

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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Fat Brands, Inc

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 21, 2020

FAT Brands Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38250
(Commission
File Number)

82-1302696
(IRS Employer
Identification No.)

9720 Wilshire Blvd., Suite 500
Beverly Hills, CA
(Address of Principal Executive Offices)

90212
(Zip Code)

Registrant's Telephone Number, Including Area Code: (310) 319-1850

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001 per share	FAT	The Nasdaq Stock Market LLC
Series B Cumulative Preferred Stock, par value \$0.0001 per share	FATBP	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	FATBW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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. [X]

Item 1.01 Entry Into a Material Definitive Agreement.

On September 21, 2020 (the “**Closing Date**”), FAT Brands Inc. (the “**Company**”) completed the issuance and sale in a private offering of \$40.0 million in principal amount of Series 2020-2 9.75% Fixed Rate Subordinated Secured Notes, Class M-2 (the “**Class M-2 Notes**”) through the Company’s whole business securitization facility established under its special purpose subsidiary, FAT Brands Royalty I, LLC, a Delaware limited liability company (the “**Issuer**”). The Class M-2 Notes were issued pursuant to the Base Indenture, dated as of March 6, 2020 (the “**Base Indenture**”), as amended by the Series 2020-2 Supplement, dated as of the Closing Date (the “**Series 2020-2 Supplement**”), by and among the Company and UMB Bank, N.A., as trustee (in such capacity, the “**Trustee**”), and Supplement Number One, by and among the Company and the Trustee (“**Supplement One**”).

Scheduled payments of interest on the Class M-2 Notes are required to be made on a quarterly basis commencing in October 2020 and principal on a quarterly basis commencing in July 2021, in each case from amounts that are available for payment thereon under the Base Indenture. The legal final maturity date of the Class M-2 Notes is April 27, 2026. If the Issuer has not repaid or refinanced the Class M-2 Notes prior to April 2026, additional interest will accrue thereon in an amount equal to the greater of (i) 5.00% per annum and (ii) a per annum interest rate equal to the amount, if any, by which the sum of the following exceeds the original interest rate on the Class M-2 Notes: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the Class M-2 anticipated repayment date of the United States Treasury security having a term closest to 5 years plus (y) 5.0%, plus (z) 9.48%.

The Class M-2 Notes are subordinated to the Class A-2 Notes and Class B-2 Notes issued by the Issuer in March 2020. All Notes issued under the Base Indenture, including the Class M-2 Notes, are secured by a security interest in substantially all of the assets of the Issuer, including the Johnny Rockets companies contributed to the Issuer on the Closing Date (discussed further in Item 2.01 below), and are obligations only of the Issuer under the Base Indenture and not obligations of the Company.

The Class M-2 Notes are subject to customary rapid amortization events provided for in the Base Indenture, including events tied to failure to maintain stated debt service coverage ratios, the sum of system wide retail sales for all stores being below certain levels, certain manager termination events, an event of default and the failure to repay or refinance the Class M-2 Notes on the scheduled maturity date. Rapid amortization events may be cured in certain circumstances, upon which cure, regular amortization will resume. The Class M-2 Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Class M-2 Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments.

The foregoing summary of the issuance of Class M-2 Notes does not purport to be complete and is subject to, and qualified in its entirety by reference to, the complete copies of the Base Indenture, Series 2020-2 Supplement (including the form of Class M-2 Notes), and Supplement One, copies of which are filed or incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On the Closing Date, the Company completed its previously announced purchase of the Johnny Rockets branded restaurants and franchising business through the acquisition of Johnny Rockets Holding Co., a Delaware corporation (“**Johnny Rockets**”), from Sundae Group Holdings I, LLC pursuant to a Stock Purchase Agreement (the “**Purchase Agreement**”) dated August 12, 2020.

Upon the terms and conditions of the Purchase Agreement, on September 21, 2020 the Company purchased all of the outstanding shares of capital stock of Johnny Rockets for a purchase price of approximately \$24.6 million (as adjusted and paid pursuant to the terms of the Purchase Agreement), which was paid from the proceeds of the sale of Class M-2 Notes. The purchase price was subject to certain adjustments, including with respect to net working capital, Johnny Rockets’ cash on hand, tax liabilities and outstanding indebtedness as of the closing and certain transaction expenses payable at closing, all of which were estimated at closing and will be finalized no later than no later than 75 days after the closing.

Immediately following the closing of the acquisition of Johnny Rockets, the Company contributed to the Issuer the restaurant franchising business of Johnny Rockets through the contribution of Johnny Rockets Licensing, LLC and Johnny Rockets Licensing Canada, LLC to the Issuer pursuant to a Contribution Agreement. These companies also entered into a joinder to the existing Management Agreement, dated March 6, 2020, by and among the Company and the Issuer, pursuant to which the Company acts as manager of the Issuer and performs certain franchising, distribution, intellectual property and operational functions on behalf of the Issuer’s various restaurant franchising subsidiaries. The Management Agreement provides for a management fee payable monthly by the Issuer to the Company in the amount of \$200,000, subject to three percent (3%) annual increases.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities

The issuance of Class M-2 Notes on the Closing Date was exempt from registration under the Securities Act of 1933, as amended (the “**Securities Act**”), pursuant to Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D thereunder.

Item 7.01 Regulation FD Disclosure

The Company issued a press release on September 22, 2020 announcing the completion of the acquisition of Johnny Rockets, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. The information in the attached press release is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

If required by Item 9.01(a), the Company will file the financial statements of Johnny Rockets as part of an amendment to this Current Report on Form 8-K no later than 71 calendar days after the required filing date for this Current Report on Form 8-K.

(b) Pro Forma Financial Information.

If required by Item 9.01(b), the Company will file pro forma financial information as an amendment to this Current Report on Form 8-K no later than 71 days after the required filing date for this Current Report on Form 8-K.

(d) Exhibits.

Exhibit No.	Description
2.1 *	Stock Purchase Agreement, dated August 12, 2020, by and between FAT Brands Inc. and Sundae Group Holdings I, LLC (incorporated by reference to Exhibit 2.1 to the registrant’s Current Report on Form 8-K filed on August 17, 2020).
4.1	Base Indenture, dated March 6, 2020, by and among FAT Brands Royalty I, LLC, and UMB Bank, N.A., as trustee and securities intermediary (incorporated by reference to Exhibit 4.1 to the registrant’s Current Report on Form 8-K filed on March 12, 2020).

- 4.2 * [Series 2020-2 Supplement to Base Indenture, dated September 21, 2020, by and among FAT Brands Royalty I, LLC, and UMB Bank, N.A., as trustee.](#)
- 4.3 [Supplement Number One to Base Indenture, dated September 21, 2020, by and among FAT Brands Royalty I, LLC, and UMB Bank, N.A., as trustee.](#)
- 10.1 [Management Agreement, dated March 6, 2020, by and among FAT Brands Inc., FAT Brands Royalty I, LLC, each of the Franchise Entities named therein and the Trustee \(incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on March 12, 2020\).](#)
- 99.1 [Press release dated September 22, 2020.](#)

* This filing excludes certain schedules and exhibits pursuant to Item 601(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: September 25, 2020

FAT Brands Inc.

By: */s/ Andrew A. Wiederhorn*

Andrew A. Wiederhorn
Chief Executive Officer

FAT BRANDS ROYALTY I, LLC,

as Issuer

and

UMB BANK, N.A.,

as Trustee

SERIES 2020-2 SUPPLEMENT

Dated as of September 21, 2020

to

BASE INDENTURE

Dated as of March 6, 2020

\$40,000,000 Series 2020-2 9.75% Fixed Rate Subordinated Secured Notes, Class M-2

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EXHIBITS

Exhibit A-1	Form of Rule 144A Global Note
Exhibit A-2	Form of Temporary Regulation S Global Note
Exhibit A-3	Form of Permanent Regulation S Global Note
Exhibit B-1	Transfer Certificate (Rule 144A Global Note to Temporary Regulation S Global Note)
Exhibit B-2	Transfer Certificate (Rule 144A Global Note to Permanent Regulation S Global Note)
Exhibit B-3	Transfer Certificate (Regulation S Global Note to Rule 144A Global Note)
Exhibit C	Form of Quarterly Noteholders' Report

SERIES 2020-2 SUPPLEMENT, dated as of September 21, 2020 by and among FAT BRANDS ROYALTY I, LLC (the “Issuer”), and UMB Bank, N.A., as trustee (in such capacity, the “Trustee”), to the Base Indenture, dated as of March 6, 2020 (as amended by that certain Supplement Number One, dated September 21, 2020, by and among the Issuer and the Trustee, as may be further 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 the Series 2020-2 Supplement, and such Series of Notes shall be designated as the Series 2020-2 Class M-2 Notes. On the Series 2020-2 Closing Date, one (1) Class of Notes of such Series shall be issued as follows: Series 2020-2 9.75% Fixed Rate Subordinated Secured Notes, Class M-2 (as referred to herein, such Class or Notes thereof, as the context requires, the “Series 2020-2 Class M-2 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 2020-2 Supplemental Definitions List attached hereto as Annex A (the “Series 2020-2 Supplemental Definitions List”) as such Series 2020-2 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 the Series 2020-2 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 2020-2 Class M-2 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 the Series 2020-2 Supplement.

ARTICLE II

AUTHORIZATION AND DETAILS

Section 2.1 Authorization of the Series 2020-2 Class M-2 Notes. The Series 2020-2 Class M-2 Notes in the aggregate principal amount of \$40,000,000.00 are hereby authorized to be issued in the form of typewritten Notes representing Book-Entry Notes.

Section 2.2 Details of the Series 2020-2 Class M-2 Notes. The Series 2020-2 Class M-2 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 2020-2 Supplement. The Series 2020-2 Class M-2 Notes shall be issued at a purchase price equal to 92.00% of the principal amount of such Notes.

Section 2.3 Denominations. The Series 2020-2 Class M-2 Notes shall be issued in minimum denominations of \$1,000,000.00 and 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 2020-2 Class M-2 Legal Final Maturity Date are as set forth in Annex B of this Series 2020-2 Supplement.

ARTICLE III

SERIES 2020-2 ALLOCATIONS; PAYMENTS

With respect to the Series 2020-2 Class M-2 Notes only, the following shall apply:

Section 3.1 Allocations of Net Proceeds with Respect to the Series 2020-2 Class M-2 Notes.

(a) On the Series 2020-2 Closing Date, the net proceeds from the issuance and sale of the Series 2020-2 Class M-2 Notes to the purchasers of the Series 2020-2 Class M-2 Notes shall be deposited into the Collection Account and disbursed by the Trustee in accordance with the instructions of the Issuer set forth in the Flow of Funds Memorandum of the Issuer dated as of September 21, 2020.

(b) On and after the Series 2020-2 Closing Date, proceeds of the Series 2020-2 Class M-2 Notes may be used for general corporate purposes of the Issuer and FAT Brands Inc., including the making of distributions and the stock acquisition of Johnny Rockets Holding Co. by FAT Brands Inc., all subject to the terms of the Base Indenture, including Section 8.18 thereof, and for the disbursements described in Section 3.1(a).

Section 3.2 Reserved.

Section 3.3 Certain Distributions to the Series 2020-2 Class M-2 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 to the Series 2020-2 Class M-2 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 fees and, to the extent applicable, principal or other amounts in respect of the Series 2020-2 Class M-2 Notes on such Quarterly Payment Date.

Section 3.4 Series 2020-2 Interest.

(a) Series 2020-2 Class M-2 Notes Interest. From the Series 2020-2 Closing Date until the Outstanding Principal Amount of the Series 2020-2 Class M-2 Notes has been paid in full, the Outstanding Principal Amount of the Series 2020-2 Class M-2 Notes will accrue interest for each Interest Accrual Period (after giving effect to all payments of principal made to the Series 2020-2 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 2020-2 Class M-2 Notes during such Interest Accrual Period) at the Series 2020-2 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 2020-2 Class M-2 Legal Final Maturity Date or on any other day on which all of the Series 2020-2 Class M-2 Outstanding Principal Amount is required to be paid in full. To the extent any interest accruing at the applicable Series 2020-2 Class M-2 Note Rate is not paid when due, such unpaid interest will accrue interest at the Series 2020-2 Class M-2 Note Rate. All computations of interest at the Series 2020-2 Class M-2 Note Rate shall be made on a 30/360 Day Basis.

(b) Series 2020-2 Post-ARD Additional Interest.

(i) Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest. From and after the Series 2020-2 Class M-2 Anticipated Repayment Date, if the Series 2020-2 Final Payment of the Class M-2 Notes has not been made, then additional interest will accrue on the Series 2020-2 Class M-2 Outstanding Principal Amount at a per annum rate (the "Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest Rate") equal to the greater of (as determined by the Manager): (A) 5.0% and (B) the amount, if any, by which the sum of the following exceeds the applicable Series 2020-2 Class M-2 Note Rate: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the Series 2020-2 Class M-2 Anticipated Repayment Date of the United States Treasury security having a term closest to 5 years plus (y) 5.0%, plus (z) 9.48% (such additional interest, the "Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest"). All computations of Series 2020-2 Class M-2 Quarterly Post-ARD 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 2020-2 Class M-2 Quarterly Post-ARD Additional Interest. Any Series 2020-2 Class M-2 Quarterly Post-ARD 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 2020-2 Class M-2 Quarterly Post-ARD Additional Interest in excess of available amounts in accordance with the foregoing (including on the Series 2020-2 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 2020-2 Class M-2 Quarterly Post-ARD Additional Interest shall be due and payable in full on the Series 2020-2 Legal Final Maturity Date, on any Series 2020-2 Class M-2 Prepayment Date with respect to a prepayment in full of the Series 2020-2 Class M-2 Notes or otherwise as part of any Series 2020-2 Final Payment.

(c) Initial Interest Accrual Period. The initial Interest Accrual Period for the Series 2020-2 Class M-2 Notes shall commence on (and include) the Series 2020-2 Closing Date and end on (but exclude) October 5, 2020.

Section 3.5 Payment of Principal.

(a) Payment of Series 2020-2 Class M-2 Note Principal.

(i) Principal Payment at Legal Maturity. The Series 2020-2 Class M-2 Outstanding Principal Amount shall be due and payable in full on the Series 2020-2 Class M-2 Legal Final Maturity Date. The Series 2020-2 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 2020-2 Anticipated Repayment Date. The Series 2020-2 Class M-2 Final Payment Date is anticipated to occur on the Quarterly Payment Date occurring on April 27, 2026 (such date, the “Series 2020-2 Class M-2 Anticipated Repayment Date”).

(iii) Payment of Series 2020-2 Class M-2 Notes Scheduled Principal Payment Amounts. Series 2020-2 Class M-2 Notes Scheduled Principal Payment Amounts will be due and payable on each applicable Quarterly Payment Date, commencing with the Quarterly Payment Date occurring in July 2021 (the “Series 2020-2 Class M-2 Amortization Date”) and prior to the Series 2020-2 Class M-2 Anticipated Repayment Date, in accordance with Section 5.11 of the Base Indenture.

(b) Rapid Amortization of Series 2020-2 Class M-2 Notes.

During any Rapid Amortization Period, principal payments shall be due and payable on each Quarterly Payment Date on the Series 2020-2 Class M-2 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 2020-2 Class M-2 Noteholders within the Class based on their respective portion of the Series 2020-2 Outstanding Principal Amount of such Class.

(c) Optional Prepayment of Series 2020-2 Class M-2 Notes.

Subject to Section 3.5(f), the Issuer shall have the option to prepay (including with the proceeds of equity contributions) the Outstanding Principal Amount of the Series 2020-2 Class M-2 Notes in whole or in part (each such prepayment, a “Series 2020-2 Class M-2 Prepayment”) on any Quarterly Payment Date that is specified as the Series 2020-2 Class M-2 Prepayment Date in the applicable Prepayment Notice (each, an “Class M-2 Optional Prepayment Date”); provided that no such optional prepayment of the Series 2020-2 Class M-2 Notes may be made (i) prior to the Series 2020-2 Class M-2 Amortization Date and (ii) unless (a) the Series 2020-1 Class A-2 Notes (as defined in the Series 2020-1 Supplement) and the Class B-2 Notes (as defined in the Series 2020-1 Supplement) are each a Defeased Class (as defined in the Series 2020-1 Supplement) or (b) the Issuer simultaneously makes an optional prepayment of a principal amount of Series 2020-1 Class A-2 Notes and Series 2020-1 Class B-2 Notes in accordance with Section 5.12(c) of the Base Indenture and Section 3.5(d) of the Series 2020-1 Supplement at least equal to the lesser of: (A) with respect to the Series 2020-1 Class A-2 Notes, (x) the outstanding principal amount of the Series 2020-1 Class A-2 Notes and (y) principal amount of Series 2020-2 Class M-2 Notes that the Issuer has elected to prepay; and (B) with respect to the Series 2020-1 Class B-2 Notes, (x) the outstanding principal amount of the Series 2020-1 Class B-2 Notes and (y) principal amount of Series 2020-2 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 Senior Notes, second, to Senior Subordinated Notes and third, to Subordinated Notes; and provided further that the following conditions shall be satisfied:

(i) subject to Section 5.12(c) of the Base Indenture, in the case of a prepayment of the Series 2020-2 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 the Series 2020-2 Class M-2 Notes, are sufficient to pay the amount of such prepayment as of Quarterly Payment Date of such prepayment, 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

(ii) subject to Section 5.12(c) of the Base Indenture, in the case of an optional prepayment of the Series 2020-2 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 the Series 2020-2 Class M-2 Notes, are sufficient to pay all outstanding monetary Obligations (including unreimbursed Advances with interest thereon at the Advance Interest Rate) in respect of the Series 2020-2 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 the 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 Prepayment Condition Amounts, other than with respect to the Series 2020-2 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.

(d) 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 2020-2 Class M-2 Prepayment with respect to any Class pursuant to Section 3.5(e) to each Series 2020-2 Class M-2 Noteholder affected by such Series 2020-2 Class M-2 Prepayment, the Trustee and the Control Party; provided that at the request of the Issuer, such notice to the affected Series 2020-2 Class M-2 Noteholders shall be given by the Trustee in the name and at the expense of the Issuer.

(ii) With respect to each such Series 2020-2 Class M-2 Prepayment, the related Prepayment Notice shall, in each case, specify: (A) the Series 2020-2 Class M-2 Prepayment Date on which such prepayment will be made, which in all cases shall be a Business Day, and (B) the Series 2020-2 Class M-2 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(e) 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 Series 2020-2 Class M-2 Noteholders, to revoke, or amend the Series 2020-2 Class M-2 Prepayment Date set forth in, any Prepayment Notice relating to an optional prepayment at any time up to the fifth (5th) Business Day before the Series 2020-2 Class M-2 Prepayment Date set forth in such Prepayment Notice; provided that at the request of the Issuer, such notice to the affected Series 2020-2 Class M-2 Noteholders shall be given by the Trustee in the name and at the expense of the Issuer.

(e) Series 2020-2 Class M-2 Prepayments. Subject to Section 3.5(f), on each Series 2020-2 Class M-2 Prepayment Date with respect to any Series 2020-2 Class M-2 Prepayment, the Series 2020-2 Class M-2 Prepayment Amount shall be due and payable.

(f) Distributions of Optional Prepayments

(i) Distributions of Optional Prepayments of Series 2020-2 Class M-2 Notes.

(A) No later than five (5) Business Days prior to the Series 2020-2 Class M-2 Prepayment Date for each Series 2020-2 Class M-2 Prepayment to be made pursuant to Section 3.5(e), 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(c)(ii)(A) due and payable to the applicable Series 2020-2 Class M-2 Noteholders on such Series 2020-2 Class M-2 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 2020-2 Class M-2 Prepayment Date.

(B) On the Series 2020-2 Class M-2 Prepayment Date for each Series 2020-2 Class M-2 Prepayment to be made pursuant to Section 3.5(c), 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 2020-2 Class M-2 Prepayment Date and references to the Record Date shall be deemed to be references to the Prepayment Record Date), distribute to the Series 2020-2 Class M-2 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(f)(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(c)(ii)(A) due and payable on such Series 2020-2 Class M-2 Prepayment Date.

(g) Series 2020-2 Notices of Final Payment. The Issuer shall notify the Trustee and the Manager of the Series 2020-2 Final Payment Date of a Class of Notes on or before the Prepayment Record Date preceding such Series 2020-2 Class M-2 Prepayment Date; provided, however, that with respect to any Series 2020-2 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 2020-2 Final Payment beyond the notice required to be given in connection with such prepayment pursuant to Section 3.5(d). The Trustee shall provide any written notice required under this Section 3.5(g) to each Person in whose name such Series 2020-2 Class M-2 Notes are registered at the close of business on such Prepayment Record Date of the Series 2020-2 Class M-2 Prepayment Date that will be the Series 2020-2 Final Payment Date for such Class of Notes. Such written notice to be sent to the Series 2020-2 Class M-2 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 2020-2 Final Payment will be made and shall specify that such Series 2020-2 Final Payment will be payable only upon presentation and surrender of the related Series 2020-2 Class M-2 Notes, which such surrender shall also constitute a general release by the applicable Series 2020-2 Class M-2 Noteholder from any claims against the Issuer, the Manager, the Trustee and their affiliates, and shall specify the place where the related Series 2020-2 Class M-2 Notes may be presented and surrendered for such Series 2020-2 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 2020-2 Class M-2 Noteholders, by their acceptance of the Series 2020-2 Class M-2 Notes, consent to the provision of such reports and notices to the Trustee by the Manager in lieu of the Issuer.

ARTICLE IV
FORM OF SERIES 2020-2 NOTES

Section 4.1 Issuance of Series 2020-2 Class M-2 Notes.

(a) The Series 2020-2 Class M-2 Notes may be offered and sold in the applicable Series 2020-2 Class M-2 Initial Principal Amount on the Series 2020-2 Closing Date by the Issuer. The Series 2020-2 Class M-2 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 2020-2 Class M-2 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, all in accordance with the procedure described herein. The Series 2020-2 Class M-2 Notes will be Book-Entry Notes and DTC will be the Depository for the Series 2020-2 Class M-2 Notes. The Applicable Procedures shall be applicable to transfers of beneficial interests in the Series 2020-2 Class M-2 Notes.

(b) Global Notes.

(i) Rule 144A Global Notes. The Series 2020-2 Class M-2 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 the Series 2020-2 Class M-2 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 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 2020-2 Class M-2 Notes offered and sold on the Series 2020-2 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 2020-2 Class M-2 Note, such Series 2020-2 Class M-2 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 2020-2 Class M-2 Global Notes 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 2020-2 Class M-2 Global Notes shall be surrendered for cancellation at the applicable Corporate Trust Office.

Section 4.2 Transfer Restrictions of Series 2020-2 Class M-2 Notes.

(a) A Series 2020-2 Class M-2 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 a Series 2020-2 Class M-2 Note that is issued in exchange for a Series 2020-2 Class M-2 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 2020-2 Class M-2 Global Note effected in accordance with the other provisions of this Section 4.2.

(b) The transfer by a Series 2020-2 Class M-2 Note Owner holding a beneficial interest in a Series 2020-2 Class M-2 Note 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 2020-2 Class M-2 Note Owner holding a beneficial interest in a Series 2020-2 Class M-2 Note 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 2020-2 Class M-2 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 2020-2 Class M-2 Note Owner holding a beneficial interest in a Rule 144A Global Note 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 2020-2 Class M-2 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 2020-2 Class M-2 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 2020-2 Class M-2 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 2020-2 Class M-2 Global Note or any portion thereof is exchanged for Series 2020-2 Class M-2 Notes other than Series 2020-2 Class M-2 Global Notes, such other Series 2020-2 Class M-2 Notes may in turn be exchanged (upon transfer or otherwise) for Series 2020-2 Class M-2 Notes that are not Series 2020-2 Class M-2 Global Notes or for a beneficial interest in a Series 2020-2 Class M-2 Global Note (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 2020-2 Class M-2 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 2020-2 Class M-2 Note, interests in the Temporary Regulation S Global Notes representing such Series 2020-2 Class M-2 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 2020-2 Class M-2 Notes Rule 144A Global Notes, the Series 2020-2 Class M-2 Notes Temporary Regulation S Global Notes and the Series 2020-2 Class M-2 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 2020-2 CLASS M-2 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 FAT BRANDS ROYALTY I, LLC (THE “ISSUER”) HAVE 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 2020-2 CLASS M-2 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 FAT BRANDS INC., 9720 WILSHIRE BLVD., SUITE 500, BEVERLY HILLS, CA 90212, ATTN: ANDREW A. WIEDERHORN.

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.

(i) The Series 2020-2 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 2020-2 Class M-2 Notes except as provided herein. The legend required for a Series 2020-2 Rule 144A Global Note may be removed from such Series 2020-2 Class M-2 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 2020-2 Class M-2 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 2020-2 Rule 144A Global Note a Series 2020-2 Class M-2 Note or Series 2020-2 Class M-2 Notes having an equal aggregate principal amount that does not bear such legend. If such a legend required for a Series 2020-2 Rule 144A Global Note has been removed from a Series 2020-2 Class M-2 Note as provided above, no other Series 2020-2 Class M-2 Note issued in exchange for all or any part of such Series 2020-2 Class M-2 Note shall bear such legend, unless the Issuer have reasonable cause to believe that such other Series 2020-2 Class M-2 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 Note Owner Representations and Warranties. Each Person who becomes a Note Owner of a beneficial interest in a Series 2020-2 Class M-2 Note pursuant to the Offering Memorandum will be deemed to represent, warrant and agree on the date such Person acquires any interest in any Series 2020-2 Class M-2 Note as follows:

(a) With respect to any sale of Series 2020-2 Class M-2 Notes pursuant to Rule 144A, it is a QIB pursuant to Rule 144A, and is aware that any sale of Series 2020-2 Class M-2 Notes to it will be made in reliance on Rule 144A. Its acquisition of Series 2020-2 Class M-2 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 2020-2 Class M-2 Notes pursuant to Regulation S, at the time the buy order for such Series 2020-2 Class M-2 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, hold and transfer at least the minimum denomination of Series 2020-2 Class M-2 Notes set forth in Section 2.3 of this Series 2020-2 Supplement.

(d) It understands that the Issuer and the Manager may receive a list of participants holding positions in the Series 2020-2 Class M-2 Notes from one or more book-entry depositories.

(e) It understands that the Manager 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 2020-2 Class M-2 Notes notices of any restrictions on transfer of such Series 2020-2 Class M-2 Notes.

(g) It understands that: (i) the Series 2020-2 Class M-2 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 2020-2 Class M-2 Notes have not been registered under the 1933 Act, (iii) the Series 2020-2 Class M-2 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 2020-2 Class M-2 Note is required to, notify any subsequent purchaser of a Series 2020-2 Class M-2 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 acquiring or holding the Series 2020-2 Class M-2 Notes (or any interest therein) for or on behalf of, or with the assets of, Plan or a governmental, church, non-U.S. or other plan which is subject to any Similar Law or (ii) its acquisition, holding and disposition of the Series 2020-2 Class M-2 Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation under any Similar Law.

(l) It understands that any subsequent transfer of the Series 2020-2 Class M-2 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 2020-2 Class M-2 Notes or any interest therein except in compliance with, such restrictions and conditions and the 1933 Act.

(m) It is not a Competitor.

Section 4.4 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 144A 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 Series 2020-2 Class M-2 Noteholder or Note Owner with the representations, covenants or restrictions set forth in this Series 2020-2 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 2020-2 Class M-2 Notes to the Trustee, 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 the Series 2020-2 Class M-2 Noteholders on such Quarterly Payment Date;

(ii) the amount of such distribution allocable to the payment of interest on each Class of the Series 2020-2 Class M-2 Notes;

(iii) the amount of such distribution allocable to the payment of principal of each Class of the Series 2020-2 Class M-2 Notes;

(iv) 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;

(v) the DSCR for such Quarterly Payment Date and the three Quarterly Payment Dates immediately preceding such Quarterly Payment Date; and

(vi) the amount of FAT Brands Systemwide Sales as of the related Quarterly Calculation Date.

Any Series 2020-2 Class M-2 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 the Series 2020-1 Supplement and the Series 2020-2 Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by the Series 2020-2 Supplement shall be read, taken and construed as one and the same instrument.

Section 5.4 Reserved.

Section 5.5 Counterparts. The Series 2020-2 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. THE SERIES 2020-2 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. The Series 2020-2 Supplement may not be modified or amended except in accordance with the terms of the Base Indenture.

Section 5.8 Termination of Series 2020-2 Supplement; Defeasance.

(a) This Series 2020-2 Supplement shall cease to be of further effect when (i) all Outstanding Series 2020-2 Class M-2 Notes theretofore authenticated and issued have been delivered (other than destroyed, lost, or stolen Series 2020-2 Class M-2 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 the Series 2020-2 Supplement required for the Series 2020-2 Final Payment to be made shall survive until the Series 2020-2 Final Payment is paid to the Series 2020-2 Class M-2 Noteholders. In accordance with Section 6.1(a) of the Base Indenture, the final principal payment due on each Series 2020-2 Class M-2 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 the Series 2020-2 Class M-2 Notes (the “Defeased Class”) as provided hereunder, the Obligations of the Issuer 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 2020-2 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 2020-2 Supplement.

Section 5.10 Entire Agreement. The Series 2020-2 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 2020-2 Supplement and the other Transaction Documents *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the Issuer and the Trustee have caused the Series 2020-2 Supplement to be duly executed by its respective duly authorized officer as of the day and year first written above.

FAT BRANDS ROYALTY I, LLC, as Issuer

By: FAT Brands Inc.
Its: Manager

By: */s/ Andrew A. Wiederhorn*

Name: Andrew A. Wiederhorn

Title: Chief Executive Officer

Signature Page to Series 2020-2 Supplement to the Base
Indenture FAT Brands Royalty I, LLC

UMB BANK, N.A., in its capacity as Trustee

By: */s/ Michele Voon*

Name: Michele Voon

Title: Vice President

Signature Page to Series 2020-2 Supplement to the Base Indenture
FAT Brands Royalty I, LLC

CONSENT OF CONTROL PARTY:

The undersigned, as Control Party, hereby consents to the execution and delivery of this Series 2020-2 Supplement by the parties hereto, and as Control Party hereby directs the Trustee to execute and deliver this Series 2020-2 Supplement.

CITADEL SPV LLC, in its capacity as Control Party

By: /s/ Orlando Figueroa

Name: Orlando Figueroa

Title: Senior Managing Director

Signature Page to Series 2020-2 Supplement to the Base Indenture
FAT Brands Royalty I, LLC

SERIES 2020-2SUPPLEMENTAL 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.

“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 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.

“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 2020-2 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 2020-2 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 4.8(b) of the Series 2020-2 Supplement.

Annex A-1

“Definitive Notes” has the meaning set forth in Section 4.1(c) of the Series 2020-2 Supplement.

“DTC” means The Depository Trust Company, and any successor thereto.

“Euroclear” Euroclear Bank, S.A./N.A., or any successor thereto, as operator of Euroclear System.

“Initial Quarterly Payment Date” means October 26, 2020.

“Official Body” has the meaning set forth in the definition of “Change in Law.”

“Outstanding Principal Amount” means with respect to any one or more Series, Classes, Subclasses or Tranches of Notes, as applicable at any time, the aggregate principal amount Outstanding of such Notes at such time.

“Permanent Regulation S Global Notes” has the meaning set forth in Sections 4.1(b) of the Series 2020-2 Supplement.

“Prepayment Condition Amounts” means, 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(e) of the Series 2020-2 Supplement.

“Prepayment Record Date” means, with respect to the date of any Series 2020-2 Class M-2 Prepayment, the last day of the calendar month immediately preceding the date of such Series 2020-2 Class M-2 Prepayment unless such last day is less than ten (10) Business Days prior to the date of such Series 2020-2 Class M-2 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 2020-2 Class M-2 Prepayment.

“Private Placement Memorandum” means the Private Placement Memorandum for the offering of the Series 2020-2 Class M-2 Notes, dated September 21, 2020, prepared by the Issuer.

“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.

“Restricted Period” means, with respect to any Series 2020-2 Class M-2 Notes sold pursuant to Regulation S, the period commencing on such Series 2020-2 Closing Date and ending on the 40th day after the Series 2020-2 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 the Series 2020-2 Supplement.

“Series 2020-1 Supplement” means the Series 2020-1 Supplement dated as of March 6, 2020 to the Base Indenture.

“Series 2020-2 Class M-2 Amortization Date” has the meaning set forth in Section 3.5(a)(iii) of the Series 2020-2 Supplement.

“Series 2020-2 Class M-2 Anticipated Repayment Date” has the meaning set forth in Section 3.5(a)(ii) of the Series 2020-2 Supplement. For purposes of the Base Indenture, the “Series 2020-2 Class M-2 Anticipated Repayment Date” shall be deemed to be a “Series Anticipated Repayment Date”.

“Series 2020-2 Class M-2 Initial Principal Amount” means, the aggregate initial outstanding principal amount of the Class M-2 Notes as of the 2020-2 Closing Date, which is \$40,000,000.

“Series 2020-2 Class M-2 Legal Final Maturity Date” means the Quarterly Payment Date occurring on April 27, 2026. For purposes of the Base Indenture, the “Series 2020-2 Class M-2 Legal Final Maturity Date” shall be deemed to be a “Series Legal Final Maturity Date.”

“Series 2020-2 Class M-2 Note Rate” means 9.75% per annum, compounded monthly.

“Series 2020-2 Class M-2 Noteholder” means the Person in whose name a Series 2020-2 Class M-2 Note is registered in the Note Register.

“Series 2020-2 Class M-2 Notes” has the meaning specified in the “Designation” of the Series 2020-2 Supplement.

“Series 2020-2 Class M-2 Notes Scheduled Principal Payment Amount” means, on each Quarterly Payment Date following the Series 2020-2 Class M-2 Amortization Date and prior to the Series 2020-2 Class M-2 Anticipated Repayment Date, an amount equal to one half percent (0.5%) of the Series 2020-2 Class M-2 Initial Principal Amount through the Quarterly Payment Date occurring on April 25, 2023 and commencing thereafter, an amount equal to eight percent (8.0%) of the Series 2020-2 Class M-2 Initial Principal Amount. For purposes of the Base Indenture, the “Series 2020-2 Class M-2 Notes Scheduled Principal Payment Amounts” shall be deemed to be “Scheduled Principal Payments”.

“Series 2020-2 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 2020-2 Class M-2 Notes and (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Series 2020-2 Class M-2 Notes Scheduled Principal Payments with respect to the Series 2020-2 Class M-2 Notes on such Quarterly Payment Date is less than (b) the sum of (i) the Series 2020-2 Class M-2 Notes Scheduled Principal Payment Amount due and payable, if any, on such Quarterly Payment Date plus any Series 2020-2 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 2020-2 Class M-2 Notes, the amount of such deficiency.

“Series 2020-2 Class M-2 Outstanding Principal Amount” means, on any date, an amount equal to (a) the Series 2020-2 Class M-2 Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to the payment of Series 2020-2 Class M-2 Notes Scheduled Principal Payments Amounts, a prepayment, a purchase and cancellation, a redemption or otherwise) made to the Series 2020-2 Class M-2 Noteholders on or prior to such date. For purposes of the Base Indenture, the “Series 2020-2 Class M-2 Outstanding Principal Amount” shall be deemed to be an “Outstanding Principal Amount.”

“Series 2020-2 Class M-2 Prepayment” has the meaning set forth in Section 3.5(d)(i) of the Series 2020-2 Supplement.

“Series 2020-2 Class M-2 Quarterly Interest Amount” means, for each Interest Accrual Period, an amount equal to the accrued interest at the applicable Series 2020-2 Class M-2 Note Rate on the Series 2020-2 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 2020-2 Class M-2 Noteholders as of such day and also giving effect to prepayments, repurchases and cancellations of Series 2020-2 Class M-2 Notes during such Interest Accrual Period). For purposes of the Base Indenture, “Series 2020-2 Class M-2 Quarterly Interest Amount” shall be deemed to be a “Subordinated Notes Quarterly Interest Amount.”

“Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest” has the meaning set forth in Section 3.5(b)(i) of the Series 2020-2 Supplement. For purposes of the Base Indenture, Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest shall be deemed to be “Subordinated Notes Quarterly Post-ARD Additional Interest.”

“Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest Rate” has the meaning set forth in Section 3.5(b)(i) of the Series 2020-2 Supplement.

“Series 2020-2 Closing Date” means September 21, 2020.

“Series 2020-2 Final Payment” means as to any Class of Notes, the payment of all accrued and unpaid interest on and principal of all Outstanding Series 2020-2 Class M-2 Notes of such Class.

“Series 2020-2 Final Payment Date” means as to any Class of Notes, the date on which the Series 2020-2 Final Payment with respect to such Class is made.

“Series 2020-2 Class M-2 Global Notes” means, collectively, the Regulation S Global Notes and the Rule 144A Global Notes.

“Series 2020-2 Class M-2 Prepayment Amount” means the aggregate principal amount of the Series 2020-2 Class M-2 Notes to be prepaid on any Series 2020-2 Class M-2 Prepayment Date, together with all accrued and unpaid interest thereon to such date.

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“Series 2020-2 Class M-2 Prepayment Date” means the date on which any prepayment on the Series 2020-2 Class M-2 Notes is made pursuant to Section 3.5(d) of the Series 2020-2 Supplement, which shall be, with respect to any Series 2020-2 Class M-2 Prepayment Amount pursuant to Section 3.5(d), the Quarterly Payment Date specified as such in the applicable Prepayment Notice.

“Series 2020-2 Supplement” means this Series 2020-2 Supplement, dated as of the Series 2020-2 Closing Date by and among the Issuer and Trustee, as amended, supplemented or otherwise modified from time to time.

“Similar Law” means any federal, state, local, or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

“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 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.

“Temporary Regulation S Global Notes” has the meaning set forth in Section 4.2(b) of the Series 2020-2 Supplement.

“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 (Except for one 14 week quarter ending December 31, 2023)	All included in each respective quarterly collection period			20th Calendar Day of Month in which Quarterly Payment	4 Business Days Prior to Quarterly	3 Business Days Prior to Quarterly	25th Calendar Day of the following Months (April, July, October, January) (if not Business Day, following Business Day)
	Month 1	Month 2	Month 3	Date Falls	Payment Date	Payment Date	Payment Date
Sunday, September 27, 2020	Sunday, July 26, 2020	Sunday, August 23, 2020	Sunday, September 27, 2020	Tuesday, October 20, 2020	Tuesday, October 20, 2020	Wednesday, October 21, 2020	Monday, October 26, 2020
Sunday, December 27, 2020	Sunday, October 25, 2020	Sunday, November 22, 2020	Sunday, December 27, 2020	Wednesday, January 20, 2021	Tuesday, January 19, 2021	Wednesday, January 20, 2021	Monday, January 25, 2021
Sunday, March 28, 2021	Sunday, January 24, 2021	Sunday, February 21, 2021	Sunday, March 28, 2021	Tuesday, April 20, 2021	Tuesday, April 20, 2021	Wednesday, April 21, 2021	Monday, April 26, 2021
Sunday, June 27, 2021	Sunday, April 25, 2021	Sunday, May 23, 2021	Sunday, June 27, 2021	Tuesday, July 20, 2021	Tuesday, July 20, 2021	Wednesday, July 21, 2021	Monday, July 26, 2021
Sunday, September 26, 2021	Sunday, July 25, 2021	Sunday, August 22, 2021	Sunday, September 26, 2021	Wednesday, October 20, 2021	Tuesday, October 19, 2021	Wednesday, October 20, 2021	Monday, October 25, 2021
Sunday, December 26, 2021	Sunday, October 24, 2021	Sunday, November 21, 2021	Sunday, December 26, 2021	Thursday, January 20, 2022	Wednesday, January 19, 2022	Thursday, January 20, 2022	Tuesday, January 25, 2022
Sunday, March 27, 2022	Sunday, January 23, 2022	Sunday, February 20, 2022	Sunday, March 27, 2022	Wednesday, April 20, 2022	Tuesday, April 19, 2022	Wednesday, April 20, 2022	Monday, April 25, 2022
Sunday, June 26, 2022	Sunday, April 24, 2022	Sunday, May 22, 2022	Sunday, June 26, 2022	Wednesday, July 20, 2022	Tuesday, July 19, 2022	Wednesday, July 20, 2022	Monday, July 25, 2022
Sunday, September 25, 2022	Sunday, July 24, 2022	Sunday, August 21, 2022	Sunday, September 25, 2022	Thursday, October 20, 2022	Wednesday, October 19, 2022	Thursday, October 20, 2022	Tuesday, October 25, 2022
Sunday, December 25, 2022	Sunday, October 23, 2022	Sunday, November 20, 2022	Sunday, December 25, 2022	Friday, January 20, 2023	Thursday, January 19, 2023	Friday, January 20, 2023	Wednesday, January 25, 2023
Sunday, March 26, 2023	Sunday, January 22, 2023	Sunday, February 19, 2023	Sunday, March 26, 2023	Thursday, April 20, 2023	Wednesday, April 19, 2023	Thursday, April 20, 2023	Tuesday, April 25, 2023
Sunday, June 25, 2023	Sunday, April 23, 2023	Sunday, May 21, 2023	Sunday, June 25, 2023	Thursday, July 20, 2023	Wednesday, July 19, 2023	Thursday, July 20, 2023	Tuesday, July 25, 2023
Sunday, September 24, 2023	Sunday, July 23, 2023	Sunday, August 20, 2023	Sunday, September 24, 2023	Friday, October 20, 2023	Thursday, October 19, 2023	Friday, October 20, 2023	Wednesday, October 25, 2023
Sunday, December 31, 2023	Sunday, October 22, 2023	Sunday, November 19, 2023	Sunday, December 31, 2023	Saturday, January 20, 2024	Friday, January 19, 2024	Monday, January 22, 2024	Thursday, January 25, 2024
Sunday, March 31, 2024	Sunday, January 28, 2024	Sunday, February 25, 2024	Sunday, March 31, 2024	Saturday, April 20, 2024	Friday, April 19, 2024	Monday, April 22, 2024	Thursday, April 25, 2024
Sunday, June 30, 2024	Sunday, April 28, 2024	Sunday, May 26, 2024	Sunday, June 30, 2024	Saturday, July 20, 2024	Friday, July 19, 2024	Monday, July 22, 2024	Thursday, July 25, 2024
Sunday, September 29, 2024	Sunday, July 28, 2024	Sunday, August 25, 2024	Sunday, September 29, 2024	Sunday, October 20, 2024	Monday, October 21, 2024	Tuesday, October 22, 2024	Friday, October 25, 2024
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			Monday, July 20, 2026	Tuesday, July 21, 2026	Wednesday, July 22, 2026	Monday, July 27, 2026

Note: First Fiscal Quarterly Period begins as of Transaction Close Date and respectively reflected in the First Quarterly Noteholders' Report and the First Quarterly Payment

Note: Last Fiscal Quarterly Period ends as of Last Legal Final Maturity Date and respectively reflected in the Last Quarterly Noteholders' Report and the Last Quarterly Payment

Annex B-1

Fiscal Month End Date	Monthly Manager Certificate Date	Monthly Allocation Date
Last Sunday of Each 4 or 5 Week Month (Except for one 6 week month in December 2023)	5 Business Days Prior to Monthly Allocation Date	2nd Friday Following Fiscal Month End (if not Business Day, following Business Day)
Sunday, September 27, 2020	Friday, October 2, 2020	Friday, October 9, 2020
Sunday, October 25, 2020	Friday, October 30, 2020	Friday, November 6, 2020
Sunday, November 22, 2020	Friday, November 27, 2020	Friday, December 4, 2020
Sunday, December 27, 2020	Thursday, December 31, 2020	Friday, January 8, 2021
Sunday, January 24, 2021	Friday, January 29, 2021	Friday, February 5, 2021
Sunday, February 21, 2021	Friday, February 26, 2021	Friday, March 5, 2021
Sunday, March 28, 2021	Friday, April 2, 2021	Friday, April 9, 2021
Sunday, April 25, 2021	Friday, April 30, 2021	Friday, May 7, 2021
Sunday, May 23, 2021	Friday, May 28, 2021	Friday, June 4, 2021
Sunday, June 27, 2021	Friday, July 2, 2021	Friday, July 9, 2021
Sunday, July 25, 2021	Friday, July 30, 2021	Friday, August 6, 2021
Sunday, August 22, 2021	Friday, August 27, 2021	Friday, September 3, 2021
Sunday, September 26, 2021	Friday, October 1, 2021	Friday, October 8, 2021
Sunday, October 24, 2021	Friday, October 29, 2021	Friday, November 5, 2021
Sunday, November 21, 2021	Friday, November 26, 2021	Friday, December 3, 2021
Sunday, December 26, 2021	Friday, December 31, 2021	Friday, January 7, 2022
Sunday, January 23, 2022	Friday, January 28, 2022	Friday, February 4, 2022
Sunday, February 20, 2022	Friday, February 25, 2022	Friday, March 4, 2022
Sunday, March 27, 2022	Friday, April 1, 2022	Friday, April 8, 2022
Sunday, April 24, 2022	Friday, April 29, 2022	Friday, May 6, 2022
Sunday, May 22, 2022	Friday, May 27, 2022	Friday, June 3, 2022
Sunday, June 26, 2022	Friday, July 1, 2022	Friday, July 8, 2022
Sunday, July 24, 2022	Friday, July 29, 2022	Friday, August 5, 2022
Sunday, August 21, 2022	Friday, August 26, 2022	Friday, September 2, 2022
Sunday, September 25, 2022	Friday, September 30, 2022	Friday, October 7, 2022
Sunday, October 23, 2022	Friday, October 28, 2022	Friday, November 4, 2022
Sunday, November 20, 2022	Friday, November 25, 2022	Friday, December 2, 2022
Sunday, December 25, 2022	Friday, December 30, 2022	Friday, January 6, 2023
Sunday, January 22, 2023	Friday, January 27, 2023	Friday, February 3, 2023

Annex B-2

Fiscal Month End Date	Monthly Manager Certificate Date	Monthly Allocation Date
Last Sunday of Each 4 or 5 Week Month (Except for one 6 week month in December 2023)	5 Business Days Prior to Monthly Allocation Date	2nd Friday Following Fiscal Month End (if not Business Day, following Business Day)
Sunday, February 19, 2023	Friday, February 24, 2023	Friday, March 3, 2023
Sunday, March 26, 2023	Friday, March 31, 2023	Friday, April 7, 2023
Sunday, April 23, 2023	Friday, April 28, 2023	Friday, May 5, 2023
Sunday, May 21, 2023	Friday, May 26, 2023	Friday, June 2, 2023
Sunday, June 25, 2023	Friday, June 30, 2023	Friday, July 7, 2023
Sunday, July 23, 2023	Friday, July 28, 2023	Friday, August 4, 2023
Sunday, August 20, 2023	Friday, August 25, 2023	Friday, September 1, 2023
Sunday, September 24, 2023	Friday, September 29, 2023	Friday, October 6, 2023
Sunday, October 22, 2023	Friday, October 27, 2023	Friday, November 3, 2023
Sunday, November 19, 2023	Friday, November 24, 2023	Friday, December 1, 2023
Sunday, December 31, 2023	Friday, January 5, 2024	Friday, January 12, 2024
Sunday, January 28, 2024	Friday, February 2, 2024	Friday, February 9, 2024
Sunday, February 25, 2024	Friday, March 1, 2024	Friday, March 8, 2024
Sunday, March 31, 2024	Friday, April 5, 2024	Friday, April 12, 2024
Sunday, April 28, 2024	Friday, May 3, 2024	Friday, May 10, 2024
Sunday, May 26, 2024	Friday, May 31, 2024	Friday, June 7, 2024
Sunday, June 30, 2024	Friday, July 5, 2024	Friday, July 12, 2024
Sunday, July 28, 2024	Friday, August 2, 2024	Friday, August 9, 2024
Sunday, August 25, 2024	Friday, August 30, 2024	Friday, September 6, 2024
Sunday, September 29, 2024	Friday, October 4, 2024	Friday, October 11, 2024
Sunday, October 27, 2024	Friday, November 1, 2024	Friday, November 8, 2024
Sunday, November 24, 2024	Friday, November 29, 2024	Friday, December 6, 2024
Sunday, December 29, 2024	Friday, January 3, 2025	Friday, January 10, 2025
Sunday, January 26, 2025	Friday, January 31, 2025	Friday, February 7, 2025
Sunday, February 23, 2025	Friday, February 28, 2025	Friday, March 7, 2025
Sunday, March 30, 2025	Friday, April 4, 2025	Friday, April 11, 2025
Sunday, April 27, 2025	Friday, May 2, 2025	Friday, May 9, 2025
Sunday, May 25, 2025	Friday, May 30, 2025	Friday, June 6, 2025
Sunday, June 29, 2025	Thursday, July 3, 2025	Friday, July 11, 2025
Sunday, July 27, 2025	Friday, August 1, 2025	Friday, August 8, 2025
Sunday, August 24, 2025	Friday, August 29, 2025	Friday, September 5, 2025
Sunday, September 28, 2025	Friday, October 3, 2025	Friday, October 10, 2025
Sunday, October 26, 2025	Friday, October 31, 2025	Friday, November 7, 2025
Sunday, November 23, 2025	Friday, November 28, 2025	Friday, December 5, 2025
Sunday, December 28, 2025	Friday, January 2, 2026	Friday, January 9, 2026
Sunday, January 25, 2026	Friday, January 30, 2026	Friday, February 6, 2026
Sunday, February 22, 2026	Friday, February 27, 2026	Friday, March 6, 2026
Sunday, March 29, 2026	Friday, April 3, 2026	Friday, April 10, 2026
Sunday, April 26, 2026	Friday, May 1, 2026	Friday, May 8, 2026

Note: First Fiscal Monthly Period begins as of Transaction Close Date and respectively reflected in the First Monthly Manager Certificate and First Monthly Allocation

Note: Last Fiscal Monthly Period ends as of Last Legal Final Maturity Date and respectively reflected in the Last Monthly Manager Certificate and Last Monthly Allocation

Exhibit A-1

Form of Rule 144A Global Note

THE ISSUANCE AND SALE OF THIS RULE 144A GLOBAL SERIES 2020-2 CLASS M-2 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 FAT BRANDS ROYALTY I, LLC (THE “ISSUER”) HAVE 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 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.

Exhibits to Series 2020-2 Supplement

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 GLOBAL SERIES 2020-2 CLASS M-2 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 FAT BRANDS INC., 9720 WILSHIRE BLVD., SUITE 500, BEVERLY HILLS, CA 90212, ATTN: ANDREW A. WIEDERHORN.

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.

FORM OF RULE 144A GLOBAL SERIES 2020-2 CLASS M-2 NOTE

No. []

\$40,000,000.00

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: 31189TAE4
ISIN Number: US31189TAE47
Common Code: []

FAT BRANDS ROYALTY I, LLC

SERIES 2020-2 9.75% FIXED RATE SUBORDINATED SECURED NOTES, CLASS M-2

FAT BRANDS ROYALTY I, LLC, a limited liability company formed under the laws of the State of Delaware (the “Issuer”), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of FORTY MILLION DOLLARS (\$40,000,000.00) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on April 27, 2026 (the “Series 2020-2 Class M-2 Legal Final Maturity Date”). The Issuer will pay interest on this Series 2020-2 Class M-2 Note (this “Note”) at the Series 2020-2 Class M-2 Note Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Quarterly Payment Date, which will be on the 25th day (or, if such 25th day is not a Business Day, the next succeeding Business Day) of each January, April, July and October, commencing October 26, 2020 (each, a “Quarterly Payment Date”). Such interest will accrue for each Quarterly Payment Date with respect to (i) initially, the period from and including the Series Closing Date to but excluding October 5, 2020, and (ii) thereafter, the period from and including the 5th day of the calendar month in which the immediately preceding Quarterly Payment Date occurred to but excluding the 5th day of the calendar month which includes the then-current Quarterly Payment Date (each, an “Interest Accrual Period”); provided that the Interest Accrual Period immediately preceding the Quarterly Payment Date on which the last payment on the Notes of Series 2020-2 Class M-2 is to be made will end on such Quarterly Payment Date. Interest with respect to the Notes (and interest on any defaulted payments of interest or principal) will be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition, under the circumstances set forth in the Indenture, the Issuer shall also pay additional interest on this Note at the Series 2020-2 Class M-2 Quarterly Post-ARD Additional Interest Rate applicable to such Series 2020-2 Class M-2 Notes, and such interest shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.



Exhibits to Series 2020-2 Supplement

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Temporary Regulation S Global Note or a Permanent Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Additionally, interests in this Note in certain circumstances may be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Section 2.8 of the Base Indenture and Section 4.2 of the Series 2020-2 Supplement.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Trustee. A copy of the Indenture may be requested from the Trustee by writing to the Trustee at: UMB Bank, N.A., 100 William Street, Suite 1850, New York, NY 10038, Attention: Michele Voon – FAT Brands Royalty I, LLC. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture.

Subject to the next following paragraph, the Issuer hereby certifies and declares that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Issuer enforceable in accordance with its terms have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

Exhibits to Series 2020-2 Supplement

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: _____

FAT BRANDS ROYALTY I, LLC, as Issuer

By: FAT Brands Inc.
Its: Manager

By: _____
Name: Andrew A. Wiederhorn
Title: Chief Executive Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2020-2 Class M-2 Notes issued under the within-mentioned Indenture.

UMB BANK, N.A., as Trustee

By: _____
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2020-2 Class M-2 Notes of the Issuer designated as the Series 2020-2 9.75% Fixed Rate Subordinated Secured Notes, Class M-2 (herein called the “Series 2020-2 Class M-2 Notes”), all issued under (i) the Base Indenture, dated as of March 6, 2020 (such Base Indenture, as amended by Supplement Number One, dated September 21, 2020, among the Issuer and the Trustee (as defined herein) and as may be further amended or modified, is herein called the “Base Indenture”), among the Issuer and UMB Bank, N.A., as trustee and securities intermediary (the “Trustee”, which term includes any successor Trustee under the Base Indenture), and (ii) a Series 2020-2 Supplement to the Base Indenture, dated as of September 21, 2020 (the “Series 2020-2 Supplement”), among the Issuer and the Trustee. The Base Indenture and the Series 2020-2 Supplement collectively are referred to herein as the “Indenture”. The Series 2020-2 Class M-2 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2020-2 Class M-2 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

The Notes will be issued in minimum denominations of \$1,000,000.00 and integral multiples of \$1,000 in excess thereof.

As provided for in the Indenture, the Series 2020-2 Class M-2 Notes may be prepaid, in whole or in part, at the option of the Issuer. In addition, the Series 2020-2 Class M-2 Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2020-2 Class M-2 Legal Final Maturity Date. All payments of principal of the Series 2020-2 Class M-2 Notes will be made pro rata to the Series 2020-2 Class M-2 Noteholders entitled thereto.

Principal of and interest on this Note which is payable on a Quarterly Payment Date, Series 2020-2 Class M-2 Note Prepayment Date, or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and additional interest, if any, will each accrue on the Series 2020-2 Class M-2 Notes at the rates set forth in the Indenture. The interest and additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2020-2 Class M-2 Notes on each Quarterly Payment Date will be calculated as set forth in the Indenture.

Payments of principal and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Exhibits to Series 2020-2 Supplement

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to the account designated by DTC or its nominee.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee, the Issuer and the Note Registrar duly executed by, the Series 2020-2 Class M-2 Noteholder hereof or its attorney duly authorized in writing, with such signature guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Trustee and the Note Registrar may require and as may be required by the Series 2020-2 Supplement, and thereupon one or more new Series 2020-2 Class M-2 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2020-2 Class M-2 Noteholder, by acceptance of a Series 2020-2 Class M-2 Note, covenants and agrees by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2020-2 Class M-2 Noteholder will not 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; provided, however, that nothing herein 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.

It is the intent of the Issuer and each Series 2020-2 Class M-2 Noteholder that, for federal, state, local income and franchise tax purposes only, the Series 2020-2 Class M-2 Notes will evidence indebtedness of the Issuer secured by the Collateral. Each Series 2020-2 Class M-2 Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for all purposes of federal, state, local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Issuer or, if the Issuer is treated as a division of another entity, such other entity.

The Indenture permits certain amendments to be made thereto without the consent of the Control Party, the Controlling Class Representative or any Series 2020-2 Class M-2 Noteholders, provided that certain conditions precedent are satisfied. The Indenture also permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2020-2 Class M-2 Noteholders under the Indenture at any time by the Issuer with the consent of the Control Party (acting at the direction of the Controlling Class Representative) and without the consent of any Series 2020-2 Class M-2 Noteholders. The Indenture also contains provisions permitting the Control Party (acting at the direction of the Controlling Class Representative) to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2020-2 Class M-2 Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2020-2 Class M-2 Noteholder and upon all future Series 2020-2 Class M-2 Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

Exhibits to Series 2020-2 Supplement

Each purchaser or transferee of this Note (or any interest herein) shall be deemed to represent and warrant that either (i) it is neither a Plan (including, without limitation, an entity whose underlying assets include “plan assets” by reason of a Plan’s investment in the entity or otherwise) nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (ii) its acquisition, holding and disposition of this Note (or any interest herein) will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation under any federal, state, local or non-U.S. law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

The term “Issuer” as used in this Note includes any successor to the Issuer.

The Series 2020-2 Class M-2 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

This Note and the 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), and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee: _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By: _____ 1

Signature Guaranteed:

¹ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

**SCHEDULE OF EXCHANGES IN RULE 144A GLOBAL SERIES 2020-2
CLASS M-2 NOTE**

The initial principal balance of this Rule 144A Global Series 2020-2 Class M-2 Note is \$40,000,000.00. The following exchanges of an interest in this Rule 144A Global Series 2020-2 Class M-2 Note for an interest in a corresponding Temporary Regulation S Global Series 2020-2 Class M-2 Note or a Permanent Regulation S Global Series 2020-2 Class M-2 Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of this Rule 144A Global Note	Remaining Principal Amount of this Rule 144A Global Note following the Increase or Decrease	Signature of Authorized Officer of Trustee or Note Registrar
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Exhibit A-2

Form of Temporary Regulation S Global Note

(Attached.)

Exhibit A-3

Form of Permanent Regulation S Global Note

(Attached.)

Exhibit B-1

**Form of Transfer Certificate
(Rule 144A Global Note to Temporary Regulation S Global Note)**

(Attached.)

Exhibit B-2

**Form of Transfer Certificate
(Rule 144A Global Note to Permanent Regulation S Global Note)**

(Attached.)

Exhibit B-3

**Form of Transfer Certificate
(Regulation S Global Note to Rule 144A Global Note)**

(Attached.)

Exhibit C

Form of Quarterly Noteholders' Report

(Attached.)

FAT BRANDS ROYALTY I, LLC,
as Issuer
and
UMB BANK, N.A.,
as Trustee

SUPPLEMENT NUMBER ONE

Dated as of September 21, 2020
to
BASE INDENTURE
Dated as of March 6, 2020

SUPPLEMENT, dated as of September 21, 2020 (this “Supplement”) by and among FAT BRANDS ROYALTY I, LLC (the “Issuer”), and UMB Bank, N.A., as trustee (in such capacity, the “Trustee”), to the Base Indenture, dated as of March 6, 2020 (as may be further 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 9.7, 13.2 and 13.3 of the Base Indenture provide, among other things, that the provisions of the Base Indenture, 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);

WHEREAS, the Issuer wishes to enter into this Supplement to amend certain provisions of the Base Indenture; and

WHEREAS, all conditions to such amendment have been met or waived by the Control Party (as directed by the Controlling Class Representative);

NOW, THEREFORE, the parties hereto agree as follows:

1. Amendments. The following provisions of the Base Indenture are hereby amended as follows:

(a) Section 5.9(b)(iv) of the Base Indenture shall be deleted and replaced in its entirety as follows:

“(iv) on a monthly basis at or prior to 10:00 a.m. (New York City time) on each Monthly Allocation Date, or on such other date for the withdrawal of funds from the Concentration Account to the Collection Account specified in an Account Control Agreement approved by the Control Party (which such date the Issuer confirms shall in any event be prior to the applicable 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.”

(b) Section 7.12(c) of the Base Indenture shall be deleted and replaced in its entirety as follows:

“(c) The Issuer has no subsidiaries and owns no Equity Interests in any other Person, other than the Franchise Entities and any Additional Franchise Entities. The Franchise Entities have no subsidiaries and own no Equity Interests in any other Person.”

(c) Section 8.34(a) of the Base Indenture shall be deleted and replaced in its entirety as follows:

“(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 Franchise Entities without the consent of the Control Party; provided that any such Additional Franchise Entity is a Delaware limited liability company or a Delaware corporation (so long as the use of such corporate form is reasonably satisfactory to the Control Party) and has adopted, or substantially contemporaneously with the closing of an applicable transaction pursuant to which such Additional Franchise Entity is purchased, acquired or otherwise designated as an Additional Franchise Entity hereunder, will adopt, Charter Documents substantially similar to the Charter Documents of the Franchise Entities that were Delaware limited liability companies or Delaware corporations, as applicable, as in existence on the Closing Date; provided, further, that such Additional Franchise Entity holds Franchise Assets or is being established, purchased or acquired in order to act as a franchisor with respect to new Franchise Agreements.”

(d) Exhibit A, “Form of Monthly Manager’s Certificate,” shall be deleted and replaced with the Monthly Manager’s Certificate attached hereto as Annex 1.

2. Definitions. All capitalized terms not otherwise defined herein, shall have the meanings assigned thereto in the Base Indenture and the Base Indenture Definitions List attached as Annex A thereto, as such definitions may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the Base Indenture.

3. Ratification of Base Indenture. As supplemented by the Series 2020-1 Supplement, this Supplement, and the Series 2020-2 Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by the Series 2020-1 Supplement, this Supplement, and the Series 2020-2 Supplement, shall be read, taken and construed as one and the same instrument.

4. Counterparts. This 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.

5. Governing Law. THIS 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).

6. Amendments. This Supplement may not be modified or amended except in accordance with the terms of the Base Indenture.

7. Entire Agreement. This Supplement, the Series 2020-1 Supplement, the Series 2020-2 Supplement, and the related 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.

8. Trustee. The Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of the Issuer, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Supplement and makes no representation with respect thereto.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Supplement to the Base Indenture to be duly executed by its respective duly authorized officer as of the day and year first written above.

FAT BRANDS ROYALTY I, LLC as the

Issuer

By: FAT Brands Inc.

Its: Manager

By: /s/ Andrew A. Wiederhorn

Name: Andrew A. Wiederhorn

Title: Chief Executive Officer

UMB Bank, N.A., in its capacity as Trustee

By: /s/ Michele Voon

Name: Michel Voon

Title: Vice President

CONSENT OF CONTROL PARTY:

The undersigned, as Control Party, hereby consents to the execution and delivery of this Supplement by the parties hereto, and as Control Party hereby directs the Trustee to execute and deliver this Supplement.

CITADEL SPV LLC, in its capacity as Control Party

By: /s/ Orlando Figueroa

Name: Orlando Figueroa

Title: Senior Managing Director

Annex 1

[See attached]



FAT Brands Completes Acquisition of Johnny Rockets, Increases Securitization Facility to \$80 Million

LOS ANGELES—(September 22, 2020) **FAT (Fresh. Authentic. Tasty.) Brands Inc.** (NASDAQ: FAT) (“FAT Brands” or the “Company”) announced today that it has completed the acquisition of Johnny Rockets from an affiliate of private equity firm Sun Capital Partners, Inc. for a purchase price of approximately \$25 million. The transaction was funded with proceeds from an increase in the Company’s securitization facility. With the acquisition of Johnny Rockets, **FAT Brands** now franchises more than 700 restaurants around the globe in more than 30 countries with annual system-wide sales exceeding \$700 million.

“We are thrilled to successfully complete the acquisition of Johnny Rockets, a transformative event for **FAT Brands**, and are eager to drive further growth for the brand,” said Andy Wiederhorn, President and CEO of **FAT Brands**. “The expansion of our whole business securitization facility further enhances our liquidity and financial flexibility and demonstrates the confidence that institutional investors have in our platform. We continue to scale our business through strategic acquisitions that complement our current brands and are pursuing other attractive opportunities in this environment.”

\$40 Million Increase in Whole Business Securitization Facility

On September 21, 2020, the Company completed the sale of \$40 million of Series 2020-2 Fixed Rate Asset-Backed Notes (the “Notes”), increasing the Company’s securitization facility to \$80 million. The Notes were issued through the Company’s whole business securitization affiliate, FAT Brands Royalty I, LLC.

Cadence Group, Inc., a leading fintech securitization platform, acted as the sole structuring agent for the offering of Notes. Legal advisors for the financing transaction were Loeb & Loeb LLP and Foley & Lardner LLP for FAT Brands, and Manatt, Phelps & Phillips, LLP for Cadence Group, Inc.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the Notes or any other security. The Notes have not been, and will not be, registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933.

About FAT (Fresh. Authentic. Tasty.) Brands

FAT Brands (NASDAQ: FAT) is a leading global franchising company that strategically acquires, markets and develops fast casual and casual dining restaurant concepts around the world. The Company currently owns nine restaurant brands: Fatburger, Johnny Rockets, Buffalo’s Cafe, Buffalo’s Express, Hurricane Grill & Wings, Elevation Burger, Yalla Mediterranean and Ponderosa and Bonanza Steakhouses, and franchises over 700 units worldwide. For more information, please visit www.fatbrands.com.

About Johnny Rockets

Founded in 1986 on iconic Melrose Avenue in Los Angeles, Johnny Rockets is a world-renowned, international restaurant franchise that offers high quality, innovative menu items including Certified Angus Beef® cooked-to-order hamburgers, Boca Burger®, chicken sandwiches, crispy fries and rich, delicious hand-spun shakes and malts. With nearly 325 franchise and corporate locations in over 25 countries around the globe, this dynamic lifestyle brand offers friendly service and upbeat music contributing to the chain's signature atmosphere of relaxed, casual fun. To learn more about the Johnny Rockets brand, please visit the brand website at www.johnnyrockets.com, or follow us on [Facebook](#), [Twitter](#) and [Instagram](#).

About Sun Capital Partners, Inc.

In 2020, Sun Capital Partners, Inc. celebrates 25 years of investing; identifying companies' untapped potential, and accelerating value through operational excellence. Since 1995, Sun Capital has invested in more than 375 companies worldwide with revenues in excess of \$50 billion across a broad range of industries and transaction structures. Over the quarter century, the Firm has built a reputation as a trusted partner recognized for its investment and operational experience, including particular expertise in Business and Consumer Services, Healthcare, Industrial and Consumer sectors. Sun Capital has offices in Boca Raton, Los Angeles and New York, and an affiliate with offices in London. To learn more about Sun Capital Partners, Inc., please visit our website at www.suncappart.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the future financial and operating results of the Company, our future acquisitions, and the effects on our business of the current novel coronavirus pandemic ("COVID-19"). Forward-looking statements generally use words such as "expect," "foresee," "anticipate," "believe," "project," "should," "estimate," "will," "plans," "forecast," and similar expressions, and reflect our expectations concerning the future. It is possible that our future performance may differ materially from current expectations expressed in these forward-looking statements. Forward-looking statements are subject to significant business, economic and competitive risks, uncertainties and contingencies including, but not limited to, uncertainties surrounding the severity, duration and effects of the COVID-19 pandemic, many of which are difficult to predict and beyond our control, which could cause our actual results to differ materially from the results expressed or implied in such forward-looking statements. We refer you to the documents we file from time to time with the Securities and Exchange Commission, such as our reports on Form 10-K, Form 10-Q and Form 8-K, for a discussion of these and other risks and uncertainties that could cause our actual results to differ materially from our current expectations and from the forward-looking statements contained in this press release. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this press release.

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