,096 |
| Less current portion | (12,895,780) |
| Long-term portion of lease liabilities | $ 95,674,316 |

**NOTE 7. INCOME TAXES**

The Company's income tax benefit was comprised of the following:

| | Successor | Predecessor |
|---|---|---|
| | December 31, 2023 | January 2, 2023 through September 24, 2023 |
| Current | | |
| Federal | $ — | $ — |
| State | 25,016 | 3,135 |
| | 25,016 | 3,135 |
| Deferred | | |
| Federal | (255,237) | (282,776) |
| State | — | — |
| | (255,237) | (282,776) |
| Total income tax benefit | $ (230,221) | $ (279,641) |

The Company accounts for income taxes whereby deferred income tax assets and liabilities are computed annually for differences between the financial reporting and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax rates and laws applicable to periods in which the differences are expected to affect taxable income.

The components of the deferred tax assets and liability at December 31, 2023 were as follows:

| | December 31, 2023 |
|---|---|
| Deferred tax assets: | |
| Amortization of intangible | $ — |
| Property and equipment depreciation | 597,163 |
| Lease termination | 592,894 |
| Lease liabilities | 27,971,674 |
| Tax credits carryforwards | — |
| Net operating loss carryforward | 3,357,953 |
| Accrued payroll | 98,651 |
| Insurance reserves | 131,835 |
| 163(j) interest Limitation | 605,071 |
| Other | 300,703 |
| Total DTA | 33,655,944 |
| | |
| Deferred tax liabilities | |
| Right of Use assets | (27,932,927) |
| Amortization of intangibles | (2,210,507) |
| Total DTL | (30,143,434) |
| | |
| Valuation allowances | (3,554,153) |
| | |
| Net deferred tax liability | $ (41,643) |

A valuation allowance is utilized to reduce the carrying amount of deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2023, the Company has a deferred tax liability of $41,643, representing the benefit management has estimated will more likely than not be realized, and is included in the consolidated balance sheets as a component of noncurrent liabilities. After consideration of all of the evidence, both positive and negative, management has determined that a valuation allowance at December 31, 2023 is necessary to reserve its deferred tax assets.

As of December 31, 2023, the Company estimates indefinite pre-tax net operating loss carryforwards of approximately $11,935,000 and pre-tax state and city net operating loss carryforward of approximately $12,623,000. The Company’s net operating losses are not subject to annual Section 382 limitations due to lack of ownership changes impacting the future realization.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Increases or decreases to the unrecognized tax benefits could result from management’s belief that a position can or cannot be sustained upon examination based on subsequent information or potential lapse of the applicable statute of limitation for certain tax positions.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The table below summarizes the open tax years and ongoing examinations in major jurisdictions as of December 31, 2023:

| Jurisdiction | Open Years |
|---|---|
| United States - Federal Income Tax | 2020-2023 |
| United States - Various States | 2020-2023 |

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2023, the Company had no material uncertain tax positions and provisions for interest or penalties related to uncertain tax positions.

**NOTE 8. PROMISSORY NOTE**

On November 10, 2022, the Company entered into a promissory note with a related party ("Promissory Note"). The Promissory Note had a fixed interest rate of 9.5% accruing daily. Interest accreted to the outstanding balance. The Promissory Note had a maturity date of November 10, 2027 with a mandatory prepayment in the event of sale, public offering or liquidation.

During the 2023 predecessor period, the Company received a drawdown of $1 million. In connection with the Acquisition the Promissory Note was repaid in full. As of December 31, 2023, the Promissory Note had an outstanding balance of $0.

**NOTE 9. RELATED PARTY TRANSACTIONS**

We may engage in transactions with other companies, owned or controlled by affiliates of the Parent in the normal course of business.

The due to affiliates represents the payable as of the end of the reporting period of advances (for capital expenditures or other working capital needs) received from the Parent or its affiliates and are settled in accordance with the legal and contractual restrictions governing transactions by and among the Parent's consolidated entities. The outstanding balance at December 31, 2023 was $1.5 million.

On December 31, 2007, the Company entered into a management services agreement ("Services Agreement") with Sun Capital Partners Management V, LLC ("Sun"), a related party of former owner. The management fee and other reimbursable expenses paid to Sun during the fiscal period from January 2, 2023 to September 24, 2023 are included in selling, general and administrative expense in the accompanying consolidated statements of operations. The Service Agreement was terminated in connection with the Acquisition.

As disclosed in Note 8, the Company entered into a promissory note with Sun Barbecue, LLC a related party of former owner for a total borrowing of approximately $19,292,000. The note was repaid in connection with the Acquisition.

**NOTE 10. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The Company is periodically involved in various claims and litigation in the normal course of business. While the Company estimates its exposure for these claims and establishes reserves for the estimated probable liabilities, the actual liabilities could be in excess of these reserves. The Company believes that the result of any potential claims will not have a material adverse effect on the Company's financial condition.

**NOTE 11. SUBSEQUENT EVENTS**

ASC Topic 855, Subsequent Events, established general standards of accounting for and disclosure of events that occur after the consolidated balance sheet date but before the consolidated financial statements are available to be issued. In accordance with the standard, management evaluated events occurring subsequent to December 31, 2023 through May 6, 2024, the date the consolidated financial statements were available to be issued and determined that the following additional disclosure was required.

On March 21, 2024, the Parent contributed all outstanding equity interest in the Company to a wholly owned subsidiary, FAT Brands Twin Peaks I, LLC.

**Independent Auditor's Report**

Board of Directors
Barbeque Integrated, Inc.
Plantation, FL

***Opinion***

We have audited the consolidated financial statements of Barbeque Integrated, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheet as of January 1, 2023, and the related consolidated statement of operations, stockholder's deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 1, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

*/s/ BDO USA, LLP*

Fort Lauderdale, FL

April 14, 2023

**Barbeque Integrated, Inc. and Subsidiaries**

**Consolidated balance sheet**

| | | January 1, 2023 |
|---|---|---|
| Asset | | |
| **Current assets:** | | |
| Cash and cash equivalents | $ | 3,361,801 |
| Accounts and other receivables | | 1,598,643 |
| Inventories | | 2,741,796 |
| Other current assets, net | | 1,790,801 |
| Total current assets | | 9,493,041 |
| | | |
| Property and equipment, net | | 28,614,321 |
| Right of Use Assets, net | | 39,110,685 |
| Intangible assets, net | | 224,858 |
| Deposits | | 563,465 |
| Total assets | $ | 78,006,370 |
| | | |
| Liabilities and Stockholder's Equity | | |
| **Current liabilities:** | | |
| Accounts payable | | 4,756,256 |
| Accrued expenses | | 6,207,965 |
| Current portion of operating lease liability | | 12,541,042 |
| Unearned revenue | | 2,935,166 |
| Total current liabilities | | 26,440,429 |
| | | |
| Related party note payable | | 19,553,963 |
| Operating lease liability | | 39,889,679 |
| Deferred tax liability, net | | 282,776 |
| Lease exit obligation | | 808,882 |
| Total Liabilities | | 86,975,729 |
| | | |
| Commitments and contingencies | | |
| | | |
| **Stockholder's deficit:** | | |
| Common stock, $.001 par value, 1,000 shares authorized, Issued and outstanding | | 1 |
| Additional paid-in capital | | 23,421,960 |
| Accumulated deficit | | (32,391,320) |
| Total liabilities and stockholder's deficit | $ | 78,006,370 |

The accompanying notes are an integral part of these consolidated financial statements.

**Barbeque Integrated, Inc. and Subsidiaries**

**Consolidated statement of operations**

| For the fiscal year ended | January 1, 2023 |
|---|---|
| **Net sales:** | $ 184,643,679 |
| **Cost of sales (exclusive of items shown separately below):** | |
| Food and beverage costs | 54,215,174 |
| Labor and benefits | 55,431,240 |
| Rent Expense | 12,326,805 |
| Restaurant operating expenses | 43,041,354 |
| Restaurant exits costs | 30,287 |
| Total cost of sales (exclusive of items shown separately below) | 165,044,860 |
| **Operating expenses:** | |
| Selling, general and administrative | 13,779,594 |
| Depreciation and amortization | 6,639,455 |
| Asset Impairment loss | 1,331,421 |
| Total operating expenses | 21,750,470 |
| Operating loss | (2,151,651) |
| **Non-operating loss, net:** | |
| Interest expense | (870,991) |
| Other income | (302,438) |
| Total non-operating loss, net | (1,173,429) |
| Loss from operations before income taxes | (3,325,080) |
| Income tax expense | (65,597) |
| **Net loss** | $ (3,390,677) |

The accompanying notes are an integral part of these consolidated financial statements.

**Barbeque Integrated, Inc. and Subsidiaries**

**Consolidated statement of stockholder's deficit**

| | Shares | Common Stock | Additional Paid-In Capital | Accumulated Deficit | Total |
|---|---|---|---|---|---|
| Balances - January 2, 2022 | 1000 | 1 | 23,421,960 | (29,380,309) | (5,958,348) |
| Cumulative effect of Adoption of ASU 2016-02 at January 3, 2022 | | | | 379,666 | 379,666 |
| Net loss | | | | (3,390,677) | (3,390,677) |
| Balances - January 1, 2023 | 1000 | $ 1 | $ 23,421,960 | $ (32,391,320) | $ (8,969,359) |

The accompanying notes are an integral part of these consolidated financial statements.

**Barbeque Integrated, Inc. and Subsidiaries**

**Consolidated statement of cash flows**

| For the fiscal year ended | | January 1, 2023 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net loss | $ | (3,390,677) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | | 6,639,455 |
| Asset impairment loss | | 1,331,421 |
| Loss on disposal of property and equipment | | 62,534 |
| Non-cash lease cost | | 12,088,327 |
| Inventory obsolescence | | 49,237 |
| Deferred income taxes | | 25,259 |
| Interest accretion on debt | | 403,963 |
| Loss on lease termination | | 285,527 |
| Proceeds from landlords for construction reimbursements | | 736,720 |
| Lease termination payments | | (537,500) |
| Changes in operating assets and liabilities | | |
| Accounts receivable | | (494,671) |
| Inventories | | 9,907 |
| Other current assets | | (296,771) |
| Deposits | | 32,251 |
| Accounts payable | | 750,742 |
| Accrued expenses and other liabilities | | (3,136,447) |
| Operating lease liability | | (12,995,977) |
| Income taxes receivable | | (124,239) |
| Unearned revenue | | (725,851) |
| Net cash provided by operating activities | | 713,210 |
| | | |
| **Cash flows from operating activities:** | | |
| Purchases of property and equipment | | (10,351,431) |
| Purchases of intangibles | | (28,579) |
| Net cash used in investing activities | | (10,380,010) |
| | | |
| **Cash flows from financing activities:** | | |
| Borrowings under revolving line of credit | | 11,250,000 |
| Payment of revolving line of credit | | (1,000,000) |
| Net cash provided by investing activities | | 10,250,000 |
| | | |
| **Net increase in cash and cash equivalents** | | 583,200 |
| Cash and cash equivalents, beginning of year | | 2,778,601 |
| Cash and cash equivalents, end of year | $ | 3,361,801 |
| | | |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid during the year for interest | $ | 477,882 |
| Cash paid during the year for income taxes | $ | 170,581 |
| Accrued capital expenditures | $ | (645,274) |
| Right of use assets obtained in exchange of lease liabilities | $ | 4,378,563 |
| Right of use assets reduced for terminated leases | $ | 1,060,854 |

The accompanying notes are an integral part of these consolidated financial statements.

**Barbeque Integrated, Inc. and Subsidiaries**
**Notes to consolidated financial statements**

**Note A – Organization and Summary of Significant Accounting Policies**

**Business and Basis of Presentation**

The principal business of Barbeque Integrated, Inc., a wholly-owned subsidiary of Barbeque Holding, LLC, and its subsidiaries, Smokey Bones, LLC and Integrated Card Solutions, LLC (collectively, "the Company"), is to own and operate food and beverage restaurant facilities located in the Eastern and Midwest United States. The Company commenced its operations upon the acquisition of the assets and liabilities of Smokey Bones Barbeque and Grill (SB) restaurants from GMRI, Inc., GMR Restaurants of Pennsylvania, Inc., and Darden Concepts, Inc. on December 31, 2007.

**Fiscal Year**

The Company operates on a 52 or 53 week fiscal year. The 2022 fiscal year was a 52 week year ended on January 1, 2023.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Company. All significant intercompany transactions are eliminated in the consolidation process.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material.

**Working Capital**

Our operations have not required significant working capital, and, like many restaurant companies, we may have negative working capital during the year. Revenues are received primarily in credit card or cash receipts, and restaurant operations do not require significant receivables or inventories. The Company provided net cash from operations of $713,210 for the year ended January 1, 2023.

**Cash and Cash Equivalents**

Cash and cash equivalents consist primarily of cash and accounts receivable from credit card processors. The Company considers all highly liquid investment instruments purchased with original maturities of three months or less from date of purchase to be cash equivalents. Accounts receivable from credit card processors are both short-term and liquid in nature and are typically converted to cash within three days of the sales transaction. At January 1, 2023, the Company had $1,928,822 in receivables from credit card processors, which were subsequently collected.

**Inventories**

Inventory consists of food, beverages and merchandise and is stated at the lower of cost or net realizable value. Cost is determined utilizing the first-in, first-out method. Appropriate consideration is given to obsolescence, excessive levels, deterioration and other factors in evaluating lower of cost or market.

**Property and Equipment**

Property and equipment are capitalized and recorded at cost, less accumulated depreciation. Depreciation and amortization is provided for utilizing the straight-line method over the estimated useful lives of the assets, which generally are as follows:

| | |
|---|---|
| Furniture, fixtures and equipment | 3-7 years |
| Leasehold improvements | 7-20 years |

Leasehold improvements are amortized over the shorter of the estimated useful lives of the improvements, or the remaining term of the lease. Normal repair and maintenance costs are charged to expense as incurred. Renovations, betterments and major repairs that materially extend the life of properties are capitalized and the assets replaced, if any, are retired. Upon the sale or retirement of property and equipment, the accounts are relieved of the cost and the related accumulated depreciation and amortization and any resulting gain or loss is included in the accompanying consolidated statements of operations.

The Company capitalizes all direct costs incurred in the construction and renovation of its restaurants. Upon completion, these costs are reclassified from construction in progress to the applicable property and equipment classification and depreciated.

**Impairment of Long-Lived Assets**

The Company evaluates impairment whenever events or changes in circumstances indicate that the carrying amount of an asset grouping may not be recoverable.

For long-lived assets, including intangibles, the Company assesses periodically whether there are indicators of impairment. If such indicators are present, the Company assesses the recoverability of the long-lived assets by determining whether the carrying value of such assets can be recovered through projected undiscounted cash flows. If the sum of expected future cash flows, undiscounted and without interest charges, is less than the book value, the excess of the net book value over the estimated fair value, based on discounted future cash flows and appraisals, is charged to operations in the period in which such impairment is determined by management. For the year ended January 1, 2023, the Company recorded impairment of long-lived assets of $1,331,421 included in asset impairment loss in the accompanying consolidated statements of operations.

**Intangible Assets**

Intangible assets that are not deemed to have an indefinite life are amortized over their estimated useful life.

**Deferred Loan Costs**

The Company capitalized costs relating to its debt financing and is amortizing these costs over the life of the related debt using the straight line method, which approximates the effective interest method. Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction to the carrying amount of the debt liability.

**Insurance Accruals**

The Company maintains insurance coverage to cover material potential losses related to workers' compensation, general liability and certain employment claims. During fiscal year 2022, the Company had a $25,000 self-insured retention limit for any covered general liability claim. Accrued liabilities related to general liability claims of $265,301 as of January 1, 2023 are included in accrued expenses in the accompanying consolidated balance sheets. Amounts have been recorded based on the Company's estimates of the anticipated ultimate costs to settle all claims, both reported and unreported.

**Revenue Recognition**

Revenues are recognized in accordance with current guidance for revenue recognition as codified in Accounting Standards Topic 606 ("ASC 606"). Under ASC 606, revenue is recognized upon the transfer of promised products or services to customers in an amount that reflects the consideration the Company received in exchange for those products or services. Revenue is recognized when payment is tendered at the time of sale. The Company presents sales net of sales tax and other sales related discounts.

Unearned revenue pertains to gift cards that have been sold but not yet redeemed and earned awards under the Company's loyalty program but not yet redeemed. Revenue is recognized when gift cards and loyalty rewards are redeemed by the customer. Breakage for unredeemed amounts is estimated based on historical experience and is recognized as revenue in proportion to the pattern of rights exercised by the customer. The Company recognized $165,000 as breakage for the year ended January 1, 2023.

**Food and Beverage Costs**

Food and beverage costs include inventory, warehousing and related purchasing and distribution costs.

**Vendor Rebates**

Third party vendor funds received in connection with marketing agreements are recognized as a reduction of marketing expense during the period in which the marketing activities occur. Third party vendor funds received in connection with volume purchase agreements are recognized as a reduction of cost of goods sold during the period in which purchases occur. Differences between estimated and actual periodic amounts are settled in accordance with the terms of the agreements.

**Advertising Costs**

Advertising costs are recorded as expenses in the period in which the costs are incurred. The total amount charged to advertising expense was $3,595,469 for the year ended January 1, 2023 and are included as a selling, general and administrative expense in the accompanying consolidated statements of operations.

**Income Taxes**

Deferred income tax assets and liabilities are based on the difference between the financial statement and tax bases of assets and liabilities as measured by the tax rates that are anticipated to be in effect when those differences reverse. The deferred tax provision generally represents the net change in deferred tax assets and liabilities during the period. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is established when it is necessary to reduce deferred tax assets to amounts for which realization is more likely than not. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position.

**Accounting Pronouncements Adopted in 2022**

*ASU 2016-02* In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, Leases, which requires lessees to recognize right of use (ROU) assets and lease liabilities on the balance sheet. The Company adopted the new standard as of January 3, 2022 using the modified retrospective method with an option to use certain practical expedients. The Company elected the transition method that allows it to initially apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The comparative period information has not been restated and continues to be reported under the accounting standard in effect for that period.

The Company recognized operating lease liabilities and corresponding ROU assets for substantially all of the leases it previously accounted for as operating leases, including leases related to closed restaurant properties. The initial ROU assets were calculated as the present value of the remaining operating lease payments using the incremental borrowing rate as of January 3, 2022, reduced by accrued occupancy costs such as closed restaurant exit obligations, deferred rent, unamortized lease incentives and impairment of ROU asset on certain underperforming restaurant operations consistent with leaseholds impaired prior to adoption of the new standard.

The unamortized deferred gain on sale leaseback transaction (see Note G) and the initial impairment of ROU assets were adjusted through a cumulative adjustment to opening balance of retained earnings. The $379,666 adjustment consisted of $1,839,839 recognition of deferred gain on sale leaseback reduced by a $1,460,173 impairment of the initial ROU assets related to closed store locations.

Subsequent to adoption of ASU 2016-02, the Company assesses whether an agreement contains a lease at inception and reviews all leases for finance or operating classification once control is obtained. ROU assets represent the Company's right to an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. The ROU asset also includes lease payments made in advance and is reduced by lease incentives received. As most leases do not provide an implicit rate, the Company uses its incremental borrowing rate at commencement date in determining the present value of lease payments. Lease terms include options to extend the lease when it is reasonably certain that the Company will exercise that option. The Company assumes options are reasonably certain to be exercised when such options are required to achieve a minimum lease term for new restaurant properties and significant leasehold improvements costs are incurred near the end of a lease term. The Company also uses judgement in determining its incremental borrowing rate, which is based on its current borrowing rates or published market rates on debt with terms similar to the underlying lease. Lease cost amortization is recognized on a straight-line over the lease term unless the related ROU asset has been adjusted for an impairment charge.

*ASU 2019-12* In December 2019, the FASB issued ASU 2019-12, Income Taxes ("Topic 740") as part of its Simplification Initiative. This guidance provides amendments to simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. The Company adopted the new standard as of January 3, 2022. The standard did not have a significant impact on the Company's financial statements.

**Note B – Intangible Assets**

Intangible assets consist of the following:

| | January 1, 2023 | Useful Life | Remaining Useful Life |
|---|---|---|---|
| Definite lived intangible assets: | | | |
| Trade name | $ 11,619,922 | 15 years | - |
| Licenses | 431,430 | 13 years | 13 years |
| Favorable lease | 458,380 | 19 years | 4 years |
| Other | 34,286 | 5 years | 5 years |
| | 12,544,018 | | |
| Accumulated amortization | (12,319,160) | | |
| Intangible assets, net | $ 224,858 | | |

The amortization expense for intangible assets was approximately $797,000 for the year ended January 1, 2023 and is included in depreciation and amortization in the accompanying consolidated statements of operations. Future amortization expense will be as follows:

| For years ended | Amount |
|---|---|
| 2023 | 36,204 |
| 2024 | 36,202 |
| 2025 | 36,202 |
| 2026 | 36,202 |
| 2027 | 12,077 |
| Thereafter | 67,971 |
| | $ 224,858 |

**Note C – Property and Equipment**

Property and equipment, net, consists of the following:

| | January 1, 2023 |
|---|---|
| Leasehold improvements | $ 30,817,856 |
| Furniture, fixtures and equipment | 42,917,557 |
| | 73,735,413 |
| Less: Accumulated depreciation and amortization | (45,121,092) |
| | $ 28,614,321 |

Depreciation and amortization expense for the year ended January 1, 2023 was $5,842,236.

**Note D – Fair Value Measurements**

The Company does not have a material amount of financial assets or liabilities that are required under U.S. GAAP to be measured on a recurring basis at fair value. The Company is not a party to any material derivative financial instruments. The Company does not have a material amount of non-financial assets or non-financial liabilities that are required under U.S. GAAP to be measured at fair value on a recurring basis. The Company has not elected to use the fair value measurement option, as permitted under U.S. GAAP, for any assets or liabilities for which fair value measurement is not presently required. The Company believes the fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amounts due to their short duration. Due to the negotiation of its promissory note close to its fiscal year-end, the Company believes that the fair value of its Related party note payable approximates carrying value. The fair value of the related party note payable, which is classified as Level 2 in the fair value hierarchy, is determined based on market prices or, if market prices are not available, the present value of the underlying cash flows discounted at our incremental borrowing rates.

**Note E – Financing Obligations**

**Promissory Note**

On November 10, 2022, the Company entered into a promissory note with a related party (“Promissory Note”). The Promissory Note’s original draw repaid the Company’s outstanding revolving line of credit and interest and allows for additional unspecified amount of advances upon request. The Promissory Note has a fixed interest rate of 9.5% accruing daily. Interest accretes to the outstanding balance. The Promissory Note has a maturity date of November 10, 2027, allows for prepayments and requires mandatory prepayment in the event of sale, public offering or liquidation. As of January 1, 2023, the Promissory Note had an outstanding balance of $19,553,963, including $403,963 in accreted interest.

**Revolving Line of Credit**

On April 20, 2021, the Company entered into a $20,000,000 revolving credit loan authorization agreement with BMO Harris Bank N.A. ("BMO Agreement"). The BMO Agreement did not have a stated maturity and was due on demand. Interest on the BMO borrowings was paid quarterly at interest rates based on either LIBOR + 2.5% or Prime rate minus 0.25%. This revolving line of credit was fully repaid the balance upon executing the Promissory Note.

**Note F – Exit Activities and Operating Lease Obligations**

The Company periodically evaluates the performance of its operating restaurants. In fiscal 2022, the Company closed one location upon expiration of the lease. The costs incurred to close the restaurants in fiscal 2022 primarily relate to demarking the restaurants, removing equipment and lease termination and are included in restaurant exit costs on the accompanying consolidated statements of operations.

In fiscal 2022, the Company entered into an early lease termination agreement on a closed location. At January 1, 2023, the balance amounted to approximately $808,000 and is included in lease exit obligation on the accompanying consolidated balance sheet.

Closed restaurant operating expenses, net of sublease income, totaling $30,287 for the year ended January 1, 2023 are included as restaurant exit cost in the accompanying consolidated statement of operations.

**Note G – Operating Leases**

The Company leases restaurant facilities and equipment under non-cancelable operating leases having initial terms of 10 to 20 years for facilities and 2 to 3 years for equipment. Most of these restaurant facility leases also have renewal clauses of 5-10 years exercisable at the option of the Company while the equipment leases have 1 year renewals. Certain leases contain contingent rent, determined as a percentage of sales as defined in the applicable lease agreement and obligate the Company to pay occupancy costs such as property taxes, insurance and utilities. Variable lease payments, if any, included in rent expense consist of contingent rent, rent payments based on changes in an index and occupancy related costs such as common area maintenance expenses and property taxes. The Company includes renewal periods in its operating lease commitment when the renewals are considered reasonably assured of being exercised. We elected the package of practical expedients permitted under the transition guidance within Topic 842, which allowed us to carry forward prior conclusions about lease identification, classification and initial direct costs for leases entered into prior to adoption of Topic 842. Additionally, we elected to not separate lease and non-lease components for all of our leases. For leases with a term of 12 months or less, we elected the short-term lease exemption, which allowed us to not recognize right-of-use assets or lease liabilities for qualifying leases existing at transition and new leases we may enter into in the future.

Upon transition, on January 3, 2022. The Company recorded the following increases (decreases) to the respective line items on the Consolidated Balance Sheet:

| | Adjustment as of January 3, 2022 |
|---|---|
| Right of use assets, net | $ 44,608,885 |
| Lease exit obligation | (3,903,352) |
| Other Liabilities | (2,374,333) |
| Deferred rent | (5,559,393) |
| Operating lease liability | 57,906,136 |
| Retained earnings | 379,666 |

Supplemental information related to the operating lease liability is as follows:

| Fiscal year ending | January 1, 2023 |
|---|---|
| Operating leases, property | $ 52,321,563 |
| Operating leases, equipment | 109,158 |
| Total operating leases | 52,430,721 |
| Current portion of operating leases, property | (12,478,646) |
| Current portion of operating leases, equipment | (62,396) |
| Total current portion | (12,541,042) |
| Long-term portion | $ 39,889,679 |
| | |
| Weight average remaining term in years | |
| Operating leases, property | 4.5 |
| Operating leases, equipment | 1.4 |
| Weight average discount rate | |
| Operating leases, property | 5.00% |
| Operating leases, equipment | 5.00% |

Maturities of the operating lease liabilities is as follows at January 1, 2023:

| Fiscal year ending | Operating Leases Property | Operating Leases Equipment | Total |
|---|---|---|---|
| 2023 | $ 12,762,463 | $ 63,753 | $ 12,826,216 |
| 2024 | 12,023,569 | 39,563 | 12,063,132 |
| 2025 | 10,844,362 | 11,396 | 10,855,758 |
| 2026 | 9,541,776 | - | 9,541,776 |
| 2027 | 9,067,927 | - | 9,067,927 |
| Thereafter | 7,365,138 | - | 7,365,138 |
| Total lease payments | 61,605,235 | 114,712 | 61,719,947 |
| Less amount representing interest | (9,283,672) | (5,554) | (9,289,226) |
| Present value of lease liabilities | 52,321,563 | 109,158 | 52,430,721 |
| Less current portion | (12,478,646) | (62,396) | (12,541,042) |
| Long-term portion of lease liabilities | $ 39,842,917 | $ 46,762 | $ 39,889,679 |

In April 2020, the FASB issued guidance allowing entities to make a policy election whether to account for lease concessions related to the COVID-19 pandemic as lease modifications. The election applies to any lessor-provided lease concession related to the impact of the COVID-19 pandemic, provided the concession does not result in a substantial increase in the rights of the lessor or in the obligations of the lessee. For the year ended December 27, 2020, the Company was granted approximately $2,100,000 in non-substantial lease concessions in the form of rent payment deferrals related to the COVID-19 pandemic. The deferrals require monthly repayment primarily through December 31, 2021. All deferrals had been repaid by January 2, 2023. The Company elected to not account for these rent concessions as lease modifications.

**Note H – Concentrations**

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents. The Company maintains cash balances at financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC"). Balances may, at times, exceed FDIC insurance limits.

The Company has agreements with one primary distributor for the delivery of food items and supplies which are purchased from multiple vendors but warehoused at the distributor's facilities. This distributor provided for approximately 90.0% of food shipments (approximately $41.8 million) during the year ended January 1, 2023. The Company does not anticipate any interruption in deliveries from this distributor. In the event deliveries were disrupted for any reason, management believes alternative sources for shipment of purchases are available. In addition, the Company has suppliers that provide products or services to the restaurants. Management believes numerous alternative suppliers exist and no disruption is anticipated.

**Note I – Income Taxes**

The Company's income tax expense was comprised of the following:

| | Year End January 1, 2023 |
|---|---|
| Current: | |
| Federal | $ - |
| State | 40,338 |
| | 40,338 |
| Deferred: | |
| Federal | 25,259 |
| | $ 25,259 |

The Company accounts for income taxes whereby deferred income tax assets and liabilities are computed annually for differences between the financial reporting and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax rates and laws applicable to periods in which the differences are expected to affect taxable income.

The components of the deferred tax assets and liability at January 1, 2023 was as follows:

| | January 1, 2023 |
|---|---|
| Deferred income tax assets: | |
| Amortization of intangibles | $ 31,446 |
| Lease termination | 208,898 |
| Lease liabilities | 13,540,496 |
| Tax credit carryforwards | 17,326,065 |
| Net operating loss carryforward | 3,238,194 |
| Accrued payroll | 317,035 |
| Insurance reserves | 155,223 |
| 163(j) interest limitation | 224,929 |
| Other | 302,215 |
| | 35,344,501 |
| | |
| Deferred income tax liability: | |
| Right of use assets | (10,100,530) |
| Property and equipment depreciation | (3,244,261) |
| | (13,344,791) |
| | |
| | 21,999,710 |
| Less: Valuation allowance | (22,282,486) |
| Net deferred income tax liability | $ (282,776) |

A valuation allowance is utilized to reduce the carrying amount of deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of January 1, 2023, the Company has a deferred tax liability of $282,775 representing the benefit management has estimated will more likely than not be realized. After consideration of all of the evidence, both positive and negative, management has determined that a valuation allowance at January 1, 2023 is necessary to reserve for its deferred tax assets.

The income tax rate for the year ended January 1, 2023 was primarily impacted by tax credits and an increase to the valuation allowance.

As of January 1, 2023, the Company estimates indefinite pre-tax net operating loss carryforwards of approximately $11,324,000 and pre-tax state and city net operating loss carryforwards of approximately $987,000. The Company’s net operating losses are not subject to annual Section 382 limitations due to lack of ownership changes impacting the future realization.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Increases or decreases to the unrecognized tax benefits could result from management’s belief that a position can or cannot be sustained upon examination based on subsequent information or potential lapse of the applicable statute of limitation for certain tax positions.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The table below summarizes the open tax years and ongoing examinations in major jurisdictions as of January 1, 2023:

| Jurisdiction | Open Years | In Process |
|---|---|---|
| United States – Federal Income Tax | 2019-2022 | N/A |
| United States – various states | 2019-2022 | N/A |

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of January 1, 2023, the Company had no material uncertain tax positions and provisions for interest or penalties related to uncertain tax positions.

On March 27, 2020, former President Trump signed into law the CARES Act. The legislation enacts various measures to assist companies affected by the COVID-19 pandemic. Key income tax-related provisions of the bill include temporary modifications to net operating loss utilization and carryback limitations, allowance of refundable alternative minimum tax credits, reduced limitation of charitable contributions, reduced limitation of business interest expense, and technical corrections to depreciation of qualified improvement property.

The Company continues to evaluate the impact from the passage of the CARES Act in the financial statements as of January 1, 2023. The Company utilized deferred payments of payroll tax which amounted to accrual of $0 as of January 1, 2023. Other new tax regulations under the CARES Act do not have a material impact on the financial statements. The Company has also reviewed the effects of the Act in determining the realizability of its deferred tax assets and did not change its conclusion that a valuation allowance is needed.

On December 27, 2020, former President Trump signed into law the Consolidated Appropriations Act, an omnibus spending bill that includes an array of COVID-related tax relief for individuals and businesses. The tax-related measures contained in the Act revise and expand provisions enacted earlier in the year by the Families First Coronavirus Response Act and the CARES Act. The Act also extends a number of expiring tax provisions. Additionally, the Act provides for a 100% deduction for certain business meals incurred in calendar year 2022, which were deductible at 50% for year ended December 31, 2020. The Company determined that income tax effects related to the passage of the Consolidated Appropriations Act were not material to the financial statements for the year ended January 1, 2023.

On August 16, 2022, the Inflation Reduction Act of 2022 (the “IR Act”) was signed into federal law. The act includes the largest-ever U.S. investment committed to combat climate change, allocating $369 billion to energy security and clean energy programs over the next 10 years, including provisions incentivizing manufacturing of clean energy equipment. Starting on January 1, 2023, the IR Act imposed a 15% alternative minimum tax (AMT) on corporations with book income in excess of $1 billion. The Company is not expected to be subject to the new excise and AMT tax requirements. The Inflation Reduction Act of 2022 will not have a significant impact on the Company’s financial statements.

**Note J –Contingencies**

The Company’s management and its legal counsel assess contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, management and the Company’s legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s consolidated financial statements. If the assessment indicates that a loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees or may materially adversely affect the financial position of the Company, in which case the nature of the guarantee or other matter would be disclosed. The Company does not believe any reserves need to be established for any of the periods presented.

**Note K – Related Party Transactions**

On December 31, 2007, the Company entered into a management services agreement ("Services Agreement") with Sun Capital Partners Management V, LLC ("Sun"), a related party. The management fee and other reimbursable expenses paid to Sun during the fiscal year ended January 1, 2023 are included in selling, general and administrative expense in the accompanying consolidated statements of operations.

As disclosed in Note E, the Company entered into a promissory note with Sun Barbecue, LLC to refinance its existing debt and repay the Company's outstanding revolving line of credit and interest for a total borrowing of approximately $19,292,000.

**Note L – Subsequent Events**

Management has evaluated subsequent events for potential disclosure in or adjustment to the consolidated financial statements through April 14, 2023, the date that the accompanying consolidated financial statements were available to be issued.

# Twin Hospitality Group Inc.

**Class A Common Stock**
(par value $0.0001 per share)

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**INFORMATION STATEMENT**

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**The date of this Information Statement is , 2024**