

FRANCHISE DISCLOSURE DOCUMENT



®

DWC Franchising, LLC
A Michigan limited liability company
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This Franchise Disclosure Document describes a Detroit Wing Company (“DWC”) franchise. The DWC franchise is a modern and innovative fast-casual carryout style restaurant that will operate pursuant to our System and offer chicken wings, homemade sauces, sides, desserts, and other menu items.

The total investment necessary to begin operations of a DWC franchise is between \$506,436 to \$662,283. This includes \$30,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of a DWC franchise under an Area Development Agreement is between \$526,436 to \$1,042,283 for a development schedule ranging between 2 and 20 restaurants, but the ultimate initial investment for an Area Development Agreement depends on your franchise development schedule and is determined by multiplying \$20,000 times the number of DWC franchised restaurants in your development schedule. This amount includes the Area Development Agreement fee that must be paid to us or our affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ms. Anna Denooijer, 876 Horace

Brown Drive, Suite 100, Madison Heights, MI 48071, (586) 204-3158, or franchise@detroitwingco.com.

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

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

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

Issuance Date: April 27, 2022 as amended January 3, 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Michigan. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Michigan than in your own state.
2. **Financial Condition**. The franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the franchisor's ability to provide services and support to you.
3. **Short Operating History**. This franchisor is at an early state of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

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

**FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE STATE OF MICHIGAN**

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

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

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

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

If you have any questions regarding the foregoing provisions, contact the Michigan Department of Attorney General, Consumer Protection Division, Franchise, P.O. Box 30213, Lansing, Michigan 48909, (517) 355-7567.

The Michigan Notice applies only to Franchisees who are residents of Michigan or locate their franchises in Michigan.

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

To simplify the language in this Disclosure Document, the words “we,” “our,” “us,” “DWC” and “Detroit Wing Company” refer to DWC Franchising, LLC, the franchisor of this business. “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company, or other business entity. If you are a corporation, limited liability company, or other business entity, certain provisions of this disclosure also apply to your owners and will be noted.

The Franchisor, Parent, and Affiliates

We are a Michigan limited liability company organized on November 23, 2020. As of the Issuance Date of this disclosure document, our principal place of business is 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071. We do business under the name “Detroit Wing Company.” We have no predecessor and have not offered franchises in other lines of businesses.

We are a wholly owned subsidiary of DWC Holdings, LLC, a Michigan limited liability company (“Parent”). Our Parent’s principal place of business is 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071. Our Parent has never offered franchises in any line of business, nor has it ever owned or operated any Detroit Wing Company restaurants.

We have the following affiliates. Our affiliate, DWC Commissary, LLC (“Commissary”) provides products and services to our franchises through the operation of a commissary, which produces certain food items that you are required to purchase. Commissary’s principal place of business is 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071. Our affiliate, DWC IP Holdings, LLC (“DWC IP”), owns the Trademarks used in connection with your restaurant and has licensed us the right to sublicense the Trademarks to you. DWC IP’s principal place of business is 876 Horace Brown Drive, Madison Heights, MI 48071. From 2017 to 2020, our affiliate Eastpointe DWC, L.L.C. (“Eastpointe”) offered and sold 7 license agreements to open and operate Detroit Wing Company restaurants. As of the issuance date of this disclosure document, 5 of those 7 license agreements have been terminated and converted to franchise agreements. There are currently 4 Detroit Wing Company restaurants operating under the Eastpointe license agreements, 3 of which are similar to the restaurant being offered here. Eastpointe no longer offers or sells license agreements. Eastpointe’s principal place of business is 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071. Our affiliate, First Wing, LLC (“First Wing”) has a principal place of business at 17535 E. 9 Mile Road, Eastpointe, Michigan 48021, where it presently operates a Detroit Wing Company restaurant similar to the restaurant being offered here. Our affiliate, Nostimo Brands, LLC (“Nostimo”) has independently contracted with us to provide certain business, supervisory, and administrative services.

Except as described above, we do not have any affiliates that offer franchises in any line of business or that provide products or services to our franchisees. However, we may utilize one or more of the affiliate businesses to test our System and System improvements.

Our agents for service of process are disclosed in Exhibit L to this Franchise Disclosure Document.

Our Business Experience

We began offering franchises in January 2021. We do not offer, and have not offered, franchises in any other line of business. At this time, our business activities include the operation of the Detroit

Wing Company franchise system. Our business activities also include providing support, advice, and assistance to MGM Grand Detroit, LLC, who has operated a non-traditional Detroit Wing Company Restaurant located in the food court of the MGM Grand Detroit Casino and Hotel under a Cross-License Agreement since June 2018. We reserve the right to conduct other business activities in the future. We have never operated a business similar to the business being franchised. However, from April 2015 through December 2020, our affiliate, Eastpointe owned and operated a Detroit Wing Company restaurant similar to the restaurant being offered here. That restaurant is currently owned and operated by our affiliate, First Wing. As of the issuance date, First Wing operates one (1) Detroit Wing Company Restaurant.

The Franchise

We offer, to persons and entities that meet our qualifications, the opportunity to be awarded a Detroit Wing Company franchise at a single location through which they will offer a fast-casual carryout style restaurant that serves chicken wings, homemade sauces, sides, desserts, and other menu items in a distinctive atmosphere (the "Restaurant"). Each Detroit Wing Company Restaurant will feature a distinctive format and method of doing business, including marketing and sales procedures, customer service, proprietary food preparation and staff training processes, and other business systems (the "System"). Each Detroit Wing Company Restaurant will be located at a site approved by us and you will serve a designated area. As long as you are not in default, we will not operate a company-owned Restaurant, or franchise to another the right to operate a Restaurant, at a location within your designated area. You will sell our proprietary products. You must conduct business in your Restaurant in accordance with our specifications, processes, and standards as we modify from time to time. Each Restaurant operates under the name Detroit Wing Company and such other marks as we may designate or update from time to time. You are required to offer delivery services in accordance with our specifications that we set from time to time. Currently, all delivery services are handled through third-party service providers. You may not engage in the provision of food and beverage at any fixed or portable food booth, food cart, food truck, or similar model of service or distribution, or at any event that involves off-site food preparation without our prior written consent, and we may reserve such event to any one or more of our affiliates to complete, even if it is within your Designated Area. In the event you receive a request for any of these services, you must contact us.

You must operate your Restaurant under our unique System. The System is characterized by the following: a distinctive layout; a unique customer service style; unique design, signs, décor, and furnishings; proprietary specifications, processes, standards, procedures and techniques; and food preparation, recipes, presentation, and service, all of which we may change in our discretion. Detroit Wing Company Restaurants are approximately 1,200 to 1,500 square feet in size with seating for approximately 0 to 15. You must adhere to the System regardless of the size of your Restaurant.

You must sign our standard franchise agreement (the "Franchise Agreement") when you purchase a franchise. The form Franchise Agreement is attached as Exhibit B. If you would like to develop more than one Restaurant within a particular designated development area, and we agree to grant you development rights in that particular designated development area, you must sign a development agreement with us (the "Area Development Agreement"). If we do this with you, you will be given the right to develop an agreed-upon number of Restaurants within a specific time period and in a defined development area. For each future unit franchise, you will be required to sign our then-current form of franchise agreement that may be different from the form franchise agreement included in this Franchise Disclosure Document. The Development Agreement is attached as Exhibit C.

The Market and Competition

Your Restaurant will offer a variety of types of chicken wings, homemade sauces, sides, desserts, and other menu items in a fast-casual carryout style format to the general public. Your sales are not seasonal. The restaurant industry and market, as a whole, including concepts that primarily sell chicken wings, is well-developed and highly competitive, and includes retail chicken wing establishments, mobile food trucks, dine-in and carry-out restaurants, ghost kitchens, and kiosks selling various types of food. Your competitors include other full service, casual dining, and fast casual bars and restaurants, including without limitation, those restaurants that offer a similar food product to the franchise being offered. You will compete with other restaurant businesses, including national or regional franchise systems, and other chains, as well as locally-owned independent restaurants.

The market for the franchise being offered could be affected by pandemics, such as the COVID-19 pandemic. These effects may be experienced while the pandemic and any social distancing policies, voluntary or mandatory shutdowns, reduction in gathering sizes, and other governmental policies and requirements relating to the pandemic are in effect. The market could also be affected by natural disasters, such as hurricanes and floods. The effects from pandemics and natural disasters may include the unavailability of employees, reduced hours of operation or closing of the business for a period of time, reduced sales volumes and cash flows, and disruptions to supply chains.

Licenses and Permits

Laws exist in every state and most local units of government (cities, townships, villages, counties, etc.) that govern the food service industry including, without limitation, health, sanitation, and safety regulations regarding food storage, preparation and safety. You must comply with these laws, regulations, and local ordinances that apply to restaurant and food service businesses generally, including without limitation, Fair Labor Standards Act, Family and Medical Leave Act, Affordable Care Act, Federal Wage and Hour Laws, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, Employee Retirement Income Security Act, and the Occupational Safety and Health Act. In addition to laws and regulations that apply to businesses generally, your Restaurant will be subject to various federal, state, and local government regulations, including those relating to site location and building construction, as well as restaurant operations, such as the Americans with Disabilities Act; United States Department of Agriculture (USDA) standards; truth in menu, menu labeling, and other labeling laws; storage, preparation, and sale of food and beverage products; and health, sanitation, and safety regulations relating to food service. These laws and regulations may vary significantly from state to state and even from locality to locality. Some local agencies may require that employees who prepare your food products become certified food handlers. In order to obtain certification, your employees may be required to attend instructional courses, pass required tests and pay a fee all at your cost and expense. You should check with city, township and county regulatory agencies to determine if certification will be required of your employees. It is your sole responsibility to obtain, and keep in force, all necessary licenses and permits required by public authorities. The Federal Clean Air Act and various other state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including prohibiting the use of tobacco products in public places. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities for the operation of the Restaurant.

In addition, you must ensure compliance with Payment Card Industry (“PCI”) Data Security Standard (“DSS”) Requirements and Security Assessment Procedures and other applicable PCI requirements (“PCI Requirements”). The purpose of the PCI Requirements is to ensure the protection and privacy of customer information and credit card numbers. The PCI Requirements require secured data connections and other steps to protect information. The PCI Requirements are substantial and complex and change regularly, so you must devote material business and management time and effort to your compliance efforts. You could incur significant liability if there is credit card fraud and you have not complied with the PCI Requirements.

There may be other laws and regulations applicable to your business and we urge you to make inquiries about any laws or regulations that may impact your business.

ITEM 2. BUSINESS EXPERIENCE

President: Costa (“Gus”) Malliaras

From January 2022 to present, Mr. Malliaras has been employed by our affiliate Nostimo Brands, LLC, located in Royal Oak, Michigan and still serves as our President. From November 2020 to December 2021, Mr. Malliaras was employed by us and served as our President. From March 2015 to present, Mr. Malliaras has also served as the President of our affiliate, Eastpointe, and is primarily responsible for the origination and development of the Detroit Wing Company System.

Chief Financial Officer & Vice President of Franchise Development: Thomas Pozios

From January 2022 to present, Mr. Pozios has been employed by our affiliate Nostimo Brands, LLC, located in Royal Oak, Michigan and still serves as our Chief Financial Officer and Vice President of Franchise Development and the Chief Financial Officer and Vice President of Franchise Development for Beyond Juicery + Eatery Franchising, LLC. From January 2021 to December 2021, Mr. Pozios independently contracted with us and served as our Chief Financial Officer and Vice President of Franchise Development. From June 2019 to December 2021, Mr. Pozios was employed by Beyond Juicery + Eatery Franchising, LLC, located in Madison Heights, Michigan and served as their Chief Financial Officer and Vice President of Franchise Development. From January 2018 to Present, Mr. Pozios served as a self-employed investor and provided consulting services all while located in Grosse Pointe, Michigan. From January 2015 to December 2017, Mr. Pozios served as the Managing Director of Otlet Capital Management, LLC, located in New York, New York.

Director of Franchise Development: Anna DeNooijer

From January 2022 to present, Ms. DeNooijer has been employed by our affiliate Nostimo Brands, LLC, located in Royal Oak, Michigan and still serves as our Director of Franchise Development and the Director of Franchise Development for Beyond Juicery + Eatery Franchising, LLC. From January 2021 to December 2021, Ms. DeNooijer independently contracted with us and served as our Director of Franchise Development. From November 2019 to December 2021, Mrs. DeNooijer was employed by Beyond Juicery + Eatery Franchising, LLC, located in Madison Heights, Michigan and served as their Director of Franchise Development. Between March 2019 and November 2019, she served as the director of human resources and internet technology for Beyond Juicery + Eatery Franchising, LLC. From January 2016 to March 2019, Mrs. Denooijer served as the director of operations at Intrepid IT located in Clinton, Michigan.

Business Development Manager: Eric Gnass

From January 2022 to present, Mr. Gnass has been employed by our affiliate Nostimo Brands, LLC, located in Royal Oak, Michigan and serves as our Business Development Manager. From October 2021 to December 2021, Mr. Gnass was not employed. From March 2020 to October 2021, Mr. Gnass served as a Growth Leader for Yum! Brands located in Detroit, Michigan. From January 2020 to March 2020, Mr. Gnass was not employed. From September 2004 to January 2020, Mr. Gnass served as a Senior Manager of Learning and Development for Panera Bread throughout Michigan, Ohio, and Indiana.

Director of New Store Development & Creative Director: Elliott Disner

From January 2022 to present, Mr. Disner has been employed by our affiliate, Nostimo Brands, LLC located in Royal Oak, Michigan and still serves as our Director of New Store Development and Creative Director and the Director of New Store Development and Creative Director for Beyond Juicery + Eatery Franchising, LLC. From March 2021 to December 2021, Mr. Disner independently contracted with us and served as our Director of New Store Development and Creative Director. From January 2021 to December 2021, Mr. Disner was employed by Beyond Juicery + Eatery Franchising, LLC, located in Madison Heights, Michigan and served as their Director of New Store Development, where he has also served as their Creative Director since February 2017. From February 2017 to January 2021, Mr. Disner also served as the Vice President of Beyond Juicery + Eatery Franchising, LLC. From August 2008 to February 2017, Mr. Disner served as a barista, manager, and creative director for several Beyond Juicery + Eatery restaurants located in Birmingham and Detroit, Michigan.

Director of IT: Achilles Papakonstantinou

From January 2022 to present, Mr. Papakonstantinou has been employed by our affiliate Nostimo Brands, LLC located in Royal Oak, Michigan and still serves as our Director of IT and the Director of IT for Beyond Juicery + Eatery Franchising, LLC. From March 2021 to December 2021, Mr. Papakonstantinou independently contracted with us and served as our Director of IT. From November 2019 to December 2021, Mr. Papakonstantinou was employed by Beyond Juicery + Eatery Franchising, LLC, located in Madison Heights, Michigan and served as their Director of IT. From December 2000 to October 2019 Mr. Papakonstantinou served as an End User Technology Engineer at Comerica Bank, located in Auburn Hills, Michigan.

Director of Franchise Training: Jeff St. Andrew

From January 2022 to present, Mr. St. Andrew has been employed by our affiliate Nostimo Brands, LLC, located in Royal Oak, Michigan and still serves as our Director of Franchise Training and the Director of Franchise Training for Beyond Juicery + Eatery Franchising, LLC. From January 2018 to December 2021, Mr. St. Andrew was employed by Beyond Juicery + Eatery Franchising, LLC and served as their Director of Franchise Training. From June 2021 to December 2021, Mr. St. Andrew also independently contracted with us and served as our Director of Franchise Training. From August 2016 to December 2017, Mr. St. Andrew served as a general manager at a Beyond Juicery + Eatery location in the Eastern Market in Detroit, Michigan.

Trainer: Pamela Mlynarek

From February 2020 to present, Ms. Mlynarek has served as the owner and operator of Grand Blanc Wingco, LLC, located in Grand Blanc, Michigan. From November 2018 to February 2020, Ms. Mlynarek was employed as a server at Cork & Gabel, located in Detroit, Michigan. From February 2017 to November 2018, Ms. Mlynarek was employed as a server at Gaudino's, located in St. Clair Shores, Michigan. From November 2015 to February 2017, Ms. Mlynarek was employed as a server at The Hideout, located in Clawson, Michigan.

Trainer: Adam Mlynarek

From February 2020 to present, Mr. Mlynarek has served as the operator of Grand Blanc Wingco, LLC, located in Grand Blanc, Michigan. From January 2011 to February 2020, Mr. Mlynarek owned and operated an Allstate Insurance Agency, located in St. Clair Shores, Michigan.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

You pay us a non-refundable \$30,000 lump sum Franchise Fee when you sign the Franchise Agreement. The Initial Franchise Fee is uniform. The Initial Franchise Fee is fully earned upon receipt. We do not give refunds under any circumstances. In 2021 we did not collect a franchise fee from our franchisee located in Davison, Michigan because their principals agreed to perform certain training services for our Management Training Program. We do not intend to offer or agree to a similar arrangement at any time in the future.

If you sign an Area Development Agreement, you must develop an agreed-upon number of Restaurants within the Development Territory within a certain period of time (the "Development Schedule"). You must pay a Development Fee of \$20,000 multiplied by the number of Restaurants that you agree to develop in the Development Territory (the "Development Fee"). You must pay the Development Fee in full when you sign the Area Development Agreement. The Development Fee is uniform, payable for the reservation of future development rights in the Development Territory, and is not refundable under any circumstances. You will sign a separate franchise agreement in our then-current form, the terms and conditions of which may be materially different than the franchise agreement attached as Exhibit B, for each Restaurant opened according to the Development Schedule and pay the nonrefundable then-current Initial Franchise Fee. We will credit \$20,000 against the then current Initial Franchise Fee for each Restaurant you develop. You will pay the then-current Initial Franchise Fee each time you execute a Franchise Agreement. We will grant additional franchises under the Area Development Agreement according to the terms of the Area Development Agreement. In 2021 we charged a reduced Development Fee to our first Developer who signed an Area Development Agreement because their principals agreed to perform certain training services for our Management Training Program. We do not intend to offer or agree to a similar arrangement at any time in the future.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of Gross Sales per week	The weekly Royalty fee is due by automatic debit on every Wednesday (electronic funds transfer) (Note 1) for Gross Sales made during the preceding week.	“Gross Sales” means revenue from the sale of all goods and services from the Restaurant (Note 2). If you are not open for business to the public within 12 months of signing your Franchise Agreement, you will begin paying us a Royalty of \$1,000 per week until open. Royalty percentage will not change during the Initial term of the Franchise Agreement.
Marketing Fund Fee (Note 3)	Currently 2% of Gross Sales per week	The Marketing Fund Fee is due weekly by automatic debit (electronic funds transfer) (Note 1) for Gross Sales made during the preceding week.	“Gross Sales” means revenue from the sale of all goods and services from the Restaurant (Note 2). We currently charge a Marketing Fund Fee of 2% of Gross Sales per week. This amount may increase over the term of the Franchise Agreement as implemented through the Operations Manual. Restaurants operated by us or our affiliates will contribute to the Marketing Fund on the same basis as franchisees.
Lease Review Fee	\$0 - \$2,500	As incurred	If you do not use an Approved Supplier for lease negotiations, we will charge you a Lease Review Fee of \$2,500.

Type of Fee	Amount	Due Date	Remarks
Local Advertising (Note 3)	1% of Gross Sales; if part of a cooperative, no more than 3% of Gross Sales	As incurred	In addition to any Marketing Fund Fee we impose, you are required to spend, after the first 90 days of operation, an amount to market and advertise your Restaurant in your market (Note 3). We may require your expenditures to be used in cooperative advertising and such contribution amount is determined by the cooperative, of which you will be a voting member. Contributions to the advertising cooperative may exceed this local advertising requirement but will in no event be more than 3% of Gross Sales, and you will receive credit for each dollar contributed to the cooperative toward your local advertising requirement. Restaurants operated by us or our affiliates will perform their own Local Advertising on the same basis as franchisees. Further information about all advertising programs is included in Item 11.
Marketing Materials	Cost of production, shipping, handling and storage of materials	As incurred	You are required to purchase copies of certain Marketing Materials, including advertising and promotional materials that we develop from time to time.
Audit Expenses (Note 4)	Cost of audit and investigation, plus Royalty and Marketing Fund Fees due on understatement, plus interest on understatement at highest legal rate not to exceed 1.5% per month	30 days after billing	You are at all times solely responsible for your own costs and expenses associated with the audit. You are also responsible for the cost of the audit and our costs and expenses associated with the audit if the audit shows an understatement of your Restaurant's Gross Sales by 1% or more or an underpayment of the Royalty of 3% or more. You are responsible for the Royalty and Marketing Fund Fees for any understated Gross Sales plus interest on these amounts.

Type of Fee	Amount	Due Date	Remarks
Administrative Fee	\$100 for each returned payment or delinquent report filing	On demand	Payable for each weekly Royalty Fee or Marketing Fee that is returned for insufficient funds or some other reason or if you fail to file any report required by us when due.
Technology Fee	Currently \$200 per month	The first day of every month	We currently charge a technology fee in the amount of \$200 per month, which amount may increase over the term of the Franchise Agreement as implemented through the Operations Manual. These amounts will be used by us for expenses relating to the development and maintenance of technology used in our System. You are required to provide us with updated information related to your franchise location upon request.
Customer Service Fee	Currently \$0, but we reserve the right to charge our actual costs in the future	Immediately upon receipt of bill	Payable to us or other approved supplier. We reserve the right to implement and charge our actual costs for performing services related to customer service.
Transfer Fee	50% of our then-current Initial Franchise Fee	Prior to consummation of transaction	Payable to us as one condition of our approval of the transfer.
Relocation Fee	25% of our then-current Initial Franchise Fee	At the time of relocation	This fee is only payable if you relocate your franchise location.
Additional Training (Note 5)	\$500 to \$1,000 per person per day, plus expenses	Immediately upon receipt of bill	We provide initial training programs as part of the Initial Franchise Fee.
Additional Assistance (Note 6)	\$500 to \$1,000 per person per day, plus expenses	Immediately upon receipt of bill	We provide initial assistance programs as part of the Initial Franchise Fee.
Renewal Fee	25% of our then-current Initial Franchise Fee	At renewal	Payable to us as one condition of our approval of your renewal.
Remodeling and Renovation (Note 7)	Not more than \$100,000 every five-years.	As incurred	Remodeling and renovation fees are payable to us only in the event that you do not remodel or renovate in accordance with the terms of the Franchise Agreement. Remodeling does not include general maintenance and replacement of equipment.

Type of Fee	Amount	Due Date	Remarks
Inventory and Proprietary Merchandise and/or Apparel (Note 8)	Cost of initial and ongoing purchases of inventory, proprietary merchandise and apparel, and other products	As incurred	Payable to us, our affiliate, or other approved supplier.
Alternate Product/ Supplier Approval (Note 9)	Up to \$5,000	Immediately upon request for approval	Payable to us or other testing company.
System Performance Review Program (Note 10)	Currently \$382	Immediately upon receipt of bill	Payable to us or other approved supplier if you fail an assessment. This amount may increase over the term of the Franchise Agreement.
Interest	18% per annum or highest maximum rate allowed by law on past due fees owed to us	Immediately when due	Payable to us.
Web-based Marketing Program (Note 11)	Currently \$0, but we reserve the right to charge up to \$500 per month in the future	Immediately when due	Payable to us or another approved supplier, which amount may increase throughout the term of the Franchise Agreement as we reserve the right to implement through the Operations Manual.
Liquidated Damages Under Franchise Agreement	3 years of Royalty payments based upon the previous year's Royalty paid	Weekly	Payable as part of the damages due to us if you breach the Franchise Agreement and the Franchise Agreement is terminated.
Liquidated Damages Under Area Development Agreement	\$100,000 for each undeveloped Restaurant	Upon Demand	Payable as part of the damages due to us if you breach the Area Development Agreement and the Area Development Agreement is terminated.
Email Program, Gift Card Program, Loyalty Program	As we may further implement through our Operations Manual, but currently we estimate the cost of the initial supply to be \$500.	As incurred	Payable to us or other approved supplier.
Refresher Training and Seminars	A tuition charge not to exceed \$250 per person	Upon demand	Payable to us or other approved supplier. You must also pay the costs of lodging, meals, transportation, and living expenses associated with attendance.

Type of Fee	Amount	Due Date	Remarks
Collection Costs, Expenses and Attorney Fees	Our costs and expenses	Upon demand, if required	These costs and expenses include, but are not limited to all costs and expenses related to the enforcement of the Franchise Agreement or other agreement between us, including without limitation, court costs, expert witness fees, discovery costs and actual attorney fees incurred by us.
Restaurant Management Fee	\$1,250 per week in the event of death or incapacity	Weekly	Following the death or Incapacity of you, your Franchisee Designate, or any Principal Owner, if necessary in our discretion, we shall have the right, but not the obligation, to assume operation of your Franchised Restaurant until the deceased or incapacitated person's interest is transferred to a third party approved by us. In such event, we may charge a management fee, currently equal to \$1,250 per week per Restaurant, and we shall be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of the Franchised Restaurant.
Non-Compliance Fee	\$500 per occurrence	Upon demand	You must pay us a \$500 fee for not being in compliance with the terms of the Franchise Agreement. (Note 12)
Indemnification	The costs and expenses incurred by us	As incurred and upon demand	You must indemnify and hold us harmless in all actions arising out of or resulting from the development or operation of the Restaurant.

The following fees are imposed by and payable to us: Royalty, Marketing Fund, audit expenses, inventory, transfer, marketing materials, technology, customer service, administrative, management, renewal, Restaurant management fee, additional training and additional assistance, interest, and in some circumstances, remodeling and renovation (Note 7); Proprietary Merchandise or Food products (Note 8); Alternative Product/Supplier approval (Note 9); System Performance Review Program (Note 10); Web-based Marketing (Note 11); and Non-Compliance (Note 12). All fees are non-refundable.

Note 1 Before Initial Training, you must sign, and deliver to us, the document (Exhibit D of this Disclosure Document) we require to debit the Restaurant's checking account automatically on every Wednesday of each week for all fees due to us. This includes,

without limitation, the Royalty, Marketing Fund Fee, Interest fees, purchases from our affiliates, and any other fees due and payable to us or our affiliates.

Note 2 Gross Sales will include, without limitation, all of your sales of goods and services from your Restaurant, including without limitation, chicken wings, sauces, sides, desserts, food products, beverages, receipts from the sale of licensed merchandising items, such as T-shirts, hats, and other promotional items, less any sales tax. Gross Sales will also include any money obtained from selling any goods and services under the name “Detroit Wing Company” whether derived from within or outside the Restaurant (e.g., catering, food shows, or other off-site events).

Note 3 We currently require you to contribute 2% of Gross Sales to the Marketing Fund (“Marketing Fund Fee”). The Marketing Fund Fee may increase over the term of the Franchise Agreement as implemented through the Operations Manual. Our affiliate operated Restaurants will pay the same fee. We, in our sole discretion, choose the timing of the marketing and/or advertising expenditures, the type of marketing, the forum for the marketing/advertising, and the supplier for the marketing/advertising. This fee does not include any advertising expenditures you are required to make on your own for local advertising. We require that you spend up to \$10,000 on Grand Opening Advertising. In addition, after the first 90 days of operation, we require you to spend at least 1% of Gross Sales on local advertising. You are not required to pay this amount to us, unless you fail to spend it in your local market. We have the right to require you to pay the local advertising fee to us so that we can expend these funds on your behalf.

Note 4 You must keep complete and accurate books and records of the operations of your Restaurant in a form acceptable to or designated by us and report financial information to us as we require, in a format that we require. You must use the professional accounting services of an accountant or accounting firm. At our sole discretion, our authorized agent has the right to examine and make copies of your books, records, and tax returns. You must waive any accountant/client privilege to allow your accounting firm to disclose to us information required to be disclosed by you in the Franchise Agreement. On an annual basis, we may initiate an audit of your books to ensure that you are properly accounting for all Gross Sales or other reasons in our sole discretion. You are at all times responsible for your own costs and expenses associated with the audit. You will also be responsible to pay Audit Expenses in the event that you understate Gross Sales by 1% or more or an underpayment of the Royalty of at least 3% or more. You will also be responsible to pay to us the Royalty Fees and Marketing Fund Fees on the deficiency plus interest at the maximum legal rate.

Note 5 We provide Management Training and Staff Training as part of the Initial Franchise Fee (See Item 11). If we determine, in our sole discretion, that your management or staff needs additional training or if you ask us to perform additional management or staff training, we will charge you a per diem fee that can range from \$500 to \$1,000 per assistant or trainer per day, plus expenses for our assistants or trainers. You will also be responsible for wages, benefits, travel, and expenses of your managers or crew attending this additional training.

- Note 6** We will charge you a fee that can range from \$500 to \$1,000 per assistant or trainer, per day, plus expenses for any additional assistance in which an additional assistant is used, either directly or indirectly, by us. We may, in our sole discretion, determine that you require our additional assistance. You may request additional assistance; however, we reserve the right to determine whether or not it is necessary, and we reserve the right to not provide additional assistance if, among other things, the proper assistant is not available. Additional assistance can include, without limitation, on-site marketing consultation, on-site construction, build-out consultation, and/or on-site Restaurant operation consultation.
- Note 7** You must renovate and modernize the Restaurant’s building, premises, signs, and equipment upon our request once during the initial term of the Franchise Agreement at any time after the end of the 5th year of the initial term of the Franchise Agreement to conform to the building design, trade dress, color scheme, and presentation of our Trademarks consistent with the current image of Restaurants using the “Detroit Wing Company” System, provided, however, that the cost of each renovation and modernization shall not exceed \$100,000. In addition, you must repair and maintain the exterior and interior of your premises, at your own expense, as reasonably directed by us. If you fail to make such required repairs or maintenance or the required renovations and modernizations within 30 days after receipt of written notice from us setting forth the specific repairs or alterations that are required, then we, without being guilty in any manner of trespass, fault, or negligence, and without prejudice to any of the other remedies we have, may have such repairs or alterations completed, at your expense, to maintain your Restaurant in accordance with our required standards. If this occurs, you must immediately reimburse us for all costs we incurred to make such renovations, repairs, or alterations. You will indemnify and hold us, our franchisees, and affiliates harmless from all fines, suits, proceedings, claims, demands, damages, liabilities, or costs, including, without limitation, reasonable attorney fees, arising out of any action or proceeding of any kind or nature that arises or grows out of or is in any way connected to the construction, renovation, or operation by you of the Restaurant. These renovation and remodeling expenses do not relieve you of the obligation to maintain the Restaurant and the premises, with routine maintenance obligations, throughout the term of the franchise agreement.
- Note 8** You are required to purchase your supply of certain food and other items we determine from time to time from our affiliates. We also require you to maintain an inventory of our proprietary merchandise and food products for retail sale to customers.
- Note 9** If you want to use an unauthorized supplier or product, we will charge you a one-time fee of up to \$5,000 to ensure that the proposed supplier or product meets our standards. We have no obligation to approve any supplier proposed by you.
- Note 10** We have a system-wide System Performance Review Program (e.g., mystery shoppers). If you fail an assessment under our System Performance Review Program, you will be required to pay us a fee to reassess the operations of your Restaurant for compliance with our System. This fee may increase over the term of your Franchise Agreement.

Note 11 We require that you participate in our Web-based Marketing Program. The Web-based Marketing Program may consist of activities such as, without limitation, an email database marketing program, loyalty program, gift card program, and other programs as may be implemented through our Operations Manuals. We reserve the right to increase this fee in the future because of the rapidness of the changes in information technology.

Note 12 We charge a Non-Compliance Fee in the amount of \$500 per occurrence for not being in compliance with the terms of the Franchise Agreement. The Non-Compliance Fee shall be assessed one (1) business day after receipt of a notice of default and shall continue to accrue until such default is cured. Application of the Non-Compliance Fee is not limited to certain key provisions of the Franchise Agreement. You shall incur the Non-Compliance Fee for any default under the Franchise Agreement.

ITEM 7. ESTIMATED INITIAL INVESTMENT

Prior to the opening of your business, it will be necessary for you to make an initial investment comprised of the following items:

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT FOR FRANCHISE AGREEMENT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	\$30,000	Lump sum	At signing of Franchise Agreement and prior to opening	Us and our Affiliates
Training Expenses (Note 2)	\$3,200 to \$15,000	As incurred	As incurred	Airlines, Hotels and Restaurants
Real Estate/Rent (Note 3)	\$10,000 to \$20,000	As arranged	As arranged	Landlord
Lease Review (Note 3)	\$0 to \$2,500	As arranged	As arranged	Us or a Supplier designed or approved by Us
Utility Deposits	\$1,000 to \$3,000	As arranged	As arranged	Utility Companies
Real Estate/Building Improvements (Note 4)	\$215,000 to \$275,000	As arranged	As arranged	General Contractor and other vendors
Furniture and Fixtures (Note 5)	\$2,000 to \$5,000	As arranged	As arranged	Suppliers designated or approved by Us
Equipment (Note 5)	\$156,500 to \$165,000	As arranged	Prior to Opening	Suppliers designated or approved by Us (See Items 8 and 9)
Insurance	\$3,000 to \$5,000	As arranged	Prior to Opening	Insurance Company approved by Us
Signage	\$10,000 to \$20,000	As incurred	As incurred	Suppliers designated or approved by Us (See Items 8 and 9)
Professional Fees (Note 6)	\$12,000 to \$15,000	As incurred	As incurred	Professionals - Attorneys, Accountant, Architect/Engineer
Permits	\$4,000 to \$5,000	As incurred	Prior to Opening	Local or State Government

TYPE OF EXPENDITURE	AMOUNT FOR FRANCHISE AGREEMENT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Point of Sale System (Note 7)	\$2,500 to \$3,500	As incurred	As incurred	Suppliers designated or approved by Us.
Inventory Management Software (Note 8)	\$402 to \$1,404	As incurred	As incurred	Supplier designated by us
Low Voltage Package (Note 8)	\$9,500 to \$12,000	As incurred	As incurred	Suppliers designated or approved by Us.
Music (Note 8)	\$155 to \$200	As incurred	As incurred	Suppliers designated or approved by Us.
Restaurant Management Software & Tablet (Note 8)	\$1,500	As incurred	As incurred	Suppliers designated or approved by Us.
Restaurant Operations Software (Note 8)	\$197	As incurred	As incurred	Suppliers designated or approved by Us.
Branded Promotional Materials, and Uniforms (Note 9)	\$3,000 to \$3,500	Lump Sum	Prior to Opening	Suppliers designated or approved by Us (See Items 8 and 9)
Inventory and Supplies	\$16,500 to \$18,500	As incurred	Prior to Opening	Suppliers (other than our affiliates) designated or approved by Us (See Items 8 and 9)
Grand Opening Advertising (Note 10)	\$0 to \$10,000	As incurred	As incurred	Suppliers designated or approved by Us (See Items 8 and 9)
System Performance Review Program (Note 11)	\$382	As incurred	As incurred	Suppliers designated or approved by Us or Us (See Items 8 and 9)
Technology Fee (Note 12)	\$600	As incurred	As incurred	Us
Additional Funds (Note 13)	\$25,000 to \$50,000 3 Months	As incurred	As incurred	Employees and Suppliers
TOTAL (Note 14)	\$506,436 to \$662,283			

TYPE OF EXPENDITURE	AMOUNT OF AREA DEVELOPMENT AGREEMENT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee (Note 15)	\$20,000 to \$380,000	Lump sum	At signing of the Area Development Agreement	Us
Initial Investment for Each Franchised outlet (Note 16)	\$506,436 to \$662,283	As Provided Above	As Provided Above	As Provided Above
Total	\$526,436 to \$1,042,283			

Note 1 The Initial Fee is not refundable.

Note 2 You are responsible for making arrangements and paying expenses for you, your Franchise Designate, and your managers to attend the management training program, including without limitation, transportation, lodging, meals, and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodations that you choose. These amounts are non-refundable. This does not include any additional training that may be required of you or your Franchisee Designate. We require you to begin the management training at least 30 days prior to the opening of your Restaurant. This estimate contemplates training of you, your Franchise Designate if other than you, and up to 4 managers pursuant to the training program described in Item 11. We reserve the right to require you, your Franchise Designate, and your managers to attend the training program on separate days or separate sessions, which may increase your costs.

Note 3 We estimate that rent for suitable space (1,200 to 1,500 square feet) for the Restaurant's building will average the range indicated above, which is for the initial phase of the business (first 3 months), not including pass-through expenses such as, without limitation, property taxes, insurance, common area charges, or maintenance, depending upon whether you own or lease the real estate. Your actual costs will depend on the real estate market and the particular location of your building. You may also be required to provide a security deposit to your landlord. Typically, the security deposit will equal the rental payment for the first month of the Lease term. This security deposit may be refundable in accordance with your agreement with your landlord. We must approve your location, but we do not provide any assurances as to the success of the Restaurant established at a particular location. We cannot estimate the cost of purchasing real estate or leasing land because such cost varies depending upon the location of the property, its condition, the state of the economy, and the terms of the purchase. Typical locations for Restaurants may be near downtown areas, highways, malls, shopping centers, entertainment complexes, and other commercial areas with direct road frontage. Whether any amount paid to a landlord is refundable depends upon your agreement with the landlord. If you do not use an Approved Supplier for lease negotiations, we will charge you a non-refundable Lease Review Fee of \$2,500.

Note 4 You must construct or renovate a building to operate your Restaurant. All contractors you use must be approved by us. Architectural plans for the building must conform to the specifications and design provided by us and must be approved by us. We require you to engage an architect we approve to assist you in the initial design of the floor plan and exterior elevation of your building. You must obtain our approval on any interior design plans for the building. We derive no remuneration from using the designated architect to create the initial floor plan and exterior elevation design. Whether any amount paid to a contractor or an architect is refundable depends upon your agreement with the contractor or architect. In general, our specifications require a building approximately 1,200 to 1,500 square feet in size. The costs of construction and leasehold improvements includes architect and engineering fees for remodeling and renovating the building location and the actual remodeling and renovation expenses of the building location, but this amount depends upon the size and condition of the premises, the nature and extent of leasehold improvements required, the local cost of contract work, the Covid-19 pandemic, and the location of the Restaurant. The method of your payment will largely depend on your financing. The estimated amounts

are generally non-refundable, and include site plan review fees, zoning fees, and building permit expenses.

- Note 5** You are required to obtain all the furniture, fixtures, equipment, small wares, and signage (including menu boards) necessary for the operation of the Restaurant, including, but not limited to coolers, freezers, fryers, ovens, grill, food processors, ice machines, counters, tables, chairs, light fixtures, sign boards, and other items. You are to obtain the equipment and signage from a supplier approved or designated by us. The initial investment required depends upon financing terms available, the size, type, and brand of equipment purchased, and other factors. Whether any amount paid for the equipment is refundable depends upon your agreement with the particular supplier. You may also be able to lease some of the equipment from an equipment-leasing business approved by us and listed on the Approved Suppliers List.
- Note 6** Professional fees includes your initial accounting fees, attorney fees for formation of a corporation or other business entity, accounting fees, architect/engineering fees, and the like. The amount of the professional fees may vary depending upon the professionals you choose, the extent of the construction project, the local cost of contract work, the location of the Restaurant, and other factors. Whether these amounts are refundable depends upon your agreements with the professional.
- Note 7** You must purchase or lease a required point of sale system from a designated vendor. You must allow us to automatically poll your sales-related and menu metrics directly from your POS on a daily basis. You must also pay for the installation of certain equipment and a monthly subscription fee. The amounts reflected in the table above are what we estimate you will spend prior to and during your initial phase of business (first 3 months). These amounts may increase over the term of the Franchise Agreement. Whether these amounts are refundable depends upon your agreement with the vendor.
- Note 8** You are required to pay a recurring monthly subscription fee in the amount of \$178.40 for certain restaurant management software. You must also pay for the installation of certain equipment and a \$20.61 monthly license fee for the music played at your franchise location. Further, you must pay a \$7.50 monthly fee for each digital menu board used at your franchise location. The low voltage package estimate includes the hardware and installation for phones, cameras, digital signage, and speaker system. The monthly license fee for our inventory management software is \$134 or \$117, but only if you pay for the entire year in advance. The monthly license fee for our restaurant operations software is \$65.45. The amounts reflected in the table above is what you will spend during your initial phase of the business (first 3 months). These amounts may increase over the term of the Franchise Agreement. Whether these amounts are refundable may depend on the contract you reach with the vendor but are generally non-refundable.
- Note 9** You must purchase uniforms for every employee. The cost of individual uniforms will vary depending on the position of the employee. Uniforms must be purchased from an Approved Supplier and conform to our specifications as may be outlined in the Operations Manuals. You must also purchase an initial supply of proprietary materials

and branded merchandise which includes a grand opening kit and menu boards. These amounts are generally non-refundable.

- Note 10** We may, in our discretion, require you to retain a public relations firm to assist in organization and implementation of the Grand Opening Advertising. Grand Opening Advertising fees may vary due to the market costs and conditions in which the Restaurant is located. We may require you to advertise in media such as radio, television and newspaper, direct mail, other advertising, promotional items, and other media during your first 90 days of the operation of the Restaurant. Such advertising and promotion will be designated as “Grand Opening” advertising and promotion, which you must conduct in accordance with the specifications as we may set forth from time to time in the Operations Manuals. You must submit your Grand Opening marketing plan to us 45 days prior to the opening of the Franchise Business. All Grand Opening advertising expenditures must be approved by us before they are incurred. Whether this advertising fee is refundable is determined by the supplier that you select. We reserve the right, in our sole discretion, to collect your Grand Opening Advertising fees and expend those funds on your behalf. The Grand Opening Advertising funds are the only advertising expenses you will incur prior to the operation of the Restaurant. You will not be required to spend the 1% of Gross Sales on Local Advertising during the initial 90-day period of operation. If implemented and charged by us, you must pay us the Marketing Fund Fee at all times. After the initial 90-day period of operation, you will be required to spend 1% of Gross Sales on Local Advertising.
- Note 11** We may organize a System Performance Review Program and implement the program consistent with our Operations Manuals.
- Note 12** We charge a monthly Technology Fee, which amount may increase over the term of the Franchise Agreement as may be further implemented through the Operations Manual. The \$600 amount reflected in the table above is what you will spend during your initial phase of business (first 3 months). This amount may increase over the term of the Franchise Agreement.
- Note 13** The range estimates your initial start-up working capital to cover operating expenses, including your staff salaries and phone and paging system, for a period of 3 months and required business licenses and other expenses incident to opening a business. The estimate does not include an owner’s salary or draw. The additional funds required will vary and will depend on factors such as your area; how closely you follow our methods and procedures; your management skill, experience and business acumen; the relative effectiveness of your staff; local economic conditions; the effects of the Covid-19 pandemic; the local market for restaurants similar to the Restaurant being offered here and the products and services you are offering; the prevailing wage rate; competition; and the sales level reached during the initial phase. This range includes, but is not limited to, security deposits, utility costs, incorporation fees, and required licenses (including transfer of existing licenses). Utility companies may require that you place a deposit prior to installing telephone, gas, electricity, cable, and related utility services. A typical utility security deposit is equal to one-month's expense. These deposits may be refundable in accordance with the agreements made with the utility companies.

Note 14 We recommend that you have at least 50% of your Estimated Initial Investment in equity and no more than 50% of your Estimated Initial Investment financed with debt.

Note 15 Based on a Development Schedule of 2-20 Restaurants. If you sign an Area Development Agreement, you must develop an agreed-upon number of Restaurants within the Development Territory within a certain Development Schedule. You must pay a Development Fee of \$20,000 multiplied by the number of Restaurants that you agree to develop in the Development Territory. You must pay the Development Fee in full when you sign the Area Development Agreement. The Development Fee is payable for the reservation of future development rights in the Development Territory and is not refundable under any circumstances. You will sign a separate franchise agreement in our then-current form, the terms and conditions of which may be materially different than the Franchise Agreement attached as Exhibit B, for each Restaurant opened according to the Development Schedule and pay the nonrefundable then current Initial Franchise Fee.

Note 16 You will pay the then-current Initial Franchise Fee each time you execute a Franchise Agreement. However, we will credit \$20,000 against the then-current Initial Franchise Fee for each Restaurant you develop under the Area Development Agreement. We will grant additional franchises under the Area Development Agreement according to the terms of the Area Development Agreement.

We relied upon the licensees of our affiliate and our affiliate's development and operation of Detroit Wing Company Restaurants in their markets to compile these estimates. Your costs may vary depending upon your market and the effects of the Covid-19 pandemic. We do not offer direct or indirect financing to franchisees for any items. You should review these estimates of your initial investment carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Restaurant according to our System. Our System may regulate, among other things, the types, models, and brands of fixtures, furniture, equipment, furnishings, and signs; products and supplies you must use in operating the Restaurant; unauthorized and prohibited food products, beverages, and services; inventory requirements; and designated and approved suppliers.

Restaurant Premises. In order to ensure a uniform quality of products and services throughout the "Detroit Wing Company" System, you must maintain and comply with our standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must approve the location for your Restaurant (see Item 11), provided, however, that our approval of your location is not a representation or evaluation that we believe the location will be a profitable location for you. You are solely responsible for the financial risks and rewards related to the location. We also have the right, but not the obligation, to review and to approve or disapprove any lease for the Restaurant premises. You and the landlord must execute the Conditional Assignment of Lease form attached as Exhibit H to this disclosure document. You must construct and equip your Restaurant in accordance with our then-current approved design, specifications, and standards. In addition, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state, or local laws.

Proprietary Products, Designated Suppliers, Approved Products and Suppliers. We require you to purchase proprietary “Detroit Wing Company” inventory, chicken wings, sauces, fries, and other food products and raw materials used in preparing our proprietary recipes, and such other goods and services and such other elements of the System as we determine from time to time, in our sole discretion (“Proprietary Products”) from us or a supplier approved by us (“Designated Supplier”), You must purchase or lease all of the Restaurants non-proprietary equipment, furniture, computers, inventory, small wares, ingredients, and other materials used in the operation of the Restaurant from a supplier approved by us (“Approved Supplier”).

You are required to purchase all of your food products and certain other supplies from either our affiliate, DWC Commissary, LLC, or one of our Designated Suppliers. For example, at this time, you must purchase all your sauces, chicken wings, fries, and other DWC branded food items from our Designated Suppliers. You must purchase all of your other food items and supplies as we may further describe in our Operations Manual from a Designated Supplier. You must purchase your POS System, phone system, and paging system from a Designated Supplier. You must also purchase certain equipment, signs, uniforms, software, cleaning supplies, and other DWC branded items from Designated Suppliers. Other than DWC Commissary, LLC, there are no Approved Suppliers or Designated Suppliers in which any of our officers own an interest. In the fiscal year ending December 31, 2021, neither we nor DWC Commissary, LLC received revenue based on required franchisee purchases.

From time to time, we will provide you with a list of approved architects, contractors, manufacturers, suppliers, vendors, and distributors (“Approved Suppliers List”) and approved inventory, supplies, products, fixtures, furniture, equipment, signs, stationery, supplies, and other items or services necessary to operate the Restaurant (“Approved Supplies List”). Such lists will specify the manufacturer, supplier, and distributor as well as the inventory, products, fixtures, furniture, equipment, signs, stationery, suppliers, and services that we have approved to be carried or used in the Restaurant. There may be only one Approved Supplier for an Approved Supply. We may revise the Approved Suppliers List and Approved Supplies List from time to time in our sole discretion. Such approved lists will be given to you as we deem advisable.

If you want to (i) offer for sale at the Restaurant any brand of product not then-approved by us, (ii) use any brand of product or supply in the operation of the Restaurant that is not then-approved by us as meeting its minimum specifications and quality standards, or (iii) purchase any product from a supplier that is not then-designated by us as an Approved Supplier, you must first notify us in writing and, if requested by us, submit samples and such other information as we require for examination and/or testing or to otherwise determine whether such product, material or supply, or such proposed supplier meets our specifications and quality standards. We reserve the right to approve or disapprove of any proposed supplier for any or no reason in our sole and absolute discretion. You must pay a charge not to exceed the reasonable cost of the inspection and evaluation and the actual cost of the test and investigation of the proposed supplier or product. We estimate that the costs for such test and approval of the proposed supplier or product could be \$5,000 (See Item 6). Our review is typically completed in 30 to 45 days. We reserve the right, at our option, to reexamine or retest the facilities and products of any supplier of an approved item and to revoke such approval if such item fails to continue to meet any of our standards or criteria. We will send written notice of any revocation of an Approved Supplier.

All equipment, signs, fixtures, inventory, products and materials, and other items and supplies used in the construction and operation of your Restaurant that are not specifically required to be purchased in

accordance with our Approved Supplies List and Approved Suppliers List must conform to the specifications and quality standards established by us from time to time.

We may approve suppliers who can match the exact ingredients, blend, freshness standards, overall quality, and appearance standards required by the “Detroit Wing Company” System. We apply the following general criteria in approving a proposed supplier: (1) ability to make products in conformity with our specifications; (2) willingness to protect the trade secrets of a product without dissemination to others; (3) production and delivery capability; (4) reputation and integrity of supplier; and (5) financial condition and insurance coverage of the supplier; (6) adherence to food safety standards; and (7) HACCP approved. We reserve the right to disapprove of a supplier even if they meet the above criteria.

We may, but are not obligated to, negotiate arrangements with suppliers for your benefit. For example, we expect to negotiate better prices with suppliers based upon larger volumes, and these price discounts would inure to your benefit. As of the date of this disclosure document, we have not derived any material benefits based upon your use of any required purchases from Approved Suppliers, but we reserve the right to do so in the future, nor do we provide any material benefits to you based upon your use of any required purchases from Approved Suppliers. We do not provide material benefits to you (for example, renewal or granting additional franchises) based upon your purchase of particular products or services or use of particular suppliers.

We reserve the right from time to time to establish exclusive arrangements with certain providers or suppliers for the benefit of the entire System. When we establish these exclusive System-wide supplier arrangements, you must participate.

We also may receive rebates or derive other revenue from suppliers based upon purchases by our franchisees. We and our affiliates reserve the right to receive additional rebates and revenue in the future. During the fiscal year ending December 31, 2021, we received rebates in the amount of \$468,402 from required purchases made by our franchisees, which was 53% of our total revenue of \$881,651. Our current rebate arrangements vary depending on the supplier and nature of the product or service and are based on either a percentage of cost or a fixed amount or range per specified product. If we negotiate rebates or other benefits from suppliers based upon purchases you make in the future, we reserve the right to retain all or any portion of the rebates or other benefits, contribute the rebates to the Marketing Fund, or do anything else with these rebates and benefits that we may determine in our discretion. At this time, we intend to keep any rebates, revenue, and other benefits we receive as a result of your required food purchases and also intend to use a portion on marketing, but reserve the right to change or modify such policy in our discretion. We intend for you to keep any rebates we receive as a result of your required purchases of cleaning products, but reserve the right to change or modify such policy in our discretion.

Specifications and Standards. You will offer for sale and sell at your Restaurant, certain types of chicken wings, homemade sauces, sides, desserts, food menu items and other categories of food and beverage products that we, from time to time, authorize. You will not offer for sale or sell at the Restaurant any other category of products or services or use the Restaurant’s premises for any purpose other than the operation of the Restaurant in full compliance with the Franchise Agreement and our Operations Manuals.

All goods and services will be prepared only by properly trained personnel strictly in accordance with our methods and procedures as we may further document in our Operations Manual and the “Detroit Wing Company” System.

You must maintain an inventory of ingredients, sauces, food and beverage products, and other products, materials, and supplies which will be sufficient to operate your Restaurant at maximum capacity.

If we develop and market special promotional items, you must maintain a representative inventory of such promotional items that may be available to you at our cost plus a reasonable mark up. You may purchase alternative promotional items provided that such alternative items meet our specifications and quality standards.

Our standards and specifications are contained in our Operations Manuals and other written materials, which will be provided to you, which we can and do revise. We also reserve the right to consent to or require limited variations from our standards. Standards with our written specifications and requirements must be maintained by Approved Suppliers for their Approved Supplies.

Collectively, the purchases and leases described above are about 85% of your overall purchases and leases in establishing the Restaurant and 65% of your overall purchases and leases in operating the Restaurant.

At this time there are no purchasing or distribution cooperatives, but we reserve the right to create them in the future.

Automated Staff Training Program. We reserve the right to implement, on a system-wide basis, a single provider of new staff training, which could be web-based, intranet-based, or otherwise electronic and could be provided by us or an affiliate. If we implement such an automated training program, you must participate and be responsible for all costs associated with the program.

ITEM 9. FRANCHISEE’S OBLIGATIONS

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

Franchisee’s Obligations

	Obligation	Section in the Franchise Agreement or Area Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Franchise Agreement Section 4 Area Development Agreement Section 3	Items 11 and 12
b.	Pre-opening purchases/leases	Franchise Agreement Sections 4, 5 Area Development Agreement Section 3	Items 7 and 8
c.	Site development and other pre-opening requirements	Franchise Agreement Sections 4, 5 Area Development Agreement Section 3	Items 7, 8 and 11
d.	Initial and ongoing training	Franchise Agreement Section 3	Items 6, 7 and 11

Obligation		Section in the Franchise Agreement or Area Development Agreement	Disclosure Document Item
		Area Development Agreement Section 5	
e.	Opening	Franchise Agreement Section 6 Area Development Agreement Section N/A	Item 11
f.	Fees	Franchise Agreement Sections 2 and 9 Area Development Agreement Section 4	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manuals	Franchise Agreement Sections 6 and 11 Area Development Agreement Section 7	Items 8, 14 and 16
h.	Trademarks and proprietary information	Franchise Agreement Section 8 Area Development Agreement Section N/A	Items 13 and 14
i.	Restrictions on products/services offered	Franchise Agreement Sections 6 and 11 Area Development Agreement Section N/A	Items 8 and 16
j.	Warranty and customer service requirements	Franchise Agreement Sections 6 and 11 Area Development Agreement Section N/A	Item 16
k.	Territorial development and sales quotas	Franchise Agreement Sections 1 and 4 Area Development Agreement Section 2 and 3	Item 12
l.	Ongoing product/service purchases	Franchise Agreement Sections 6 and 12 Area Development Agreement Section 7	Items 8 and 11
m.	Maintenance, appearance, and remodeling requirements	Franchise Agreement Sections 6 and 12 Area Development Agreement Section 7	Item 6
n.	Insurance	Franchise Agreement Section 10 Area Development Agreement Section 12	Items 6, 7 and 8
o.	Advertising	Franchise Agreement Section 9 Area Development Agreement Section N/A	Items 6,7 and 11
p.	Indemnification	Franchise Agreement Section 17 Area Development Agreement Section 13	Item 6
q.	Owner's participation/management/ staffing	Franchise Agreement Sections 3, 6, and 12 Area Development Agreement Section 5	Item 15
r.	Records and reports	Franchise Agreement Section 11 Area Development Agreement Section N/A	Item 11
s.	Inspections and audits	Franchise Agreement Section 6 and 12 Area Development Agreement Section N/A	Items 6, 11 and 13
t.	Transfer	Franchise Agreement Section 13 Area Development Agreement Section 8	Items 6 and 17
u.	Renewal	Franchise Agreement Section 16 Area Development Agreement Section N/A	Item 17
v.	Post-termination obligations	Franchise Agreement Section 16 Area Development Agreement Section 11	Item 17

Obligation		Section in the Franchise Agreement or Area Development Agreement	Disclosure Document Item
w.	Non-competition covenants	Franchise Agreement Section 16 Area Development Agreement Section 11	Item 17
x.	Dispute resolution	Franchise Agreement Section 23 Area Development Agreement Section 19	Item 17
y.	Other	N/A	N/A

ITEM 10. FINANCING

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

We reserve the right to sell or assign, or discount all or a part of any receivables or other arrangement we may have with you.

ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as disclosed below, we are not required to provide you with any assistance. Further, we are not obligated to perform these services to your particular level of satisfaction, but as a function of our experience, knowledge, and judgment.

Assistance Prior to Opening. Before you open your Restaurant, we will:

1. Provide you with sample and generic plans and specifications on the construction of a typical Restaurant (Franchise Agreement - Section 5.02). These plans and specifications may be an existing Restaurant or the current prototype that will need to be altered or modified to meet your space requirements, for which modification will be at your cost and expense. Modifications must be reviewed and approved by us. These plans and specifications are not intended to replace engineered stamp and sealed blueprints for the construction of your Restaurant.
2. Review the location selected by you and approve the location if it meets our criteria, review the lease, and assign your designated area for your Restaurant based upon our criteria as may be further documented in our Operations Manual (Franchise Agreement - Section 4). You must use our approved supplier to assist you in your site selection. We do not have any experience or expertise in selecting real estate sites in the geographic area where your Restaurant will be located. We will review the Site Information provided by you for the proposed site for your Restaurant, but you will be solely responsible for selecting the location for your Restaurant. The Site Information for your proposed site will include information on the demographics of the market area, traffic patterns, a description of the character of the neighborhood, the competition in the area of the proposed site, the size, appearance and other characteristics of the premises of the proposed site of your Restaurant and other information requested by us. Although there is no time limit for us to review the Site Information provided by you, we will generally complete our review of the Site Information within 45 days after receipt. We have no obligation, duty or liability to you resulting from the site selected by you or the purchase or lease of your location. We will review the proposed lease for the site you select for your

Restaurant and may charge you a Lease Review Fee. This review will be to determine whether the lease complies with the terms of the Franchise Agreement, and not to provide any business, economic, legal or real estate advice or analysis. We can terminate the Franchise Agreement if you fail to provide the Site Information and purchase or lease a site for your Restaurant within 12 months after the date of the Franchise Agreement. (See Article 4 of the Franchise Agreement).

3. Loan to you a complete set of the Operations Manuals during the term of the Franchise Agreement. These manuals are confidential and remain our property. We may amend and revise the Operations Manuals in our discretion (Franchise Agreement - Section 6.11).
4. Review the architectural drawings and plans for construction, remodeling, and decorating of the premises for the Restaurant (Franchise Agreement - Section 5).
5. Provide you with an Approved Suppliers List (including Designated Suppliers) and an Approved Supplies List (including Proprietary Products) from which you must purchase or lease all of the Restaurant equipment, small wares, paper products, food, trade dress, menu items, POS, phone and pager systems, signs, uniforms, computer systems, and the like (See Item 8) (Franchise Agreement - Section 5.06).
6. Review your use of all promotional materials and advertising to be used by you. (Franchise Agreement - Section 9.04).
7. Train you or your Franchisee Designate, and up to 4 managers, as follows (Franchise Agreement - Section 3.03):

MANAGEMENT TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Management Training	Approximately 30 hours (Note 1) (Note 3)	Approximately 50 hours (Note 2)	At our affiliate’s location in Eastpointe, Michigan or at a franchisee owned location in metropolitan Detroit, Michigan (Note 3)

Note 1 The management training program is conducted several times per year for a period of approximately 2 weeks (approximately 80 hours) and runs in conjunction with the on-the-job training described in Note 2. The management training program is conducted at our affiliate’s location in Eastpointe, Michigan or at a franchisee owned location in metropolitan Detroit, Michigan. The general outline of the management training program contains Detroit Wing Company cultural orientation, management and communication seminars, accounting, reporting and inspection requirements, marketing orientation and general service, managerial and operational sessions, and classroom and on-the-job preparation, catering, cooking and serving operations. Specifically, the training program consists of classroom instruction on kitchen operations, menu preparation, front of the house operations, back of the house operations, customer service, POS/computer training, scheduling, administrative tasks such as opening procedures, closing procedures, sanitation and cleaning, and general

food preparation, operation, and maintenance, using our manuals, Operations Manual, and other materials we develop from time to time. We do not charge you for the costs of the classroom or on-the-job management training program, but you must pay the travel and living expenses of you or your Franchisee Designate, if different than you, and the manager(s) (your “Team”) that attend. You or your Franchisee Designate, if different from you, and your manager(s) are required to be “certified” and satisfactorily complete, as determined in our discretion, the classroom management training program. Your Team must commence the initial management training program at least 30 days before the opening of your Restaurant. We reserve the right to require you, your Franchisee Designate, and your managers attend the initial management training program on different days or at different sessions, which may increase your costs. You are responsible for maintaining a fully-trained and certified management team consisting of your Franchisee Designate and at least 2 managers at all times.

Management personnel hired after you open are required to complete this management training at your sole cost and expense as more fully set forth in the Operations Manuals. If you or your affiliates own 3 or more Restaurants, you must have one of your Restaurants approved by us as a Certified Training Restaurant.

Note 2

On-the-job training will consist of approximately 50 hours of on-the-job management training at a Restaurant unit designated by us at our discretion. The training will include all of the areas listed in Note 1 above as performed in the Restaurant. Your Team is required to be “certified” and satisfactorily complete, as determined in our discretion, the on-the-job training. We do not charge for this initial on-the-job-training, but you must pay travel and living expenses for you and your Team, as well as your Team’s wages. We may, in our sole discretion, require one or more of your managers to engage in additional training beyond the 50 hours. Your Franchisee Designate, if different from you, may be required to participate in additional training, as determined by us in our sole discretion. This additional training may delay the opening of your Restaurant. You are required to pay for this additional training. You and your Team may be required to participate in additional training programs or refresher courses. See Item 6 for additional training or additional assistance. We will attempt to coordinate System-wide refresher courses with periodic Franchisee meetings.

Note 3

Mr. Jeff St. Andrew is principally responsible for facilitating training. Additional employees, contractors, or franchisees of ours who have experience in some facet of the operation of a business, may assist in the implementation of the management training program. Those employees, contractors, and franchisees of ours who participate in the training programs will have, on average, 6 months of experience in the subject matter being taught and at least 6 months of experience with our System.

8. Train your staff as follows (Franchise Agreement- Section 3.03):

STAFF TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Instructor
Staff Training	Varies (Note 1) (Note 2)	Approximately 5 days (Note 2)	Us (Note 3)

- Note 1** The nature of the Restaurant dictates that all training be integrated with the operation of the Restaurant, so the training of our franchisees cannot be satisfactorily categorized by subject, time, or hours of classroom training. Your staff must begin its training no later than 2 calendar days prior to the opening of the Restaurant for business and such staff must consist of the staff required to open the Restaurant.
- Note 2** We will provide opening assistance for a minimum of 5 days, which time will overlap your opening. The training will consist of approximately 1 to 2 days of in-Restaurant staff training at your Restaurant before the Restaurant opens to the public and approximately 2 to 3 days of in-Restaurant staff training at your Restaurant after the Restaurant opens to the public. During this time, you are solely responsible for and must pay wages and employment related expenses, including reimbursable travel for your employees. We may, in our discretion, extend this period based on our assessment of the staff's performance during this training period. If we, in our sole discretion, determine that your staff needs additional training, you are responsible for the additional training costs, including wages, travel, and living expenses of our and your staff. As you open more Restaurants, you shall participate in the training of your staff and take on increasing responsibility to train your staff. After your third Restaurant, you must designate one of them as a Restaurant with our approval, in which you will train your management and staff.
- Note 3** Mr. Jeff St. Andrew is principally responsible for this training. Additional employees, contractors, or franchisees of ours who have experience in some facet of the operation of a business, may assist in the implementation of the Staff Training. Those employees, contractors, and franchisees of ours who participate in the training programs will have, on average 6 months of experience in the subject matter being taught and at least 6 months of experience with our System.

Assistance after Opening. During the operation of the Restaurant, we will:

1. As part of the initial staff training discussed above, we will assist with your staff training at your Restaurant for a minimum of 5 days, which time will overlap your opening. We may, in our discretion, extend this training period based on our assessment of the staff's performance during the training period (Franchise Agreement - Section 3.04). If you request additional assistance, you will be responsible for our trainer's per diem fee and related travel costs. (Franchise Agreement – Section 3.04).
2. Maintain the Marketing Fund and if implemented by us require that you contribute up to 2% of your Gross Sales to such a fund. We may assist you in the placement of local advertising. We must approve the use of all promotional materials and advertising prior to its use. We must also review your quarterly Marketing Plan (Franchise Agreement - Section 9.02).
3. Make periodic visits to your Restaurant, as are reasonably determined to be necessary by us, for consultation, inspections, assistance and guidance. Our representatives who visit your Restaurant will prepare written reports outlining any suggested changes or improvements in the operation of your Restaurant or describing any defaults that become evident. You will receive a copy of this written report from us. These inspections will be conducted to determine your compliance with our System. You must achieve a particular grade or score on such

inspection. Failure to achieve these satisfactory scores or grades will result in default notice (Franchise Agreement - Section 6.17).

We have organized a System Performance Review Program. If you fail to achieve a passing score on an assessment, you will be required to pay a fee to have your Restaurant reassessed for compliance with our System (Franchise Agreement - Section 6.05).

4. We may organize and implement Franchisee meetings, in various formats, including without limitation, in-person meetings, conference calls, webinars, and webcasts, to which you, your Franchisee Designate, if different from you, managers, or other key employees, as we determine. You are responsible for the travel and expenses associated with the meetings. The locations of the meetings will be determined by us and we may require that you stay at the hotel location of the meetings. Topics of such meetings will include operational issues, “best practice” sharing, new product/service presentations, Operations Manuals amendments, etc. (Franchise Agreement - Section 6.05).
5. Maintain a representative inventory of special promotional items to meet public demand if we, in our discretion, decide to develop and market such special promotional items (Franchise Agreement - Section 6.05).
6. Periodically provide you with an updated Approved Suppliers List (including Designated Suppliers) and an Approved Supplies List (including Proprietary Products) (Franchise Agreement - Section 5.06).
7. Undertake such review, inspection or testing as we deem necessary of any unapproved item or supplier proposed by you for use in your Restaurant (Franchise Agreement – Section 5.06).
8. Provide, in our discretion, to you or your Franchisee Designate, your managers, and/or employees refresher training programs and seminars. We may charge a fee for these refresher training programs, and, if necessary, you will be responsible for paying all travel and living expenses for you and your employees (Franchise Agreement - Section 3.03).

Advertising. As a franchisee, you must spend, annually throughout the term of the Franchise Agreement, a minimum of 1% of Gross Sales on Local Advertising for the Restaurant in your market. We must approve all advertising before you use it. You must provide us with copies of your proposed advertising and we will approve or disapprove the advertising within 30 days of our receipt. You may not use advertising that is not approved by us. You may determine the timing, manner, media, and supplier for each piece of advertising with our approval. If you fail to spend 1% of Gross Sales on Local Advertising in any calendar quarter, you must pay any deficiency to us as an additional Royalty.

We also collect a Marketing Fund Fee for the Marketing Fund (the “Fund”), which is currently 2% of the Gross Sales of your Restaurant to develop the brand and promote the System. We reserve the right to increase the Marketing Fund Fee, which may be implemented through our Operations Manual. Our affiliates will contribute the same amount. The Marketing Fund Fee must be paid in the same manner as the Royalty Fee payment (Franchise Agreement – Section 9). We did not collect any Marketing Fund Fees in the fiscal year ending December 31, 2021.

With regard to the Fund, we direct all marketing, brand development expenses, and advertising programs in our discretion. We have the right to approve the creative concepts, materials, and media

used in the programs and their placement and allocation, if any. The Fund is intended to maximize general public recognition and acceptance of the Trademarks and improve the collective success of all Restaurants operating under the System. For Restaurants we or our affiliates operate in the United States, we or our affiliates will contribute to the Fund on the same basis as you. In administering the Fund, we and our designees have no obligation to ensure that the expenditures for marketing, brand development, or advertising placement (if any) are approximately proportional to each franchisee's contributions to the fund within any given territory or designated area (as that term is defined in each franchisee's respective Franchise Agreement).

We or our designee may use the Fund to satisfy the costs of maintaining, administering, website development and maintenance, directing, and preparing all marketing and brand development expenses, and advertising (if any), including the cost of preparing, developing, producing, and conducting television, radio, magazine, and newspaper advertising campaigns; donations and charitable contributions; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and costs of our personnel and other departmental or overhead costs for marketing, brand development, and advertising that we administer or prepare internally and any other expenditures for marketing activities we make. We will keep all sums you pay to the Fund in a separate account and will not use them to defray any of our general operating expenses, except for reasonable administrative costs and overhead of the Fund, if any, that we may incur in the administration or direction of the Fund and advertising programs for the System. We operate the Fund solely as a conduit for collecting and expending the advertising fees as outlined above. We will spend any sums paid to the Fund that are not spent in the year they are collected in subsequent years. We intend to collect the Marketing Fee in the same manner as the Royalty. If we decide in our discretion, to create or form an affiliate to perform the functions related to the Marketing Fund, you authorize that such affiliate will have the same authority as we have to collect the Marketing Fee in the same manner as the Royalty without the need to obtain a separate authorization. At this time, we do not have an advertising council composed of franchisees that advises us on advertising policies.

As Franchisor, we will prepare an annual, unaudited statement of the operations of the Fund that is made available to you upon reasonable request within 6 months of the end of our fiscal year. We are not required to have the Fund statements audited. These statements will be made available to you upon reasonable request.

We may terminate the Fund at any time. The Fund will not be terminated, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to each contributor (including those Restaurants operated by us or our affiliates) without interest, on the basis of its respective contributions.

We currently advertise the Restaurants and the products offered by the Restaurants in various forms of media, which may include internet, pop ups, social media, television, radio, magazine, and newspaper advertising campaigns, direct mail, outdoor billboard advertising, and other media as we determine from time to time in our discretion. Some of our advertising is developed by members of our staff. Other advertising is developed by third-party contractors.

We may designate any geographic area in which two or more Restaurants are located and owned by different parties as a region for purposes of establishing an advertising Cooperative. The members of the Cooperative for any area will consist of all Restaurants, whether operated by us, our affiliates, or franchised. We will determine, in advance, how each Cooperative will be organized and governed and when it must start operation. We reserve the right to dissolve or merge these program(s) and/or

council(s) at any time. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in Local Advertising. If a Cooperative has been established for a geographic area where your Restaurant is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must sign all documents we request and become a member of the Cooperative according to the terms of the documents. We will provide to you a copy of the Cooperative documents applicable to the geographic area in which your Restaurant will be located if you request it.

You must contribute to the Cooperative the amounts required by the documents governing the Cooperative, but in no event will that be more than 3% of Gross Sales. You may apply your payments to the Cooperative toward satisfaction of your Local Advertising requirement. We may allocate your contributions to a Cooperative to the Fund, as described above. All contributions to the Cooperative will be maintained and administered according to the Cooperative governing documents. Each Cooperative will be obligated to prepare an annual financial statement, reporting its expenditures for the previous year, to its members.

Neither the Fund nor any Cooperative will use any funds for advertising that is principally a solicitation for the sale of franchises for franchised Restaurants.

We also may maintain one or more social media sites (e.g., www.twitter.com, www.facebook.com, www.instagram.com, or such other social media sites). You may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Marks, without our advance written consent. We may periodically designate regional or territory-specific user names/handles to be maintained by you. You must adhere to the social media policies established by us and in order to protect our brand, you will require all of your employees to do so as well. We reserve the right to require that you remove posts from your personal social media pages. The costs associated with these social media sites, including the costs of our personnel and other departmental or overhead costs, may be paid by the Marketing Fund.

Except as described above, we have no obligation to spend any amount of the Marketing Fund on marketing or advertising in the area where your Restaurant is located.

Point of Sale and Computer System.

We require you to obtain and use in your Restaurant a computer-based point-of-sale (“POS”) cash register system that will provide us independent access to all of your financial information as we implement through our Operations Manuals. We also require you to purchase, subscribe to, and install software allowing us access to your daily sales and labor information. We also reserve the right to designate any change or enhancement to the POS used in your Restaurant including the electronic cash registers, computer hardware, software, and other equipment. At such time as we designate the change or enhancement to the POS you may be required to make certain payments to us or our Designated Suppliers. If you choose to use a POS different from our required POS, you may do so only with our prior approval, which may be conditioned upon your payment of the full on-line ordering integration costs and your assignment of this integration for our use going forward, and any other conditions in our sole and absolute discretion. You must obtain and use in your Restaurant, a computer system (“Computer System”) to host the required POS and required software and applications. The POS and Computer System will generate reports on sales and expenses of the Restaurant. You may obtain the Computer System from any vendor so long as the Computer System meets our requirements. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer

System. Neither we nor any affiliate or third party is obligated to provide ongoing maintenance, repairs, or updates for your Computer System. We currently do not require that you purchase a maintenance, repair, update service contract for the Computer System, but we reserve the right to do so in the future. We estimate the current annual cost of a service contract is approximately \$1,500. Our currently-required technology to be employed in the Restaurant consists of:

- 2 POS terminals with printers and cash drawers;
- 4 kitchen screens;
- 1 desktop (with monitor) or laptop with capabilities of running Windows 10, 1 Ghz or better processor, 1 GB RAM or greater, 2 USB ports, NIC 10/100/1000 or WiFi to connect to Router;
- Laser or InkJet Printer/Scanner with at least 12 ppm;
- Dedicated broadband connection to the internet;
- One e-mail for the Restaurant Franchise Designate;

We make no guarantee as to the suitability or efficiency of the above specifications. Due to rapid technological changes and progress, the above specifications may change without prior notice. The Computer System is not proprietary to us or our affiliates. We may require you to update your Computer System or implement a system-wide POS at any time, at our discretion. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We may format bookkeeping reports and forms for you to report financial information. You must report your financial information in accordance with such forms as they are changed from time to time in our sole discretion. All Gross Revenue, and all sales information, must be recorded. When implemented, the POS System equipment provides you with sales reports, tax reports, various product usage reports, and cashier reports. We intend to have independent access to this information, and you consent to such access. There are no contractual limits on our right to independently access the data. You are required to provide the sales and purchases information to us as required by us. The technology configuration is frequently subject to change due to technology and service advancements, as updated in the Operations Manuals.

Selection of Restaurant Location. You must purchase or lease a suitable site for the Restaurant subject to our approval with the assistance of our Designated Supplier. You must submit to us a description of the proposed site together with evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed site. You must supply the required Development Materials that outline all of the information needed by us to review a proposed site. We may require you use certain real estate site analysis services of an approved supplier to evaluate your proposed site. We will give you written notice of approval or disapproval of the proposed site within 45 days after receiving your written proposal. The factors we consider in approving the location for the proposed site may include, but are not limited to, the following: (i) general location; (ii) traffic patterns; (iii) rent expense; (iv) demographics; (v) equipment and services located at the site; (vi) leasehold improvement costs; (vii) ability to reflect image to be portrayed by “Detroit Wing Company” Restaurants; and (viii) parking. You must select a location we approve within 3 months after the execution of the Franchise Agreement. We may cancel the Franchise Agreement, in our sole discretion, if you fail to select a location acceptable to us within this time frame. In this event, your Initial Franchise Fee is non-refundable.

Timing of Restaurant Opening. We expect that single-unit franchisees will open their Restaurant within 8 to 10 months after signing the Franchise Agreement. Factors that may influence the length of time until opening include, by way of example, your ability to obtain a lease, a building site and a site survey, acceptable financing, or zoning and building permits; your compliance with local ordinances

or other community requirements; Covid-19; labor shortages; the effect of weather conditions; materials shortages; slow delivery of materials or equipment; supply chain issues; and other factors bearing on completion of construction, decorating, purchasing, and installation of equipment, fixtures and signs. We have the discretion to approve the date of opening for the Restaurant. We may cancel the Franchise Agreement, in our sole discretion, and option if you fail to open your Restaurant within this time frame. In this event, your Initial Franchise Fee is non-refundable.

Operations Manuals. The Operations Manuals contain the proprietary and confidential standards, specifications, and procedures for the operation of your Restaurant. The Operations Manual is currently 17 pages long. A copy of the Tables of Contents of these manuals is attached as Exhibit K to this Disclosure Document. The Operations Manuals may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; online postings; e-mail and/or other electronic communications; facsimiles; intranet or secure internet posting; or any other medium capable of conveying the Operations Manuals contents. These manuals are loaned to you for the operation of your Restaurant during the term of the Franchise Agreement. We have the right, in our sole discretion, to modify, change, eliminate, or supplement the Operations Manuals at any time. At all times, you must operate your Restaurant consistent with the Operations Manuals.

Services May Be Provided By Area Representative. If we engage an area representative or other contractor for the area in which your franchise is located, the area representative or other contractor may perform some or all of the obligations described above that would otherwise be performed by us, including on-site assistance and operations support.

ITEM 12. TERRITORY

If you sign an Area Development Agreement, the Area Development Agreement gives you the right to establish an agreed-upon number of franchised Restaurants in a specified geographic area, subject to certain excluded areas described below (“Development Territory”). We describe your Development Territory by boundary streets, highways or other recognizable demarcations and delineate it on a map or written description as part of the Area Development Agreement. If you are not in default under the Area Development Agreement, we will not establish or franchise or allow anyone else to establish a Restaurant in your Development Territory during the term of the Area Development Agreement. We can terminate or modify your rights in the Development Territory if you do not comply with the Area Development Agreement, Development Schedule, or any other agreement you have with us. If we terminate or modify your territorial rights under the Area Development Agreement or your Area Development Agreement expires or terminates, you shall continue to have any approved territory rights you have under any individual Franchise Agreement that you signed for a particular franchised Restaurant. You receive no minimum territory. Your Development Territory is not dependent upon achievement of a certain sales volume, market penetration, or any other contingency. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control.

Your Franchise Agreement gives you the right to operate a Restaurant and utilize our Trademarks and System at a single location in the designated area described in Attachment 1 of the Franchise Agreement (“Designated Area”). The Designated Area may range from a minimum area of zero (limited to your Restaurant property) to a maximum area of 1 mile. In certain instances, such as the existence of physical boundaries like rivers, multi-landed highways, and the like, the size of the Designated Area will not exceed 1 mile. We negotiate with you on the size of the Designated Area

based on various factors determined by us such as population and development density, demographics, traffic patterns, existing locations and viability of those locations, competition, proximity to shopping centers, and market feasibility.

Within your Designated Area, neither we nor our affiliates have or will grant franchises or operate company-owned or affiliate-owned Restaurants using our Trademarks. Notwithstanding the foregoing, under the Franchise Agreement, enclosed malls, institutions (such as without limitation, hospitals, schools, military bases, or convention centers), airports, parks (including theme parks), casinos, and sports arenas will be excluded from your Designated Area and we may open other Restaurants, or franchise the right to open Restaurants to other persons, at any of these locations, regardless of where they are located and regardless of the name under which they operate. As a result, you do not receive an “exclusive” territory since we and our affiliates also have the right, in our sole discretion, to grant or operate other franchises outside of your Designated Area even if they compete for customers within your Designated Area. If the Restaurant is located in an enclosed mall, institution, airport, casino, park, or sports arena, then the Designated Area will be limited to the confines of that enclosed mall, institution, airport, casino, park, or sports arena. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as expressly limited by the preceding paragraphs, we and our affiliates retain all rights with respect to Detroit Wing Company Restaurants, the Trademarks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

1. The right to establish and operate, and to grant to others the right to establish and operate similar business or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Territory or Designated Area under trademarks or service marks other than the Trademarks and on any terms and conditions we deem appropriate;
2. The right to provide, offer and sell, and to grant others the right to provide, offer, and sell, goods and services that are identical or similar to and/or competitive with those provided at Detroit Wing Company Restaurants, whether identified by the Trademarks or other trademarks or service marks, through dissimilar channels of distribution (including, without limitation, retail manufacturing and distribution, ghost kitchens, off-site catering, vending, and other sales and programs through co-branded locations and internet or similar electronic media) both inside and outside your Territory or Designated Area and on any terms and conditions we deem appropriate;
3. The right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your Territory or Designated Area under the Trademarks and on any terms and conditions we deem appropriate;
4. The right to operate, and to grant others the right to operate, Detroit Wing Company Restaurants located anywhere outside your Territory or Designated Area under any terms and conditions we deem appropriate and regardless of the proximity to the Restaurant;
5. The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Detroit Wing Company Restaurants, and

franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Territory or Designated Area); and

6. The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) without your consent by a business providing products and services similar to those provided at Detroit Wing Company Restaurants, or by other business, even if such business operates, franchises, and/or licenses competitive businesses in your Territory or Designated Area.
7. The right to allow third-party delivery service providers to make deliveries inside your Designated Area.

We are not required to pay you if we exercise any of the rights specified above inside your Territory or Designated Area. Nor are we responsible for any loss in sales due to a modification of your Delivery Area.

You must receive our approval before relocating your Restaurant within your Designated Area. In determining whether to allow you to relocate your Restaurant, we consider the same factors we would consider in initially approving a site for your Restaurant. In addition, we consider such factors as whether you have:

1. Removed all obligations from the previous location (e.g., land or building lease, land contract, property or sales taxes);
2. Previously violated your Franchise Agreement, any health codes, or other state or local ordinances, or regulations;
3. Made full payment of all monies owed to us; and
4. Received prior approval, from us, for the proposed location.

You may not relocate your Restaurant outside of your Designated Area. You may not establish additional outlets within or outside of your Designated Area without purchasing an additional franchise from us.

You are not restricted from soliciting sales or accepting orders from outside of your Designated Area, however, with the exception of making deliveries within your Delivery Area, if any, you may not use any alternative channels of distribution which are expressly reserved to us. You acknowledge that customers may submit orders through third-party mobile applications and other delivery services. We reserve the right to allow third-party delivery service providers to make deliveries in your Designated Area. Continuation of your Designated Area is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency and there are no conditions under which your Designated Area or income may be altered by us.



On renewal or transfer of a franchise, the Designated Area may be modified. Depending on the then-current demographics of the area, and on our then-current standards for territories, if the territory is larger than our then-current standard territory, we may require you or the transferees to accept a renewal territory or a transfer territory smaller than the then-current territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises, unless we approve in writing. We and our affiliates have no plan to operate or franchise a business under a different trademark that will sell goods and services similar to those described in this disclosure document.

ITEM 13. TRADEMARKS

You receive the right to operate your Restaurant under the name Detroit Wing Company, which is the primary Mark used to identify our System. You may also use any other current or future Marks to operate your Restaurant that we designate, including the logo on the front of this Disclosure Document and the service marks listed below. By “Trademark,” we mean any trade name, trademark, service mark, or logo used to identify your business.

The following is a description of the principal Trademarks we will sublicense to you. The following table discloses the Marks that are either registered or pending on the U.S. Patent and Trademark Office (“USPTO”) Principal Register and the Marks for which our affiliate has filed applications for registration on the Principal Register.

Mark	Registration Number	Application Number	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration Date	Application Date
DETROIT WING COMPANY®	6,188,234	88,672,540	Principal	November 3, 2020	October 29, 2019
DETROIT WING CO. ®	6,188,235	88,672,676	Principal	November 3, 2020	October 29, 2019
 ®	6,203,609	88,667,759	Principal	November 24, 2020	October 24, 2019
 ®	6,367,616	88,830,696	Principal	June 1, 2021	March 11, 2020

Mark	Registration Number	Application Number	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration Date	Application Date
DWC®	6,692,982	90,661,282	Principal	April 5, 2022	April 21, 2021
PRETENDIES®	6,694,005	90,837,614	Principal	April 5, 2022	July 20, 2021

DWC IP owns the Trademarks listed in this Item. Pursuant to a Trademark License Agreement dated December 29, 2022 (the “License Agreement”), DWC IP has licensed us the right to use the Trademarks listed in this Item and to sublicense the use of the Trademarks listed in this Item in association with the Restaurant System. The term of the License Agreement is perpetual unless terminated in accordance with its terms, including if we no longer desire to use the Trademarks, we fail to perform our obligations under the License Agreement with respect to the quality control standards set by DWC IP, without cause upon DWC IP’s written notice to us, or by mutual agreement of us and DWC IP. If the License Agreement is terminated, your franchise agreement will not be affected and you will continue to be able to operate your franchised Restaurant under the terms of your Franchise Agreement with DWC IP assuming the obligations and benefits of the franchisor. The License Agreement may only be modified in a writing signed by us and DWC IP. If you fail to comply with the quality control standards set by DWC IP with regard to the use of the Trademarks, DWC IP may terminate your Franchise Agreement.

Your use of the Trademarks and any goodwill is to the exclusive benefit of DWC IP and you retain no rights in the Trademarks. You also retain no rights in the Trademarks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Trademarks unless we direct in writing. We may change the System presently identified by the Trademarks including the adoption of new Trademarks, new menu items, new products, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply, within a reasonable time, if we notify you to discontinue or modify your use of any Trademark. We will have no liability or obligation as to your modification or discontinuance of any Trademark.

There are presently no effective determinations of the United States Patent and Trademark Office (“USPTO”), or the Trademark Administrator of this State, or any court; no pending infringement, interference, opposition or cancellation proceeding; or pending material litigation involving

Trademarks which are relevant to the use of the Trademarks in this State. With the exception of the License Agreement, there are no agreements limiting our rights to use or license the Trademarks. There is no pending material federal or state court litigation regarding our use of the Trademark.

We have no obligation to protect any rights which you may have to use the Trademarks and have no obligation to protect you against claims of trademark or trade dress infringement or unfair competition with respect to such Trademarks.

You must immediately notify us, in writing, of any claim, demand, or suit concerning any attempt by others to use any Trademarks that are licensed to you. If we defend or prosecute any such claim, you are obligated to execute any and all documents and do such acts as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution. We are not required to defend you against a claim by a third party against your use of our Trademarks.

We reserve the right to adopt new Trademarks at any time, or to change our existing Trademarks. If we adopt new marks, or change our existing marks, you must use the new or modified marks and discontinue the use of any marks we decide to change or discontinue. You must pay for these changes.

Upon termination of this franchise, for any reason, you will immediately discontinue all use of Trademarks or any designations confusingly similar thereto.

You may not use any part of the Trademark in your corporate name.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights. We hold no patents. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Confidential Operations Manuals.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently-effective determinations of the USPTO, the United States Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

If it becomes advisable at any time in our sole discretion to modify or discontinue use of any copyright and/or use one or more additional or substitute copyrights, you are obligated to do so and our sole obligation in any such event will be to reimburse you for your tangible costs (such as ordering new printed materials) of complying with this obligation.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, our right or interest in our copyrights, trade secrets, methods, and procedures which are part of our business or contest our sole right to register, use or license others to use such copyrights, trade secrets, methods, and procedures.

Confidential Information. You may never – during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you must sign our Confidentiality Agreement and Covenant Not to Compete (Exhibit F).

Our confidential information will include products, services, equipment, technologies, procedures related to the operation of a Restaurant, systems of operation, services, programs, procedures, policies, standards, techniques, requirements and specifications which are part of our System; the Operations Manuals; records of customers and billings; methods of advertising and promotion; instructional materials; and other matters.

All ideas, concepts, techniques, or materials concerning our Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

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

If you are a business entity, we do not require that your equity owners participate personally in the direct operation of the franchisee’s business. However, we recommend participation, as all equity owners will be required to personally guaranty the obligations and performance of the franchisee. The Restaurant must be directly supervised “on premises” by a Franchisee Designate approved by us and who has successfully completed our training program. The on-premises Franchise Designate cannot have an interest or business relationship with any of our competitive business. The on-premises Franchise Designate need not have an ownership interest in a corporate or partnership franchise. After a Franchise Designate’s death, disability or termination of employment, you must immediately notify us and you must designate a successor or acting Franchise Designate within 10 days. The successor Franchise Designate must attend training and be approved by us.

The following persons must sign our Confidentiality Agreement and Covenant Not to Compete (Exhibit F) and keep our confidential and proprietary information confidential (Item 14):

1. You, if you are an individual.
2. Your Franchisee Designate, all Restaurant managers or managerial employees, any other employees having access to our confidential and proprietary information and any other persons to whom you grant access to our confidential and proprietary information.
3. If you are a business entity, all of your officers, directors, shareholders, partners, or members, or equity owners and those business entities directly or indirectly controlling you. If you are a business entity, you and all of the equity owners must also personally guarantee the performance of the Franchisee under the Franchise Agreement in the form of Exhibit E.

You and/or your Franchisee Designate must attend the annual meeting, convention or conference of franchisees and all meetings related to new products or product preparation procedures, new operational procedures or programs, Restaurant management, sales or sales promotion or similar topics, at your sole expense. Your Franchise Designate may attend at your expense such annual meeting, convention or conference. However, your Franchise Designate must attend any required training meetings for Franchise Designates at your sole expense. In addition, we reserve the right to require that you and/or your Franchisee Designate attend any additional meetings that we deem appropriate under special circumstances, provided, however, that we will not require more than one additional meeting every year and we will give you written notice of any such meeting at least ten days prior to the meeting. At all meetings, we may require that you and/or your Franchisee Designate stay at the hotel location of the meetings.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all products and services which are part of our System, and all services and products we incorporate into our System in the future. You may not use our name or the Trademarks for any other business. You may not conduct any business from your Restaurant without our previous written consent.

We require you to offer only those goods and services authorized by the Operations Manuals or previously approved in writing by us as fully set forth in Items 8 and 9 of this Disclosure Document. Our written consent must be obtained prior to any deviation from the Operations Manuals. Any effort to cater events or to do business at events outside of the Restaurant must be approved by us.

We may add to, delete from or modify the products and services which you can and must offer. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

You may only sell the System's products and services at retail and you may not engage in the wholesale and/or distribution of any product, service, equipment or other component, or any related product or service, of the System.

We do not impose any restrictions or conditions that limit your access to customers or limit the customers to whom you may sell such goods or services. You are not limited in the geographical area in which you may offer or sell such goods or services, but you may not open or operate another Restaurant within your Designated Area or elsewhere without purchasing an additional franchise. You are prohibited from selling merchandise, or food and beverage products at locations outside the Restaurant such as grocery stores, convenience stores, or the like, in your Designated Area or through other channels of distribution such as the Internet. We retain those rights.

You must use the real estate solely for the purposes of operating a Restaurant. You may not sell any products in or about the real estate that have not been approved by us, including in any adjoining areas or suites that you may occupy or have access to.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of franchise term	Section 1	The initial term is 10 years from the date the Restaurant opens to the public.
b. Renewal or extension of the term	Section 16	You may renew for 2 additional renewal term of 5 years. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 16	You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have made capital expenditures including remodeling and renovating the location as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement with us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, the terms of which may differ substantially; comply with current training and certification requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	Section 15	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 30 days of receiving your written notice and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 15	We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined-curable defaults	Section 15	<p>If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manuals, you can avoid termination of the Franchise Agreement if you cure the default within 15 days of receiving our notice of default, except for the defaults below that require cure in a shorter time and non-curable defaults in (h.) below. Defaults subject to a 15-day cure period including:</p> <p>(i) failure to make any payment on or before the date payable; (ii) failure to meet and/or maintain the Standards and Specifications; (iii) failure to meet and/or maintain the requirements of the Operations Manuals; and (iv) an Event of Default shall arise under any other agreement you or one of your affiliates have with us in which there is an opportunity to cure, in which case, the cure period under this Agreement shall be extended to coincide with the cure period of the other agreement; (v) you understate your Royalty by 5% or more; (vi) you engage in any dishonest or unethical conduct which may adversely affect the reputation of the Restaurant, or the general goodwill associated with the Trademarks; (vii) you fail, for a period of 10 days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Restaurant; (viii) you violate any covenant of confidentiality or non-disclosure provision contained in this Agreement or you otherwise disclose, use, or permit the use of copies, duplicates, records, transmits, or otherwise reproduce any Operations Manuals, business forms, videos, DVD/CD-ROMS, audiotapes, material or proprietary information, knowledge or know-how created or used by us and designated for confidential use within the System, without our prior written approval; (ix) you abandon or cease to operate all or any part of the Restaurant for more than 10 days; (x) you fail to comply with modifications to System Standards and Specifications within the required time period; (xi) you fail to carry the insurance we require; and do not correct within 10 days of receipt of written notice to you; (xii) you fail to receive our prior written approval and use products or materials that do not meet our Standards and Specifications and do not promptly discontinue use after written notice from us; or (xiii) you fail to timely provide us with any report, statement, or return required by this Agreement.</p>
h. "Cause" defined- non-curable defaults	Section 15	<p>We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: (i) fail to commence construction of the Restaurant or open and thereafter continually operate the Restaurant; (ii) breach or make a false representation, covenant or warranty; (iii) fail to comply with or perform your covenants, obligations and agreements; (iv) make any unapproved transfer; (v) are adjudicated bankrupt or insolvent, make an assignment for the benefit of creditors, or seek protection from creditors by petition in bankruptcy or otherwise or there is filed against you a similar petition which is not dismissed within 30 days; (vi) are the subject of the appointment of a liquidator or receiver which is not dismissed within 30 days; (vii) breach or fail to perform any other term or condition of the Franchise Agreement; (viii) allow an Event of Default to arise under any other agreement between you and us or one of your affiliates and us in which there is no opportunity to cure; (ix) or any Principal Owner pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith or our interest therein; (x) allow a breach or default under an agreement with an approved or designated supplier or vendor; or (xi) allow multiple defaults to occur regardless if they are cured.</p>

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 16	If the Franchise Agreement is terminated or not renewed, you must: stop operating the Restaurant; stop using any trade secrets, confidential information, the System and the Trademarks; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; pay to us damages for early termination of the Franchise Agreement; return the Confidential Operations Manuals, trade secrets and all other confidential information; notify telecommunications carriers that assign your telephone and facsimile numbers belong to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement; completely de-identify the interior and exterior to our satisfaction within 14 days.
j. Assignment of contract by franchisor	Section 13	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	Section 13	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the franchise location or the Restaurant's assets.
l. Franchisor's approval of transfer by franchisee	Section 13	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 13	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement; payment of a transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; transferee has agreed to execute any and all documents associated with the franchise relationship that are required of new franchisees, including without limitation, guarantee of performance, the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement; that the transferee has agreed that its Franchisee Designate will complete the initial training program before assuming management of the Restaurant; and that transferee shall repair and renovate the Restaurant to the then-current System standards.
n. Franchisor's right of first refusal to acquire franchisee's Restaurant	Section 13	We may match an offer for your Restaurant or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's Restaurant	Section 16	Except as described in (n) above, we do not have the right to purchase your Restaurant; however, during the 60-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Restaurant for fair market value.
p. Death or disability of franchisee	Section 13	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within one year of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 12	You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from soliciting employees; owning or operating a Competing Business or have any interest in a competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 16	For 3 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or

Provision	Section in Franchise Agreement	Summary
		professional staff are prohibited from: owning or working for a Competing Business operating within 35 miles of the franchise location designated area or within 35 miles of any other Detroit Wing Company Restaurant designated area; or soliciting or influencing any of our customers, employees or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Section 25	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the confidential Operations Manuals without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 25	Only the terms of the Franchise Agreement are binding. Any other promises other than as set forth in this Franchise Disclosure Document are not enforceable.
u. Dispute resolution by arbitration or mediation	Section 23	Except for claims relating to the Trademarks, confidential information, trade secrets and covenants not to compete, and subject to state law, all disputes must be arbitrated in the county of our principal place of business.
v. Choice of forum	Section 23	Subject to state law, any litigation must be pursued in courts located in the county of our principal place of business at the time the action is filed.
w. Choice of law	Section 23	Subject to state law, the law of the state of Michigan applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 <i>et. seq</i>) and disputes over copyrights will be governed by federal copyright laws of the United States.

Provision	Section in Area Development Agreement	Summary
a. Length of franchise term	Section 3	As agreed based upon the Development Schedule.
b. Renewal or extension of the term	Not Applicable	You cannot renew or extend the term of the Area Development Agreement.
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable.
d. Termination by franchisee	Not Applicable	You do not have a right to terminate the Area Development Agreement.
e. Termination by franchisor without cause	Not Applicable	We may only terminate for cause.
f. Termination by franchisor with cause	Section 10	We may terminate the Area Development Agreement only if you default. If we terminate the Area Development Agreement, your interest in the Area Development Agreement will terminate, but you will retain the rights you may have under any Franchise Agreement you signed and you will be bound to the terms of the Franchise Agreement for the applicable franchised Restaurant.

Provision	Section in Area Development Agreement	Summary
g. "Cause" defined-curable defaults	Section 10	You will have 30 days to cure any default related to a failure to meet and/or maintain the Standards. If an Event of Default shall arise under any Franchise Agreement under which there is an opportunity to cure, the cure period under this Agreement shall coincide with the cure period of the Franchise Agreement. You have 10 days to cure a default for failure to pay any fees or expenses to us or our affiliate.
h. "Cause" defined- non-curable defaults	Section 10	You will not have an opportunity to cure any of these defaults: (i) failure to comply with the Development Schedule; (ii) the breach or falsity of any representation or warranty; (iii) failure to deliver executed covenants; (iv) failure to comply with or perform its covenants, obligations and agreements; (v) any Transfer that is not approved by us; (vi) Developer is adjudicated bankrupt, makes an assignment for the benefit of creditors, or seeks protection from creditors by petition in bankruptcy which is not dismissed within 30 days; (vii) the appointment of a liquidator or receiver which is not dismissed within 30 days; (viii) breach or failure to perform any other term or condition of the Area Development Agreement; (ix) an Event of Default shall arise under any Franchise Agreement under which there is no opportunity to cure; (x) Developer or any Principal pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill; or (xi) multiple defaults, regardless of whether cured.
i. Franchisee's obligations on termination/non-renewal	Section 11	If your rights to develop franchised Restaurants terminates; you must cease operating your development business; you must take actions necessary, if needed, to cancel assumed names; you must, if necessary, notify telecommunications carriers that your telephone numbers belong to us; you must pay us a fee of \$100,000 for each undeveloped franchised Restaurant; you must not own or operate a Competing Business within your territory or any territory of any of our developers or within 35 miles of any territory of any of our developers or any franchised Restaurant operated by one of our franchisees for a period of 36 months.
j. Assignment of contract by franchisor	Section 8	There are no restrictions on our right to assign our interest in the Area Development Agreement.
k. "Transfer" by franchisee-definition	Sections 1 and 8	Any sale, assignment, pledge or other encumbrance of the Area Development Agreement, any or all of your rights or obligations under the Area Development Agreement, or the disposition of any interest in any equity interest of Developer.
l. Franchisor's approval of transfer by franchisee	Section 8	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.

Provision	Section in Area Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 8	No event of Default; you must pay all money owed to us under the Area Development Agreement; you must provide us with at least 90 days prior written notice; Developer and each Principal execute a general release; Developer and each Principal remain liable for the performance of the transferee; Transferee must assume all of your obligations, make all required representations and warranties, execute any and all documents required by us; Transferee and all transferee owners must satisfy our standards for new Developers; Transferee execute the then current form of Area Development Agreement and all other documents we deem necessary, Transferee and Transferee's Representative and Operator satisfy all training obligations; payment of transfer fee of \$10,000.
n. Franchisor's right of first refusal to acquire franchisee's franchised Restaurant	Section 8	We may match an offer for your franchised Restaurant or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's franchised Restaurant	Not Applicable	Not Applicable.
p. Death or disability of franchisee	Section 8	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Area Development Agreement, the individual's interest in the Developer franchise within 1 year of death or incapacity or we may terminate the Area Development Agreement.
q. Non-competition covenants during the term of the franchise	Section 7	You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the franchised Restaurant to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 11	For 36 months after the termination or expiration of the Area Development Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business operating within 35 miles of the franchise location or within the Development Territory (whichever is greater), or within 35 miles of any other Detroit Wing Company Restaurant; or soliciting or influencing any of our customers, employees or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Sections 21	The Area Development Agreement can be modified only by written agreement between you and us. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.

Provision	Section in Area Development Agreement	Summary
t. Integration/merger clause	Section 21	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19	Except for claims relating to the Marks, confidential information, trade secrets and covenants not to compete, and subject to state law, all disputes must be arbitrated in the county of our principal place of business.
v. Choice of forum	Section 23.2	Subject to state law, any litigation must be pursued in courts located in the county of our principal place of business at the time the action is filed.
w. Choice of law	Section 23.1	Subject to state law, Michigan law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States, except that the Michigan Franchise Investment Law does not apply to you unless you are a resident of the state of Michigan or your Territory is within the state of Michigan.

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We have included in the table below certain actual historical unaudited average gross sales information for the fiscal year ending December 31, 2021 for certain Restaurants operated by our franchisees and licensees of Eastpointe that were open and operating for the entire calendar year ending December 31, 2021. We incorporated in the universe of Restaurants included in this Item 19 4 of our franchisee owned Restaurants and 2 of Eastpointe’s licensee owned restaurants that were open and operating under the System for the full calendar year ending December 31, 2021.

The numbers in the table reflecting 2021 financial results are during the Covid-19 pandemic.

The information in the table is based on historical data concerning the franchise system’s outlets and has not been audited or verified by us. Please carefully read all information in this Item 19, including the notes and explanations following the table, which explain the information and the limitations on the information contained in the table. Written substantiation for the financial performance representation will be made available to the prospective franchisee on reasonable request.

2021

2021 Average Gross Sales	Number of Restaurants Attaining or Surpassing Average Results	Percentage of Restaurants Attaining or Surpassing Average Results
\$1,716,561	2	33%

The Gross Sales for these 6 franchisee and licensee operated Restaurants ranged from \$2,168,869 to \$1,236,674, the median being \$1,661,782.

Our franchisees and the licensees of Eastpointe earned these amounts. Your individual results may differ. There is no assurance that you’ll earn as much.

For purposes of this Item 19, the actual average and annualized gross sales includes the total revenue of the licensee operated Restaurants without deduction for Michigan’s 6% sales tax, but are otherwise net of other discounts for rewards, comps, returns, and employee meals. Sales tax in your state may be different.

Gross Sales do not reflect the actual potential income of a Restaurant and should not be relied on in calculating profitability. There are a number of fixed and variable costs associated with a Restaurant, not all of which are reflected in the information above and that vary among individual Restaurants. These expenses, which are likely to be significant, include, but are not limited to, the following: the certain costs listed above, costs described in Items 6 and 7 of this disclosure document, including the royalty fee; interest or finance charges if you finance some or all of the cost of the franchise; depreciation on property and equipment; occupancy costs (including rent, maintenance, insurance and utilities); store supplies; credit card fees; worker’s compensation and general liability insurance; taxes; national brand marketing fund; technology fees; overhead costs, labor costs, inventory costs, accounting and legal fees and general administrative expenses; any pre-opening or amortization of organization costs; costs associated with regulatory compliance; management costs; fringe benefits; and certain repairs and maintenance. We strongly encourage you to consult with your financial advisors in reviewing the table and, in particular, in estimating the categories and amount of additional expenses you will incur in establishing and operating a Restaurant.

Other factors that could cause different results include your location, local market conditions, the physical capacity of your space, market conditions that may present when the Covid-19 outbreak ends, the dedication, knowledge, and experience of your principals, management and employees, local and regional differences in demand for Restaurants and Restaurants implementing our franchise System, existing and future competition, the general state of the local, regional or national economy, your previous experience, competition in your area, the prices you choose to charge, length of time that the licensees have been operating compared to your franchised Restaurant, and the goods and services that your Restaurant provides as compared to the licensees, local market conditions and other factors that

are unique to each unit that may significantly impact the financial performance of the outlet and other market conditions in general, none of which we can predict, control or accept responsibility for.

We may give a prospective franchisee who is seeking to buy a specific operating unit, whether owned by us or another franchisee, actual operating results of that unit.

Other than the preceding financial performance representation, we do not make any representations about a franchisee’s future financial performance or the past historical performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Ms. Anna Denooijer, 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071, (586) 204-3158, or franchise@detroitwingco.com, the Federal Trade Commission and the appropriate regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2019 TO 2021				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	1	3	+2
	2020	3	6	+3
	2021	6	10	+4
Company-Owned	2019	1	1	0
	2020	1	1	0
	2021	1	1	0
Total Outlets*	2019	2	4	+2
	2020	4	7	+3
	2021	7	11	+4

* The Franchised outlets include the current licensees of our affiliate, Eastpointe. As of December 31, 2021, there were 3 Restaurants open and operating under a license agreement with Eastpointe. Although those licensed Restaurants are not a franchise and not part of our franchise System, they are included because the outlets are similar to what is offered to prospective franchisees. The Company-Owned outlet refers to the Restaurant operated by our affiliate, First Wing.

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2019 TO 2021		
State	Year	Number of Transfers
Michigan	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2019 TO 2021								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Michigan	2019	1	2	0	0	0	0	3
	2020	3	3	0	0	0	0	6
	2021	6	4	0	0	0	0	11
Total*	2019	1	2	0	0	0	0	3
	2020	3	3	0	0	0	0	6
	2021	6	4	0	0	0	0	11

* The Franchised outlets include the current licensees of our affiliate, Eastpointe. As of December 31, 2021, there were 3 Restaurants open and operating under a license agreement with Eastpointe. Although those licensed Restaurants are not a franchise and not part of our franchise System, they are included because the outlets are similar to what is offered to prospective franchisees.

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

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2019 TO 2021							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Michigan	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total*	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

* The Company-Owned outlet refers to the Restaurant operated by our affiliate, First Wing.

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2021			
State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Michigan	17	10	0
Ohio	1	1	0
All other states	0	1	0
Total	18	12	0

We did not begin offering franchises until January 2021. The numbers reflected in this Item refer to Restaurants operated by our affiliate, First Wing (Company-Owned) or Restaurants operated by our franchisees and the licensees of our affiliate, Eastpointe (Franchised).

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with DWC Franchising, LLC. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. A list of current franchisees and developers is attached as Exhibit N. A list of former franchisees and developers is attached as Exhibit O. There are no franchisee organizations associated with the franchise system being offered.

ITEM 21. FINANCIAL STATEMENTS

Our unaudited balance sheet as of January 1, 2021 and audited Balance Sheet as of December 31, 2021 and the related Statements of Operations, Members' Equity, and Cash Flows for the year ended December 31, 2021 are attached as Exhibit A. We were organized in November 2020. We did not start offering or selling franchises until January 2021. We have not been in business for three years, so we are not able to provide the financial statements that are normally required, which includes balance sheets for the previous two fiscal years and statements of operations, stockholders' equity and cash flows for the previous three fiscal years.

ITEM 22. CONTRACTS

Attached to this offering circular are the following contracts:

- Franchise Agreement (Exhibit B)
- Area Development Agreement (Exhibit C)
- Electronic Funds Transfer Authorization (Exhibit D)
- Guaranty and Assumption of Obligations (Exhibit E)
- Confidentiality and Nondisclosure Agreement and Covenant Not to Compete (Exhibit F)
- Telephone Number Assignment (Exhibit G)
- Conditional Assignment of Lease (Exhibit H)
- Real Estate Option to Purchase (Exhibit I)
- Release (Exhibit J)
- Franchisee Disclosure Questionnaire (Exhibit M)
- Receipt (Exhibit S)

ITEM 23. RECEIPTS

Exhibit S contains detachable documents acknowledging your receipt of this disclosure document.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

DWC Franchising, LLC

BALANCE SHEET

As of January 1, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
DWC Franchising	1,000.00
Total Bank Accounts	\$1,000.00
Total Current Assets	\$1,000.00
TOTAL ASSETS	\$1,000.00
LIABILITIES AND EQUITY	
Total Liabilities	
Equity	
Owner's Investment	1,000.00
Retained Earnings	
Net Income	
Total Equity	\$1,000.00
TOTAL LIABILITIES AND EQUITY	\$1,000.00

DWC FRANCHISING, LLC

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

January 1, 2021 (Date of Inception) to December 31, 2021

DWC FRANCHISING, LLC

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FMD

CPAs & Strategic Advisors

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
DWC FRANCHISING, LLC
EAST POINTE, MICHIGAN

Opinion

We have audited the accompanying financial statements of DWC Franchising, LLC (a Michigan limited liability company) which comprise the balance sheet as of December 31, 2021, and the related statements of income and members equity, and cash flows for the period January 1, 2021 (date of inception) to December 31, 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of DWC Franchising, LLC as of December 31, 2021, and the results of its operations and its cash flows for the period January 1, 2021 (date of inception) to December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of DWC Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DWC Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DWC Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DWC Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



FENNER, MELSTROM & DOOLING, PLC

APRIL 27, 2022

DWC FRANCHISING, LLC

BALANCE SHEET
December 31, 2021

ASSETS

CURRENT ASSETS

CASH	\$ 52,574
ROYALTIES AND REBATES RECEIVABLE	49,392
DUE FROM RELATED PARTIES	<u>287,094</u>

TOTAL CURRENT ASSETS..... 389,060

PROPERTY AND EQUIPMENT 8,025

\$ 397,085

LIABILITIES AND MEMBERS EQUITY (DEFICIT)

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 213,288
DEFERRED FRANCHISE FEES	<u>6,000</u>

TOTAL CURRENT LIABILITIES 219,288

LOAN PAYABLE, RELATED PARTY..... 18,000

DEFERRED FRANCHISE FEES, NET OF CURRENT PORTION 523,250

TOTAL LIABILITIES..... 760,538

MEMBERS EQUITY (DEFICIT) (363,453)

\$ 397,085

SEE ACCOMPANYING NOTES

DWC FRANCHISING, LLC

STATEMENT OF INCOME AND MEMBERS EQUITY
Period From January 1, 2021 (Date of Inception)
to December 31, 2021

REVENUE	
ROYALTIES AND OTHER	\$ 413,249
REBATES.....	<u>468,402</u>
	881,651
OPERATING EXPENSES.....	<u>1,423,710</u>
NET (LOSS).....	(542,059)
MEMBERS EQUITY, BEGINNING OF PERIOD	-
CAPITAL CONTRIBUTIONS.....	<u>178,606</u>
MEMBERS EQUITY (DEFICIT), END OF PERIOD.....	<u>\$ (363,453)</u>

SEE ACCOMPANYING NOTES

DWC FRANCHISING, LLC

STATEMENT OF CASH FLOWS
Period From January 1, 2021 (Date of Inception)
to December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

NET (LOSS)	\$ (542,059)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
DEPRECIATION.....	460
(INCREASE) DECREASE IN ROYALTIES AND REBATES RECEIVABLE	(49,392)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	213,288
DEFERRED FRANCHISE FEES.....	<u>529,250</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>151,547</u>

CASH FLOWS FROM INVESTING ACTIVITIES

PURCHASES OF PROPERTY AND EQUIPMENT	(8,485)
INCREASE IN ADVANCES DUE FROM RELATED PARTIES.....	<u>(287,094)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(295,579)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

NET INCREASE IN LOAN FROM RELATED PARTY.....	18,000
CAPITAL CONTRIBUTIONS.....	<u>178,606</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>196,606</u>

NET CHANGE IN CASH DURING THE PERIOD

NET INCREASE IN CASH	52,574
CASH, BEGINNING OF PERIOD.....	<u>-</u>
CASH, END OF PERIOD	<u>\$ 52,574</u>

SEE ACCOMPANYING NOTES

DWC FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Company's revenue from operations mainly consists of franchise fees and royalties. The Company sells individual franchisees the right to operate a Detroit Wing Company restaurant within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid. The Company has obligations to provide franchisees with the franchise rights to operate a Detroit Wing Company restaurant, training, and site selection, as well as provide advertising for which fees are charged. The Company has concluded that these items represent performance obligations. Therefore, initial franchise fees for each agreement are allocated to each individual franchise and recognized over the term of the respective franchise agreement from the date the restaurant is opened. Transfer fees and renewal fees are recognized in the period the transfer or renewal agreement is executed. Income for royalties is recognized over the term of the respective franchise agreement as the underlying sales occur.

Payment Terms

Initial franchise and transfer fees are due and typically paid when a franchise agreement is entered into and are nonrefundable. Royalties are paid on a weekly basis, based upon a percentage of franchisee net sales. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the balance sheet.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to operate a restaurant. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that agreements will not be canceled, renewed, or modified.

(continued on next page)

DWC FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties, as the transaction price is based on the franchisees' sales. The license of the franchise right is the predominant item to which the royalty relates; therefore, the variable consideration is recognized based on the actual amounts incurred each month.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable is stated at the amount the Company expects to collect. An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of customers to make required payments. The allowance is based upon the anticipated collectability of each specific account receivable. Management has determined that no allowance is required at December 31, 2021. Accounts receivable on the balance sheet is stated net of this allowance.

DEPRECIATION

Depreciation on property and equipment is computed using both straight-line and accelerated methods over estimated useful lives for financial reporting purposes and an accelerated cost recovery method for federal income tax purposes.

FEDERAL INCOME TAX

The Company is a disregarded entity for tax purposes as a wholly owned subsidiary of DWC Holdings, LLC (a partnership). In lieu of corporate income taxes, the partners of DWC Holdings, LLC include their respective income or loss on their individual income tax returns.

ADVERTISING COSTS

The Company's policy is to expense advertising costs as incurred. Advertising expense for the year ended December 31, 2021 was \$67,508.

DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events for disclosure through April 27, 2022, the date on which the financial statements were ready to be issued. There were no subsequent events to disclose.

DWC FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

2. BUSINESS ACTIVITY

The Company is engaged in franchising restaurants in the United States. The Company is a wholly owned subsidiary of DWC Holdings, LLC and an affiliate of DWC Holdings, LLC, First Wing, LLC, DWC Commissary, LLC, Eastpointe DWC, LLC, and Nostimo, LLC.

3. USE OF ESTIMATES

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

4. CASH

CONCENTRATIONS OF CREDIT RISK

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

SUPPLEMENTAL CASH FLOW INFORMATION

The Company classifies all highly liquid debt instruments purchased with original maturities of 90 days or less as cash equivalents. The Company has not designated any other assets as cash equivalents.

DWC FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

5. PROPERTY AND EQUIPMENT

Property and equipment is summarized by major classifications as follows:

FURNITURE AND FIXTURES	\$	8,485
LESS ACCUMULATED DEPRECIATION		<u>(460)</u>
	\$	<u><u>8,025</u></u>

6. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company advanced funds to its affiliates in the amount of \$287,094. Repayment is expected in the next 12 months therefore the amount has been classified as current.

The Company has a loan payable with an affiliate in the amount of \$18,000. No interest was paid or accrued on the loan during 2021. There are currently no plans for repayment, as such, the amount of the loan has been classified as long-term.

SUPPLEMENTARY INFORMATION

DWC FRANCHISING, LLC

SCHEDULE OF OPERATING EXPENSES
Period From January 1, 2021 (Date of Inception)
to December 31, 2021

SALARIES AND WAGES	\$	405,591
CONTRACT SERVICES		198,387
PAYROLL TAXES.....		39,891
HEALTH INSURANCE		18,790
PROFESSIONAL FEES		484,982
OFFICE EXPENSES		78,763
FRANCHISE MATERIALS AND SUPPLIES		75,264
INSURANCE		25,821
DEPRECIATION		460
ADVERTISING		67,508
TRAVEL		22,433
CHARITABLE CONTRIBUTIONS.....		<u>5,820</u>
		<u>\$ 1,423,710</u>



FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

Between

**DWC FRANCHISING, LLC
("FRANCHISOR")**

and

*****FRANCHISEE*****

("FRANCHISEE")

*****Franchisee Street Number*** ***Franchisee Street Name*****

*****Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code*****

Store Number: *Franchisee Store Number*****

Telephone Number: *Franchisee Phone*****

Email Address: *Franchisee Email*****

Date: *Franchise Agreement Date*****

(To be Completed by Us)

For Restaurant Located at:

*****Franchise Location*****

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this ***Franchise Agreement Date***, by and between DWC Franchising, LLC, a Michigan limited liability company, with its principal place of business at 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071 (referred to in this Agreement as “we,” “us,” or “Franchisor”) and ***FRANCHISEE***, a ***Franchisee State Name*** corporation, limited liability company, a company formed or already existing whose principal place of business is , and its Principals, ***Principal Owner 1***, ***Principal Owner 2***, and ***Principal Owner 3*** (individually referred to in this Agreement as “Principal Owner” or collectively as “Principal Owners”), residents of the state of ***Franchisee State Name*** (collectively referred to in this Agreement as “you,” “your,” or “Franchisee”). The Principal Owners are personally responsible for the obligations of the Franchisee under this Agreement.

RECITALS

WHEREAS, we offer, to persons and entities that meet our qualifications to our satisfaction and demonstrate that they will be productive members of the Detroit Wing Company System, the opportunity to be awarded a Detroit Wing Company Franchise through which they will offer various types of chicken wings, homemade sauces, side, desserts, and other menu items in a distinctive fast-casual carryout style atmosphere (the “Restaurant”).

WHEREAS, each Restaurant will feature a distinctive format and method of doing business, including marketing and sales procedures, cooking, recipes, chicken wings, sauces, sides and other food presentation, and processes and systems (the “System”).

WHEREAS, you understand that the market for your services in operating a Restaurant consists of members of the general public seeking tasty and affordable chicken wings, sides, and desserts in a fast-casual carryout style atmosphere. You understand that the market is very well developed and highly competitive. You understand that you will compete with other Restaurant and restaurant concepts, quick-serve Restaurants and full-service Restaurants, as well as convenience, retail, grocery and specialty stores that offer chicken wings, sauces, appetizer sides, and similar items.

WHEREAS, your Restaurant will be awarded a geographic territory (the “Designated Area”) wherein you will have certain rights as described in this Agreement in which you will identify that you are an independently owned and operated Detroit Wing Company Franchisee by exhibiting the Detroit Wing Company trademarks and service marks on your marketing materials, vehicles, employee uniforms, signage, interior and exterior design, paper products, stationary, business cards, invoices, and other business supplies.

WHEREAS, you must comply with federal, state and local health regulations concerning food preparation, handling, storage, and sale, United States Department of Agriculture (“USDA”) standards; truth-in-menu and labeling laws; and license, certificate and permit requirements for Restaurant operation and occupancy, as well as all other applicable federal, local, and state laws and regulations.

WHEREAS, you have received and reviewed our Franchise Disclosure Document, have reviewed the Franchise Disclosure Document with counsel of your choice, you understand the terms of this Agreement and its consequences have been completely read and explained to you by your chosen counsel and you fully understand the terms of this Agreement and all Exhibits hereto.

WHEREAS, you have independently inspected the operations of other franchised businesses of other business concepts and independently inspected the operations of Restaurants operating the System and have satisfied yourself by the performance of your own due diligence that entering into this Agreement is your business decision.

WHEREAS, you have not relied upon any oral statements or other representations other than as are contained in our Franchise Disclosure Document.

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into this Agreement by this reference, the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF FRANCHISE; TERM

1.01 You have applied for a franchise to own and operate a Detroit Wing Company Restaurant. Subject to all of the terms and conditions of this Agreement and upon complete execution of this Agreement by all parties, we hereby grant to you a franchise (the “Franchise”) to operate a single Detroit Wing Company Restaurant at a single Location utilizing the System and the Trademarks within a geographic area (the “Designated Area”) as we determine. During the Initial Term and for so long as no uncured Event of Default has occurred, we will not establish, nor authorize any other person to establish a Detroit Wing Company Restaurant within your Designated Area. The Designated Area and Location are described in Attachment 1 attached to this Agreement.

Except as expressly limited by the preceding paragraphs, we and our affiliates retain all rights with respect to Detroit Wing Company Restaurants, the Trademarks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

A. The right to establish and operate, and to grant to others the right to establish and operate a similar business or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Designated Area under trademarks or service marks other than the Trademarks and on any terms and conditions we deem appropriate;

B. The right to provide, offer and sell and to grant others the right to provide, offer and sell chicken wings, sauces, side dishes, desserts, and other goods and services that are identical or similar to and/or competitive with those provided at Detroit Wing Company Restaurants, whether identified by the Trademarks or other trademarks or service marks, through dissimilar channels of distribution (including without limitation, grocery stores, off-site catering, ghost kitchens, mobile applications, third-party delivery service providers, vending, convenience stores, other retail outlets, and the internet or similar electronic media) both inside and outside your Designated Area and on any terms and conditions we deem appropriate;

C. The right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your Designated Area under the Trademarks and on any terms and conditions we deem appropriate;

D. The right to operate, and to grant others the right to operate Detroit Wing Company Restaurants located anywhere outside your Designated Area under any terms and conditions we deem appropriate and regardless of the proximity to the Restaurant;

E. The right to the assets or ownership interests of one or more businesses providing products and services similar to those provided at Detroit Wing Company Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in your Designated Area); and

F. The right to be acquired (whether through acquisition of assets, ownership interests, merger or otherwise, regardless of the form of transaction) without your consent, by a business providing products and services similar to those provided at Detroit Wing Company Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Designated Area.

G. The right to allow third-party delivery service providers to deliver orders within your Designated Area under any terms and conditions we deem appropriate.

We are not required to pay you if we exercise any of the rights specified above inside your Designated Area.

1.02 Unless sooner terminated as provided herein, this Agreement shall be effective on the date hereof, but no sooner than the last date on which a party has executed this Agreement and shall continue for a term of ten (10) years (the “Initial Term”), which Initial Term shall begin the date the Restaurant opens for business to the public.

1.03 We expressly reserve the exclusive right and you acknowledge that we have the exclusive unrestricted right, to engage, directly and indirectly, through employees, developers, Franchisees, licensees, agents and others within the Designated Area, to sell or to distribute to others for resale, prepackaged food products or other trademarked items from other locations within the Designated Area, such as, without limitation, grocery stores, convenience stores, or through other media, such as the Internet, worldwide web, mobile applications, third-party delivery service providers, or any other publicly-accessible computer network, and we have no obligation to account for, or share, any profits with you related to these sales. We reserve all rights, title and interest to any domain names that include any part of our names or Trademarks. Nothing contained in this Agreement shall prevent us or our affiliates from establishing or operating, or granting the right to establish or operate, businesses using the System or a similar system outside of the Designated Area, or marketing other products or services that are not a part of the System under dissimilar names and marks within the Designated Area. Our rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of product or service except as restricted by this Section 1.

1.04 You are required to offer delivery services in compliance with our standards, but only in the delivery area we specify for you (in an email or other communication) (“Delivery Area”). We require all franchisees to offer delivery services; it is not an optional service; however, your Delivery Area, if any, will be determined by us, in our sole and absolute discretion. You will be primarily responsible for the delivery of any items that are approved by us to be delivered to customers. You will be restricted to serving only that Delivery Area. You are prohibited from serving outside the Delivery Area without our prior written consent. We reserve the right to modify the Delivery Area from time to time for any or no reason whatsoever, in our sole discretion, including prohibiting you from delivering. If we do alter your Delivery Area, you must immediately change your delivery practices and begin delivering the delivery-approved items only within the newly-defined Delivery Area. If you do not do so, we may immediately terminate your right to provide any delivery services anywhere. If we reduce your Delivery Area’s size, there might be a reduction in your sales, but we will not be liable for that reduction because we simply will have taken action that the Franchise Agreement allows us to take. We reserve the right to allow other franchisees and third-party delivery service providers to engage in delivery services within your Designated Area. You are required to offer delivery services within your Delivery Area during all store hours. You shall not stop delivery services prior to the close of business each day. We are not liable for any reduction in your sales due to those activities because we are allowed to engage and/or allow others to engage in these activities. The Delivery Area is nothing more than the geographic boundaries in which you may deliver the delivery-approved items. You must follow our standards for delivery services and delivery driver qualifications. Currently, you may only deliver items to customers through third-party delivery service providers. We reserve the right to require that you deliver using your own employed delivery drivers, drop-off/catering, or other delivery services or systems. The size of the Delivery Area will be the same as your Designated Area and may depend upon: where your Restaurant is located (for example, a residential or commercial area); population and development density, drive times and distance; the existence of physical boundaries like rivers, multi-lane highways, neighborhoods, municipal boundaries; demographics; traffic patterns; existing locations and viability of those locations; competition; proximity to shopping centers; market feasibility; and the like. You are prohibited from accepting delivery orders from outside your Delivery Area without our prior consent, which may be withheld in our discretion for any or no reason. You shall not offer catering or other services that involves off-site food preparation without our prior written consent.

2. FEES AND PAYMENTS

2.01 Upon execution of this Agreement, in consideration of the franchise granted by us, you shall pay to us the non-refundable Initial Franchise Fee as disclosed in Attachment 1 of the Franchise Agreement.

2.02 You shall pay to us a weekly royalty fee (“Royalty”) equal to six percent (6%) of the Restaurant’s Gross Sales without offset, credit or deduction of any nature. You authorize us to collect the Royalty by means of electronic funds transfer (“EFT”) each Wednesday for the previous week’s Royalty or on a day of the week that we determine in our Operations Manual for the previous week’s Royalty. On Monday of each week, you shall transmit to us a Gross Sales Report for the previous week’s Gross Sales. If you fail to submit the weekly Gross Sales Report on the

due date, we have the right, and you authorize us, to estimate the Gross Sales of the Restaurant and collect the Royalty, Marketing Fund Fee, and other fees due to us by EFT. If we estimate your Restaurant's Gross Sales due to your failure to submit the weekly Gross Sales Report, you shall be responsible for the payment of our staff time to true up your Royalty, Marketing Fund Fee, and other fees due to us. You shall commence paying us a weekly Royalty on the earlier of the date you open the Restaurant for business or twelve (12) months after the execution of this Agreement and if you are not open within twelve (12) months after the execution of this Agreement, the Royalty shall be One Thousand Dollars (\$1,000) per week until you open, at which time, you will begin paying Royalty of six percent (6%) of your Restaurant's Gross Sales.

2.03 Any Payment not received by us on the date they are due shall bear interest from the due date until received by us at eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less.

2.04 Any taxes or duties imposed upon or with respect to this Agreement or any materials, supplies or specifications acquired by or provided to you pursuant to or in connection with this Agreement shall be paid by you. You shall pay to us an amount equal to any sales tax, gross receipts tax, excise tax or any license or tax similar thereto which is imposed, directly or indirectly, upon us with respect to any Payments from you to us that are required under this Agreement. The preceding sentence shall not apply to any franchise tax or income, or excess profits tax (or any tax in lieu thereof) imposed on us with respect to these Payments.

2.05 You shall not withhold, off-set or discount any portion of any payment due to our alleged non-performance under this Agreement or any other agreement by and between us and you or you and one of our affiliates.

2.06 In the event any Royalty or Marketing Fund Fee payment is returned for insufficient funds or other reason or if you fail to file any report due under this Agreement or the Operations Manual, in addition to interest, you shall pay us an administrative fee of One Hundred Dollars (\$100) per occurrence.

2.07 You shall pay us a monthly technology fee in the amount set forth in our Operations Manual, which amount may increase over the term of this Agreement. We reserve the right to charge and require you to pay any other fee or charge we deem appropriate in our discretion as implemented through our Operations Manual, which amounts you shall pay and may also increase over the term of this Agreement.

3. CONTROL PERSON; FRANCHISEE DESIGNATE; RESTAURANT MANAGERS; TRAINING

3.01 You hereby designate the individual identified in Attachment 1 to this Franchise Agreement as the Franchisee Designate. The Franchisee Designate shall be the person responsible for the day-to-day operations of the Restaurant. The Franchisee Designate shall attend and successfully complete to our satisfaction the training programs provided for Franchisees, management and staff. Any replacement of the Franchisee Designate shall be appointed by you within ten (10) days of the prior Franchisee Designate's resignation or termination. If we conduct

any training for the replacement Franchisee Designate, you shall pay to us all costs and expenses related to such training at the then-current rates for additional training, as well as all expenses related to such Franchisee Designate, including without limitation, wages, meals, lodging and travel to attend the training. All of our training programs are provided to protect our brand and the Marks and not to control the day-to-day operations of your business. You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, including without limitation, a sexual harassment policy. You have the sole discretion as to adoption of any such policies and procedures and the specific terms of such policies and procedures. Training with respect to all such policies and procedures shall be your sole responsibility.

3.02 You hereby designate the person identified in Attachment 1 of this Franchise Agreement as the Control Person. The Control Person shall be the person with whom we will communicate and upon whom we will rely on to bind the Franchisee. You authorize the Control Person to perform any and all actions on your behalf related to this Agreement.

3.03 The requisite number of Managers, as we determine, shall be employed by you for the Restaurant. All Managers shall attend and successfully complete, to our satisfaction, our management and staff training programs and be “certified” by us on an annual basis. At any time during the term of this Agreement, your Franchisee Designate and at least two (2) certified Managers must be eligible to work in the Restaurant. Your Franchisee Designate, if different from you, and at least two (2) Managers shall commence the management training program no later than approximately 30 days before the opening of your Restaurant or the execution of this Agreement. You shall be responsible for all wages, travel and living expenses of your Franchisee Designate and others during the training periods. We reserve the right to require you, your Franchisee Designate, and your Managers attend the management training program during different days or different sessions, which may increase your costs and expenses. You and the Franchisee Designate shall attend the Franchisee Meetings we sponsor from time to time at times and locations determined by us in our sole discretion. We may require that you stay at the hotel location of the scheduled meeting at your expense. You shall be responsible for all expenses associated with attendance at such Franchisee Meetings, including without limitation a conference fee or other registration fee as we determine. We will provide the instructors and materials for the training programs. You will be responsible for all of your expenses and your Managers and your employees’ expenses, including without limitation, wages, benefits, and travel and living expenses during training. We will conduct the initial training of your initial management team prior to the opening of your Restaurant. Management employees that are hired after the Restaurant opens must be trained at your sole cost and expense.

If you or any member of your team fails to complete the management training program to our satisfaction, in our sole and unfettered judgment, we may terminate this Agreement.

When you and/or your affiliates operate three (3) or more Restaurants, you shall have one of your or your affiliates’ Restaurants approved by us as a Certified Training Restaurant as may be provided in the Operations Manuals.

3.04 We will assist you in the opening of your Restaurant by (i) providing training to our satisfaction of at least ninety percent (90%) of your staff employees at the site of your Restaurant, and (ii) assisting you in the opening of your Restaurant for approximately five (5) days beginning approximately two (2) calendar days before the opening of your Restaurant and concluding approximately three (3) calendar days after the opening of your Restaurant. We typically have approximately one (1) to three (3) employees that will provide such opening assistance (the actual number of employees shall be determined in our sole discretion, depending upon the number of other Restaurants already being operated by you and your affiliates and such other criteria that we deem reasonable). The number of our employees selected to provide opening assistance is determined in our sole and absolute discretion.

If you request additional assistance or request we provide more employees than we deem necessary to provide opening assistance, you will be responsible for our trainer's per diem fee and related travel costs. You must also pay wages, employment related expenses, travel, and living expenses for your employees. If we, in our sole discretion, complete the opening assistance and training and determine that your staff needs additional training, you are responsible for the additional training costs, including wages, travel, and living expenses of our staff. If you or any member of your team fails to complete the training program to our satisfaction, in our sole and unfettered judgment, we may terminate this Agreement.

We will conduct, consistent with this Agreement, the initial training of your staff prior to the opening of your Restaurant. Staff employees that are hired after the Restaurant opens must be trained at your sole cost and expense.

We may in our discretion require you, your Control Person, your Franchisee Designate, your Managers, and/or employees to attend additional training programs and seminars during the term of this Agreement. We may charge you for such additional training. We may require you or your Control person, your Franchisee Designate, Managers and/or employees to attend such additional training programs and seminars. You will be responsible for paying travel and living expenses for you, your Control Person, your Franchisee Designate, Manager, and/or employees to attend such additional training programs and seminars including employee wages, in addition to training expenses and our trainer expenses. Our current costs will range from \$500 - \$1,000 per day per trainer plus expenses. If you request additional assistance from us, we reserve the right to provide such assistance or not, in our discretion, if, for example, the proper assistant is not available. You shall pay to us a fee for this additional assistance that will range from \$500 - \$1,000 per day, per assistant plus expenses. We have the right in our discretion to require our additional assistance and charge you for such assistance. You shall also conduct such continuing training programs for your employees as we may reasonably require.

3.05 You shall maintain competent and conscientious personnel to operate the Restaurant in accordance with this Agreement, the System, and the Operations Manual. You shall train or cause the training of all personnel as and when required by prudent business practices. You must conduct criminal background checks on all of your employees and independent contractors who will provide services to customers. At our request, you must provide us with copies of employment materials and independent contractor agreements relating to each of your employees, including, but not limited to, employment or other application materials and the results of criminal

background checks. All costs associated with your performance of your obligations under this Section shall be your sole responsibility.

3.06 In order to protect our brand, you shall comply with such employee training and testing procedures and requirements as we may reasonably prescribe in the Operations Manuals or otherwise in writing.

3.07 We may create an audio and/or video recording of any training programs at our expense. You will be responsible for any fee related to your participation in such training program including, without limitation, on-line training or examination programs we implement.

3.08 At the start of the employment, you promise to require, as consideration for employment each of your Managers to execute non-disclosure and confidentiality agreements and covenants not to compete that we have approved. Such agreements will prohibit disclosure, by the employee to any other person or legal entity, of any confidential and proprietary information, trade secrets, customer lists, or other information, knowledge, or know-how regarding the System or the operation of the Restaurant, which is deemed confidential or propriety by us. Such employee non-disclosure and confidentiality agreements and covenants not to compete will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers of your Restaurant, except in their capacities as employees of the Restaurant, and from engaging in a Competing Business, either as an owner, employee or any other capacity. You must require, and provide copies to us, of criminal background checks for any Restaurant owner, employee or associated person. You promise to ensure that terminated employees will not have access to our confidential and proprietary information, trade secrets, the System, our software, intranet sites, our materials or any other aspect of the Restaurant. You must send a fully-executed copy of each management employee agreement to us.

All individuals attending meetings of a confidential nature (*i.e.*, Annual Convention, Regional Meetings) must sign the most current version of the confidentiality agreement.

You agree and acknowledge and will ensure that your employees agree and acknowledge that a violation of the covenants not to compete as listed in this Section will result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete. You agree that you are responsible for the conduct of your employees and independent contractors. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement or otherwise, will not constitute a defense to the enforcement by us of these covenants not to compete. If we prevail, you promise to pay all costs and expenses (including reasonable attorneys and experts' fees) incurred by us in connection with the enforcement of these covenants not to compete, including if you are found to be in violation of your confidentiality and/or your non-competition obligation(s). The protection awarded in this Paragraph will be in addition to, and not in lieu of, all other protections for such trade secrets and Confidential Information as may otherwise be afforded in law or in equity.

4. RESTAURANT LOCATION; LEASE

4.01 You shall not relocate your Restaurant from the Location without our consent. If we approve the relocation of your Restaurant Location, you shall pay a relocation fee to us equal to twenty-five percent (25%) of the then-current initial franchisee fee for the sale of a new franchise.

4.02 You are solely responsible for selecting a suitable site for the Restaurant subject to our approval using the site selection criteria in our Operations Manual with the assistance of a commercial real estate broker of your choosing who is approved by us. You must submit to us a description of the proposed site together with evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed site. You must supply the required Development Materials that outline all of the information needed by us to review a proposed site. You must use the real estate site analysis services of our approved supplier to evaluate your proposed site. We will give you written notice of approval or disapproval of the proposed site within 45 days after receiving your written proposal. The factors we generally consider in approving the location for the proposed site may include, but are not limited to, the following: (i) general location; (ii) traffic patterns; (iii) rent expense; (iv) demographics; (v) equipment and services located at the site; (vi) leasehold improvement costs; (vii) ability to reflect image to be portrayed by “Detroit Wing Company” Restaurants; and (viii) parking. Notwithstanding the preceding factors, we have the right to approve or disapprove of a proposed site in our sole and absolute discretion. You must select a location we approve within three (3) months after the execution of the Franchise Agreement. We may cancel the Franchise Agreement in our sole discretion and option if you fail to select a location acceptable to us within this timeframe. Any advice we provide and our approval of your location is not a representation, warranty, or evaluation that we believe or that your location will be a profitable or successful. You are solely responsible for the financial risks and rewards related to the location you select. We have no obligation or duty and are not responsible or liable to you for any reason that results from the location selected by you or the purchase or lease of your location, all of which could lose money and fail. We have the right to review and consent to your Lease prior to the execution of the Lease and reserve the right to charge you a fee for such review. We may charge you a fee to review your proposed lease. You shall also provide to us prior to our consideration of your proposed Location the Development Materials for your proposed Location. We will generally provide you a decision regarding our consent to the Location within 45 days after receipt of your Development Materials. You represent that the Lease as consented to by us shall be executed by all necessary parties within ten (10) days following receipt of our consent. You shall furnish us a complete copy of the fully-executed Lease with Conditional Assignment of Lease within ten (10) days after execution. Unless you obtain fee simple title to the Location, you and the landlord must sign the Conditional Assignment of Lease attached as Exhibit G. We recommend that you submit the Conditional Assignment of Lease to the landlord at the beginning of your Lease negotiations, although the terms of the Conditional Assignment of Lease may not be negotiated without our prior approval. If the landlord requires us to negotiate the terms of the Conditional Assignment of Lease, we reserve the right to charge you a fee, which will not exceed our actual costs associated with the negotiation. We have no responsibility for the Lease; it is your sole responsibility to evaluate, negotiate and enter into the Lease for the Restaurant Location. If you obtain fee simple title to the Location, you must sign the Real Estate Option to Purchase attached as Exhibit H.

4.03 Notwithstanding the terms of Section 4.02, you shall:

A. Deliver to us, immediately after delivery to or by you, any notice of default under the Lease which threatens or purports to terminate the Lease or your rights of possession under the Lease or result in a foreclosure thereof;

B. Permit us to enter the Restaurant Location to protect our Trademarks or the System or to cure any default under this Agreement or the Lease, all at your expense; and

C. Not amend the Lease in any way without our prior written approval.

4.04 You must execute, and provide us an executed copy of the Lease (including an executed copy of the Conditional Assignment of Lease) or the purchase agreement for the selected and approved Location in accordance with Section 4.02 of this Agreement. If you fail to provide us with evidence that the Location is secured under your control within the deadlines set forth in Section 4.02 of this Agreement, we have the right to terminate this Agreement.

5. RESTAURANT CONSTRUCTION; APPROVED SUPPLIES AND APPROVED SUPPLIERS

5.01 You shall ensure that (a) materials satisfying our System and Approved Supplies are utilized in construction, and (b) such materials are purchased from Approved Suppliers.

5.02 We will provide to you a copy of sample and generic plans and specifications on the construction of a typical Restaurant. These plans and specifications may be of an existing Restaurant or the current prototype that will need to be altered or modified to meet your space requirements, which modifications will be at your cost and expense. To that end, you shall (a) employ a qualified architect and licensed general contractor to whom we have the right to consent, and (b) provide copies to us, upon request of architectural or construction contracts applicable to the Restaurant Location. Upon request by you, we will make available to you, at your expense (a) architectural consultation or advice; (b) preparation of conceptual drawings; and (c) consultation and advice on the purchase, display and installation of Approved Supplies.

5.03 You shall (a) submit conceptual drawings, incorporating proposed adaptations to the local market for our consent; (b) modify the drawings as reasonably required by us; and (c) submit the modified drawings to us for our final consent. Following our consent to the final drawings, you shall, pursuant to the Operations Manuals, (a) submit for our review, construction plans and specifications based upon the standard construction plans provided to you, adapted by you pursuant to the conceptual drawings listed above to which we have consented; (b) modify such construction plans and specifications as reasonably required by us; (c) submit the modified construction plans and specifications to us for final consent; and (d) construct the Restaurant pursuant to the plans and specifications to which we have consented. Conceptual drawings and construction plans and specifications to which we have consented shall not be modified without our approval and consent. Prior to the commencement of construction, you shall deliver a

construction schedule and thereafter shall deliver monthly revisions to us indicating construction progress.

5.04 You shall obtain all zoning classifications, clearances, consents, permits, licenses, and variances, required in connection with the construction of the Restaurant. Upon request, copies of such permits and licenses shall be provided to us.

5.05 You shall commence construction within one (1) month from the date of the date we provide you with preliminary Location consent and shall complete construction no later than three (3) months thereafter. Construction shall be deemed to have been commenced upon the commencement of construction-related work at the Location. You shall, within ten (10) days after commencement of construction, advise us of such commencement date. We may, in our discretion, inspect construction at the Location. You shall make all necessary arrangements to ensure our access to the Location.

5.06 We may periodically provide you with an approved suppliers list (the “Approved Suppliers List”) and approved supplies list (the “Approved Supplies List”). Such lists may specify, without limitation, the approved architects, contractors, manufacturers, suppliers, vendors, and distributors and the inventory, menu items, products, phone systems, fixtures, furniture, equipment, signs, inventory, stationery, supplies, uniforms, proprietary apparel, promotional items, small wares, paper products, grocery items (including without limitations, vegetables, meats, oils, spices, sauces, dressings, sides, desserts, etc.), non-alcoholic beverages, cash registers, computer hardware and software, and any other goods or services that we have approved to be carried or used in the Restaurant. We may revise the Approved Suppliers List and the Approved Supplies List from time to time in our sole discretion. Such approved lists will be given to you as we deem advisable or at your request. You shall acquire Approved Supplies from Approved Suppliers satisfying the requirements of this Agreement and the Operations Manuals. We or one of our affiliates may be the only Approved Supplier of some Approved Supplies. In other cases, there may be only one Approved or Designated Supplier.

ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND OUR AFFILIATES MAKE NO REPRESENTATION OR WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO GOODS, SERVICES, PRODUCTS AND EQUIPMENT (INCLUDING WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS, INVENTORY, OR OTHER APPROVED SUPPLIES. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIES, SUPPLIERS OR ANY OTHER INDIVIDUAL, ENTITY OR ITEM SHALL NOT CREATE ANY LIABILITY TO US WHATSOEVER AND YOU HEREBY EXPRESSLY WAIVE ANY CLAIMS TO THE CONTRARY.

If you want to (i) offer for sale at the Restaurant any brand of product, not then-approved by us, (ii) use any brand of food ingredient or other material or supply in the operation of the Restaurant

that is not then-approved by us as meeting our minimum specifications or quality or other standards, or (iii) purchase any product from a supplier that is not then-designated by us as an Approved Supplier, you must first notify us in writing and, if requested by us, submit samples and such other information as we require for examination and/or testing or to otherwise determine whether such product, material or supply, or such proposed supplier meets our specifications and quality standards. We reserve the right to approve or disapprove of any proposed supplier for any or no reason in our sole and absolute discretion. You must pay a charge not to exceed the reasonable cost of the inspection and evaluation and the actual cost of the test and investigation of the proposed supplier regardless of whether the proposed supplier is approved by us. We reserve the right, at our option, to re-examine or re-test the facilities and products of any supplier of an approved item and to revoke such approval if such item fails to continue to meet any of our criteria. We will send written notice of any revocation of an Approved Supplier.

All equipment, signs, fixtures, inventory, products and materials, goods and services, and other items and supplies used in the construction and operation of the Restaurant that are not specifically required to be purchased in accordance with our Approved Supplies List and Approved Suppliers List must conform to the specifications and quality standards established by us from time to time. The outdoor and indoor signage and menu boards at your Restaurant must comply with our then-current specifications, which we may modify and change from time to time due to modifications in the System, including changes to the Trademarks. You must make such changes to the outdoor and indoor signage as we require at your sole cost and expense. Any upgrades to the type or size of your outdoor or indoor signage will be at your sole cost and expense.

We may approve suppliers who can match the exact ingredients, blend, freshness standards, overall quality and appearance standards required by the System. We apply the following general criteria in investigating a proposed supplier: (i) ability to make products in conformity with our specifications and standards; (ii) willingness to protect the trade secrets of a product without dissemination to others; (iii) production and delivery capability; (iv) reputation and integrity of supplier; (v) financial condition and insurance coverage of the supplier; (vi) adherence to food safety standards; and (vii) Hazard Analysis and Critical Control Points (HACCP) approved. We reserve the right to disapprove or otherwise reject a proposed supplier even if they meet the above criteria.

We reserve the right to re-inspect any supplier and revoke our consent upon such supplier's failure to continue to meet the requirements of our System, including without limitation, any of the foregoing criteria.

We have the right to retain rebates, markups and other benefits from suppliers or in connection with the furnishing of Approved Supplies by suppliers that are furnished to you and/or our Company-owned or affiliate-owned Restaurants. You shall have no entitlement to or interest in any such benefits. We reserve the right to negotiate rebates, markups and other benefits from suppliers in connection with the furnishing of Approved Supplies by suppliers that are furnished to you and paid for by you. If we negotiate rebates from suppliers based upon purchases you make in the future, we reserve the right to retain all or any portion of the rebates, contribute the rebates to the National Marketing Fund, or do anything else with these rebates that we may determine in our discretion.

5.07 You shall provide us with a current list of your suppliers prior to the commencement of construction of the Restaurant (current supplier lists shall thereafter be provided upon request).

5.08 We reserve the right to consent to, or require, variations from the Standards and Specifications with respect to the development of other Restaurants in the System.

6. RESTAURANT OPERATIONS; MANUALS

6.01 You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, you shall provide or offer for sale or use at the Restaurant only those Menu Items, products, supplies, uniforms, proprietary apparel, proprietary promotional items, small wares, paper products, grocery items (including without limitations, vegetables, meats, oils, spices, sauces, dressings, soups, desserts, etc.), non-alcoholic beverages, alcoholic beverages, supplies, and other items, products and services that we from time to time approve (and which are not thereafter disapproved) and that comply with our Specifications and Standards and only within your Designated Area. We will from time to time provide you with a list of these Approved Supplies and Approved Suppliers. If required by us, any such items or services shall be purchased only from "Approved Suppliers" that we designate or approve (which might include, or be limited to, us or an Affiliate). We will from time to time provide you with a list of the Approved Suppliers. You shall not offer for sale, sell or provide through the Restaurant or from the Approved Location any products or services that we have not approved, nor shall you offer or sell or provide any products or services we have approved outside your Designated Area without our prior written consent. We have the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 5.06 and shall not create any rights to you to provide the same products or services.

EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING, WE AND OUR AFFILIATES MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS OR SERVICES SOLD BY OR THROUGH US OR OUR AFFILIATES, INCLUDING THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WE WILL NOT BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE, LOSS OF PROFIT, OR OTHER INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE PRODUCTS AND SERVICES SOLD BY OR THROUGH US OR OUR AFFILIATES OR FOR ANY DAMAGES (REGARDLESS OF THEIR NATURE) CAUSED BY OUR FAILURE TO FULFILL OUR RESPONSIBILITIES UNDER THIS AGREEMENT. OUR AND OUR AFFILIATES' SOLE LIABILITY FOR ANY WARRANTIES GRANTED IS TO REPAIR OR REPLACE, AT OUR OR OUR AFFILIATES' OPTION, ANY PRODUCTS AND SERVICES SOLD BY OR THROUGH US AND OUR AFFILIATES THAT ARE NOT IN COMPLIANCE WITH THE WARRANTY. WE AND OUR AFFILIATES LIABILITY RELATING TO PRODUCTS AND SERVICES SOLD BY OR

THROUGH US AND OUR AFFILIATES WILL IN NO EVENT EXCEED THE STATED SELLING PRICE OF THE PRODUCTS AND SERVICES TO YOU. ANY WARRANTIES GRANTED WILL BE VOID AND OF NO FORCE AND EFFECT WITH RESPECT TO ANY PRODUCTS THAT ARE DAMAGED AS A RESULT OF (A) NEGLIGENCE, ALTERATION OR ACCIDENT OR (B) IMPROPER USE, INCLUDING FAILURE TO FOLLOW OPERATING AND MAINTENANCE PROCEDURES SPECIFIED BY US AND OUR AFFILIATES.

6.02 The Restaurant shall open for business (a) only with our consent and (b) promptly after completion of appropriate training pursuant to the System, as we determine in our sole discretion. You shall be open for business within eight to ten (8 - 10) months of executing this Agreement; and no later than twelve (12) months after executing this Agreement.

6.03 You acknowledge that (a) every component of the System is material to (i) us, (ii) other Franchisees in the System, and (iii) the operation of the Restaurant; and (b) compliance by all System Franchisees with the Operations Manuals is (i) fundamental to the value of the System and to this Agreement and (ii) the basis for the broad public acceptance of the System and the goodwill associated therewith. Accordingly, you promise, during the term of this Agreement, to not:

A. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other Restaurant concept or any other Restaurant that is the same as, similar to, or competitive with, the services sold by the Restaurant (except for other Franchises under Franchise Agreements we enter into with you);

B. Use our Confidential Information, System, Operations Manuals, Trademarks, customer lists, trade secrets, recipes, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business whether or not similar to, competitive with or the same as that conducted by the Restaurant;

C. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any business offering any other Restaurant concept.

6.04 You shall employ continuously during the Term the requisite number of Restaurant Managers as we recommend, each of whom shall have successfully completed appropriate training as described in this Agreement.

6.05 Except as otherwise provided herein, you shall:

A. Use the Restaurant Location solely for the operation of the Restaurant pursuant to the terms of this Agreement and the Operations Manuals. Specifically, your Restaurant must be confined to the preparation and sale of only such Menu Items and other food and beverage products as we designate and approve in writing from time to time. You must offer for sale from the Restaurant all items and only those items listed as Menu Items and other approved food and beverage products. We have the right to make modifications to these Menu Items from time to time in our discretion, including without limitation, through revisions to the Operations Manual, and you agree to comply with these modifications. You may not offer or sell any other product or service at the Location without our prior written consent;

B. Keep the Restaurant operating pursuant to the terms of this Agreement and the Operations Manuals for such minimum hours and days as from time to time we prescribe, including through the Operations Manuals or otherwise in writing except as restricted by local law. You acknowledge and agree that the hours of operation are integral to the value of the System and the Marks, and any failure by you to operate during the designated hours of operation is detrimental to the System and the Marks. You further acknowledge and agree that the day-to-day operational decisions relating to the opening and closing procedures of the Restaurant, including any security, staffing, and other similar matters, shall be made solely by you;

C. Obtain and maintain all permits and licenses required for Restaurant operations and comply with all applicable laws and regulations;

D. Permit us to enter upon the Restaurant Location at any time to inspect the Restaurant and the products and materials used by you, cooperate with such inspection and take such steps as may be necessary to correct any deficiencies discovered during such inspection (you acknowledge that we may re-inspect the Restaurant and such products or materials and revoke our consent to any product or material (or the supplier thereof) or the condition of the Restaurant should the Restaurant, products or materials fail to meet the Standards and Specifications of the System). If you fail any inspection of your Restaurant, then you will be responsible for paying a reinspection fee at the then-current rates;

E. Permit us or an authorized representative to enter upon the Restaurant at all reasonable times during the Business Day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you; to inspect and evaluate your building, land and equipment; and to inspect and evaluate the storage, preparation and formulation and conditions of sanitation and cleanliness in the storage, preparation, handling and serving. If we determine that any condition in the Restaurant presents a threat to customer or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Restaurant until the situation is remedied to our satisfaction. Other than requiring you to follow the mandatory requirements of our System, any guidance, suggestions, or advice provided to you in the course of such consultation shall be deemed suggestions only, and the decision to follow any such guidance, suggestions, or advice will be made by you in your sole discretion. In particular, and not in limitation of the foregoing, you will be solely responsible for all policies and decisions concerning your employees and will consult with your own independent advisors with respect to those policies and decisions;

F. Participate in any system performance review program and implement the program consistent with the standards we set, including through the Operations Manuals;

G. Participate in a web-based marketing program that may consist of activities such as, without limitation, email database marketing programs, or other programs implemented in our Operations Manuals;

H. Participate in any and all marketing, discount, and promotional programs we deem necessary for the System, such as, without limitation, a system-wide gift card program, and pay

all costs and fees associated with the implementation of such program. We or a person designated by us will administer all gift card or other programs specified by us. We reserve the right to retain and use for our benefit any breakage from gift cards. We reserve the right to charge you a fee for the administration of any of these programs.

I. Attend at your expense national or regional meetings we may organize and implement for the System and stay at the hotel we designate for the meeting.

J. Maintain a representative inventory of special promotional items to meet public demand as we develop from time to time;

K. Operate the Restaurant at all times consistent with and in compliance with the System as revised by us in our discretion from time to time, in writing through revisions of the Operations Manuals and only within your Designated Area. The Operations Manuals may, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications, and requirements for operating your Restaurant in a manner that is designed to protect and maintain the value of the Marks and the System. You must comply with all the specifications, standards, procedures, and rules prescribed from time to time in the Operations Manuals that we designate as mandatory. We will revise the manuals for the System periodically to meet changing conditions of retail operation in the best interest of the Restaurants operating under the Trademarks and the System. Any required standards (such as, without limitation, the System as implemented through the Operations Manuals) exist to protect our interests in the System and Trademarks and not for the purpose of establishing any control or duty to take control over matters that are reserved to you. You agree and acknowledge that full compliance with the Operations Manuals is essential to preserve, maintain and enhance the reputation, trade demand, and goodwill of the System and the Marks and that your failure to operate the Restaurant in accordance with the Operations Manuals can cause damage to us and all other franchisees within the System as well as to you. Notwithstanding the foregoing, and consistent with the goals of the System, you shall be responsible for the day-to-day operation of the Restaurant. You must use your best efforts to promote and increase the sales and service of Menu Items and to effect the widest and best possible distribution throughout the Designated Area in implementing the System and all standards of operation as contained in the Operations Manuals.

L. Purchase and use any computer system that we develop or select for the Restaurant, including all future updates, supplements and modifications (the "Computer System"). The Computer System may include all hardware and software used in the operation of the Restaurant, including electronic point-of-sale cash registers and back-office programs used to record, analyze and report Gross Sales, inventory, labor, and tax information. The computer software package may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. The computer hardware component of the Computer System must conform to the specifications we develop from time to time. We reserve the right to designate a single source from whom you must purchase some or all of the Computer System. If you choose to use a POS different from our required POS, you may do so only with our prior approval, which may be conditioned upon your payment of the full on-line ordering integration costs and your assignment of this integration for our use going forward, and any other

conditions in our sole and absolute discretion. You acknowledge and agree that we will have full and complete and independent access to information and data entered and produced by the Computer System. We have the right to have independent electronic access to this information. There are no contractual limits on our right to independently access the data. You must record all sales at the Restaurant on this Computer System, which includes an information interface capability to communicate electronically with our computer system to provide us with continuous transaction level point of sale data. You are responsible for the annual maintenance and repairs for the cash register and Computer System. The technology configuration is frequently subject to change due to technology and service advancements, as may be updated in the Operations Manual. THE COMPUTER SYSTEM AND ITS CONTENT ARE PROVIDED "AS-IS." WE AND OUR AGENTS AND LICENSORS DISCLAIM ANY AND ALL WARRANTIES RELATING TO THE COMPUTER SYSTEM, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, REGARDING ANY CONTENT AND YOUR ABILITY OR INABILITY TO USE THE COMPUTER SYSTEM AND ITS CONTENT. USE OF THE COMPUTER SYSTEM IS AT YOUR SOLE RISK. WE WILL NOT BE LIABLE TO YOU OR ANY PERSON CLAIMING THROUGH YOU FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR OTHER DAMAGES UNDER ANY THEORY OR LAW FOR ANY ERRORS IN OR THE USE OF OR INABILITY TO USE THE COMPUTER SYSTEM AND ITS CONTENT INCLUDING DAMAGES FOR LOST PROFITS, BUSINESS, DATA, OR DAMAGE TO ANY COMPUTER SYSTEMS. You must provide such assistance as may be required to connect your Computer System to our computer system. We shall have the right to retrieve transaction level data through your Computer System, and such other information from your Computer System as we deem necessary or desirable, and you agree to fully cooperate with us to accomplish such interface. You must provide us with all of the data required by us in the Operations Manual in a format readily usable by us. All data pertaining to, derived from, or displayed at the Restaurant (including without limitation, data pertaining to or otherwise about Restaurant customers) is and shall be our exclusive property, and we hereby grant you with a royalty-free non-exclusive license to use that data during the Term of this Agreement and any renewal term. You agree that all data collected from customers and potential customers in connection with the Restaurant ("Customer Data") is deemed to be owned exclusively by us, and you agree to provide Customer Data to us at any time that we request. You have the right to use Customer Data while this Agreement is in effect, but only in connection with operating the Restaurant and only in accordance with the policies established by us from time to time. You shall not sell, assign, transfer or use Customer Data for any purpose other than operating the Restaurant and marketing Detroit Wing Company services and products. You agree to abide by all applicable laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws"). You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards pertaining to the Privacy Laws and the requirements of any applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately provide written notice to us of said conflict; and (c) promptly and fully cooperate with us and counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You must at all times have at the Location internet access with a form of high-speed connection as we require and you must maintain: (i) an email account for our direct correspondence with you, your Control Person and Franchisee Designate; and (ii) a separate email account for the Restaurant. We reserve the right to require that

you use an email address and account that we designate. You shall, at your expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as we may designate, from time to time, to enable the Restaurant to accept such methods of payment from customers. You shall also accept debit cards, stored value gift cards or other non-cash payment systems specified by us to enable customers to purchase authorized products and services. You shall obtain all necessary hardware and/or software used in connection with these non-cash payment systems. At all times, you shall maintain credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, and electronic funds transfer systems (together, "Credit Card Vendors") that we designate as mandatory. The term Credit Card Vendors includes among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You may not use any Credit Card Vendors that we have not approved in writing or for which we have revoked approval. We have the right to modify the requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke approval of any such service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent third-party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved supplier to assist you on an ongoing basis. Having a secure managed firewall that meets our system standards is one part of the current requirement. You will be required to enter into a contractual relationship directly with an approved managed firewall supplier, if we so determine.

M. Open your Restaurant within eight to ten (8 - 10) months after signing this Agreement on a date approved by us, but in no event later than twelve (12) months after signing this Agreement.

N. Permit us to remove from the Restaurant samples of any inventory items (without payment) in amounts reasonably necessary for testing to determine if such samples meet the Standards and Specifications of the System. We may require you to bear the cost of such testing if we have not given consent to the supplier or if the sample fails to conform to our Standards and Specifications.

O. Acquire and maintain in force all required licenses.

6.06 You shall forward to us within five (5) days of your receipt thereof copies of all inspection reports, citations, complaints, warnings, certificates and ratings issued by any governmental entity during the Term of this Agreement in connection with the conduct of the Restaurant which indicate less than full compliance by you with any applicable law, rule or regulation.

6.07 You acknowledge that a material aspect of the System is the (a) breadth of palate range and (b) quality of, and Standards and Specifications related to, food and beverage. Therefore, you shall (i) sell or offer only such products and services to which we have consented (which products and services shall be prepared, offered and served or delivered in accordance with the Standards and Specifications of the System and only within your Designated Area); (ii) sell or offer for sale all products and services required by us; (iii) refrain from any deviation from the Standards and Specifications of the System without our consent or advertising or performing any services outside your Designated Area; and (iv) discontinue selling or offering any products and services to which we may, in our sole discretion, fail to consent or revoke our consent, in writing.

6.08 You shall purchase our proprietary products from us or our designated supplier at a price established by us or our supplier. You acknowledge that we may profit from the sale of proprietary products to you and receive consideration from the supplier with respect to your purchases of such proprietary products by you.

6.09 During the term of this Agreement, you shall (a) repair, maintain and keep the interior and exterior of the Restaurant (and all fixtures, furnishings, signs, menu boards, equipment, sidewalks, walkways and parking lots) in good order and first-class condition and repair and in compliance with the Standards and Specifications of the System and all applicable laws, rules, regulations and ordinances, and (b) as reasonably required by us, upgrade the Restaurant to the then-current Standards and Specifications of the System. Such upgrade to renovate and modernize the Restaurant's building, premises, signs, and equipment shall be done at our request, but not more than once every 5 years to conform to the building design, trade dress, color scheme, and presentation of our Trademarks consistent with the current image of Restaurants using the Detroit Wing Company System, provided, however, that the cost of each renovation and modernization shall not exceed one hundred thousand dollars (\$100,000). You must renovate, repair and alter the exterior and interior of your premises at your own expense as reasonably directed by us. If you fail to make such required renovations within thirty (30) days after your receipt of written notice from us setting forth the specific repairs or alterations that are required, then we, without being guilty in any manner of trespass, fault or negligence, and without prejudice to any of the other remedies we have, may have such repairs or alterations completed to maintain your Restaurant in accordance with our required standards. If this occurs, you must immediately reimburse us for all costs we incur to make such renovations, repairs, or alterations. You will indemnify and hold us, our Franchisees and affiliates harmless from all fines, suits, proceedings, claims, demands, damages, liabilities or costs, including, without limitation, reasonable attorney fees, arising out of any Action or proceeding of any kind or nature that arises or grows out of or is in any way connected to the construction, renovation, or operation by you of the Restaurant. This renovation and remodeling obligation is separate and apart from any remodeling required as a condition of your renewal of this Agreement under Section 16.

6.10 You shall acquire all inventory, supplies and other products, materials required for the operation and maintenance of the Restaurant, and all other Approved Supplies solely from Approved Suppliers. If you want to do otherwise, you must comply with section 5.06 of this Agreement and the Operations Manuals. We may, in the exercise of our business judgment, enter into supply contracts for all Restaurants or a subset of Restaurants situated within one or more geographic regions (each, a "system-wide supply contract"). We may enter into system-wide

supply contracts with one or more suppliers of products, services, equipment that all affiliate-owned and franchised Restaurants in a geographic area will be required to purchase, use or sell. If we do so, then immediately upon notification, you, us and all other franchise Restaurants in the geographic area must purchase the specified product, service or equipment only from the designated supplier. However, if at the time of our notification, you are already a party to a non-terminable supply contract with another supplier or vendor for the product, service or equipment, then your obligation to purchase from our designated supplier under the system-wide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. We make no representation that we will enter into any system-wide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue system-wide supply contracts or exclusive supply arrangements in the exercise of our business judgment.

6.11 We will provide you with one (1) set of the Operations Manuals “on loan.” You acknowledge our ownership of these Operations Manuals and any copyright rights in or to the Operations Manuals. The Operations Manuals may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; on-line postings; e-mail and/or other electronic communications; facsimiles; intra-net or secure internet posting; or any other medium capable of conveying the Operations Manuals contents. You shall observe such requirements concerning copyright notices as we request. Replacement Operations Manuals will be made available to you at an additional cost.

6.12 You shall operate the Restaurant in accordance with the System, the Operations Manuals, the Standards and Specifications contained in the Operations Manuals, this Agreement, written directives (whether or not such directives are made part of the Operations Manuals) and other manuals prepared for use in Restaurant operations. The Operations Manuals, Standards and Specifications, other manuals, and written directives may be revised from time to time by us in our sole discretion through the use of supplements to the Operations Manuals, all of which will be considered a part of the Operations Manuals. Such revisions may require you to use new Approved or Designated Suppliers, including us or an affiliate of ours. All references to the Operations Manuals in this Agreement shall include all supplements to the Operations Manuals. Supplements to the Operations Manuals will become binding upon you as if originally set forth in the Operations Manuals, upon being delivered to you.

6.13 The Operations Manuals, other manuals, such written directives and any other Confidential Information shall be kept in a secure location in the Restaurant Location and returned to us immediately upon request or upon termination or expiration of this Agreement.

6.14 You shall keep the Operations Manuals, other manuals and such written directives up to date. In the event of any dispute as to the contents of the Operations Manuals, other manuals or written directives, the copy thereof maintained by us shall control.

6.15 You shall establish prices charged for products or services sold in your Restaurant, provided, however, we may exercise rights with respect to the pricing of products and services to the fullest extent permitted by the then-applicable law. These rights may include (without

limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and services offered and sold at your Restaurant. You must honor the terms of all coupons and promotional or discount programs that we may offer to the public for System Restaurants and comply with any pricing policies we may specify, including minimum and maximum price policies, minimum advertised price policies and unilateral price policies. You shall not offer or provide any promotions or discounts without our prior written approval. You must also provide those services and other items we specify on such terms and at such rates, including free-of-charge, as we may specify.

6.16 You shall obtain such copyright licenses as may be necessary to authorize the playing of recorded music in the Restaurant. You shall change such recorded music as required from time to time in the Operations Manuals or otherwise in writing.

6.17 We will provide to you:

A. Access, together with other System Franchisees, to new System developments. You may be required to attend meetings at your expense to discuss such developments.

B. Access to and written materials concerning improvements to the System which may include, without limitation, new products, recipes, equipment, specifications and menu formats. At your request, we will provide training or demonstrations at the Restaurant of new products or other changes to the System. You shall bear or reimburse our expenses for such demonstrations, including without limitation, our staff's wages, benefits, travel, living and other expenses related to such demonstration.

C. Periodic inspection and evaluation of the Restaurant as reasonably required by us. You will pay for such inspections. Following each inspection, we will provide you an inspection report listing your score on the inspection and those conditions at the Restaurant that must be rectified. If you fail to achieve a passing score on an inspection, the inspection report shall constitute notice of default.

6.18 We reserve the right to consent to, or require, variations from the Standards and Specifications in the Operations Manuals with respect to the operation of the Restaurant and other Restaurants in the System.

7. CONFIDENTIAL INFORMATION

7.01 Neither you nor any Principal Owner shall, at any time during the term of this Agreement or after this Agreement has expired or been terminated, communicate, disclose or use any Confidential Information for your benefit, or the benefit of any Principal Owner or any third party, nor will you nor any Principal Owner directly or indirectly aid any third party to imitate, duplicate or "reverse engineer" any of our Confidential Information. You and each Principal Owner agree to use and permit the use of Confidential Information solely in connection with the operation of the Restaurant. Neither you nor any Principal Owner shall, without our prior consent, copy, duplicate, record or otherwise reproduce any Confidential Information. Confidential Information may be provided to employees, agents, consultants, and contractors only to the extent necessary for such parties to provide services to you. Prior to such disclosure of any Confidential Information

each of such employees, agents, consultants and contractors shall (i) be advised by you of the confidential and proprietary nature of the Confidential Information and (ii) agree to be bound by the terms and conditions of Section 7 of this Agreement. Notwithstanding such agreement, you shall indemnify us and Our Indemnitites from any damages, costs or expenses resulting from or related to any disclosure or use of Confidential Information by your agents, employees, consultants, and contractors. You and each Principal Owner agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or part, share it with any other third-party individual or entity (except as provided herein), store it in a computer or other electronic format, or otherwise make it available to any third party by any other means whatsoever.

7.02 In the event that you or your employees, agents, consultants or contractors receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, you shall immediately notify us thereof, and shall fully cooperate with and assist us in prohibiting or denying any such transfer or disclosure. Should such transfer or disclosure be required by a valid, final, non-appealable court order, you shall fully cooperate with and assist us in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

7.03 You and each Principal Owner acknowledge our exclusive ownership of the Confidential Information and the System and our exclusive ownership and our license with respect to the Trademarks. Neither you nor any Principal Owner shall, directly or indirectly, contest or impair our or our exclusive ownership of, and/or license with respect to, the Confidential Information, the System or the Trademarks.

7.04 If you develop improvements (as determined by us) to the Confidential Information, you and the Principal Owners shall each, without additional consideration, execute such agreements and other documentation as shall be deemed necessary by us, granting exclusive ownership thereof to us as if you developed such improvements as work for hire for us. All such improvements shall be Confidential Information.

7.05 Each Principal Owner shall execute and deliver to us a covenant in the form prescribed by us. You shall cause your Control Person, your Franchisee Designate, each Manager and such other employees of yours whom we designate to execute and (if requested) deliver to us a covenant in the form prescribed by us. You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Nondisclosure Agreement and Covenant not to Compete executed by any of the individuals referenced in the section, and you acknowledge our right, to be exercised as we alone determine, to ourselves and to enforce the terms of any such executed Confidentiality and Nondisclosure Agreement and Covenant not to Compete.

7.06 Immediately upon any termination or expiration hereof, you and each Principal Owner, Control Person, Franchisee Designate, Manager or employee shall return the Confidential Information, including without limitation, that portion of the Confidential Information which consists of analyses, compilations, studies or other documents containing or referring to any part of the Confidential Information, prepared by you or such Principal Owner, Control Person, Franchisee Designate, Manager or employee, or their respective agents, representatives or employees, and all copies thereof.

7.07 Notwithstanding the confidentiality of data we poll from your point-of-sale system, you authorize us to use the data for our purposes, including without limitation, use for any financial performance representation in our future franchise disclosure documents.

8. TRADEMARKS

8.01 We grant to you the non-exclusive right and licensee to use the Trademarks (subject to the terms hereof) during the Term in accordance with the System, the Operations Manuals and as prescribed by us from time to time. In connection therewith, you agree that:

A. You shall use only within your Designated Area (i) only such of the Trademarks as we designate and (ii) such marks only in the manner specified by us in writing. Any other use of any Trademark shall constitute an infringement of our rights therein.

B. You shall use the Trademarks only (i) for the operation of a single Restaurant at a single Location, (ii) at the Location or in advertising related to the Restaurant and only within your Designated Area, and (iii) during the Term. You shall immediately cease (a) any unauthorized use of any Trademark upon demand and (b) all use upon the termination or expiration of this Agreement.

C. We reserve the right to substitute different trade names, service marks, trademarks, logos, trade dress, emblems, symbols and indicia of origin for the Trademarks for use in identifying the System and the business operated thereunder, as deemed reasonable and necessary in our sole discretion. If we substitute any or all of the Trademarks, you shall implement such new Trademarks when we deem reasonable in our sole discretion, at your sole cost and expense.

D. During the Term, you shall identify yourself as a “licensed Franchisee” of ours (i) in conjunction with any use of the Trademarks including, without limitation, invoices, order forms, receipts, contracts, stationery and business cards; (ii) in a notice of such content and form and at conspicuous locations in the Restaurant as we may designate; and (iii) on any authorized delivery vehicles.

E. You shall not assign, pledge, mortgage, or otherwise encumber your rights to use any of the Trademarks.

F. You shall not use any of the Trademarks as part of your corporate or other name. You shall comply with our instructions, and shall execute any documents deemed necessary by us, or our counsel, in filing and maintaining any requisite trade name or fictitious name registrations in connection with the Trademarks.

G. You shall immediately notify us of any (i) infringement of the Trademarks or challenge to the use of any thereof or (ii) claim by any person of any rights in or to any of the Trademarks. You and each Principal Owner shall not communicate with any person except us or our counsel in connection with any such infringement, challenge or claim. We, in our sole discretion, may take such action as we deem appropriate, and shall exclusively control any litigation or proceeding arising from any infringement, challenge, or claim or otherwise relating to

any of the Trademarks. You shall execute any and all instruments and documents, render such assistance and do such acts and things as may, in our opinion or in the opinion of our counsel, be necessary or advisable in any such litigation or proceeding or to otherwise protect or maintain our rights and interest in the Trademarks.

H. Neither you nor any Principal Owner shall, directly or indirectly, apply for, register, attempt to obtain or obtain control of the Trademarks or any marks or other indicia of ownership or origin which resemble, or are deceptively or confusingly similar to, the Trademarks, in any country or political sub-division thereof. Neither you nor any Principal Owner shall interfere with our efforts to obtain registration or ownership of any name, trademark, service mark or other identifying name anywhere in the world.

I. You shall cooperate with us to prove the continuous and effective use of the Trademarks, including without limitation, in connection with any registration or any renewal thereof.

8.02 Franchisee and each Principal Owner agree and acknowledge that:

A. Our affiliate, DWC IP Holdings, LLC is the exclusive owner of all right, title and interest in and to the Trademarks and the goodwill associated therewith;

B. The Trademarks identify us as the source or origin of goods and services provided under such marks and the System;

C. Neither you nor any Principal Owner shall directly or indirectly contest the ownership, or the validity of the Trademarks;

D. You do not have, and shall not acquire by use pursuant to this Agreement, any ownership or other interest in or to the Trademarks, except the right and license granted herein, subject in all respects to the terms hereof;

E. Any and all goodwill arising from your use of the Trademarks shall inure exclusively to us and DWC IP Holdings, LLC without compensation to you; and

F. Your right and license to use the Trademarks is non-exclusive and, subject to this Agreement. We have and retain all rights relating to the Trademarks and the use thereof including, without limitation, the right to:

(1) Grant other licenses to use the Trademarks;

(2) Develop and establish Other Concepts using the Trademarks or other names or marks and to grant licenses thereto without providing any rights therein to you; and

(3) Engage, directly or indirectly, at wholesale, retail or otherwise, in (i) the production, distribution, license and/or sale of products and services under the Trademarks or other names or marks and (ii) the use, in connection with such production, distribution and sale, of any

and all trademarks, trade names, service marks, logos, insignia, trade dress, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

9. ADVERTISING AND MARKETING

9.01 You recognize the value of advertising and that standardized advertising programs enhance the goodwill and public image of the System.

A. You shall expend not less than one percent (1%) of Gross Sales per month for local advertising. Your local advertising may utilize media to which we have granted consent including: (1) Newspapers, magazines and other periodicals; (2) Radio/television; (3) Outdoor advertising (e.g., billboards or signs); (4) Transit advertising and direct mail; and (5) Such other media to which we consent.

On a monthly basis, you will report to us your local advertising in a form we require. If you fail to spend one percent (1%) of Gross Sales per month on local advertising, you shall pay the difference to us as additional Royalty. We have no obligation to spend this money in your Designated Area or any area around your Designated Area.

B. We require you to spend up to Ten Thousand and 00/100 Dollars (\$10,000.00) on the advertising and promotion of the Restaurant including, without limitation, newspaper, direct mail, promotional items, and other media during the first ninety (90) days of the operation of the Restaurant (“Grand Opening Advertising”). You shall conduct the Grand Opening Advertising in accordance with the specifications set forth in the Operations Manuals. You shall submit to us a Grand Opening marketing plan within forty-five (45) days prior to the Restaurant being open for business. All Grand Opening Advertising expenditures must obtain our prior approval. We may, in our sole discretion, require you to pay the Grand Opening Advertising expenses directly to us, in which event we will spend such amounts on your behalf. During the first ninety (90) days of the operation of the Restaurant, you shall expend funds on Grand Opening Advertising in lieu of the local advertising. You must pay the Marketing Fee at all times. On the date of the completion of the first ninety (90) days of operation of the Restaurant, you shall begin to spend one percent (1%) of Gross Sales per month on local advertising in accordance with this Agreement.

9.02 You shall pay us on a weekly basis, in addition to any Payments required under this Advertising Section of this Agreement and other fees required to be paid to us under this Agreement, a fee for the National Marketing Fund (“Marketing Fee”) in the current amount of two percent (2%) of weekly Gross Sales. We reserve the right to increase the Marketing Fee, in our sole and absolute discretion, as implemented through the Operations Manual. We shall collect the Marketing Fees in the same manner we collect Royalty. You shall report your Gross Sales to us on a weekly basis in a form we prescribe.

We or our designate shall administer the funds in the national and/or regional Marketing Fund and direct all national and regional advertising programs. We or our designate shall have the sole discretion to consent to or reject all creative concepts, materials and media and the placement and allocation thereof. If established, the Marketing Fund will be maintained in a separate bank account and monies received for the Marketing Fund will be accounted for separately from our other funds.

There is no fiduciary or trust relationship created by our administering the Marketing Fund. We may cause the Marketing Fund to be incorporated or operated through a separate entity if we deem appropriate. We anticipate all of our franchisees will contribute to the Marketing Fund. There is no prohibition against us charging different rates for future franchisees. We also may forgive, waive, settle or compromise claims by or against the Marketing Fund. We may defer or reduce a franchisee's contribution based on the peculiarities of a particular territory or circumstance, existing business practices or other factors that we deem to be important to the operation of any Restaurant or the System. If we terminate the Marketing Fund, we will distribute all unused monies to the contributors in proportion to their respective contributions during a pre-determined period. We and our designate undertake no obligation to make expenditures in the area where your Restaurant Location is located or ensure that any particular Franchisee benefits from the placement of such advertising. Such funds may be applied to our costs of maintaining, administering, directing and preparing national or regional advertising (including without limitation, marketing research, public relations activities, marketing programs and initiatives including but not limited to guest membership programs, and employing advertising agencies to assist therein); provided however, that such funds shall not be used to defray our general operating expenses (except reasonable administrative costs and overhead related to the administration or direction of such funds and programs). An annual statement of fund expenditures shall be delivered to you upon reasonable request. We will prepare an annual, unaudited statement of the operations of the Fund that is made available to you, upon request, within six months of the end of our fiscal year. We are not required to have the Fund statements audited. These statements will be made available to you upon reasonable request.

9.03 In addition to the national marketing fund that we reserve the right to establish as described in Section 9.02, we may from time to time develop and administer advertising, marketing and sales promotion programs in which you shall participate upon such terms and conditions as established by us. Such programs may include, without limitation, guest membership programs, gift card programs, seasonal System-wide specials and the like. All phases of such advertising and promotion, including without limitation, type, quantity, timing, placement, choice of media, market areas, promotional programs and advertising or public relations agencies, shall be determined by us in our sole discretion. To the extent that promotion program requires a discount, give away, or sale at a specified price (e.g., buy one get one, or \$1 off), you do not receive "credit" of the discount toward your local advertising spend obligation or any other obligation under this Agreement.

9.04 All of your advertising and promotion shall conform to our Standards and Specifications, including without limitation, those that are prescribed in the Operations Manuals. You shall submit all advertising and promotional plans and materials to us for consent prior to use (unless prepared or provided by us). We must consent to or reject such plans and materials within thirty (30) days of receipt. You shall not use such plans or materials until our consent is received. You shall promptly discontinue any advertising or promotional plans or materials, whether or not previously consented to, upon notice from us.

9.05 We may designate any geographic area in which two (2) or more Restaurants are located and owned by different parties as a region for purposes of establishing an advertising Cooperative. The members of the Cooperative for any area will consist of all Restaurants, whether operated by

us, our affiliates or franchised. We will determine in advance how each Cooperative will be organized and governed and when it must start operation. We reserve the right to dissolve or merge these program(s) and/or council(s) at any time. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in Local Advertising. If a Cooperative has been established for a geographic area where your Restaurant is located when the Franchise Agreement is signed, or if any Cooperative is established during the Term on the Franchise Agreement, you must sign all documents we request and become a member of the Cooperative according to the terms of the documents. We will provide to you a copy of the Cooperative documents applicable to the geographic area in which your Restaurant will be located if you request it.

You must contribute to the Cooperative the amounts required by the documents governing the Cooperative, but in no event will that be more than three percent (3%) of Gross Sales. You may apply your Payments to the Cooperative toward satisfaction of your Local Advertising requirement. We may allocate your contributions to a Cooperative to the Fund, as described above. All contributions to the Cooperative will be maintained and administered according to the Cooperative governing documents. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the Cooperative or services furnished to its members without first obtaining our approval. Each Cooperative will be obligated to prepare an annual financial statement reporting its expenditures for the previous year to its members.

9.06 We also may maintain one or more social media sites (e.g., www.twitter.com; www.facebook.com, www.instagram.com, or such other social media sites). You may not establish or maintain any social media sites utilizing any usernames, or otherwise associating with the Marks, without our advance written consent. We may periodically designate regional or territory-specific usernames/handles to be maintained by you. You must adhere to the social media policies established by us and you will require all of your employees to do so as well. We reserve the right to require you to remove any post or other content from your personal social media accounts and pages.

10. INSURANCE

10.01 At this time, you must obtain insurance that meets the following minimum requirements. You are reminded that the requirement that you meet these minimum standards in no way limits your liability for claims or suits in excess of these limits or claims or suits outside of the scope of the listed coverage:

A. Comprehensive General Liability Insurance including premises liability, products liability, and contractual liability coverage for bodily injury and property damage for an amount not less than \$1,000,000 per occurrence with \$2,000,000 aggregate. Coverage will also extend to cover personal/advertising liability for an amount not less than \$1,000,000 per occurrence. You must include DWC Franchising, LLC at the address listed in this Agreement as an additional named insured to protect us from any liability by reason of ownership, maintenance, or operation by you of the Restaurant.

B. Owned, Non-Owned and Hired Automobile Liability Insurance for an amount not less than \$1,500,000 combined single limit.

C. Workers' Compensation Insurance as required by law; Employers' Liability Insurance for amounts not less than \$500,000 per accident, \$500,000 per employee, and \$500,000 policy limit.

D. Umbrella liability coverage in an additional \$2,000,000 per occurrence/aggregate. The umbrella coverage must sit over the General Liability, Auto Liability and Employers Liability policies. You must include DWC Franchising, LLC at the address listed in this Agreement as an additional named insured to protect us from any liability by reason of ownership, maintenance, or operation by you of the Restaurant.

E. Building, Personal Property, and Leasehold Improvements Insurance if applicable, under an "all risk" property form with replacement costs endorsement in an amount equal to 100% of the values of these items. Your deductible shall be no more than \$10,000 per occurrence.

F. Business Interruption Insurance covering Royalty and Marketing Fee payments to DWC Franchising, LLC at the address listed in this Agreement and earnings on an "actual loss sustained basis" for a minimum of 12 months; or, if "actual loss sustained" coverage is not obtainable, you must obtain Business Insurance (and extra expense) coverage (utilizing a valuation that shall include the equivalent of net income before taxes).

G. Any other insurance coverages we may require in the future.

You must obtain this insurance coverage from a reputable insurance company (with at least an A.M. Best analytical rating of "A-" and the financial size category of VIII). All policies of insurance procured by Franchisee shall be written as primary policies and not be excess of coverage that Franchisor may carry. You must annually provide us with evidence of the required insurance coverage by proper certificates of insurance, and such insurance policies must require the insurer to provide us with not less than 30 days prior written notice of any cancellation, non-renewal, or material changes in such policy. We shall have the continuing absolute right to inspect all certificates, additional insured endorsements, binders, and any and all other policy documents you receive from the insurance provider. You must provide evidence that you have obtained all required insurance by providing us with: (1) Certificate of Insurance naming us, Our Indemnitees, and all specified affiliates as "additional insureds" on each policy specified by us; (2) an endorsement form listing us, Our Indemnitees, and designated affiliates as an additional insured, which endorsement form shall not limit our coverage under the policy to liability caused by the named insured's acts or omissions but shall include coverage for liability from your own negligent acts or omissions; and (3) any and all policy documents and any other documents and forms describing or relating to all terms and conditions of the insurance policies. You must instruct your insurance agent or provider to automatically send us evidence of your insurance coverages and our status as an additional insured at the time of renewal of each insurance policy.

10.02 Such insurance shall also:

A. Name Our Indemnitees as an additional insured on an endorsement form acceptable to us and provide that coverage applies separately to each insured and additional insured party

against whom a claim is brought as though a separate policy had been issued to each of Our Indemnitees;

B. The insurance policies and endorsements must cover our and Our Indemnitee's own acts or omissions and must not be limited to our vicarious liability or liability arising solely from the granting of a franchise;

C. The policies must not be subject to cancellation, modification, or amendment except after 30 days prior written notice to us;

D. The policies must provide that failure by you to comply with any term, condition, or provision of the insurance contract, or other conduct by you, will not void or otherwise affect the coverage afforded to us and Our Indemnitees (e.g., we, although named as an additional insured, will nevertheless be entitled to recover under such policies on any loss occasioned to us or Our Indemnitees by reason of the negligence of you or your agents or employees);

E. The policies must cover your contractual liability, including without limitation, your indemnification obligations under this Agreement;

F. The policies will be primary to and without right of contribution from any insurance purchased by us;

G. The policies must contain a waiver of subrogation in our favor for casualty losses and contain no provision which limits or reduces coverage in the event of a claim by any one (1) or more of the insured or additional insured parties;

H. Be obtained from an insurance company that is authorized to do business in the jurisdiction in which the Restaurant is located and has an A.M. Best's analytical rating of "A-" or better and in the A.M. Best's financial size category of Class VIII or better;

I. Be in amount and form satisfactory to us; and

J. Have deductibles in amounts deemed reasonable by us.

10.03 A certificate of insurance and endorsements shall be submitted for our consent prior to the commencement of construction and additional certificates of insurance and endorsements shall be submitted to us thereafter, evidencing uninterrupted coverage. You shall deliver complete copies of all insurance policies within fourteen (14) days of our request.

10.04 If a claim is made by any one or more of Our Indemnitees against you, you shall, upon our request, assign to us any and all rights which you then have or thereafter may have with respect to such claim against the insurer(s) providing the coverage under this Section. Your obligation to obtain and maintain the policy or policies of insurance in the minimum amounts specified by us will not be limited in any way by reason of any insurance that may be maintained or purchased by us nor will your obligation to obtain insurance relieve you of your liability for indemnification as provided in this Agreement.

10.05 Your obligation to obtain and maintain insurance or to indemnify any of Our Indemnities shall not be limited by reason of any insurance which may be maintained by any of Our Indemnities, nor shall such insurance relieve you of any liability under this Agreement. Your insurance shall be primary to any policies maintained by any of Our Indemnities.

10.06 If you fail to obtain or maintain the insurance required by this Agreement, as such requirements may be revised from time to time, we may acquire such insurance and the cost thereof, together with a reasonable fee for our expenses in so acting and interest at eighteen percent (18%) per annum from the date acquired, shall be payable by you upon notice from us.

11. ACCOUNTING AND RECORDS

11.01 You shall prepare in accordance with the System and generally accepted accounting principles, and preserve for the periods prescribed by us as may be further specified in the Operations Manuals, complete and accurate books, records and accounts with respect to the Restaurant and all other reports or disclosures required or permitted herein and in the Operations Manuals including, without limitation, sales slips, coupons, purchase orders, invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, in a form and manner prescribed in the Operations Manuals or otherwise in writing. You shall adopt such accounting periods and principles as we prescribe.

11.02 Each Monday or on such other date that we determine in our discretion, you shall submit to us your weekly Gross Sales for the previous week, upon which we will base your Royalty, Marketing Fee, and other Payments due to us. You shall submit to us a monthly accounting of Gross Sales within ten (10) days of the end of the accounting month and an annual accounting of Gross Sales within thirty (30) days after the end of each accounting year.

11.03 You shall submit to us such additional reports, records, invoices, purchase history, data, information, financial statements, (including, without limitation, periodic guest counts, daily, weekly, and monthly sales reports and quarterly and annual statements of profit and loss for the Restaurant and quarterly and annual financial statements and statements of your Gross Sales, showing itemized deductions and exclusions from Gross Sales for the Restaurant) as we may reasonably require or as specified from time to time in the Operations Manuals in a form reasonably required. We may inspect, copy and audit all of the documents and information specified in this Agreement and your books, records and tax returns at any time during normal business hours upon five (5) days prior notice.

11.04 If any audit discloses an understatement of Gross Sales for the period subject to audit of one percent (1%) or more, or an underpayment of the Royalty for the period subject to the audit of three percent (3%) or more, you shall reimburse us (in addition to payment of such Royalty and Marketing Fee and interest as provided in this Agreement) any and all costs and expenses incurred in connection with such audit, including without limitation, reasonable attorney fees, auditor fees, and expenses related to our staff to conduct the audit, including without limitation, wages, benefits, lodging, travel and meal expenses related to the conduct of the audit.

11.05 The annual accounting of Gross Sales, and other financial statements required by this Section or as we request shall be accompanied by a certificate signed by your chief financial officer to the effect that such statements or reports fairly and accurately reflect the matters reported therein and are complete and correct. You acknowledge that the financial information you supply to us may be used by us in the preparation of, and may be disclosed by us in, our future Franchise Disclosure Documents.

11.06 You shall use the professional services of an accountant or accounting firm. You shall provide to us copies of your books, records, and tax returns as we may request from time to time. You hereby waive any accountant-client privilege to allow your accountant to disclose to us information required to be disclosed under this Agreement. We reserve the right to make a financial performance representation in the future Franchise Disclosure Documents that may be based in part upon the actual performance of your Restaurant. To that end, you agree and consent to our use of the financial information of your Restaurant and financial statements you provide to us in future franchise disclosure documents.

12. YOUR REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE AND NEGATIVE COVENANTS

12.01 If you are a corporation, partnership, limited partnership or limited liability company, you represent and warrant to us as follows:

A. You are duly organized, validly existing and in good standing under the laws of the jurisdiction of your organization with all requisite power and authority to own, operate and Lease your assets (real and personal), to carry on your business, and to enter into this Agreement and perform its obligations hereunder. You are duly qualified to do business and are in good standing in each jurisdiction in which you do business. The information and documentation contained in Attachment 2 and the documents attached thereto are true and correct;

B. The execution, delivery and performance of this Agreement and all other agreements contemplated herein have been duly authorized by all requisite action and no further action is necessary to make this Agreement or such other agreement valid and binding upon you and enforceable against you in accordance with their respective terms. Neither the execution, delivery nor performance by you of this Agreement or any other agreement contemplated hereby will conflict with, or result in a breach of any term or provision of your articles of incorporation or organization, bylaws, operating agreement, partnership agreement or other governing documents or under any mortgage, deed of trust, or other contract or agreement to which you are a party or by which you or any of your assets are bound, or breach any order, writ, injunction or decree of any court, administrative agency or governmental body;

C. Any certificate representing an equity interest in your business shall bear a legend indicating that any transfer is subject to this Agreement; and

D. You represent, warrant and covenant to us that (1) neither you, nor any individual or entity owning directly or indirectly any of your equity interest (if you are a business entity) or their respective affiliates or the funding sources for any of the foregoing is an individual or entity

whose property or interests are subject to being blocked under Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and the Cuban Assets Control Regulations (Title 31 Part 515 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities (“OFAC Laws and Regulations”) or is otherwise in violation of any of the OFAC Laws and Regulations; (2) neither you nor any individual or entity owning directly or indirectly any of your equity interest or their respective affiliates or the funding sources for any of the foregoing, (a) is under investigation by any government authority form, or has been charged with, or convicted of, OFAC Laws and Regulations, (b) has been assessed any penalties under these laws, or (c) has had any of its funds seized or forfeited in any Action under these laws; (3) neither you nor any individual or entity owning directly or indirectly any of your equity interest or their respective affiliates or the funding sources for the foregoing is directly or indirectly owned or controlled by the government of a county that is subject to an embargo imposed by the United States Government, nor acting on behalf of a government; (4) has taken all reasonable measures to ensure compliance with all OFAC Laws and Regulations ; and (5) you shall take all reasonable measures to continue compliance with all OFAC Laws and Regulations during the term of this Agreement.

12.02 You affirmatively covenant with us as follows:

A. You shall perform your duties and obligations under this Agreement and shall require your Control Person, Franchisee Designate, Managers, and other managerial personnel to dedicate their respective full time and attention and best efforts to the development, construction, management, operation, supervision and promotion of the Restaurant in accordance with the terms and conditions of this Agreement;

B. You shall promptly provide us with all information concerning any new process or improvement in the development, construction, management, operation, supervision or promotion of the Restaurant developed by you or any Principal Owner without compensation. You and the Principal Owners shall each execute such agreements and other documentation as we shall deem necessary, granting us exclusive ownership thereof;

C. You shall comply with all requirements of applicable rules, regulations, statutes, laws and ordinances, including without limitation, any and all applicable health and sanitary standards prescribed by any governmental authority. In addition to complying with such standards, if the Restaurant is subject to any sanitary or health inspection by any governmental authority under which it may be rated in one (1) or more than one (1) classification, the Restaurant must be

maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. In the event that you fail to be rated in the highest classification or receive notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance;

D. You shall maintain a current list of all Principal Owners and deliver a certified copy to us upon any transfer or our request;

E. Any certificate representing an equity interest in your business shall bear a legend indicating that any transfer is subject to this Agreement;

F. You shall, at your expense, participate in our website on the internet, our intranet system or other online communication as we may require from time to time as may be further prescribed and implemented through the Operations Manuals. You may not maintain a World Wide Web site or otherwise maintain a presence on the internet other than as we provide through our website. You may not separately register any domain name or social media accounts containing any of the Trademarks nor participate in any web site that markets goods and services similar to a Restaurant. We alone may establish, maintain, modify or discontinue all internet, social media accounts, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators (“URLs”) and if we do, we may design and provide for the benefit of your Restaurant a “click through” sub-page at each such website for the promotion of your Restaurant. If we establish one or more such website or other modes of electronic commerce and if we provide a “click through” sub-page at each such website for the promotion of your Restaurant, you agree to routinely provide us with updated copy, photographs and news stories about your Restaurant suitable for posting on our website and on your Restaurant’s “click through” sub-page, the content, frequency and procedure of which will be specified in our Operations Manuals. You agree that any pictures, photographs, or videos taken of you may be posted to our website and social media accounts in our discretion and all copyrights and other rights belong exclusively to us. You have no right to request or demand that we remove any picture, photograph, or video of you. Any websites, social media accounts, or other modes of electronic commerce that we establish or maintain may, in addition to advertising and promoting the products and services available at the System’s Restaurants, also be devoted in part to offering Detroit Wing Company franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve. We retain all rights relating to our web site and intranet system and may alter or terminate our web site or intranet system. In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be affected. Your conduct on our web site and intranet system or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our web site or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site and intranet system or otherwise use the Trademarks or System on the intranet, or other online communication, will terminate when this Agreement expires or terminates. However, our right to use any picture, photograph, or video of you will survive. We alone will be, and at all

times will remain, the sole owner of the copyrights to all material which appears on any website and social media account we establish and maintain or allow you to establish and maintain, including any and all material you may furnish to us.

G. You acknowledge and agree that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any franchised business, based upon the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised business. You will have no right to require us to disclose any variation or to grant the same or similar variation to you.

H. You acknowledge and agree that we, in the exercise of our sole business judgment, have the right to modify, add to or rescind any requirement, standard or specification, any components of the System and requirements applicable to you that we prescribe under this Agreement so that we can adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate in our sole discretion. We may communicate these System modifications to you by means of supplements to the Operations Manual or otherwise, including the right to alter the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the System; add to, or delete from or modify the products and services which you are authorized and required to offer; modify or substitute the equipment, signs, trade dress and other Restaurant characteristics that you are required to adhere to (subject to the limitations set forth in this Agreement); and change, improve, modify or substitute the Trademarks. You must comply with these modifications, additions or rescissions at your expense, except as otherwise limited by express provisions of this Agreement.

12.03 You acknowledge and/or negatively covenant with us as follows:

A. You shall not amend your articles of incorporation or organization, bylaws, operating agreement, partnership agreement or other governing documents in a manner which is inconsistent with this Agreement;

B. You shall not remove or allow the removal from any certificate the legend described in this Section; and

C. You and each Principal Owner shall receive valuable, unique training, trade secrets and the Confidential Information which are beyond your present skills, experience and knowledge or the present skills, experience and knowledge of each Principal Owner and your employees. You and each Principal Owner acknowledge that such training, trade secrets and the Confidential Information are essential to the development of the Restaurant and provide a competitive advantage to you and that access to such training, trade secrets and the Confidential Information is a primary reason for your execution of this Agreement. In consideration thereof, you and each Principal Owner covenant that during the term or any renewal term of this Agreement, neither you nor any Principal Owner shall, directly or indirectly, own, maintain, operate or have any interest in a Competing Business;

D. Section 12.03 C shall not apply to an interest for investment purposes only in any Publicly-Held Entity, so long as such owner is not a director, officer or manager thereof, or consultant thereto.

12.04 Each of the covenants contained in this Section are independent of each other covenant or agreement contained in this Agreement.

12.05 Your representations, warranties, covenants and agreements herein are continuing, each of which shall survive the expiration or termination of this Agreement.

13. TRANSFER

13.01 We may assign this Agreement, or any of its rights or obligations herein, to any person or entity without your or your Principal Owners' consent. However, our obligations that are assigned shall be fully assumed by the party to whom we assign such obligations.

13.02 A. You and each Principal Owner acknowledge that your rights and obligations herein are personal as to you and that we have entered into this Agreement relying upon your business skills, expertise and aptitude, financial resources, and reputation and the same qualities of each Principal Owner. Therefore, neither you nor any Principal Owner, your respective successors or permitted assigns, shall complete, or allow to be completed, any transfer without our consent. Any purported transfer, by operation of law or otherwise, without our consent shall be null and void and constitute a default. For purposes of this Agreement a transfer shall mean the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect of this Agreement, any or all of your rights or obligations herein or any equity interest, including the issuance of new equity interests.

B. We may require satisfaction of the following conditions and such other conditions we require prior to consenting to any transfer, each of which you acknowledge as being reasonable and necessary:

(1) There is no default that has occurred, continuing or outstanding and no event which, with the giving of notice or lapse of time, or both, would constitute a default;

(2) Our satisfaction with the character, business experience and credit rating of the proposed assignee (and its partners, officers, controlling stockholders or members if it is a partnership, corporation or limited liability company);

(3) Your payment of all outstanding debts owed to us;

(4) The satisfactory completion of our initial training program by the proposed new Franchisee and its Managers;

(5) Your, the transferee, and each of your and the transferee's Principal Owner's execution of a release of any and all claims against us, our officers, directors, agents, and

employees arising out of or related to this Agreement or to any other aspect of the relationship between you, on the one hand, and us, our officers, directors, agents and employees, on the other hand. The release shall be on a form prepared by us;

(6) Payment by you to us of a nonrefundable transfer fee equal to fifty percent (50%) of the then-current initial franchise fee; which amount may be waived in whole or in part by us, in our discretion if you transfer this Agreement to a business entity that you control;

(7) Execution by the assignee or transferee of our then-current Franchise Agreement, which shall include, without limitation, Royalty and Marketing Fees at the same rates as are applicable to our new Franchisees at the time of the assignment or transfer;

(8) Execution by the assignee or transferee, its shareholders, officers, directors, members, Managers, employees and other persons associated with assignee or transferee as required by us, of any agreements related to the franchise relationship in the form required to be executed by new Franchisees at the time of assignment or transfer including without limitation the Guaranty of Franchisee's performance; and

(9) The transferee, at its expense, shall repair or replace equipment, signs, interior or exterior décor items, fixtures, furnishings and shall offer such products and services such that the Restaurant appearance and operations reflect the then-current Standards and Specifications of the System.

13.03 We shall have the right of first refusal with respect to all bona fide written offers to purchase that you receive and accept for the Restaurant or any transfer under this Section. Any time that you receive a bona fide offer to purchase, you shall inform us in writing of all the terms and conditions of the offer and provide us with a copy of any written offer to purchase. Any such offer must be in writing and signed by the offeree to be considered bona fide. We may, within ninety (90) days after receiving the notice of the bona fide offer, notify you, in writing, of our election to exercise its right to purchase the Restaurant or the transfer under this Section on the same terms and conditions as are contained in that offer. If the offer provides for any Payments in the form of property other than cash, we can substitute cash for the fair market value of such property or services. If we waive or fail to exercise our option, and subject to the conditions contained in this Agreement, you can complete the proposed sale or transfer, but only to the bona fide offeree, and only on the same terms and conditions as were disclosed to us. Such sale must be completed within ninety (90) days after the expiration of our option period or, if earlier, the date on which we waived its option rights in writing.

13.04 In the event you or any Principal Owner is a natural person, you or your administrator, executor, guardian or personal representative shall promptly notify us of your death or incapacity or the death or incapacity of any Principal Owner. Any transfer upon the death shall be subject to the terms and conditions described in this Section and shall be completed within one (1) year of the date of death.

13.05 Following such a death or incapacity of you, any Principal Owner, or Franchisee Designate, if necessary in our discretion, we shall have the right, but not the obligation, to assume operation

of your Franchised Restaurant until the deceased or incapacitated person's interest is transferred to a third party approved by us. In such event, we may charge a management fee as set forth in our operations manual per week, and we shall be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of the Franchised Restaurant.

13.06 Our consent to any transfer shall not constitute a waiver of any claims we may have against the transferor or the transferee's compliance with the terms and conditions of this Agreement.

14. CONSENT AND WAIVER

14.01 When required, you or any Principal Owner shall make a written request for our consent in advance and such consent shall be obtained in writing. Our consent shall not be unreasonably withheld. The foregoing notwithstanding, where either party's consent is expressly reserved to such party's sole discretion, the exercise of such discretion shall not be subject to contest.

14.02 WE MAKE NO REPRESENTATIONS OR WARRANTIES UPON WHICH YOU OR ANY PRINCIPAL OWNER MAY RELY AND ASSUME NO LIABILITY OR OBLIGATION TO YOU, ANY PRINCIPAL OWNER OR ANY THIRD PARTY BY PROVIDING ANY WAIVER, ADVICE, CONSENT OR SERVICES TO YOU OR DUE TO ANY DELAY OR DENIAL THEREOF.

15. DEFAULT AND REMEDIES

15.01 A. The following shall constitute Events of Default by you or any Principal Owner for which there shall be no opportunity to cure and for which notice of termination is not required: (i) failure to commence construction of the Restaurant or open and thereafter continually operate the Restaurant as described herein; (ii) the breach or falsity of any representation, covenant or warranty herein; (iii) failure to deliver executed covenants as required in Section 7.05; (iv) failure to comply with or perform its covenants, obligations and agreements herein; (v) any Transfer that (a) occurs other than as provided in Section 13 or (b) fails to occur within the time periods described in Section 13 (notwithstanding any lack of, or limits upon, the enforceability of any term or provision of Sections 12 or 13); (vi) you (a) are adjudicated, or are, bankrupt or insolvent, (b) make an assignment for the benefit of creditors, or (c) seek protection from creditors by petition in bankruptcy or otherwise or there is filed against you a similar petition which is not dismissed within thirty (30) days; (vii) the appointment of a liquidator or receiver for (a) all or substantially all of your assets or (b) any Restaurant owned by you or an Affiliate is sought which is not dismissed within thirty (30) days; (viii) breach or failure to perform any other term or condition of this Agreement; (ix) an Event of Default shall arise under any other agreement between you and us in which you have no opportunity to cure; (x) you or any Principal Owner pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith (whether in the Designated Area or elsewhere) or our interest therein; or (xi) any (a) two (2) or more Events of Default shall arise under any single subsection of Section 15.01.B or (b) three (3) or more Events of Default shall arise under this Section 15.01.B in any continuous twelve (12) month period notwithstanding the previous cure of such Events of Default.

B. The following shall constitute Events of Default by you or any Principal Owner for which, unless a shorter period is provided below, there shall be a cure period of fifteen (15) days after written notification from us: (i) failure to make any payment on or before the date payable; (ii) failure to meet and/or maintain the Standards and Specifications; (iii) failure to meet and/or maintain the requirements of the Operations Manuals; and (iv) an Event of Default shall arise under any other agreement you or one of your affiliates have with us in which there is an opportunity to cure, in which case, the cure period under this Agreement shall be extended to coincide with the cure period of the other agreement; (v) you understate your Royalty by five percent (5%) or more; (vi) you engage in any dishonest or unethical conduct which may adversely affect the reputation of the Restaurant, or the general goodwill associated with the Trademarks; (vii) you fail, for a period of ten (10) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Restaurant; (viii) you violate any covenant of confidentiality or non-disclosure provision contained in this Agreement or you otherwise disclose, use, or permit the use of copies, duplicates, records, transmits, or otherwise reproduce any Operations Manuals, business forms, videos, DVD/CD-ROMS, audiotapes, material or proprietary information, knowledge or know-how created or used by us and designated for confidential use within the System, without our prior written approval; (ix) you abandon or cease to operate all or any part of the Restaurant for more than ten (10) days; (x) you fail to comply with modifications to System Standards and Specifications within the required time period; (xi) you fail to carry the insurance we require; and do not correct within ten (10) days of receipt of written notice to you; (xii) you fail to receive our prior written approval and use products or materials that do not meet our Standards and Specifications and do not promptly discontinue use after written notice from us; (xiii) you fail to timely provide us with any report, statement, or return required by this Agreement; (xiv) you commit a breach or are in default under any agreement with any of our approved or designated suppliers or vendors. If you cannot reasonably cure the Event of Default within fifteen (15) days, you shall provide us notice thereof (together with your best estimate of the time period required to complete such cure) and immediately undertake efforts to cure such default within the fifteen (15) day cure period, and continue such efforts with diligence to completion. In no event, however, shall such cure period be extended without our prior written consent; or (xiv) you fail two (2) or more inspections in any twelve (12) month period.

15.02 Among the remedies we have for breach of this Agreement, upon the occurrences of any Event of Default under Section 15.01, we may: (a) terminate this Agreement and all rights granted hereunder without waiving, (i) any claim for damages suffered by us, or (ii) other rights, remedies or claims; (b) exercise our option to acquire the real estate associated with the Restaurant Location either through purchase pursuant to the Real Estate Option to Purchase or by assuming the occupancy contract pursuant to the Conditional Assignment of Lease. Should this Agreement terminate due to a breach by you, you shall pay us for a period of three (3) years (or the remainder of the Term of the Agreement if that period is less than three (3) years) a continuing Royalty (as partial compensation for the future fees that would have been paid by you under this Agreement) in an amount equal to the total Royalty due from you for the 52 weeks preceding the termination divided by 52. If the Restaurant was open fewer than 52 weeks, then the average of all weeks for which the Restaurant was open shall be used. Payment of the Royalty payment to us shall be in addition to other amounts to which we are entitled to recover, including without limitation, attorney fees and other costs and expenses of collection. Payment of the Royalty shall not affect

our right to obtain appropriate injunctive relief and other remedies to enforce this Agreement. We reserve the right, during the pendency of any Event of Default, to prohibit you from accessing and using the System, including without limitation, shutting off any online mobile ordering application and withholding any food orders made from any Approved Supplier. You acknowledge that you are not entitled to the benefits of the System while you are in default of this Agreement. Further, if we exercise our option to acquire the immediate right to occupy the premises and require you to vacate, you hereby grant to us an option to acquire all rights and assume all obligations remaining under any equipment Leases, and purchase any or all of the other equipment not covered by equipment Leases and any inventory or other property of yours at its then-current fair market value. This option shall be exercised in the same manner that we are required to exercise our option as to the real estate, with possession to be transferred at the time possession of the real estate is transferred. In light of the poor market for used Restaurant equipment, it is hereby agreed that equipment Leases assumed by us, if we exercise our option, have a fair market value of \$0.00.

15.03 Subject to the provisions of Section 15.06, all rights and remedies of either party shall be cumulative, and not exclusive, of any other right or remedy described herein or available at law or in equity. The expiration or termination of this Agreement shall not release any party from any liability or obligation then accrued or any liability or obligation continuing beyond, or arising from, such expiration or termination. Nothing in this Agreement shall impair either party's right to obtain injunctive or other equitable relief.

15.04 The failure of any party to exercise any right or remedy or to enforce any obligation, covenant or agreement shall not constitute a waiver by, or estoppel of, that party's right to any of the remedies including, without limitation, to enforce strict compliance with any such obligation, covenant or agreement. No custom or practice shall modify or amend this Agreement. The waiver of, or failure or inability of, any party to enforce, any right or remedy shall not impair that party's rights or remedies with respect to subsequent Events of Default of the same, similar or different nature. The delay, forbearance or failure of any party to exercise any right or remedy in connection with any Event of Default or default by any other Franchisees shall not affect, impair or constitute a waiver of such party's rights or remedies. Acceptance of any Payment shall not waive any Event of Default. No delay or failure to exercise any right we have under this Agreement or to insist upon full compliance shall constitute a waiver or prevent us from insisting upon full compliance at any time.

15.05 You and each Principal Owner shall, jointly and severally, pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in enforcing, or obtaining any remedy arising from the breach of this Agreement, including without limitation, a non-compliance fee of Five Hundred Dollars (\$500), which amount you agree to pay every time you are in breach of this Agreement. The existence of any claims, demands or Actions which you or any Principal Owner may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of your or any Principal Owner's representations, warranties, covenants, obligations or agreements herein.

15.06 IN THE EVENT OF A DISPUTE WHICH IS NOT SUBJECT TO, NOR ARISES UNDER, SECTION 17, WE, YOU, AND EACH PRINCIPAL OWNER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY

PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, BUT SPECIFICALLY EXCLUDING, HOWEVER, DAMAGES TO THE REPUTATION AND GOODWILL ASSOCIATED WITH AND/OR SYMBOLIZED BY THE TRADEMARKS) AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT.

15.07 You and each Principal Owner agree that our exercise of the rights and remedies set forth herein are reasonable, necessary to protect our legitimate business interests, and are not a penalty. We may, in addition to pursuing any other remedies, specifically enforce such obligations, covenants and agreements or obtain injunctive or other equitable relief in connection with the violation or anticipated violation of such obligations, covenants and agreements.

15.08 You may terminate this Agreement as a result of a breach of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to begin to cure the breach within thirty (30) days after our receipt of your written notice. If we fail to begin to cure the breach, the termination will be effective sixty (60) days after our receipt of your written notice of breach. Your termination of this Agreement will not release or modify your post-term obligations upon termination as provided in this Agreement.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION; RENEWAL OPTION

16.01 Upon any termination or expiration of this Agreement (or any renewal franchise agreement if the renewal option described in Section 16.09 has been exercised), and subject to the other terms of this Agreement, we may establish, or authorize others to establish Restaurants in the Designated Area.

16.02 Upon any termination or expiration of this Agreement, (or any renewal franchise agreement, if the renewal option is exercised), all rights granted to you herein shall terminate and you shall:

- A. Immediately cease to operate the Restaurant under the System;
- B. Immediately cease to use any Confidential Information, the System, the Standards and Specifications, the Operations Manuals, and the Trademarks and other distinctive signs, symbols and devices associated with the System;
- C. Immediately deliver to us all Confidential Information and all copies thereof (without regard to form or format), and all records, files, instructions, correspondence, and all other materials related to operating the Restaurant;

D. Cancel any assumed name or equivalent registration which contains any of the Trademarks or parts of Trademarks or any other name, service mark or trademark of ours;

E. Immediately pay to us within seven (7) days of the effective date of the termination or expiration of this Agreement all Royalties, Marketing Fund fees, and any other fee payable to us, with late payment charges, interest and any other fees due to us;

F. Immediately pay to us the actual and consequential damages, costs, and expenses (including without limitation attorney fees and expert fees) incurred by us as a result of your default;

G. Strictly comply with, observe and abide by all of the provisions and covenants contained in this Section;

H. Neither directly nor indirectly represent to the public that any other business you may then own or operate, is or was operated as, or was in any way connected to, the System;

I. Not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Restaurant or any confusingly-similar business;

J. Notify the telephone company and all telephone directory publishers of the transfer of your use of any telephone, telecopy, or other numbers and any telephone directory listings associated with any Trademark, as provided for us in the Telephone Number Assignment in a form we prescribe. If you fail to do so, we can take whatever action is necessary, on your behalf consistent with this Agreement and Telephone Number Assignment, to affect these events; and

K. Immediately de-identify the Location and Restaurant under Section 16.04.

16.03 A. You grant to us the option, exercisable by giving written notice within thirty (30) days after any termination or expiration of this Agreement (or any renewal franchise agreement if the renewal option is exercised), to acquire (i) your rights and obligations under the Lease, or (ii) your right, title and interest in or to the Location (if you own or possess such right, title and interest other than rights as a tenant), together (in each instance) with the furniture, fixtures and equipment, at fair market value (based on the going-concern value as a Restaurant), free and clear of all liens, encumbrances or claims, and subject to such other terms and conditions as are usual and customary for such acquisitions.

B. Without regard to whether we exercise our option set forth in Section 16.03A, you grant to us the further option, to be exercised by giving written notice within thirty (30) days after termination or expiration of this Agreement, (or any renewal franchise agreement if the renewal option is exercised), to purchase all or any portion of the items described in Section 16.04A at fair market value, free and clear of all liens, encumbrances or claims, and subject to such other terms and conditions as are usual and customary for such acquisitions.

C. If we do not exercise our option under Section 16.03A, we shall have and are hereby granted a right of first refusal with respect to the sale by you of all or any portion of the furnishings, fixtures or equipment. You shall promptly notify us of any proposed sale and shall provide such information and documents relating thereto as we may require. Within thirty (30) days after receipt of such notice, information and documents, we may notify you that we intend to exercise our right of first refusal with regard to such furnishings, fixtures and equipment upon the same terms and conditions. If such transaction shall not be consummated within a reasonable period of time after we have given such notice, then our right of first refusal under this Section shall be a continuing right and failure to exercise such right shall not constitute a waiver of any other provision of this Agreement, including such right of first refusal with respect to future offers.

D. If we exercise our option under Section 16.03A but the parties cannot agree on the fair market value of your right, title, or interest in and to the Location and the furniture, fixtures or equipment within fifteen (15) days of the exercise of such option(s), we shall notify you of our designation of an Appraiser to determine such fair market value and a copy of said appraisal will be provided to you. If the value is not agreed to by the parties within ten (10) days after your receipt of the appraisal, you shall select and pay for the services of a qualified Appraiser to appraise the property within fifteen (15) days after the expiration of such ten (10) day period. You shall provide us with a copy of your appraisal. If the value of all of the property is still not agreed to within ten (10) days after the receipt of that appraisal from you, then the two (2) Appraisers shall select a third Appraiser within the fifteen (15) days thereafter whose determination of fair market value as to the property to which a value has not yet been agreed to shall be final and binding. The cost of the third Appraiser shall be paid equally by you and us. The purchase price, less any sums otherwise due to us from you shall be paid to you at closing which shall take place at our offices, or such other location as is mutually agreed by the parties. At such closing, the parties shall execute such instruments of conveyance and/or transfer as reasonably required by us and payment shall be made. If we exercise our option under Section 16.03A, possession of the Location shall transfer pursuant to Section 16.03A and the Conditional Lease Assignment in a form we prescribe, even though the purchase price for the furnishings, fixtures and equipment is not closed.

16.04 If we do not exercise our option to acquire the Lease or your right, title and interest in and to the Location, you shall within thirty (30) days after the expiration of our option make such alterations to the Restaurant as may be necessary, in our reasonable judgment, to distinguish the appearance of the Location from that of other Restaurants in the System, including without limitation:

- A. Removal of all decorative memorabilia, including wall hangings;
- B. Removal of all trade dress;
- C. Removal of all proprietary decorative items as may be required by the Operations Manuals;
- D. Removal or painting of all interior awnings and exterior and interior walls to a solid color other than the color specified by us, including through the Operations Manuals;

- E. Removal of all interior and exterior signage.

If we do not elect to purchase all or any portion of the furnishings, fixtures or equipment which bear any Trademark or otherwise proprietary in nature, you shall dispose of such furnishings, fixtures and equipment only in a manner to which we have given our consent within the same period of time as required in this Section for removal of all other furnishings, fixtures or equipment.

16.05 Subsequent to any termination or expiration of this Agreement (or any renewal franchise agreement if the renewal option is exercised), you shall not:

- A. Use the Trademarks or any reproduction, counterfeit, copy or colorable imitation of any of the Trademarks that could cause confusion, mistake or deception as to source of origin or which could dilute our rights in and to any of the Trademarks;

- B. Utilize any designation of origin, description or representation which suggests an association or connection with us;

- C. Utilize the System or any part thereof; and

- D. For a period of thirty-six (36) months engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent of, in any other capacity, in any Competing Business within:

- (1) The Designated Area as defined in Attachment 1 of this Agreement;

- (2) The geographic area encompassed by the Designated Area of any of our Franchisees as of the date of termination or expiration of this Agreement; or

- (3) A geographic area that is contained in a circle having a radius of thirty-five (35) miles outward from the borders of the Designated Area as defined in Attachment 2 of this Agreement, or the Designated Area or location of any other of our Franchisees or corporate or affiliate owned Restaurants as of the date of the termination or expiration of this Agreement.

- E. Use in any way any Confidential Information.

16.06 Until all Payments are made and any damages, costs and expenses incurred or suffered by us have been paid, we shall have, and you shall be deemed to have granted, a lien against any and all of the furnishings, fixtures and equipment, and your interest in the Lease and Location.

16.07 You and each Principal Owner shall, jointly and severally, pay all costs and expenses, (including without limitation, reasonable attorney fees and expert fees) incurred by us in connection with the successful enforcement of this Section 16. In the event that you fail to comply with this Section 16, we may enter the Location, without being guilty of trespass or otherwise liable, for the purpose of carrying out your obligations under this Section 16 at your expense.

16.08 You, at our option, shall assign to us all rights to the telephone numbers of the Restaurant consistent with the Telephone Number Assignment.

16.09 This Agreement shall not automatically renew upon the expiration of the Term. You shall have the option to renew the Term of this Agreement for two (2) renewal terms of five (5) years each, if, and only if, each of the following terms and conditions has been fully met to our satisfaction each time you seek renewal. If your compliance is not achieved prior to the expiration of the Term, you shall not be entitled to continue the operation of the Restaurant beyond the expiration of the Term, it being understood that your compliance is a condition to the effectiveness of any renewal franchise agreement and the renewal term.

A. You must give us written notice of your election to renew the Term of this Agreement no later than one (1) year, but no earlier than three (3) years, prior to the expiration of the Term of this Agreement.

B. You must deliver evidence of control of the Location for the renewal term.

C. You must satisfy all of our then-current financial requirements (including the analysis of net worth, debt-to-equity ratios and capitalization) for a new Franchisee. You must deliver certified financial statements for the fiscal year preceding the date that you give us notice of your election to exercise your renewal option, prepared by a Certified Public Accountant, supported by income tax returns and such other documentation as we reasonably request. If a Principal Owner's net worth is used to satisfy all or a portion of the financial requirements for you, the Principal Owner must submit a current certified financial statement.

D. You must have satisfied all monetary obligations owed to us and our affiliates.

E. You must not be in default of and must have operated the Restaurant in compliance with the Operations Manuals and the terms of this Agreement.

F. The Location must be brought up to the then-current System Standards and Specifications and reflect an acceptable System image. As part of these upgrades, you must (i) repair, upgrade or replace, at your expense, such equipment, signage, interior and exterior décor items, fixtures, furnishings, supplies, computers and other technology-driven systems, including hardware and software, products and materials, required for the operation of the Restaurant as we may reasonably require, (ii) obtain any new or additional equipment we reasonably require in order for you to meet the then-current System Standards and Specifications or to provide the Restaurant's services by alternative means such as through carry-out or delivery, and (iii) otherwise modernize the Restaurant Location to reflect the then-current System Standards and Specifications and image.

G. You must submit to us all standard form information and documentation reasonably requested by us as a basis for the issuance and consummation of a franchise. You, each of your Principal Owners and we must execute a Mutual Release related to this Agreement.

H. You must pay a franchise fee for the renewal term equal to fifty percent (50%) of the then-current initial franchise fee.

I. You must execute and deliver to us, prior to the expiration of the term, the then-current form of franchise agreement for the renewal term. The renewal franchise agreement shall be on the standard form of franchise agreement being issued to new Franchisees entering the System. The terms of the renewal franchise agreement may be different than those terms included in this Agreement, including without limitation, higher Royalty and Marketing Fund fees, higher local advertising requirements and a modification to the Designated Area.

17. INDEMNIFICATION

17.01 You and each Principal Owner will, at all times and at your sole cost and expense, indemnify and hold harmless, to the fullest extent permitted by law, Our Indemnitees from all “Losses and Expenses” incurred in connection with any Action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or Action has been instituted or reduced to judgment) which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of, or is related in any way to any of the following:

A. The infringement, alleged infringement, or any other violation or alleged violation by you or any Principal Owner of any patent, mark or copyright or other proprietary right owned or controlled by third parties.

B. The violation, breach or asserted violation or breach by you or any Principal Owner of any contract, federal, state or local law, regulation, ruling, standard or directive or any industry standard.

C. Libel, slander or any other form of defamation of us or the System, by you or any Principal Owner.

D. The violation or breach by you or any Principal Owner of any warranty, representation, agreement or obligation in this Agreement.

E. Acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, affiliates or representatives.

F. Any and all liability that may arise as a result of your development, establishment, construction, opening, or operation of the Restaurant., or any employment related liability, including without limitation, any liability that may arise under any federal, state, or local labor or employment law, rule, regulation, ordinance, including without limitation, joint employer liability, or any data breaches or cyber security breaches related to data in your possession.

G. Any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the Restaurant; crimes committed on or near any of the premises, facilities of the Restaurant or vehicles used in the operation of your Restaurant; all acts, errors,

neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Restaurant, whether or not any of the foregoing was approved by us; defects in any Restaurant you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the Restaurant and/or the Principal Owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you or the Restaurant (or any third party acting on your behalf or at your direction), whether in connection with the Restaurant or otherwise, including without limitation, any property damage, injury or death suffered or caused by any delivery person or vehicle serving your Restaurant; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and any action by any customer of yours or visitor to your Restaurant or any other facility of your business.

17.02 You and each Principal Owner agree to give us written notice of any such Action, suit, proceeding, claim, demand, inquiry or investigation immediately upon your actual or constructive knowledge of it.

17.03 We shall at all times have the absolute right to retain counsel of our own choosing in connection with any Action, suit, proceeding, claim, demand, inquiry or investigation. We shall at all times have the absolute right to investigate any Action, suit, proceeding, claim or demand itself.

17.04 You and each Principal Owner shall indemnify Our Indemnities for actual attorney fees, expenses, and costs incurred in connection with the enforcement of our rights under Section 17. This provision shall not be construed so as to limit or in any way affect your indemnity obligations pursuant to the other provisions of Section 17.

17.05 In the event that the exercise of our rights under Section 17 actually results in your insurer with respect to insurance required to be maintained by you pursuant to Section 10 (hereinafter, the “Insurer”) refusing to pay on a third-party claim, all causes of Action and legal remedies which you might have against the Insurer shall be automatically assigned to us without the need for any further action on our or your part. For the purposes of Section 17, “actually results” means that, but for the exercise of our rights under Section 17, the Insurer would not have refused to pay on said third-party claim.

17.06 In the event that the exercise of our rights under Section 17 actually results in the Insurer refusing to pay on a third-party claim, you shall be required to indemnify us for our attorney fees, expenses and costs incurred in connection with that claim.

17.07 In the event that you encourage, request, or suggest that the Insurer deny a claim, you shall indemnify us for our attorney fees, expenses and costs in connection with that claim.

17.08 Subject to the provisions of Section 17.02. above, in order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as in our judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the Action, suit,

proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

A. Any of the acts or circumstances enumerated in Section 17.01 above have occurred;
or

B. Any act, error, or omission of you or any Principal Owner may result directly or indirectly in damage, injury or harm to any person or any property.

17.09 In addition to your indemnity obligations under Section 17.04., you and each Principal Owner shall indemnify us for any and all losses, compensatory damages, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described, which result from any of the items set forth in Section 17.

17.10 We do not assume any liability whatsoever for acts, errors, or omissions of those with whom you or any Principal Owner may contract, regardless of the purpose. You and each Principal Owner shall hold harmless and indemnify us for all Losses and Expenses which may arise out of any acts, errors or omissions of these third parties.

17.11 Under no circumstances shall we be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against you or any Principal Owner. You and each Principal Owner agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by us from you or any Principal Owner. The indemnification obligations of this section will survive the expiration or sooner termination of this Agreement.

17.12 All such Losses and Expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

18. NOTICES

All notices required or desired to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, facsimile or certified mail, return receipt requested to the addresses identified in Attachment 1 to the Franchise Agreement (or such other addresses as designated pursuant to this Section 18).

Notices posted by personal delivery, next day or same day expedited service or given by facsimile shall be deemed given the next Business Day after transmission. Notices posted by certified mail shall be deemed received three (3) Business Days after the date of posting. Any change in the foregoing addresses shall be affected by giving fifteen (15) days written notice of such change to the other party.

19. FORCE MAJEURE

No party shall be liable for any inability to perform resulting from acts of God or other causes (other than financial inability or insolvency) beyond their reasonable control; provided, however, that nothing herein shall excuse or permit any delay or failure (i) to remit any Payment on the date due; or (ii) for more than one hundred eighty (180) days. The party whose performance is affected by an event of force majeure shall, within three (3) days of the occurrence of such event, give notice thereof to the other party setting forth the nature thereof and an estimate of its duration. Notwithstanding the foregoing, if, through no fault of yours, the Restaurant is damaged or destroyed by an event such that it cannot, in our judgment, reasonably be restored within ninety (90) days thereafter, then you may, within sixty (60) days after such event, apply for our consent to relocate and/or reconstruct the Restaurant, which consent shall not be unreasonably withheld. If you fail to make such application, this Agreement shall be deemed terminated for cause.

20. SEVERABILITY

20.01 Should any term, covenant or provision hereof, or the application thereof, be determined by a valid, final, non-appealable order to be invalid or unenforceable, the remaining terms, covenants or provisions hereof shall continue in full force and effect without regard to the invalid or unenforceable provision. In such event, such term, covenant or provision shall be deemed modified to impose the maximum duty permitted by law and such term, covenant or provision shall be valid and enforceable in such modified form as if separately stated in and made a part of this Agreement. Notwithstanding the foregoing, if any term hereof is so determined to be invalid or unenforceable and such determination adversely affects, in our reasonable judgment, our ability to realize the principal purpose of the Agreement or preserve its or our rights in, or the goodwill underlying, the Trademarks, the System, or the Confidential Information, we may terminate this Agreement upon notice to you.

20.02 Captions in this Agreement are for convenience only and shall not affect the meaning or construction of any provision hereof.

21. INDEPENDENT CONTRACTOR

21.01 You are an independent contractor. We do not operate your business or otherwise have direct or indirect control of, or the right or authority to control, your day-to-day operations or employment related decisions. Nothing herein shall create the relationship of principal and agent, legal representative, joint ventures, joint employer, partners, employee and employer or master and servant between the parties. No fiduciary duty is owed by, or exists between, the parties. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa. Your business is, and shall be kept, totally separate and apart from any that may be operated by us. In all public records, in relationships with other persons, and on letterhead and business forms, you shall indicate your independent ownership of the Restaurant and that you are solely a franchisee of DWC Franchising, LLC.

21.02 You are your own independent business with permission, consistent with this Agreement, to operate our System. You are exclusively responsible for hiring, retention, and firing decisions related to all employees of the Restaurant. You are exclusively responsible for establishing the terms, conditions, and benefits of employment for all employees, including without limitation, scheduling, employee discipline, employee performance evaluations, awards, promotions, demotions, work assignments, wages, benefits, vacation time, and sick time policies, the compensation rates for all employees, and for ensuring that all employees are properly trained in the operation of the Restaurant consistent with the standards and specifications as may be contained in the Operations Manual. You acknowledge that we do not have direct or indirect control, including through the implementation of our System, of your employment decisions. You agree to establish at the Restaurant a training program for all employees using the standards and specifications as may be contained in our Operations Manual. You agree to require all employees to maintain a neat and clean appearance and to conform to the standards of dress and/or uniforms we specify from time to time. All employees shall render prompt, efficient and courteous service to all customers of the Restaurant. We will not have the power to hire or fire your employees, or otherwise establish any terms and conditions of your employees. You expressly agree and will never contest otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Restaurant does not directly or indirectly vest in us the power to hire, fire, or control any such employee. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Restaurant and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Restaurant, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Restaurant.

21.03 Nothing herein authorizes you or any Principal Owner to make any contract, agreement, warranty or representation or to incur any debt or obligation in our name. You do not have any power or authority to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. You shall have no right or power to, and shall not, bind or obligate us or our affiliates in any way or manner, nor represent that you have any right to do so. You are an independent contractor, and you are solely responsible for all aspects of the development and operation of the Restaurant, subject only to the conditions and covenants established by this Agreement. Without limiting the generality of the foregoing, you acknowledge that we have no responsibility to ensure that the Restaurant is developed and operated in compliance with all applicable laws, ordinances and regulations and that we shall have no liability in the event the development or operation of the Restaurant violates any law, ordinance or regulation.

21.04 Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over the Restaurant. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in

the name of or on behalf of the other party, or represent that the relationship between us is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Restaurant.

22. DUE DILIGENCE AND ASSUMPTION OF RISK

22.01 You and each Principal Owner (i) have conducted such due diligence and investigation as each desire; (ii) recognize that the business venture described herein involves risks; and (iii) acknowledge that the success of such business venture is dependent upon the abilities of you and Principal Owners. **WE, INCLUDING OUR SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS AND FRANCHISEES EXPRESSLY DISCLAIM THE MAKING OF, AND YOU AND EACH PRINCIPAL OWNER ACKNOWLEDGE THAT THEY HAVE NOT RECEIVED OR RELIED UPON, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL PERFORMANCE OR VIABILITY OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT OR OTHERWISE ARE CONTRARY TO THE TERMS SET FORTH IN THIS AGREEMENT OR ANY FRANCHISE DISCLOSURE DOCUMENT REQUIRED OR PERMITTED TO BE GIVEN TO YOU PURSUANT TO APPLICABLE LAW.**

22.02 You and each Principal Owner have received, read and understand this Agreement, the documents referred to herein and the Exhibits and Schedules hereto. You and each Principal Owner had ample time and opportunity to consult with their advisors concerning the potential benefits and risks of entering into this Agreement.

23. ENFORCEMENT

23.01 We shall have the right to enforce by judicial process our right to terminate this Agreement for the causes enumerated in Section 15, to prevent or remedy a material breach of this Agreement by you or a Principal Owner if such breach could materially impair the goodwill associated with our Trademarks (including Actions with respect to the servicing of wholesale accounts), to enforce our rights under the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 *et. seq*), as amended, to enforce the confidentiality provisions of this Agreement, to collect unpaid Royalties, Marketing Fees and any other fees due and owing to us, and to enforce the Non-Competition provisions of this Agreement. We shall be entitled without bond to the entry of temporary restraining orders and temporary and permanent injunctions enforcing the aforementioned provisions. If a court determines a bond is necessary, you or Principal Owner agree that the bond shall be limited to not more than Five Thousand Dollars (\$5,000). If we are successful in obtaining an injunction or any other relief against you or Principal Owner, you or Principal Owner shall pay us an amount equal to the aggregate of our costs of commencing and prosecuting the Action, including, without limitation, reasonable attorney fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

23.02 Except insofar as we elect to enforce this Agreement by judicial process and injunction as provided above, all disputes and claims relating to any provision hereof, to any specification,

standard, operating procedure or other obligation of us or our agents or the breach thereof (including, without limitation, any claim that this Agreement, any provision thereof, any specification, standard, operating procedure or any other obligation of you or Principal Owner or us is illegal, unenforceable or voidable under any law, ordinance or ruling) shall be settled by binding arbitration in the county of our principal office. Arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 *et. seq*), if applicable, and the JAMS Comprehensive Arbitration Rules and Procedures (or such rules relating to the arbitration of disputes arising under Franchise Agreements).

23.03 Except with respect to matters for which we believe it necessary to seek equitable relief or to collect Royalties or other amounts owing to us, you or Principal Owner and us shall be required to enter into mediation of all disputes involving this Agreement or any aspect of the relationship between them for a minimum of four (4) hours prior to the initiation of any arbitration or other Action or proceeding against the other party or any agent or affiliate of the other party. Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) Business Days from the date the notice of intention to mediate is received, then the other party, at its option, may (i) forego mediation of the issue(s) and commence legal Action, or (ii) select the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator, then the other party shall select an organization. Once the organization is designated and agrees to accept the appointment as mediator, or if the designated organization is unwilling to serve as mediator or does not meet the requirements of this subparagraph, then the initiating party may designate such an organization. Once the organization is designated, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to us and you or Principal Owner. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services shall be retained. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall either be a person who has had at least ten (10) years of experience as either Franchisee or franchisor (or as an officer of such an entity) or in franchise law. The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation. If you or Principal Owner fails or refuses to abide by the provisions of this subparagraph and to engage in mediation as required herein, and litigation or arbitration ensues between the parties, you or Principal Owner shall be liable for all attorney fees incurred by us in such proceeding, regardless of the outcome of the proceeding, and shall reimburse us on demand for such costs.

23.04 Any arbitrator appointed must have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement. We and you or Principal Owner acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction and shall be binding, final and non-appealable. During the pendency of any arbitration proceeding, you or Principal Owner and we shall fully perform this Agreement.

23.05 If, after we or you or Principal Owner institute an arbitration proceeding, one (1) or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision is nonarbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or to proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction. The arbitration proceeding must be resolved on an individual basis and not joined as part of a class action or the claims of other parties, including any consolidation of any claims or parties. The arbitrators must follow the law and not disregard the terms of this Agreement.

23.06 TO THE EXTENT EITHER PARTY IS PERMITTED TO ENFORCE THIS AGREEMENT BY JUDICIAL PROCESS AND ELECTS TO DO SO, EACH OF THE PARTIES WAIVES ITS RIGHT TO A TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATED WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN US AND YOU OR PRINCIPAL OWNER (INCLUDING ANY PRINCIPAL OWNERS OR GUARANTORS, IF APPLICABLE, AND INCLUDING ACTIONS INVOLVING AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS OF OURS OR YOURS) FOR BREACH OF THE FRANCHISE AGREEMENT.

23.07 We and you or Principal Owner (and the respective owners, officers, affiliates and agents, if applicable) each agree to submit to the exclusive jurisdiction of the state and federal courts of the state of our principal place of business at the time the action is filed with respect to any litigation pertaining to this Agreement or to any aspect of the business relationship between the parties, even if additional persons are named as parties to such litigation. No Action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the county of our principal place of business at the time the action is filed, nor shall any such Action be transferred to any other venue. Notwithstanding the foregoing, if we are permitted to seek injunctive relief under this Agreement, we may, at our option, bring such Action in the county in which the Restaurant is located.

23.08 The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between us and you or Principal Owner. We and you or Principal Owner therefore each agree that a decision of an arbitrator or court of law in litigation to which one of them is not a party shall not in any manner prevent the person that was a party to such Action from making similar arguments, or taking similar positions, in any Action between us and you or Principal Owner. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an Action between them as a result of such party having lost a similar claim or defense in another Action.

23.09 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 *et. seq.*), as amended, this Agreement shall be governed by the laws of the state of Michigan. The parties agree, however, that if the Restaurant is not located in the state of our principal place of business, and if you are not a resident of the state of our principal place of business, and the state of our principal place of business has a franchise relationship law, the provisions of the state of our principal residence's franchise relationship law and the regulations promulgated thereunder shall not apply to this transaction or this Agreement. Notwithstanding the foregoing, the parties recognize that if you are a resident of a state that has a law specifically governing the sale and operation of franchises of the type granted hereby to you, or if the Restaurant is located in such a state, then while the foregoing paragraph shall still be applicable, the franchise law of such other states shall also apply to this transaction. In that event, to the extent that the provisions of this Agreement provide for periods of notice less than those required by such applicable law, or provide for termination, cancellation, non-renewal or the like other than in accordance with such applicable law, such provisions shall, to the extent that such are not in accordance with such applicable law, be superseded by said law, and we shall comply with such applicable law in connection with each of these matters.

23.10 All claims, except for monies due to us or for your performance under this Agreement, arising under this Agreement or from the relationship between the parties are barred unless an Action is filed and timely served on the opposing party within one (1) year from the date the party knew or should have known of the facts creating the claim, except to the extent any applicable law or statute provides for a shorter period of time to bring a claim or as otherwise required by law.

24. MISCELLANEOUS

24.01 Time is of the essence to this Agreement.

24.02 There are no third-party beneficiaries to this Agreement except for the remedy provided for breach of your or any Principal Owner's covenant contained in Section 12.03C(1).

24.03 This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument.

24.04 All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, unless otherwise suggested by the text.

24.05 This Agreement will become effective only upon execution hereof by an Officer of ours.

24.06 You shall not use the words "Detroit Wing Company," "Detroit Wing Co.," "Detroit Wing," "DWC," or any part thereof, as part of your corporate or other name.

24.07 You and each Principal Owner acknowledge that each has received a complete copy of this Agreement, the documents referred to herein and the Exhibits hereto at least seven (7) days prior to the date on which this Agreement was executed. You and each Principal Owner further

acknowledge that each has received the Franchise Disclosure Document at least fourteen (14) days prior to the date on which this Agreement was executed.

24.08 You and each Principal Owner, jointly and severally, personally guarantee your performance of your obligations under this Agreement and must execute the form of Guaranty attached as Exhibit E to the Franchise Disclosure Document. Each Principal Owner hereby agrees and acknowledges that the failure to execute our form Guaranty shall not render the personal guaranty contained in this Agreement void or unenforceable. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner pursuant to the provisions of this Agreement must execute the form Guaranty within ten (10) days from the date such person or entity becomes a Principal Owner, provided, however, that any person or entity who becomes a Principal Owner shall automatically acquire all of the obligations of a Principal Owner under this Agreement at the time that such person or entity becomes a Principal Owner.

24.09 Notwithstanding anything to the contrary contained herein, we are not obligated to perform any services required under this Agreement to your particular level of satisfaction, but as a function of our experience, knowledge, and judgment.

24.10 In addition to all other references in this Agreement, you shall comply with all requirements of federal, state and local laws, rules, regulations, and orders related to the operation of your Restaurant, including but not limited to obtaining the appropriate licenses and permits required to operate the Restaurant in compliance with such requirements, all federal, state, and local laws, rules, regulations, or ordinances that govern food preparation and service and Restaurant sanitary conditions, menu labeling, the federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation, all federal, state, and local laws, rules, regulations, and ordinances that govern your employment relationship with your employees, and other laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Fair Labor Standards Act, Family and Medical Leave Act, Affordable Care Act, Federal Wage and Hour Laws, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, Employee Retirement Income Security Act, and the Occupational Safety and Health Act, also apply to Restaurants.

25. ENTIRE AGREEMENT

This Agreement and the contemporaneously executed Exhibits, Addenda and Schedules hereto and the Franchise Disclosure Document constitute the entire agreement between us, you and the Principal Owners concerning the subject matter hereof. All prior agreements, discussions, negotiations, understandings, inducements, representations, warranties and covenants are merged herein and are superseded by this Agreement. THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT THOSE PERMITTED TO BE MADE UNILATERALLY BY US HEREUNDER, INCLUDING WITHOUT LIMITATION, THROUGH OUR OPERATIONS MANUALS, NO

AMENDMENT, CHANGE OR MODIFICATION VARIANCE FROM THIS AGREEMENT SHALL BE BINDING ON EITHER PARTY UNLESS MUTUALLY AGREED TO BY US AND YOU AND EXECUTED IN WRITING. YOU AGREE THAT AMENDMENTS, CHANGES, AND MODIFICATIONS MADE AND IMPLEMENTED THROUGH OUR OPERATIONS MANUALS DO NOT REQUIRE YOUR CONSENT OR AGREEMENT. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

26. DEFINITIONS

As used in this Agreement the following words and phrases shall have the meanings attributed to them in this Section:

Action - any cause of action, suit, proceeding, claim, demand, investigation or inquiry (whether a formal proceeding or otherwise) asserted or instituted by a third party with respect to which the indemnity described in Section 17 applies.

Agreement - this Franchise Agreement.

Appraiser(s) - one or more independent third parties selected by the parties to this Agreement in accordance with the terms and conditions hereof.

Business Days - Each day except Saturday, Sunday and United States Government legal holidays.

Commencement Date – as provided in Attachment 1.

Competing Business - a Restaurant business offering the same or similar products or retail items, including chicken wings, boneless chicken wings, chicken tenders, sauces, side dishes similar to those offered at Detroit Wing Company Restaurants and other retail or Menu Items, including any casual/fast-casual, quick-serve, full-service, take-out, or delivery Restaurant concept.

Confidential Information - any and all data or facts, not available to the public or which do not become available to the public, which data and facts shall include but not be limited to all information, knowledge, trade secrets or know-how utilized or embraced by the System or otherwise concerns your or our systems of operations, programs, services, products, customers, practices, books, records, manuals, computer files, databases or software, the System, all Operations Manuals, Training Manuals or other Manuals, the Standards and Specifications, written directives, equipment and equipment specifications, all proprietary software, computer and point-of-sale programs (and output from such programs), all pricing paradigms established by you or us, all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers), our specifications, and your final plans for the construction, buildout, design, renovation, décor, the identity of and all information relating to the computer and POS hardware and software utilized by you and/or us, internet protocols, procedures and content, all elements of your recommended staffing, staff training and staff certification policies and procedures, all communications between us (including financial and other reports you are required to submit to

us under this Agreement), memoranda, notes, disks, cost analyses, financial statements, trademarks, trade dress, copyrights, logos, signage, blueprints, sketches, recipes, methods, processes, designs, plans, property, reports, documents, analytical tools, business plans, business contacts, information regarding operations, manufacturing, administration, merchandising, marketing, costing, and production information and all extracts and copies thereof prepared by either party or its officers, agents, employees, attorneys, representatives, or consultants, which when used together as they relate to the System reasonably represent an entity employing the System, which is disclosed to or acquired by you directly or indirectly from us in the course of activities related to the development of a business relationship between you and us, or which is obtained by you through an inspection or tour of our offices, facilities, or Restaurants or the Restaurants of our Franchisees, and any other information, know-how, techniques, material and data imparted or made available by us which is (a) designated as confidential, (b) known by you to be considered confidential by us, or (c) by its nature inherently or reasonably considered confidential.

Control Person - an individual designated and described in Attachment 1 who shall devote his full time and attention to the franchise relationship and who is designated to bind the Franchisee.

Delivery Area – the geographical area described in Attachment 1 within which you may provide delivery services in compliance with our standards, but only in the delivery area we specify for you (in an email or other communication). We reserve the right to modify the Delivery Area from time to time for any or no reason whatsoever, in our sole discretion, including prohibiting you from delivering. If we do alter your Delivery Area, you must immediately change your delivery practices and begin delivering the Restaurant’s Menu Items only within the newly-defined Delivery Area. If you do not do so, we may immediately terminate your right to provide any delivery services anywhere.

Designated Area - the geographical area described in Attachment 1; provided, however, the Designated Area shall not include any enclosed malls, institutions (such as hospitals or schools), airports, airport properties, parks (including theme, entertainment or amusement parks), casinos, military bases and sports arenas otherwise located within the Designated Area, nor a specifically identified restricted area surrounding any Restaurant located within the Designated Area as of the date of this Agreement nor shall it be deemed to convey any exclusivity with respect to the use of the Trademarks or third-party delivery services.

Development Materials - a description of the Location, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Lease, and documentation indicating your prospects to acquire the Location) and such other information related to the development of the Location as we request.

Event of Default - as defined in Section 15.

Franchisee - if not the individual executing this Agreement, the business entity disclosed in Attachment 2.

Franchisee Designate - an individual designated as described in Attachment 1 who shall devote his full time and best efforts to the management and supervision of (i) your duties and obligations hereunder; and (ii) the operation of the Restaurant.

Gross Sales – For the purposes of this Agreement, “Gross Sales shall mean:

- a. The entire amount of the actual sales price before any discount (*e.g.*, employee discount promotional or “comp” sales), whether for cash or other consideration, of all sales of food, beverages, merchandise, and services in or from the Restaurant, or pursuant to your rights under this Agreement, including but not limited to revenues derived from catering food shows, fairs, offsite deliveries, or orders;
- b. All deposits not refunded to purchasers;
- c. Orders taken, although such orders may be filled elsewhere; and
- d. Payments to you by a concessionaire, Franchisee or person otherwise in the Restaurant with our consent.

Gross Sales shall not include:

- a. The amount of returns to shippers or manufacturers;
- b. The amount of any cash or credit refunds made upon any sale where part or all of the food, beverages, merchandise or service sold is later returned by the customer and accepted by you;
- c. Receipts from sales of furniture, trade fixtures or other extraordinary sales (unless bearing any Marks) not made in the ordinary course of business; and
- d. Any sales or value added tax required by and duly constituted taxing authority which are separately accounted for and collected on behalf of the taxing authority by you directly from your customers and paid by you to the taxing authority.
- e. Any discounts for which you request and receive our prior written approval, which approval we may revoke at any time in our sole and complete discretion.

Lease - the proposed agreement or document (including, without limitation, any Lease, deed, contract for sale, contract for deed, land contract, management contract, license, or other agreement purporting to grant any right, title, or interest in or to the Location) pursuant to which you shall occupy or acquire rights in any Location.

Location - the proposed location of the Restaurant.

Losses and Expenses - all claims, causes of action, fines, penalties, liabilities, losses, compensatory, exemplary, statutory or punitive damages, costs of investigation, charges, costs,

expenses, lost profits, reasonable fees of attorneys and other engaged professionals including without limitation, experts' fees and disbursements, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, compensation for damage to our reputation and goodwill, costs of or resulting from delays, travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-government entities (including those incurred by Our Indemnitees' attorneys and/or experts), costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described in Section 17.

Manager(s) - managers, other than the Franchisee Designate, required for the management, operation, supervision and promotion of the Restaurant pursuant to the terms hereof and the Franchise Agreement under which the Restaurant is operated.

Menu Items – Any and all food and beverage products required to be provided to customers as provided by us, as may be documented in the Operations Manual, and prepared in accordance with specified recipes, cooking techniques, and procedures pursuant to the System.

Operations Manuals – Our confidential operating manuals, as amended from time to time in our sole discretion, which may contain among other things, the instructions, requirements, standards, specifications, methods and procedures for the operation of the Restaurant including without limitation, (i) those relating to the selection, purchase, service and sale of all products and services sold at the Restaurant; (ii) those relating to the maintenance and repair of the Restaurant, buildings, grounds, equipment, signs, interior and exterior décor items, fixtures and furnishings; (iii) those relating to employee apparel and dress, accounting, bookkeeping, record retention and other business systems, procedures and operations, and other brand protection standards; and (iv) the purchase, storage, and preparation of all Menu Items. The Operations Manuals may be revised from time to time by us in our sole discretion through the use of supplements to the Operations Manuals, all of which will be considered a part of the Operations Manuals. All references to the Operations Manuals in this Agreement shall include all supplements to the Operations Manuals. Supplements to the Operations Manuals will become binding upon you as if originally set forth in the Operations Manuals, upon being delivered to you. The Operations Manuals may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; on-line postings; e-mail and/or other electronic communications; facsimiles; intra-net or secure internet posting; or any other medium capable of conveying the Operations Manuals contents.

Our Indemnities – Us, our directors, officers, employees, agents, members, affiliates, successors and assigns, affiliates, subsidiaries, and the respective directors, officers, employees, agents, shareholders, members, affiliates, and successors and assigns of each.

Other Concepts - Retail, wholesale, Restaurant, bar, tavern, take-out or any other type of business involving the production, distribution or sale of food products, beverages, services, merchandise or other items that do not use one, some or all of the Trademarks or other names or markets but

may utilize some part of or similar components of the System pursuant to which a Detroit Wing Company Restaurant is operated.

Payments - all transfers of funds from you to us, including, without limitation, the Franchise Fee, Royalty, Marketing Fund fee, purchases from any of our affiliates, and reimbursement of expenses.

Principal Owner(s) - the persons listed on Attachment 2, who are (and such other persons or entities to whom we shall consent from time to time) the record and beneficial owners of, and have the right to vote their respective interests (collectively 100%) of your equity interests or the securities or partnership interest of any person or entity designated by us which owns or controls a direct or indirect interest in your equity interests of the Franchisee.

Publicly - Held Entity - a corporation or other entity whose equity securities are (i) registered pursuant to applicable law; (ii) widely held by the public; and (iii) traded on a public securities exchange or over the counter pursuant to applicable law.

Restaurant - Restaurants operated in accordance with the System under the service marks “Detroit Wing Company” or such other Trademarks as we may license or sublicense you the right to use.

Standards and Specifications - our Standards and Specifications, as amended from time to time by us, in our sole discretion, contained in, and being a part of, the Confidential Information pursuant to which you shall develop and operate the Restaurant in the Designated Area.

System - a unique, proprietary system licensed to us or otherwise developed and owned by us (which may be modified or further developed from time to time in our sole discretion) for the establishment and operation of fast-casual carry out style Restaurants under the Trademarks, which includes, without limitation, a distinctive image consisting of exterior and interior design, decor, color scheme and furnishings; special recipes, homemade sauces, Menu Items; uniform standards, products, services and specifications; procedures with respect to operations, inventory and management control (including accounting procedures and policies); training and assistance; and advertising and promotional programs.

Trademarks - certain trademarks, trade names, trade dress, service marks, emblems and indicia of origin designated by us from time to time for use in connection with the operation of the Restaurant pursuant to the System in the Designated Area, including, without limitation, “Detroit Wing Company.”

Transfer - the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect, of (i) this Agreement; (ii) any or all of your rights or obligations herein; or (iii) any interest in any equity interest, including the issuance of any new equity interests.

Transferee Owner(s) - the owner of any and all record or beneficial interest in the capital stock of, partner’s interest in, or other equity or voting interest in any transferee of a Transfer occurring pursuant to the terms of Section 13.

**ATTACHMENT 1
TO THE FRANCHISE AGREEMENT BETWEEN
DWC FRANCHISING, LLC
AND**

*****FRANCHISEE*****

DATED THIS *Franchise Agreement Date*****

FRANCHISEE'S DESIGNATED AREA AND LOCATION

A. **Description of Franchisee's Designated Area.** Franchisee's Designated Area shall be defined as that area within the following borders or as depicted in the attached map:

Description of Franchisee's Designated Area

B. **Location of Restaurant.** We hereby approve the location of the Restaurant as:

Franchise Location

C. **Delivery Area.** Franchisee's Delivery Area shall be defined as that area within the following borders or as depicted in the attached map:

Description of Franchisee's Delivery Area

D. **Initial Franchise Fee.** The Initial Franchise Fee is \$30,000.00, which is exclusive of Franchisee's initial purchases of certain food items.

E. **Franchisee Designate.** The Franchisee Designate and contact information for purposes of this Franchise Agreement is:

Name	***FRANCHISEE***
Address	***Franchisee Street Number*** ***Franchisee Street Name***
City, State, Zip code	***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code***
Phone Number	***Franchisee Phone***
Email Address	***Franchisee Email***

F. **Control Person.** The Control Person and contact information for purposes of this Franchises Agreement is:

Name	***Control Person***
Address	***Control Person Street Number*** ***Control Person Street Name***
City, State, Zip code	***Control Person City Name***. ***Control Person State Name***. ***Control Person Zip Code***
Phone Number	***Control Person Telephone Number***
Email Address	***Control Person Email Address***

Name: ***Principal Owner 2***, ***Principal Owner2 Title***

Date: _____

Name: ***Principal Owner 3***, ***Principal Owner 3 Title***

Date: _____

ATTACHMENT 2

**TO THE FRANCHISE AGREEMENT
BETWEEN DWC FRANCHISING, LLC**

AND *FRANCHISEE*****

DATED *Franchise Agreement Date*****

Franchisee and its Principal Owners

This form must be completed by you, if you have multiple owners or if you or your Restaurant is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on its truth and accuracy in awarding the franchise to you.

1. Form of Owner.

You are formed under the laws of ***Franchisee State Name***

2. Business Entity. You were incorporated or formed on _____, 20____ under the laws of the State of ***Franchisee State Name***. You have not conducted business under any name other than your corporate, limited liability company or partnership name. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held
Corporate Officer 1	***Corporate Officer 1 Position Held***
Corporate Officer 2	***Corporate Officer 2 Position Held***
Corporate Officer 3	***Corporate Officer 3 Position Held***
Corporate Officer 4	***Corporate Officer 4 Position Held***

3. Owners. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Name	Address	Description and Quantity of Ownership Interest	Office Held
Principal Owner 1	***Principal Owner 1 Address***	***Principal Owner 1 Ownership Interest***	***Principal Owner 1 Title***
Principal Owner 2	***Principal Owner 2 Address***	***Principal Owner 2 Ownership Interest***	***Principal Owner2 Title***
Principal Owner 3	***Principal Owner 3 Address***	***Principal Owner 3 Ownership Interest***	***Principal Owner 3 Title***
Principal Owner 4	***Principal Owner 4 Address***	***Principal Owner 4 Ownership Interest***	***Principal Owner 4 Title***
Principal Owner 5	***Principal Owner 5 Address***	***Principal Owner 5 Ownership Interest***	***Principal Owner 5 Title***
Principal Owner 6	***Principal Owner 6 Address***	***Principal Owner 6 Ownership Interest***	***Principal Owner 6 Title***

4. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of ***FRANCHISEE***.

5. Assumed Name Authorization. You are authorized to operate the Restaurant and your Business Entity under the following assumed name and you are authorized to file the appropriate business forms with the state or local governmental body consistent with this authorization.

Authorized Assumed Name

This Attachment 2 is current and complete as of ***Franchise Agreement Date***.

[Signature Page to Follow]

FRANCHISEE (For a business entity)

FRANCHISEE

By: _____

Name: ***Principal Owner 1***

Title: ***Principal Owner 1 Title***

Date: _____

FRANCHISEE (For an individual)

Name: ***Principal Owner 1***

Date: _____

Name: ***Principal Owner 2***

Date: _____

Name: ***Principal Owner 3***

Date: _____

**ATTACHMENT 3
TO THE FRANCHISE AGREEMENT BETWEEN
DWC FRANCHISING, LLC
AND
FRANCHISEE**

DATED: *Franchise Agreement Date*****

FRANCHISEE ACKNOWLEDGEMENTS

Franchisee understands and agrees that it is unlawful and a criminal offense to duplicate or reproduce any copyrighted materials.

_____ Initials

Franchisee acknowledges that it has conducted an independent investigation of the business licensed by this Agreement, that it has had an adequate opportunity to be advised by advisors of its own choosing regarding all pertinent aspects of this Agreement and the franchise relation created by it, that the business venture contemplated by this Agreement involves business risks, and that the success of the business will be largely dependent upon the abilities and efforts of Franchisee as an independent businessperson or upon the abilities of the Principal Owners, if the Franchisee is a business entity. Franchisee understands that Franchisor makes no express or implied warranties or representations, guarantees or assurances that Franchisee will achieve any degree of success in operation of the Restaurant and, while Franchisor will provide Franchisee with training, advice, and consultation as provided in this Agreement, success in the operation depends ultimately on Franchisee and on other factors including, but not limited to, location, marketing, regional tastes and preferences, economic conditions, financial considerations and competition.

_____ Initials

FRANCHISEE RECOGNIZES THAT FRANCHISOR HAS ENTERED INTO THIS AGREEMENT IN RELIANCE UPON AND IN RECOGNITION OF THE FACT THAT FRANCHISEE AND ITS CONTROL PERSON AND FRANCHISEE DESIGNATE SHALL HAVE FULL RESPONSIBILITY FOR THE MANAGEMENT AND OPERATION OF THE BUSINESS LICENSED BY THIS AGREEMENT, AND THAT THE AMOUNT OF PROFIT OR LOSS RESULTING FROM THE OPERATION OF THE BUSINESS WILL BE DIRECTLY ATTRIBUTABLE TO THE PERFORMANCE OF FRANCHISEE.

_____ Initials

All information provided Franchisor in connection with the approval of Franchisee as a Franchisee and the Restaurant Location is truthful and accurate.

_____ Initials

Franchisee acknowledges that it received Franchisor's Franchise Disclosure Document and a standard form Franchise Agreement at least fourteen (14) days before the date of its execution by Franchisee and the payment of any fees to Franchisor. Franchisee further acknowledges that it received this Agreement in the form actually executed at least seven (7) days before the date of its execution by Franchisee.

_____ Initials

Franchisee acknowledges that this Agreement requires arbitration of disputes in the city in which Franchisor is headquartered at the time of initiation of the arbitration; that an exception to this requirement is Franchisor's right to bring a court Action for injunctive relief for specified matters; that the exclusive venue and jurisdiction for any court Action is the city in which Franchisor is headquartered at the time litigation is initiated; and that Franchisor and Franchisee waive the right to a jury, to punitive damages, to collateral estoppel, and to bring multi-plaintiff, consolidated, collective or class-wide Actions; and that a one-year statute of limitations applies to claims between the parties subject to specified exceptions.

_____ Initials

FRANCHISEE (For a business entity)

FRANCHISEE

By: _____

Name: ***Principal Owner 1***

Title: ***Principal Owner 1 Title***

Date: _____

FRANCHISEE (For an individual)

Name: ***Principal Owner 1***

Date: _____

Name: ***Principal Owner 2***

Date: _____

Name: ***Principal Owner 3***

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF CALIFORNIA

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§31000-31516 and the California Franchise Relations Act, Cal Bus And Prof Code §§20000-20043, the Franchise Agreement for DWC Franchising, LLC is amended as follows:
 - The California Franchise Relations Act provides you rights concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 13 and 16.
 - Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et seq*).
 - Section 16.05 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
 - The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of Action arising under California law.
 - The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
 - Section 23 requires binding arbitration. The arbitration will occur at the forum indicated in Section 23.02, with the costs being borne by the non-prevailing party. Prospective Franchise Owners are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.
2. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF HAWAII

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et. seq.*, the Franchise Agreement for DWC Franchising, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides you rights concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 13, 15 and 16 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal or transfer of the Franchise. Such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF ILLINOIS

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill Rev Stat ch 815 para 705/1 - 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under Illinois law. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

d. Illinois law will govern this Agreement.

e. If the Agreement requires a person to waive compliance with any provision of the Illinois Franchise Disclosure Act, that provision shall be deemed void.

f. Section 23.10 shall be amended as follows: “No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that the Franchisee may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.”

2.. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

3. Franchisee's payment of initial franchise fees will be deferred until Franchisor has met all of its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Attorney General due to Franchisor's financial condition. This paragraph amends Section 2.01 of the Agreement.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its officers, directors, owners, agents and assigns acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound thereby. The parties have duly executed and delivered this Addendum to the Agreement on _____, 20__.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF INDIANA

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2-2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for DWC Franchising, LLC is amended as follows:

- Sections 13.02 and 16.09 provide for a prospective general release of claims against Franchisor that may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
- Section 15 is amended to prohibit unlawful unilateral termination of a Franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
- Section 17 is amended to provide that you will not be required to indemnify us for any liability imposed upon us as a result of your reliance upon or use of procedures or products which were required by us, if such procedures or products were utilized by you in the manner required by us.
- Section 23.02 is amended to provide that you may commence litigation in Indiana for any cause of Action under Indiana law.
- Section 23.02 is amended to provide that arbitration between us and you, shall be conducted at a mutually agreed upon location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF MARYLAND

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Ann, Bus Reg §§14-201-14-233, the Franchise Agreement for DWC Franchising, LLC is amended as follows:

- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal or transfer of the Franchise. Such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et seq*).
- Section 23.02 require litigation or arbitration to be conducted in the State of our principal place of business; the requirement shall not limit any rights you may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any Section of the Franchise Agreement requiring you to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise are not intended to, nor shall they act as a, release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. Any portion of the Franchise Agreement which requires prospective Franchise Owners to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF MINNESOTA

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the Minnesota Franchise Law, Minn Stat, Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, *et. seq*, the parties to the attached Franchise Agreement agree as follows:

- Section 15 is amended to comply with the Minnesota Franchise Law that requires, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- Sections 13.02 and 16.09 provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring you to assent to a general release.
- Section 17 is amended to add that as required by Minnesota Franchise Act, we will reimburse you for any costs incurred by you in the defense of your right to use the Trademarks, so long as you were using the Trademarks in the manner authorized by us, and so long as we are timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Minn Stat §80C.21 and Minn Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court system with or without a bond as determined by a court. Minn Rule Part 2860.4400J prohibits you from waiving its rights to a jury trial or waiving its rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Franchise Agreement requires us to waive these rights, the Franchise Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF NEW YORK

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for DWC Franchising, LLC is amended as follows:

- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal, transfer. Such release shall exclude claims arising under the General Business Laws.
- Under Section 13.01, Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 17 is amended to provide that you will not be required to indemnify us for any liability imposed upon us as a result of your reliance upon or use of procedures or products that were required by us, if such procedures or products were utilized by you in the manner required by us.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF NORTH DAKOTA

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et. seq.* Such provisions in the Agreement are hereby amended as follows:

- Sections 13.02 and 16.09 require the execution of a general release upon renewal or transfer. Such requirement shall be inapplicable to Franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 16.05 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- Section 23.02 is amended to add that any Action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.
- Section 23.02 is amended to state that arbitration involving a Franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF RHODE ISLAND

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for DWC Franchising, LLC is amended as follows:

- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal, or transfer. Such release shall exclude claims arising under The Rhode Island Franchise Investment Act.
- Sections 23.02 and 23.09 are amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE COMMONWEALTH OF VIRGINIA

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

- Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et seq.*).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC, LLC**

FOR THE STATE OF WASHINGTON

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev Code §§19.100.010 – 19.100.940, the Franchise Agreement for DWC Franchising, LLC is amended as follows:

- The Washington Franchise Investment Protection Act provides you rights concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.
- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal or transfer. Such release shall exclude claims arising under the Washington Franchise Investment Protection Act.
- Section 23.02 requires litigation or arbitration to be conducted in the State of Washington; the requirement shall not limit any rights you may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or restrict or limit rights or remedies available to you under the Act, such as a waiver of the right to a jury trial, may not be enforceable.
- Transfer fees are collectable to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
DWC FRANCHISING, LLC**

FOR THE STATE OF WISCONSIN

The DWC Franchising, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. The Wisconsin Fair Dealership Law Title XIV-A Ch 135, Sec 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

EXHIBIT C

AREA DEVELOPMENT AGREEMENT



AREA DEVELOPMENT AGREEMENT

DWC Franchising, LLC
17535 E. Nine Mile Road
Eastpointe, Michigan 48021
(586) 204-3158
www.detroitwingco.com

AREA DEVELOPMENT AGREEMENT

Between

**DWC FRANCHISING, LLC
("FRANCHISOR")**

and

("DEVELOPER")

_____, _____

Telephone Number: (____) - _____ - _____

Date: _____

Email: _____

Effective Date

(to be completed by Us)

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AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (“Agreement”) is entered into as of the _____ day of _____, 20____ (“Commencement Date”), by and between DWC Franchising, LLC (“Franchisor,” “us” or “we”), a Michigan limited liability company, with its principal place of business located at 17535 E. Nine Mile Road, Eastpointe, Michigan 48021 and _____ (“Developer”), _____ with its principal place of business located at _____ and its Principals (as defined herein below).

RECITALS

WHEREAS, Franchisor and its Affiliates* have developed, and are in the process of further developing, a System identified by the service mark “Detroit Wing Company” and relating to the establishment and operation of a restaurant that provides a variety of chicken wings, homemade sauces, side dishes, desserts, and other menu items in a distinctive fast-casual carryout atmosphere.

WHEREAS, in addition to the service mark “Detroit Wing Company” and certain other Marks, the distinguishing characteristics of the System include: uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development, design and construction techniques; distinctive interior and exterior design, layout and décor; other strategies, techniques and Trade Secrets and other Confidential Information; and the Confidential Operations Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to develop a number of Detroit Wing Company locations using the System and the Marks within a specified Territory and within a certain period of time or Development Schedule; and

WHEREAS, Developer desires to develop and operate the number of Detroit Wing Company franchises within the Territory pursuant to the Development Schedule, has applied for the rights to develop the Territory, and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments set forth herein, agree as follows:

1. DEFINITIONS

As used in this Agreement the following words and phrases shall have the meanings attributed to them in this Section:

Action - any cause of action, suit, proceeding, claim, demand, investigation or inquiry (whether a formal proceeding or otherwise) asserted or instituted by a third party with respect to which the indemnity described in Section 13 applies.

*Capitalized terms not otherwise defined are defined in Section 1.

Affiliate – any business entity that controls, is controlled by, or is under common control with Franchisor.

Agreement - this Area Development Agreement.

Business Days - Each day except Saturday, Sunday and United States Government legal holidays.

Commencement Date – as specified in Attachment 1.

Competing Business - means any business that offers (or grants franchises or licenses to others to operate a business that offers) the same or similar products or retail items, including without limitation chicken wings, boneless chicken wings, chicken tenders, sauces, side dishes similar to those offered at Detroit Wing Company Restaurants, and other similar menu items for on-premises dining and carry-out or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business operated by Developer under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Developer owns less than a five percent (5%) legal or beneficial interest.

Confidential Information - means, without limitation, business practices; copyrighted materials; trademarks; patents; applications; trade secrets; trade dress; instructional materials; descriptions of Franchisor’s products and services; proposed products and services; computer software and hardware utilized by the Franchise System and all information contained on such computer hardware and software; Customer Data; advertising materials; business plans; training manuals; employee compensation plans; identities of suppliers, customers and prospective customers; all specifications, sources of supply (or prospective sources) and all information pertaining to same (including wholesale pricing structures, contents of sourcing agreements and identity of suppliers), all procedures, systems, techniques and activities employed by Franchisor or Developer in the offer and sale of products and/or services at or from the franchised Restaurant; prices and pricing policies; financial data; computer programs and software; floor plans; development schedules; development plans; systems; operations and procedures; Confidential Operations Manual; Developer’s final plans for construction, build-out, design, renovation, décor, equipment, signage, furniture, fixtures, and trade dress of the franchised Restaurant; and all other information provided to Developer from Franchisor.

Development Fee - a fee equal to the sum of Twenty Thousand Dollars (\$20,000) multiplied by the number of Restaurants that you agree to develop in the Development Territory. We will credit \$20,000 against the Initial Franchise Fee when you sign a Franchise Agreement for each respective Restaurant you develop.

Development Materials - a description of the Location, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Lease, and documentation indicating your prospects to acquire the Location) and such other information related to the development of the Location as we reasonably request.

Development Schedule - the schedule pursuant to which Developer must develop franchised Restaurants in the Territory (*See*, Section 3.A).

Event of Default - as defined in Section 10.

Franchise Agreement – an agreement pursuant to which Developer constructs and operates a franchised Restaurant.

Franchise Fee - an initial per franchised Restaurant fee (more fully defined in the Franchise Agreement) paid by Developer to us. The Initial Franchise Fee for the first franchised Restaurant to be developed under the Development Schedule shall be \$30,000, plus an additional \$0.00 to \$10,000 for initial inventory purchases. The Initial Franchise Fee for each subsequent franchised Restaurant to be developed under the Development Schedule shall be the then current Initial Franchise Fee minus \$20,000.

Location - the proposed Location of the franchised Restaurant.

Location Consent - written communication from us to Developer notifying Developer that a proposed Location has received our consent.

Losses and Expenses - all claims, causes of action, fines, penalties, liabilities, losses, compensatory, exemplary, statutory or punitive damages, costs of investigation, charges, costs, expenses, lost profits, reasonable fees of attorneys and other engaged professionals including without limitation, experts' fees and disbursements, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, compensation for damage to our reputation and goodwill, costs of or resulting from delays, travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-government entities (including those incurred by Our Indemnitees' attorneys and/or experts), costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described in Section 13.

Material Event of Default - an Event of Default which constitutes a considerable deviation from the performance required.

Occupancy Contract - the proposed agreement or document (including, without limitation, any Lease, deed, contract for sale, contract for deed, land contract, management contract, license, or other agreement purporting to grant any right, title, or interest in or to the Location) pursuant to which Developer shall occupy or acquire rights in any Location.

Operator - an individual designated as described in Section 5.B. who shall devote his full time and best efforts to the management and supervision of (i) Developer's duties and obligations hereunder; and (ii) the operation of the franchised Restaurants.

Operations Manuals – our confidential operating manuals, as may be amended from time to time in our sole discretion, may contain the instructions, requirements, standards, specifications, methods and procedures for the operation of the Restaurant in a manner designed to protect and maintain the value of the System and the Marks, including without limitation: (i) those relating to the selection, purchase, service and sale of all products and services sold at the Restaurant; (ii) those relating to the maintenance and repair of the Restaurant, buildings, grounds, equipment, signs, interior and exterior décor items, fixtures and furnishings; (iii) those relating to employee apparel and dress, accounting, bookkeeping, record retention and other business Systems, procedures and operations; and (iv) the purchase, storage, and preparation of all Menu Items. If created by us, our Operations Manuals may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS

and/or other electronic media; on-line postings; e-mail and/or other electronic communications; facsimiles; intra-net or secure internet posting; or any other medium capable of conveying the Operations Manuals contents. The Operations Manuals may be revised from time to time by us in our sole discretion through the use of supplements to the Operations Manuals, all of which will be considered a part of the Operations Manuals. You agree and acknowledge that full compliance with the Operations Manuals is essential to preserve, maintain and enhance the reputation, trade demand, and goodwill of the System and the Marks and that your failure to operate the Restaurant in accordance with the Operations Manuals can cause damage to us and all other franchisees within the System as well as to you. Notwithstanding the foregoing, and consistent with the goals of the System, you shall be responsible for the day-to-day operation of the Restaurant. All references to the Operations Manuals in this Agreement shall include all supplements to the Operations Manuals. Supplements to the Operations Manuals will become binding upon you as if originally set forth in the Operations Manuals, upon being delivered to you.

Our Indemnities – Us, our directors, officers, employees, agents, members, owners, managers, affiliates, successors and assigns, parents, affiliates, subsidiaries, and the respective directors, officers, employees, agents, shareholders, owners, managers, members, affiliates, successors, and assigns of each.

Other Concepts - Retail, wholesale, or any other type of business involving the production, distribution or sale of products, services, merchandise or other items that do not use one, some or all of the Trademarks or other names or markets but may utilize some part of or similar components of the System pursuant to which a franchised Restaurant is operated.

Payments - all transfers of funds from you to us, including, without limitation, the Development Fee and reimbursement of expenses.

Restaurant – Restaurants operated in accordance with the System under the Detroit Wing Company service marks.

Permanent Disability - any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing his or her obligations hereunder for more than ninety (90) consecutive days as determined by a licensed physician selected by us.

Principal Owner(s) - the persons listed on Attachment 2, who are (and such other persons or entities to whom we shall consent from time to time) the record and beneficial owners of, and have the right to vote their respective interests (collectively one hundred percent (100%)) of your equity interests or the securities or partnership interest of any person or entity designated by us which owns or controls a direct or indirect interest in your equity interests of the Developer.

Project Manager - an individual designated as described in Section 5.C who shall devote his full time and best efforts to the coordination and completion of franchised Restaurant construction.

Publicly-Held Entity - a corporation or other entity whose equity securities are (i) registered pursuant to applicable law; (ii) widely held by the public; and (iii) traded on a public securities exchange or over the counter pursuant to applicable law.

Representative - an individual, designated as described in Attachment 1 who (i) owns an equity interest in the Developer and (ii) is authorized to act on behalf of, and bind, Developer with respect to this Agreement.

Security - the capital stock of, partner's interest in, or other equity or voting interest in Developer including such interests issued or created subsequent to the date hereof.

Standards and Specifications - our Standards and Specifications, as amended from time to time by us, in our sole discretion, contained in, and being a part of, the Confidential Information pursuant to which you shall develop and operate the franchised Restaurant in the Designated Area.

System - the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of Detroit Wing Company Restaurants.

Term - the duration of this Agreement commencing on the Commencement Date and continuing until the date specified on the Development Schedule for the last franchised Restaurant to be opened.

Territorial Expenses - such costs and expenses incurred by or assessed with respect to our (or other described party's) employees, agents and/or Representatives in connection with activities in the Territory which Developer is obligated to pay pursuant to this Agreement including, without limitation, hotel/lodging, transportation and meals, and other related or incidental expenses.

Territory - the geographical area described in Attachment 1; provided, however, the Territory shall not include any enclosed malls, institutions (such as hospitals or schools), airports, airport properties, parks (including theme, entertainment or amusement parks), casinos, military bases and sports arenas otherwise located within the Territory, nor a specifically identified restricted area surrounding any franchised Restaurant located within the Territory as of the date of this Agreement nor shall it be deemed to convey any exclusivity with respect to the use of the Trademarks.

Trademarks - certain Trademarks, trade names, trade dress, service marks, emblems and indicia of origin designated by us from time to time for use in connection with the operation of the franchised Restaurant pursuant to the System in the Designated Area, including, without limitation, "Detroit Wing Company."

Training Center - the location(s) specified from time to time by us as the Training Center.

Transfer - the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect, of (i) this Agreement; (ii) any or all of your rights or obligations herein; or (iii) any interest in any equity interest, including the issuance of any new equity interests.

Transferee Owner(s) - the owner of any and all record or beneficial interest in the capital stock of, partner's interest in, or other equity or voting interest in any transferee of a Transfer occurring pursuant to the Terms of Section 8.

Wage Expenses - such wages and/or salaries (including a reasonable allocation of the cost of benefits) of, or with respect to, our (or other described party's) employees, agents and/or Representatives to be reimbursed to us or such party as described herein.

2. DESIGNATED RIGHTS; TERM

A. We grant to Developer the right, and Developer accepts the obligation, subject to the Terms and conditions herein, to develop and operate the number of Restaurants set forth in the Development Schedule (set forth in Attachment 1) as may be approved by us in accordance with its then-current site consent procedures. The Restaurants shall be developed and operated in the Territory pursuant to the System. For so long as no Event of Default has occurred and is continuing and no event has occurred which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, we will neither develop, nor authorize any other person to develop Restaurants in the Territory during the Term. You acknowledge and agree that we and our affiliates have the unrestricted right to operate and franchise others to operate Restaurants outside the Territory.

B. We reserve the right to use some parts of or similar components of the System in connection with Other Concepts.

C. We expressly reserve the right, and Developer acknowledges that we have the exclusive unrestricted right, to engage, directly and indirectly, through its employees, developers, franchisees, licensees, agents and others within the Territory, in Other Concepts. Such Other Concepts may compete with Developer directly or indirectly. Developer shall have no rights with respect to Other Concepts.

D. Subject to Sections 3 and 4 hereof, Developer shall exercise the rights granted herein for each Restaurant by executing, delivering and otherwise performing pursuant to a Franchise Agreement.

E. Unless sooner terminated as provided herein, this Agreement shall commence on the Commencement Date and continue until the expiration of the Term. This Agreement shall automatically expire on the date specified in Section 3.A. as the opening date for the last Restaurant to be opened.

F. Upon any termination or expiration of this Agreement, (i) Developer shall not develop additional Restaurants in the Territory pursuant to this Agreement; provided, however, that Developer may complete development of and/or operate Restaurants under then-existing Franchise Agreements signed by us, subject to the Terms and conditions thereof; and (ii) we may develop, or authorize others to develop, Restaurants in the Territory.

G. The rights granted under this Agreement are limited to the right to develop and operate Restaurants located in the Territory, and do not include (i) any right to sell products or services identified by the Trademarks at any Location or through any other channel or method of distribution, including without limitation, the internet, world wide web or other existing or future form of electronic commerce, other than at Restaurants within the Territory; (ii) any right to sell products and services identified by the Trademarks to any person or entity for resale or further distribution; (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate-owned Restaurants at any time or at any Location outside the Territory; of (iv) any right to exclude or prohibit the sale of goods or deliveries from being made inside the Territory. You may not establish a presence on, or market using, the Internet or any social media, such as, without limitation, Facebook, Twitter,

Instagram, etc., in connection with any franchised Restaurant without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator www.detroitwingco.com that provides information about the System and the products and services that Franchisor and its franchisees provide. Franchisor will include at the website an interior page containing information about the franchised Restaurant. If Franchisor includes such information on the website, Franchisor has the right to require you to prepare all or a portion of the page, at your expense, using a template that Franchisor provides. All such information shall be subject to Franchisor's approval prior to posting. Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting products, programs or services available at the franchised Restaurants – also be devoted in part to offering franchises for sale and be utilized by Franchisor to exploit the electronic commerce rights we alone reserve in this Agreement. Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us as provided herein. Franchisor retains the sole right to approve any linking to, or other use of, the website. In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and system-wide communications (among other activities) can be affected. We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us as provided above.

H. This Agreement is not a Franchise Agreement and you have no right to use in any manner the Trademarks by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a business or Restaurant or use the System or Trademarks.

3. DEVELOPMENT SCHEDULE; LOCATION SELECTION; OCCUPANCY CONTRACT; DEVELOPMENT MATERIALS

A. Developer shall develop, open, commence operation of and continuously operate pursuant to the respective Franchise Agreements the minimum number of Restaurants in the Territory, pursuant to the Development Schedule as described in Attachment 1 to the Area Development Agreement.

B. Each Restaurant and the cumulative number of Restaurants indicated in the Development Schedule shall be **OPEN AND OPERATING** by the date(s) specified therein. Developer shall select a Location that we approve consistent with the applicable Franchise Agreement so that each and every Restaurant is **OPEN AND OPERATING** pursuant to the Development Schedule. Our consent to any Location or execution of a Franchise Agreement shall not waive, extend or modify the Development Schedule. Unless otherwise agreed and approved by us, the Restaurants shall refer to Detroit Wing Company Restaurants operating pursuant to the System.

If the Developer shall close any Location, whether voluntarily or involuntarily, and whether as a result of the loss of possession of the premises, by fire or other casualty, or otherwise, the Developer shall locate and secure a suitable alternative Location or premises approved by us within three (3) months from the loss of possession of the original site, and shall be open for business at the new Location not more than nine (9) months following the closing of the prior Location, while at the same time maintaining the Development Schedule. If a suitable alternative Location is not secured and opened as hereinabove described or if Developer does not comply with the Development Schedule, this Agreement and the right of the Developer to develop additional Locations under this Agreement shall terminate. The opening of a Location in replacement of another Location under this paragraph shall not satisfy the Developer's obligation to open Locations under this Section 3 of this Agreement.

C. We make no representation or warranty as to the number of Restaurants that can be operated in the Territory. Developer assumes all cost, liability, expense, risk and responsibility for locating, obtaining, and developing Locations for Restaurants, and for constructing and equipping Restaurants at such Locations. Developer shall obtain our consent to each Location (including, without limitation, the Trademarks which shall be used to identify the Restaurant at the Location to the public) pursuant to the time frames set forth in the applicable Franchise Agreement so that Developer maintains compliance with the Development Schedule, including submission of our then-existing Location selection criteria and procedures including:

- (1) submission of all Development Materials to us; and
- (2) with respect to each Restaurant to be developed hereunder, completion of one (1) Location visit by us, if we require.
- (3) You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you and any of your affiliates and us or any of our affiliates. You must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Restaurants.

D. Within a reasonable time (usually thirty [30] days) following receipt of all Development Materials and completion of any such visit, we shall consent to or reject such Location. Our failure to consent shall constitute rejection of such Location. Promptly after our consent is obtained, but prior to commencing construction at such Location, Developer shall execute a Franchise Agreement and pay the Franchise Fee.

E. Neither our (i) consent to, nor (ii) assistance in the selection of, any Location shall constitute our representation or warranty that a Restaurant operated at such Location will be profitable or meet any financial projection, which we specifically disclaim.

F. We shall have the right to review and consent to the Occupancy Contract prior to the execution thereof, which consent shall not be unreasonably withheld. A copy of the proposed Occupancy Contract shall be provided to us within thirty (30) days of the date of our consent. The Occupancy

Contract shall be executed by all necessary parties within thirty (30) days following our consent thereto. Developer shall furnish us a complete copy of the executed Occupancy Contract within the (10) days after execution. Unless it conveys to Developer fee simple title to the Location, the landlord shall consent to the Conditional Assignment of Lease, attached as Exhibit H to the Franchise Agreement, consistent with the Terms of the Franchise Agreement. Landlord and Developer shall not amend the Occupancy Contract in any way which is inconsistent with the provisions of the Franchise Agreement or the Conditional Assignment of Lease.

G. Notwithstanding the Terms of Section 3.F, Developer shall:

(1) deliver to us, immediately after delivery to or by Developer, any notice of default under the Occupancy Contract which threatens or purports to terminate the Occupancy Contract or result in a foreclosure thereof; and

(2) permit us or our representative to enter the Restaurant premises to protect the Trademarks or the System or to cure any Event of Default or default under the Occupancy Contract or the applicable Franchise Agreement, all at Developer's expense.

H. If Developer owns the Location in fee simple, Developer must grant to us the option to purchase the real estate upon which a Restaurant is located (and hereinafter referred to as the "Real Estate") upon the expiration without renewal or termination of a Franchise Agreement or termination of the Agreement. Any Transfer, renewal, extension, or amendment of the Franchise Agreement shall not affect this Option Agreement unless expressly so provided. The Terms of the Option rights are detailed in Exhibit I to the Franchise Agreement included in the Franchise Disclosure Document.

I. Developer shall abide by the Terms of the Franchise Agreement executed in connection with each Restaurant.

J. Franchisor shall make available to Developer, at no charge to Developer, specifications for the development of a Restaurant, including specifications for the exterior and interior design and layout, fixtures, equipment, décor and signs. Such specifications are subject to alteration as Franchisor deems necessary.

K. YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROSPECTS FOR THE ESTABLISHMENT OF RESTAURANTS WITHIN THE TERRITORY, AND RECOGNIZE THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS AND ECONOMIC RISKS AND THAT YOUR FINANCIAL AND BUSINESS SUCCESS WILL BE PRIMARILY DEPENDENT UPON THE PERSONAL EFFORTS OF YOU AND YOUR MANAGEMENT AND EMPLOYEES. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY ESTIMATES, PROJECTIONS, WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, REGARDING THE POTENTIAL GROSS SALES, PROFITS, EARNINGS OR THE FINANCIAL SUCCESS OF THE RESTAURANTS YOU DEVELOP WITHIN THE TERRITORY, OTHER THAN AS PROVIDED IN THE FRANCHISE DISCLOSURE DOCUMENT.

L. You recognize and acknowledge that this Agreement requires you to open Restaurants in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Restaurants likely will involve greater initial investment and operating capital requirements than those stated in this Franchise Disclosure Document provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all of the Restaurants on the dates set forth in the Development Schedule, regardless of: (i) the requirement of a greater investment; (ii) the financial condition or performance of your prior Restaurants; or (iii) any other circumstances, financial or otherwise. The foregoing shall not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Restaurants.

4. FEES AND PAYMENTS

A. In consideration of the development rights granted herein, Developer shall pay to us upon execution of this Agreement the Development Fee. Under no circumstances shall Developer be entitled to any refund of any portion of the Development Fee.

B. The Franchise Fee to be paid by Developer for each new Restaurant to be developed under the Development Schedule set forth in Section 3.A hereof shall be Thirty Thousand and 00/100 Dollars (\$30,000.00), plus \$0.00 to \$10,000 in initial inventory purchases from our affiliate, for the first Restaurant to be developed under the Development Schedule and the then current Initial Franchise Fee, plus then applicable payments for initial inventory, minus \$20,000 for each subsequent Restaurant to be developed under the Development Schedule. The Development Fee shall be payable upon execution of this Development Agreement. The remaining portion of the initial franchise fee for each subsequent Restaurant to be developed under the Development Schedule shall be paid at the time that the Developer signs each subsequent Franchise Agreement. Developer shall receive a credit against the payment of the then current Initial Franchise Fee due for each Restaurant developed pursuant to the Development Schedule for the proportionate share of the Development Fee (\$20,000).

C. (1) All Payments shall be submitted to us at the address provided in Section 14 hereof, or such other address as we shall designate in writing.

(2) Payments shall be received by us (i) upon execution hereof in the case of the Development Fee; and (ii) not more than thirty (30) days after date of invoice for all other Payments. Delinquent Payments shall bear interest from the due date until received by us at one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less.

D. Developer shall not withhold or off-set any portion of any Payment due to our alleged non-performance under this Agreement or any other agreement by and between us and Developer or their respective parents, subsidiaries or affiliates.

5. REPRESENTATIVE; OPERATOR; TRAINING

A. Developer hereby designates the person identified in Attachment 1 as the Representative. Any replacement Representative shall be designated within ten (10) days of the prior Representatives' resignation or termination. Each Representative shall attend and successfully complete to our satisfaction, all of our required training programs, including, without limitation, training provided for Franchisees, management and staff. The Representative shall be the same individual under each Franchise Agreement. You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, including without limitation, a sexual harassment policy. You have sole discretion as to adoption of any such policies and procedures and the specific terms of such policies and procedures. Training with respect to all such policies and procedures shall be your sole responsibility.

B. Developer hereby designates the person identified in Attachment 1 as the Operator. Any replacement Operator shall be designated within ten (10) days of the prior Operator's resignation or termination. Each Operator shall attend and successfully complete at the Training Center within six (6) months of appointment our training programs (see Section 5.D.).

C. Not less than sixty (60) days prior to the commencement of Restaurant construction, Developer shall designate the Project Manager. Any replacement Project Manager shall be designated within ten (10) days of the prior Project Manager's resignation/termination.

D. Each Operator and Project Manager shall be approved by us and shall have satisfactorily completed the training required by us and shall be certified or approved by us as meeting our minimum qualifications on an annual basis. Developer shall bear all costs and expenses related to the required training for each Operator and Project Manager. Our approval of any Operator or Project Manager shall not be construed as our endorsement of same and shall not be construed by Developer as a representation or warranty by us that any person accepted or consented to can or will perform the functions of the job for which the person is hired; Developer shall remain solely liable and responsible for all hiring decisions, regardless of our approval of any Operator or Project Manager.

E. We shall provide instructors, facilities and materials for training at the Training Center, and may provide, at our option, other training programs at non-Training Center Locations as we may designate from time to time or otherwise in writing. Developer shall reimburse us for any Territorial Expenses or other direct expenses incurred by us for such other training programs.

F. We are not obligated to perform our training services to Developer's particular level of satisfaction, but as a function of our experience, knowledge and judgment. We make no representation or warranty that the person trained can adequately perform the job function to which the person is assigned. Developer acknowledges and accepts all responsibility for the proper job performance of each and every employee.

G. Except as provided herein, Developer shall bear all costs and expenses relating to any Representative, Operator, and Project Manager training.

6. CONFIDENTIAL INFORMATION

A. Developer acknowledges that Franchisor will disclose Trade Secrets and other Confidential Information to Developer during the training program, through the Confidential Operations Manual, and as a result of guidance furnished to Developer during the term of this Agreement. Developer shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development, construction and operation of the franchised Restaurant and in performing its duties during the term of this Agreement. Developer acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Developer acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Developer solely on the condition that Developer (and all holders of a legal or beneficial interest in Developer and all officers, directors, executives, managers and members of the professional staff of Developer): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Developer shall take all necessary precautions to ensure that any employee to whom Developer discloses Confidential Information only to the extent necessary for such employee to carry out the employee's job duties maintains the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Developer shall obtain from all persons to whom Confidential Information is disclosed an executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete in the form as provided. Developer shall enforce this Section as to its owners, officers, directors, members, managers, employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them. Developer shall vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete executed by any of the individuals to whom Developer has disclosed Confidential Information. Developer acknowledges Franchisor's right, to be exercised as Franchisor alone determines, to enforce for itself the terms of such executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete. If the substantive provisions of the Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete have been breached by an individual employed, engaged or otherwise serving the Developer who has not executed a Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Developer shall nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law. If Franchisor prosecutes such Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Developer shall indemnify and hold Franchisor harmless from any and all losses and expenses as provided in this Agreement.

B. All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Developer or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and

works made-for-hire for Franchisor, and no compensation shall be due to Developer or its owners or employees therefore, and Developer hereby agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a “work made-for-hire” for Franchisor, Developer shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Developer concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Developer shall take all actions to assist Franchisor’s efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Developer or not.

C. Developer acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Detroit Wing Company franchisees if owners of Restaurants and members of their immediate families or households were permitted to hold an interest in or perform services for any Competing Business. Therefore, during the term of this Agreement, neither Developer nor any holder of a legal or beneficial interest in Developer (or any member of their immediate families or households), nor any officer, director, executive, manager or member of the professional staff of Developer, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

(1) Divert or attempt to divert any business or customer of the franchised Restaurant to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

(2) Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

D. Franchisor has the right to require any holder of a legal or beneficial interest in Developer (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Developer to execute a nondisclosure and non-competition agreement, in a form as required by Franchisor, upon execution of this Agreement or prior to each such person’s affiliation with Developer. Upon Franchisor’s request, Developer shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Developer and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements. In the event that you or your employees, agents, consultants or contractors receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, you shall immediately notify us thereof, and shall fully cooperate with and assist us in prohibiting or denying any such transfer or disclosure. Should such transfer or disclosure be required by a valid, final, non-appealable court order, you shall fully cooperate with and assist us in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

E. Developer acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Developer acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Developer waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

7. **DEVELOPER'S REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE AND NEGATIVE COVENANTS**

A. In the event Developer is a corporation, limited liability company or partnership, Developer represents and warrants to us as follows:

(1) Developer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with all requisite power and authority to own, operate and lease its assets (real or personal), to carry on its business, to enter into this Agreement and perform its obligations hereunder. Developer is duly qualified to do business and is in good standing in each jurisdiction in which its business or the ownership of its assets requires.

(2) The execution, delivery and performance by Developer of this Agreement, any Franchise Agreement and all other agreements contemplated herein has been duly authorized by all requisite action and no further action is necessary to make this Agreement, any Franchise Agreement or such other agreements valid and binding upon it and enforceable against it in accordance with their respective Terms. Neither the execution, delivery nor performance by Developer of this Agreement, any Franchise Agreement or any other agreements contemplated hereby will conflict with, or result in a breach of any Term or provision of Developer's articles of incorporation, by-laws, partnership agreement or other governing documents or under any mortgage, deed of trust or other contract or agreement to which Developer is a party or by which it or any of its assets are bound, or breach any order, writ, injunction or decree of any court, administrative agency or governmental body.

(3) Developer's articles of incorporation, by-laws, partnership agreement and other governing documents expressly limit Developer's business activities solely to the development and operation (pursuant to this Agreement and the Franchise Agreements) of the Restaurants.

(4) Certified copies of Developer's articles of incorporation, by-laws, partnership agreement, other governing documents and any amendments thereto, including board of director's or partner's resolutions authorizing this Agreement are attached hereto as Attachment 2.

(5) A certified current list of all Principals is attached hereto as Attachment 2.

(6) Developer's articles of incorporation or other governing documents, or partnership agreement limit Transfers as described in Sections 8.B.(2) and 8.C.

(7) Each Security shall bear a legend (in a form to which we shall consent) indicating that any Transfer is subject to Sections 8.B and 8.C.

(8) Developer represents, warrants and covenants to us that (1) neither Developer, nor any individual or entity owning directly or indirectly any interest of Developer (if Developer is a business entity) or their respective affiliates or the funding sources for any of the foregoing is an individual or entity whose property or interests are subject to being blocked under Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and the Cuban Assets Control Regulations (Title 31 Part 515 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities (“OFAC Laws and Regulations”) or is otherwise in violation of any of the OFAC Laws and Regulations; (2) neither Developer nor any individual or entity owning directly or indirectly any interest of Developer or their respective affiliates or the funding sources for any of the foregoing, (a) is under investigation by any government authority form, or has been charged with, or convicted of, OFAC Laws and Regulations, (b) has been assessed any penalties under these laws, or (c) has had any of its funds seized or forfeited in any Action under these laws; (3) neither Developer nor any individual or entity owning directly or indirectly any interest of Developer or their respective affiliates or the funding sources for the foregoing is directly or indirectly owned or controlled by the government of a county that is subject to an embargo imposed by the United States Government, nor acting on behalf of a government; (4) has taken all reasonable measures to ensure compliance with all OFAC Laws and Regulations ; and (5) Developer shall take all reasonable measures to continue compliance with all OFAC Laws and Regulations during the Term of this Agreement.

(9) Developer and Principal Owners, and Developer’s officers, directors, shareholders, partners, members and managers, (if any) acknowledge that their respective entire knowledge of the operation of a Detroit Wing Company Restaurant and the System, including without limitation the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential, and constitutes our trade secrets. The Term “trade secrets” refers to information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Detroit Wing Company Restaurants that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its

disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. You and your Principal Owners, officers, directors, shareholders, partners, members, and managers (if any), jointly and severally, agree that at all times during and after the Term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We require that you obtain nondisclosure and confidentiality agreements and covenants not to compete in a form satisfactory to us from the individuals listed in the first sentence of this paragraph and other key employees.

(10) You must comply with all requirements of all applicable federal, state and local laws, rules and regulations.

B. Developer affirmatively covenants with us as follows:

(1) Developer shall perform its duties and obligations hereunder and under any Franchise Agreement and shall require each Operator, and Project Manager to dedicate their respective full time and best efforts to the development, construction, management, operation, supervision and promotion of the Restaurants in accordance with the Terms and conditions hereof.

(2) Developer shall promptly provide us with all information concerning any new process or improvements in the development, construction, management, operation, supervision or promotion of the Restaurants developed by Developer or any Principal without compensation. Developer and the Principals shall each execute such agreements and other documentation as shall be deemed necessary by us, granting us exclusive ownership thereof.

(3) Developer shall comply with all requirements of applicable rules, regulations, statutes, laws and ordinances.

(4) Developer shall maintain a current list of all Principals and deliver a certified copy thereof to us upon (i) any Transfer; or (ii) request.

(5) Each Security issued subsequent to the date hereof shall be in compliance with Section 7.A.(7).

C. Developer acknowledges and/or negatively covenants with us as follows:

(1) Developer shall not amend its articles of incorporation, by-laws, partnership agreement or other governing documents in a manner which is inconsistent with Sections 7.A.(3), 8.B.(2) and 8.C.

(2) Developer shall not, remove or permit removal from any Security or its partnership agreement, or issue any Security that does not have endorsed upon it, the legend described in Section 7.A.(7).

(3) Developer and each Principal shall receive valuable, unique training, trade secrets and the Confidential Information which are beyond the present skills, experience and knowledge of Developer, any Principal and Developer's employees. Developer and each Principal acknowledge that (i) such training, trade secrets and the Confidential Information (a) are essential to the development of the Restaurant and (b) provide a competitive advantage to Developer; and (ii) access to such training, trade secrets and the Confidential Information is a primary reason for their execution of this Agreement. In consideration thereof, Developer and each Principal covenant that neither Developer nor any Principal shall, directly or indirectly:

(a) during the Term, own, maintain, operate or have any interest in any Competing Business;

(b) during the Term and for a period of three (3) years after expiration or termination hereof, own, maintain, operate or have any interest in any Competing Business which business is, or is intended to be, located in the Territory; or

(c) for a period of three (3) years after expiration or termination hereof, own, maintain, operate or have any interest in any Competing Business which business is, or is intended to be, located within a thirty-five (35) mile radius of any Restaurant which is a part of a concept or System owned, operated, or franchised by us or any Affiliate.

(4) Section 7.C.(3) shall not apply to an interest for investment only of five percent (5%) or less of the capital stock of a Publicly-Held Entity if such owner is not a director, officer or manager therefore or consultant thereto or to businesses operated pursuant to a Franchise Agreement with us.

D. Each of the foregoing covenants is independent of each other covenant or agreement contained in this Agreement or in any Franchise Agreement.

E. We may, in our sole discretion, increase the area, duration or scope of any covenant contained in Section 7.C. without Developer's or any Principal's consent, effective upon notice to Developer. Developer and each Principal shall comply with any covenant as so modified.

F. Developer's representations, warranties, covenants and agreements herein are continuing representations, warranties, covenants and agreements each of which shall survive the expiration or termination hereof.

8. TRANSFER

A. We may assign this Agreement, or any of its rights or obligations herein, to any person or entity without Developer's or any Principal's consent; provided, however, that our obligations which are assigned shall be fully assumed by the party to whom we assign such obligations.

B. The rights and duties of Developer as set forth in this Agreement are personal to Developer (or its owners), and Franchisor has entered into this Agreement in reliance upon Developer's personal or collective skill and financial ability. Accordingly, neither Developer nor any holder of a legal or beneficial interest in Developer may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the development rights provided hereunder, its assets or any part or all of the ownership interest in Developer without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Developer is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

- (1) Developer has complied with the requirements set forth in this Section;
- (2) all obligations owed to Franchisor, and all other outstanding obligations relating to this Agreement, are fully paid and satisfied;
- (3) Developer (and any transferring owners, if Developer is a business entity) has executed a general release, in a form as required by Franchisor, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Developer's interest herein or to the transfer of Developer's ownership of all or any part of the development rights; provided, however, that if a general release is prohibited, Developer shall give the maximum release allowed by law;
- (4) the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the franchised Restaurant;
- (5) the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current area development agreement for new developers;
- (6) the transferee has executed a general release, in a form as required by Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the business conducted pursuant the Area Development Agreement or any other matter that may have been made to the transferee by Developer;
- (7) Developer has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Developer and the prospective transferee relating to the intended sale or transfer of the Area Development Agreement;
- (8) Developer, or the transferee, has paid to Franchisor a transfer fee in the amount of Ten Thousand Dollars (\$10,000.00);

(9) the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;

(10) Developer has agreed to be bound to the obligations of the new area development agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;

(11) the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied; and

(12) Developer has, and if Developer is an entity, all of the holders of a legal and beneficial interest in Developer have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in this Agreement;

C. If Developer wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Developer (“Controlled Entity”), which Controlled Entity is being formed for the financial planning, tax or other convenience of Developer, Franchisor’s consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(1) the Controlled Entity is newly organized and its charter or articles of formation provides that its activities are confined exclusively to the operation of the franchised Restaurant;

(2) Developer or all holders of a legal or beneficial interest in Developer own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

(3) all obligations of Developer to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Developer nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 8B(8), above;

(4) the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the development and operation of the franchised Restaurant. If the consent of any other party to any such other agreement is required, Developer has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

(5) all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity’s obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

(6) each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

(7) copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

(8) The term of the transferred Area Development Agreement shall be the unexpired term of this Agreement, including all rights, duties, and obligations.

(9) Franchisor's consent to a transfer of any interest in this Agreement shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

D. Franchisor has the right, without liability of any kind or nature whatsoever to Developer, to make available for inspection by any intended transferee of Developer all or any part of Franchisor's records relating to this Agreement, the franchised Restaurants developed under this Agreement, or to the history of the relationship of the parties hereto. Developer hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to this Agreement or the franchised Restaurants developed by Developer, by an intended transferee identified by Developer.

E. Developer shall not, without prior written consent of Franchisor which shall not be unreasonably withheld, place in, on or upon the location of any of the franchised Restaurants developed under this Agreement, or in any communication media, any form of advertising relating to the sale of the Developer's rights granted hereunder.

F. Upon the death or Incapacity of Developer (if Developer is an individual) or any holder of a legal or beneficial interest in Developer (if Developer is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Developer to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Developer resided, with such choice of law provision being applicable only for this Section 8F.

G. Following such a death or Incapacity of such person as described in Section 8F, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Developer or any franchised Restaurant developed by Developer until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge its then current management fee, currently equal to \$1,250 per week per Restaurant, and

Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the franchised Restaurant.

9. CONSENT AND WAIVER

A. When required, Developer or any Principal shall make a written request for our consent in advance and such consent shall be obtained in writing. Our consent shall not be unreasonably withheld. The foregoing notwithstanding, where either party's consent is expressly reserved to such party's sole discretion, the exercise of such discretion shall not be subject to contest. In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim, or defense. Your sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions.

B. WE MAKE NO REPRESENTATIONS OR WARRANTIES UPON WHICH DEVELOPER OR ANY PRINCIPAL MAY RELY AND ASSUME NO LIABILITY OR OBLIGATION TO DEVELOPER, ANY PRINCIPAL OR ANY THIRD PARTY BY PROVIDING ANY WAIVER, ADVICE, CONSENT OR SERVICES TO DEVELOPER OR DUE TO ANY DELAY OR DENIAL THEREOF.

10. DEFAULT AND REMEDIES

10.01 A. The following shall constitute Events of Default by Developer or any Principal for which there shall be no opportunity to cure and for which notice of termination is not required: (i) failure to comply with the Development Schedule; (ii) the breach or falsity of any representation or warranty herein; (iii) failure to deliver executed covenants as required in Section 6.C; (iv) failure to comply with or perform its covenants, obligations and agreements herein; (v) any Transfer that (a) occurs other than as provided in Section 8 or (b) fails to occur within the time periods described in Section 8 (notwithstanding any lack of, or limits upon, the enforceability of any Term or provision of Sections 7 or 8); (vi) Developer (a) is adjudicated, or is, bankrupt or insolvent, (b) makes an assignment for the benefit of creditors, or (c) seeks protection from creditors by petition in bankruptcy or otherwise or there is filed against Developer a similar petition which is not dismissed within thirty (30) days; (vii) the appointment of a liquidator or receiver for (a) all or substantially all of Developer's assets or (b) any Restaurant is sought which is not dismissed within thirty (30) days; (viii) breach or failure to perform any other term or condition of this Agreement; (ix) an Event of Default arises under any Franchise Agreement under which Developer has no opportunity to cure; (x) Developer or any Principal pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith (whether in the Territory or elsewhere) or our interest therein; or (xi) any (a) two (2) or more Events of Default shall arise under any single subsection of Section 10.01.B or (b) three (3) or more Events of Default shall arise under this Section 10.01.B in any continuous twelve (12) month period notwithstanding the previous cure of such Events of Default.

B. The following shall constitute Events of Default by Developer or any Principal for which, except as otherwise provided, there shall be a cure period of fifteen (15) days after written notification from us: (i) failure to meet and/or maintain the Standards; (ii) an Event of Default shall arise under any Franchise Agreement under which Developer has an opportunity to cure, in which case, the cure period under this Agreement shall coincide with the cure period of the Franchise Agreement. There shall be a cure period of ten (10) days for failure to make any Payment on or before the date payable.

10.02 Among the remedies we have for breach of this Agreement, upon the occurrences of any Event of Default under Section 10.01, we may: (a) terminate this Agreement and all rights granted hereunder without waiving, (i) any claim for damages suffered by us, or (ii) other rights, remedies or claims; (b) assert any and all other rights or remedies available to us.

10.03 Subject to the provisions of Section 10.06, all rights and remedies of either party shall be cumulative, and not exclusive, of any other right or remedy described herein or available at law or in equity. The expiration or termination of this Agreement shall not release any party from any liability or obligation then accrued or any liability or obligation continuing beyond, or arising from, such expiration or termination. Nothing in this Agreement shall impair either party's right to obtain injunctive or other equitable relief.

10.04 The failure of any party to exercise any right or remedy or to enforce any obligation, covenant or agreement herein shall not constitute a waiver by, or estoppel of, that party's right to any of the remedies described herein including, without limitation, to enforce strict compliance with any such obligation, covenant or agreement. No custom or practice shall modify or amend this Agreement. The waiver of, or failure or inability of any party to enforce, any right or remedy shall not impair that party's rights or remedies with respect to subsequent Events of Default of the same, similar or different nature. The delay, forbearance or failure of any party to exercise any right or remedy in connection with any Event of Default or default by any other developers shall not affect, impair or constitute a waiver of such party's rights or remedies herein. Acceptance of any Payment shall not waive any Event of Default.

10.05 Developer and each Principal shall, jointly and severally, pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in enforcing, or obtaining any remedy arising from the breach of this Agreement. The existence of any claims, demands or Actions which Developer or any Principal may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of Developer's or any Principal's representations, warranties, covenants, obligations or agreements herein.

10.06 IN THE EVENT OF A DISPUTE BETWEEN THEM WHICH IS NOT SUBJECT TO, NOR ARISES UNDER, SECTION 13, WE, DEVELOPER AND PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, BUT SPECIFICALLY EXCLUDING, HOWEVER, DAMAGES TO THE REPUTATION AND GOODWILL ASSOCIATED WITH AND/OR SYMBOLIZED BY THE TRADEMARKS) AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH

CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT.

10.07 Developer and each Principal agree that our exercise of the rights and remedies set forth herein are reasonable. We may, in addition to pursuing any other remedies, specifically enforce such obligations, covenants and agreements or obtain injunctive or other equitable relief in connection with the violation or anticipated violation of such obligations, covenants and agreements.

11. RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Restaurants under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us. We will be entitled to develop and operate, or to franchise others to develop and operate, Restaurants in the Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains our name or any of the words Detroit Wing Company or any other Trademark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. You must assign to us or our designee all your right, title and interest in and to your telephone number(s) and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listing associated with the Trademarks and to authorize Transfer of same at our discretion. If you fail to sign any required documents within two (2) Business Days of Notice, you hereby appoint us as your lawful attorney-in-fact to sign on your behalf any and all documents necessary to effectuate the assignment of the telephone numbers listed to us. This power, coupled with an interest, is given as Security for the rights and privileges given to you under this Agreement.

E. You must within thirty (30) days of the termination or expiration of this Agreement, pay all sums owing to us and our affiliates, including without limitation, a fee of One Hundred Thousand Dollars (\$100,000) for each Restaurant you fail to develop. You agree that this amount is not a penalty and is for lost revenue from Royalty Fees and other amounts payable to us, including the fact that you were holding the development rights for those Restaurants and precluding the development of certain

other Restaurants in the Territory, and that it would be difficult to calculate with certainty the amount of damages we will incur. Notwithstanding your agreement, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including without limitation, consequential damages and lost future revenue.

All unpaid amounts will bear interest at the rate of eighteen percent (18%) per annum or the maximum contact rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs and expenses, including reasonable attorney fees and expenses, incurred by us as a result of your default. You also must pay to us all damages, costs and expenses, including reasonable attorney fees and expenses that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. You must comply with all other applicable provisions of this Agreement.

G. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

12. INSURANCE

A. Developer shall obtain within thirty (30) days from the date hereof and maintain throughout the Term, such insurance coverage (including, without limitation, auto liability coverage and workers compensation insurance) as may be (i) required by law; or (ii) prescribed by us from time to time as to types of coverage and amounts of coverage. Such insurance shall:

(1) name Our Indemnitees as additional insured parties and provide that coverage applies separately to each insured and additional insured party against whom a claim is brought as though a separate policy had been issued to each of Our Indemnitees;

(2) contain no provision which limits or reduces coverage in the event of a claim by any one (1) or more of the insured or additional insured parties;

(3) provide that policy limits shall not be reduced, coverage restricted, canceled, allowed to lapse or otherwise altered or such policy(ies) amended without our consent, but in no event upon less than thirty (30) days prior written notice to us; and

(4) be obtained from reputable insurance companies with an A.M. Best Rating of "A" and an A.M. Best Class Rating of VIII or better (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered), authorized to do business in the jurisdiction in which the Restaurant is located.

B. Such insurance may provide for reasonable deductible amounts not to exceed One Thousand Dollars (\$1,000) per occurrence with our consent.

C. A certificate of insurance shall be submitted for our consent within ten (10) days following commencement of such coverage, and additional certificates of insurance shall be submitted to

us thereafter, evidencing uninterrupted coverage. Developer shall deliver a complete copy of such policy(ies) within ten (10) days of request.

D. In the event of a claim of any one or more of Our Indemnitees against Developer, Developer shall, on our request, assign to us any and all rights which Developer then has or thereafter may have with respect to such claim against the insurer(s) providing the coverage described in this Section.

E. Conform to any other requirement we deem necessary or appropriate in our discretion.

F. Developer's obligation to obtain and maintain insurance or to indemnify any of Our Indemnitees shall not be limited by reason of any insurance which may be maintained by Our Indemnitee, nor shall such insurance relieve Developer of any liability under this Agreement. Developer's insurance shall be primary to any policies maintained by any of Our Indemnitees.

G. If Developer fails to obtain or maintain the insurance required by this Agreement, as such requirements may be revised from time to time, we may acquire such insurance, and the cost thereof, together with a reasonable fee for our expenses in so acting and interest at one and one-half percent (1.5%) per month from the date acquired, shall be payable by Developer upon notice.

13. INDEMNIFICATION

A. Developer and each Principal will, at all times and at your sole cost and expense, indemnify and hold harmless, to the fullest extent permitted by law, Our Indemnitees from all "Losses and Expenses" incurred in connection with any Action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or Action has been instituted or reduced to judgment) which actually or allegedly, directly or indirectly, arises out of, is a result of, is based upon, is a result of, or is related in any way to any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Developer or any Principal of any patent, mark or copyright or other proprietary right owned or controlled by third parties.

(2) The violation, breach or asserted violation or breach by Developer or any Principal of any contract, federal, state or local law, regulation, ruling, standard or directive or any industry standard.

(3) Libel, slander or any other form of defamation of us or the System, by Developer or any Principal.

(4) The violation or breach by Developer or any Principal of any warranty, representation, agreement or obligation in this Agreement.

(5) Acts, errors or omissions of Developer or any of its agents, servants, employees, contractors, partners, affiliates or Representatives, Operators, or Program Managers.

(6) Any and all liability that may arise as a result of your development, establishment, construction, opening, or operation of the Restaurants.

(7) Any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the Restaurants or construction site; crimes committed on or near any of the premises, facilities of the Restaurants or vehicles used in the operation of your Restaurants; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Restaurants, whether or not any of the foregoing was approved by us; defects in any Restaurants you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the Restaurants and/or the Principal Owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you or the Restaurants (or any third party acting on your behalf or at your direction), whether in connection with the Restaurants or otherwise, including without limitation, any property damage, injury or death suffered or caused by any delivery person or vehicle serving your Restaurants; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and any action by any customer of yours or visitor to your Restaurants or any other facility of your business.

B. Developer and each Principal agree to give us written notice of any such Action, suit, proceeding, claim, demand, inquiry or investigation immediately upon your actual or constructive knowledge of it.

C. We shall at all times have the absolute right to retain counsel of our own choosing in connection with any Action, suit, proceeding, claim, demand, inquiry or investigation. We shall at all times have the absolute right to investigate any Action, suit proceeding, claim or demand itself.

D. Developer and each Principal shall indemnify Our Indemnitees for attorney fees, expenses, and costs incurred in connection with the enforcement of our rights under this Section 13. This provision shall not be construed so as to limit or in any way affect Developer's indemnity obligations pursuant to the other provisions of this Section 13.

E. In the event that our exercise of our rights under Section 13 actually results in Developer's insurer with respect to insurance required to be maintained by Developer pursuant to Section 12 (hereinafter, the "Insurer") refusing to pay on a third-party claim, all causes of Action and legal remedies which Developer might have against the Insurer shall be automatically assigned to us without the need for any further action on our or Developer's part. For the purposes of Section 13, "actually results" means that, but for our exercise of our rights under Section 13, the Insurer would not have refused to pay on said third-party claim.

F. In the event that our exercise of our rights under Section 13 actually results in the Insurer refusing to pay on a third-party claim, Developer shall be required to indemnify us for our attorneys' fees, expenses and costs incurred in connection with that claim.

G. In the event that Developer encourages, requests, or suggests that the Insurer deny a claim, Developer shall indemnify us for our attorneys' fees, expenses and costs in connection with that claim.

H. In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as in our judgment we deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the Action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 13.A. above have occurred; or

(2) any act, error, or omission of Developer or any Principal may result directly or indirectly in damage, injury or harm to any person or any property.

I. In addition to their other indemnity obligations, Developer and each Principal shall indemnify us for any and all losses, compensatory damages, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described, which result from any of the items set forth in Section 13.

J. We do not assume any liability whatsoever for acts, errors, or omissions of those with whom Developer or any Principal may contract, regardless of the purpose. Developer and each Principal shall hold harmless and indemnify us for all Losses and Expenses which may arise out of any acts, errors or omissions of these third parties.

K. Under no circumstances shall we be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against Developer or any Principal. Developer and each Principal agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by us from Developer or any Principal. The indemnification obligations of this section will survive the expiration or sooner termination of this Agreement.

M. All such Losses and Expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

14. NOTICES

All notices required or desired to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, facsimile or certified mail, return receipt requested to the addresses identified in Attachment 1 to this Area Development Agreement (or such other addresses as designated pursuant to this Section 14).

Notices posted by personal delivery, next day or same day expedited service or given by facsimile shall be deemed given the next Business Day after transmission. Notices posted by certified mail shall be deemed received three (3) Business Days after the date of posting. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other party.

15. FORCE MAJEURE

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

16. SEVERABILITY

A. Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

B. Notwithstanding the above, each of the covenants contained in Sections 6 and 11 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

C. Captions in this Agreement are for convenience only and shall not affect the meaning or construction of any provision hereof.

17. INDEPENDENT CONTRACTOR

A. This Agreement is purely a contractual relationship between the parties and does not appoint or make Developer an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Developer may not represent or imply to third parties that Developer is an agent of Franchisor, and Developer is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Developer shall hold itself out to the public only as a developer, franchisee, and an independent owner of the franchised Restaurants developed and operating pursuant to a franchise agreement and/or this Agreement. Developer shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on Developer's location(s), if any, and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Developer. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the development or operation of the franchised Restaurants developed hereunder. Any third-party contractors and vendors retained by Developer to convert or construct the premises are independent contractors of Developer alone. None of Developer's employees will be considered Franchisor's employees. Neither Developer nor any of its employees whose compensation Developer pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any local, state, or federal government agency. Franchisor shall not have the power to hire or fire Developer's employees. Developer expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Developer's employees for qualification to perform certain functions for Developer does not directly or indirectly vest in Franchisor the power to hire, fire, or control such employee. Developer acknowledges and agrees, and will never contend otherwise, that Developer alone will exercise day-to-day control over all operations, activities and elements of the development and operation of the franchised Restaurants developed hereunder and that under no circumstance shall Franchisor do so or be deemed to do so. Developer further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise System which Developer is required to comply with under this Agreement, whether set forth in the Confidential Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day development and operations of the franchised Restaurants developed hereunder, which Developer alone controls, but only constitute standards Developer must adhere to when exercising its control of the day-to-day development and operations of the franchised Restaurants developed hereunder. Except as expressly provided in this Agreement, Franchisor may not control or have access to Developer's funds or the expenditure of Developer's funds or in any other way exercise dominion or control over any of the franchised Restaurants developed hereunder. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Developer is other than that of franchisor and developer/franchisee. Franchisor does not assume any

liability, and will not be considered liable, for any agreements, representations, or warranties made by Developer which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Developer's development or operation of the franchised Restaurants developed hereunder.

B. This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Developer to obtain Franchisor's written consent or permits Developer to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Developer or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

18. DUE DILIGENCE AND ASSUMPTION OF RISK

A. Developer and each Principal (i) have conducted such due diligence and investigation as each desires; (ii) recognize that the business venture described herein involves risks; and (iii) acknowledge that the success of such business venture is dependent upon the abilities of Developer and Principals. **WE, INCLUDING OUR SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, DEVELOPERS AND FRANCHISEES EXPRESSLY DISCLAIM THE MAKING OF, AND DEVELOPER AND EACH PRINCIPAL ACKNOWLEDGE THAT THEY HAVE NOT RECEIVED OR RELIED UPON, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL PERFORMANCE OR VIABILITY OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT OR OTHERWISE ARE CONTRARY TO THE TERMS SET FORTH IN THIS AGREEMENT OR ANY FRANCHISE DISCLOSURE DOCUMENT REQUIRED OR PERMITTED TO BE GIVEN TO YOU PURSUANT TO APPLICABLE LAW.**

B. Developer and each Principal have received, read and understand this Agreement, the documents referred to herein and the Exhibits and Schedules hereto. Developer and each Principal have had ample time and opportunity to consult with their advisors concerning the potential benefits and risks of entering into this Agreement.

19. ENFORCEMENT

A. Enforcement by Judicial Process. We shall have the right to enforce by judicial process our right to terminate this Agreement for the causes enumerated in in this Agreement, to prevent or remedy a material breach of this Agreement by Developer or Principal if such breach could impair the goodwill associated with the System or our Trademarks (including actions with respect to the servicing of wholesale accounts), to collect unpaid fees due to us, to enforce the confidentiality provisions of this Agreement, and to enforce the Non-Competition provisions of this Agreement. We shall be entitled without bond to the entry of temporary restraining orders and temporary and permanent injunctions enforcing the aforementioned provisions. If a court determines a bond is necessary, Developer or Principal agrees that the bond shall be limited to not more than Five Thousand Dollars (\$5,000). If we are

successful in obtaining an injunction or any other relief against Developer or Principal, Developer or Principal shall pay us an amount equal to the aggregate of our costs of commencing and prosecuting the Action, including, without limitation, reasonable attorney fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

B. Choice of Law. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Michigan (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency. The parties agree, however, that if Developer's Approved Location is not in Michigan and if you are not a resident of the state of Michigan, the Michigan Franchise Investment Law shall not apply to this transaction, the relationship between Franchisor and Developer or this Agreement.

C. Consent to Jurisdiction. Any action brought by either party, including any claim for injunctive relief, except those claims required to be submitted to arbitration, shall only be brought in the appropriate state or federal court located in or serving Franchisor's principal place of business at the time the action is filed. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

D. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

E. Limitations of Claims. Any claim concerning the franchised Restaurants or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

F. Limitation of Damages. Developer and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it. Developer waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement, any Franchise Agreement, or any related agreement. In any claim or action brought by Developer against Franchisor concerning this Agreement, Developer's contract damages shall not exceed and shall be limited to refund of Developer's Franchise Fee and Royalty Fees actually paid to Franchisor.

G. Waiver of Jury Trial.

DEVELOPER AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

H. Arbitration. This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. Except for controversies or claims relating to the ownership of any and all intellectual property rights, including, but not limited to, Franchisor's Marks, copyrights or the unauthorized use or disclosure of Franchisor's Confidential Information, covenants against competition and other claims for injunctive relief, or amounts owed by Developer to Franchisor, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in the county of Franchisor's principal place of business, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the appropriate court having jurisdiction over Franchisor's principal place of business. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

Developer agrees that it will not file any arbitration claim as a class action, seek class action status, or permit its claim to be joined or made part of any class action filed by another. Developer further agrees that it will not file or join in any consolidated arbitration.

Developer acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

I. Waiver of Collateral Estoppel. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between us and Developer or Principal. We and Developer or Principal therefore each agree that a decision of an arbitrator or court of law in litigation to which one of them is not a party shall not in any manner prevent the person that was a party to such Action from making similar arguments, or taking similar positions, in any Action between us and Developer or Principal. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an Action between them as a result of such party having lost a similar claim or defense in another Action.

20. MISCELLANEOUS

- A. Time is of the essence to this Agreement.
- B. There are no third-party beneficiaries to this Agreement.
- C. This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument.
- D. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, unless otherwise suggested by the text.
- E. This Agreement will become effective only upon execution hereof by our President or authorized officer.
- F. This Agreement is not a Franchise Agreement and does not grant Developer or any Principal any rights in or to the (i) System (except as expressly provided herein); or (ii) Trademarks.
- G. Developer shall not use the words “Detroit Wing Company,” “DWC,” or “Detroit Wing Co.,” or any part thereof, as part of its corporate or other name.
- H. Developer and each Principal acknowledge that each has received a complete copy of this Agreement, the documents referred to herein and the Exhibits hereto at least seven (7) days prior to the date on which this Agreement was executed. Developer and each Principal further acknowledge that each has received our Franchise Disclosure Document at least fourteen (14) days prior to the date on which this Agreement was executed.
- I. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.
- J. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.
- K. You and each of your Principal Owners shall execute the form of guaranty at the end of this Agreement.
- L. You further acknowledge that you have conducted an independent investigation of the business franchised pursuant to this Agreement and recognize the business venture contemplated by this Agreement involves the normal business risks associated with beginning a new business. As part of such

investigation, you acknowledge that you had ample opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this agreement. You acknowledge that you are entering into this Agreement based upon your own investigation and not as a result of any representations about us made by shareholders, members, officers, directors, employees, agents, representatives, independent contractors, or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to Franchise Owner pursuant to applicable law.

M. You acknowledge that the only financial performance information we furnished is set forth in Item 19 of the Franchise Disclosure Document; that no, officer, director, member, employee, agent, representative or independent contractor of ours is authorized to furnish you with any other financial performance information; that if they nevertheless do, you will not rely on any such financial performance information given to you by any such individual; and that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us.

N. You represent that you have been urged to consult with your own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. You represent that you have either consulted with such advisors or has deliberately declined to do so.

O. You represent that all information set forth in any and all applications, financial statements and submissions to us is true, complete and accurate in all respects, and you acknowledge that we are relying upon the truthfulness, completeness and accuracy of such information.

P. You acknowledge that before executing this Agreement, you had the opportunity to contact all of our existing franchisees.

Q. You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement (including without limitation, the covenants not to compete, confidentiality restrictions and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us and the System; (c) are fully required to protect our legitimate business interests; and (d) do not confer benefits upon us that are disproportionate to your detriment. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors.

R. Each party represents it has the authority to execute this agreement. You acknowledge only officers or individuals designated by officers of us have the authority to make binding commitments on behalf of us. In particular, field support personnel employed by us cannot contractually bind us by making any verbal or written representations. You acknowledge that we intend to enter into agreements with other developers and franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that

we and other developers or franchisees may have different rights and obligations do not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

S. Each party further acknowledges this agreement can be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each party agrees to execute such other instruments and documents as needed to carry out the intent of the parties, all of which shall be incorporated herein by reference as if set forth herein.

T. Developer represents that its execution of this Agreement will not violate any other agreement or commitment to which Developer or any holder of a legal or beneficial interest in Developer is a party.

U. Developer acknowledges that Franchisor intends to enter into agreements with other developers that may contain certain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and other developers may have different rights and obligations do not affect the duties of the parties to this Agreement to comply with the terms of this Agreement. Developer further acknowledges that because uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right to materially vary our standards or area development agreement for any Franchised Restaurants developed by other developers, based upon the timing of the grant of the development rights, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which Franchisor considers important to the successful operation of the Franchise System. Developer has no right to require Franchisor to disclose any variation or to grant the same or a similar variation to Developer.

21. ENTIRE AGREEMENT

This Agreement and the contemporaneously executed Exhibits, Addenda and Schedules hereto and the Franchise Disclosure Document constitute the entire agreement between us, Developer and the Principals concerning the subject matter hereof. All prior agreements, discussions, negotiations, understandings, inducements, representations, warranties, and covenants are merged herein and are superseded by this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT THOSE PERMITTED TO BE MADE UNILATERALLY BY US HEREUNDER, NO AMENDMENT, CHANGE OR VARIANCE FROM THIS AGREEMENT SHALL BE BINDING ON EITHER PARTY UNLESS MUTUALLY AGREED TO BY US AND DEVELOPER AND EXECUTED IN WRITING.

You specifically acknowledge that the only financial performance information we furnished is set forth in Item 19 of the Franchise Disclosure Document; that no, officer, director, member, employee, agent, representative or independent contractor of ours is authorized to furnish you Owner with any other financial performance information; that if they nevertheless do, you will not rely on any such financial performance information given to you by any such individual; and that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision,

you will immediately communicate such activity to us. For the purpose of this Agreement, “financial performance information” means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or non-franchised Restaurants.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first above written.

DEVELOPER

DWC FRANCHISING, LLC

By: _____

By: _____

Name: _____

Name: Costa Malliaras

Title: _____

Title: President

Date: _____

Date: _____

ATTACHMENT 1

**To the Area Development Agreement between
DWC Franchising, LLC and**

_____ (“Developer”)

1. Description of Developer’s Territory. Developer’s Territory shall be defined as that area within the following borders or designated in the map attached:

2. Development Schedule:

A. Developer shall develop, open, commence operation of and continuously operate pursuant to the respective Franchise Agreements a minimum of _____ () Restaurants in the Territory, pursuant to the Development Schedule as follows:

Restaurant No.	Date of Location Consent	Date Franchise Agreement Signed & Franchise Fees Paid	Date Open & Operating

(1). The Franchise Agreement for each Restaurant Location must be fully executed and all Franchise Fees paid within the time frames set forth in the foregoing Development Schedule.

(2). Time is of the essence, with respect to each of the development obligations specified in this Attachment.

B. Each Restaurant and the cumulative number of Restaurants indicated in the Development Schedule shall be **OPEN AND OPERATING** by the date(s) specified therein.

3. Development Fee. The Development Fee for this Area Development Agreement is _____ Dollars (\$_____).

4. Notice: Notices pursuant to Section 14 of the Area Development Agreement shall be sent to the following addresses:

if to Developer or any Principal:

Facsimile No.: _____

if to us:

DWC Franchising, LLC
876 Horace Brown Drive, Suite 100
Madison Heights MI 48071

with a copy to:
(does not constitute notice)

Michael J. Cole
Fahey Schultz Burzych Rhodes PLC
4151 Okemos Road
Okemos, MI 48864
Facsimile No.: (517) 381-3174

5. Commencement Date. The Commencement Date of the Area Development Agreement is _____, 20____.

6. Representative. Developer's Representative and contact information for purposes of this Area Development Agreement is:

Name	
Address	
City, State, Zip code	
Phone Number	
Email Address	

7. Operator. Developer's Operator and contact information for purposes of this Area Development Agreement is:

Name	
Address	
City, State, Zip code	
Phone Number	
Email Address	

8. Project Manager. Developer's Project Manager and contact information for purposes of this Area Development Agreement is:

Name	
Address	
City, State, Zip code	
Phone Number	
Email Address	

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first above written.

DEVELOPER

DWC FRANCHISING, LLC

By: _____

By: _____

Name: _____

Name: Costa Malliaras

Title: _____

Title: President

Date: _____

Date: _____

ATTACHMENT 2

**TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN DWC FRANCHISING, LLC
AND _____**

DATED _____, 20__

Developer and its Principal Owners

This form must be completed by you, if you have multiple owners or if Developer is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on its truth and accuracy in awarding the franchise to you.

1. Form of Owner. You are a (check one):

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

If Other, Specify: _____

You are formed under the laws of _____

2. Business Entity. You were incorporated or formed on _____, 20__ under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company or partnership name. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held

3. Owners. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Name	Address	Description and Quantity of Ownership Interest	Office Held

4. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of _____.

This Attachment 2 is current and complete as of _____, 20__.

Developer

By: _____

(print name)

Its: _____

**STATE SPECIFIC ADDENDA TO AREA DEVELOPMENT AGREEMENT
ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF CALIFORNIA

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§31000-31516 and the California Franchise Relations Act, Cal Bus And Prof Code §§20000-20043, the Area Development Agreement for DWC Franchising, LLC is amended as follows:
 - The California Franchise Relations Act provides you rights concerning termination or non-renewal of the Area Development Agreement, which may supersede provisions in the Area Development Agreement, specifically Sections 10 and 19.
 - Section 10.01, which terminates the Franchise Agreement upon the bankruptcy of Franchise Owner, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq*).
 - The Area Development Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of Action arising under California law.
 - The Area Development Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
 - Section 11.E. of the Area Development Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
 - Section 19 requires binding arbitration. The arbitration will occur at the forum indicated in Section 19.C., with the costs being borne by the non-prevailing party. Prospective Developers are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.
2. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF HAWAII

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et. seq.*, the Area Development Agreement for DWC Franchising, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides you rights concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 10 and 19 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Section 8 requires Developer to sign a general release as a condition of renewal or transfer of the Franchise. Such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section 10, which terminates the Area Development Agreement upon the bankruptcy of Developer, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its Terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC
FOR THE STATE OF ILLINOIS**

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 - 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

d. The law of the state of Illinois will control.

e. If the Agreement requires a person to waive compliance with any provision Illinois law, that provision shall be deemed void.

f. Section 19E of the Agreement is amended as follows: “No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Developer becomes aware of facts or circumstances reasonably indicating that the Developer may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Developer of a written notice disclosing the violation, whichever shall first expire.”

2. Developer’s payment of initial franchise fees will be deferred until Franchisor has met all of its initial obligations to Developer, and Developer has commenced doing business. This financial assurance requirement was imposed by the Office of the Attorney General due to Franchisor’s financial condition and modified Section 4B of this Agreement.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its Principals acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

DWC FRANCHISING, LLC

YOU

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO AREA DEVELOPMENT AGREEMENT FOR
DWC FRANCHISING, LLC
FOR THE STATE OF INDIANA**

The Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1-51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Indiana Deceptive Franchise Practices Act provides rights to You concerning nonrenewal and termination of the Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If the Developer is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Practices Act and the Indiana Franchises Act, and such acknowledgments shall be void with respect to claims under the Acts.

c. If the Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.

d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by us requires written consent of the Developer. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.

e. If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act §23-2-2.7(10).

f. If the Agreement requires that it be governed by a state’s law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, with respect to such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its principals, officers, directors, employees and agents acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, _____.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO AREA DEVELOPMENT AGREEMENT FOR
DWC FRANCHISING, LLC
FOR THE STATE OF MARYLAND**

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Section 8 is amended to the extent that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law.
- b. Section 19 is amended to the extent that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.
- c. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
- d. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- e. All initial fees and payments shall be deferred as the Franchisor completes its initial obligations under the Agreement and the first outlet opens.

2. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its Principals acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20_____.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF MINNESOTA

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the Minnesota Franchise Law, Minn Stat, Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, *et. seq.*, the parties to the attached Area Development Agreement agree as follows:

- Section 10 is amended to comply with the Minnesota Franchise Law that requires, except in certain specified cases, that Developer be given ninety (90) days notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days notice of non-renewal of the Agreement.
- Section 8 provides for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a Developer to assent to a general release.
- Section 13 is amended to add that as required by Minnesota Franchise Act, we will reimburse you for any costs incurred by you in the defense of your right to use the Trademarks, so long as you were using the Trademarks in the manner authorized by us, and so long as we are timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Minn Stat §80C.21 and Minn Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court System with or without a bond as determined by a court. Minn Rule Part 2860.4400J prohibits you from waiving your rights to a jury trial or waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Area Development Agreement requires you to waive these rights, the Area Development Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF NEW YORK

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____ 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Area Development Agreement for DWC Franchising, LLC is amended as follows:

- Section 8 requires you to sign a general release as a condition of renewal, transfer. Such release shall exclude claims arising under the General Business Laws.
- Under Section 8, Franchisor shall not transfer and assign its rights and obligations under the Area Development Agreement unless the transferee will be able to perform Franchisor’s obligations under the Area Development Agreement, in Franchisor’s good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 13 is amended to provide that you will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of your reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by you in the manner required by Franchisor.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its Terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF NORTH DAKOTA

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et. seq.* Such provisions in the Agreement are hereby amended as follows:

- Section 8 requires the execution of a general release upon renewal or transfer. Such requirement shall be inapplicable to Developers operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 19 is amended to add that any Action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.
- Section 19 is amended to state that arbitration involving a Territory purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF RHODE ISLAND

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Area Development Agreement for DWC Franchising, LLC is amended as follows:

- Section 8 requires you to sign a general release as a condition of renewal, or transfer. Such release shall exclude claims arising under The Rhode Island Franchise Investment Act.
- Sections 19 is amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE COMMONWEALTH OF VIRGINIA

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

- Section 10, which terminates the Area Development Agreement upon your bankruptcy may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq.*).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR DWC FRANCHISING, LLC**

FOR THE STATE OF WASHINGTON

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev Code §§19.100.010 – 19.100.940, the Area Development Agreement for DWC Franchising, LLC is amended as follows:

- The Washington Franchise Investment Protection Act provides you rights concerning non-renewal and termination of the Area Development Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.
- Section 8 requires you to sign a general release as a condition of renewal or transfer. Such release shall exclude claims arising under the Washington Franchise Investment Protection Act.
- Section 19 requires litigation or arbitration to be conducted in the State of Washington; the requirement shall not limit any rights you may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or restrict or limit rights or remedies available to you under the Act, such as a waiver of the right to a jury trial, may not be enforceable.
- Transfer fees are collectable to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any Terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the Terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

**ADDENDUM TO AREA DEVELOPMENT AGREEMENT FOR
DWC FRANCHISING, LLC
FOR THE STATE OF WISCONSIN**

The DWC Franchising, LLC Area Development Agreement between _____ (“Developer” or “You”) and DWC Franchising, LLC, a Michigan limited liability company (“Franchisor,” “we” or “us”) dated _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

WISCONSIN MODIFICATIONS

The Securities commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (“Fair Dealership Law”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. The Wisconsin Fair Dealership Law, among other things, grants You the right, in most circumstances, to ninety (90) days’ prior written notice of non-renewal and sixty (60) days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with the Wisconsin Fair Dealership Law, the provisions of the Agreement shall be superseded by the Law’s requirements and shall have no force or effect.

2. The Wisconsin Fair Dealership Law, among other things, grants You the right, in most circumstances, to ninety (90) days’ prior written notice of termination and sixty (60) days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with the Wisconsin Fair Dealership Law, the provisions of the Agreement shall be superseded by the Law’s requirements and shall have no force or effect.

3. If the Agreement requires that it be governed by a state’s law, other than the State of Wisconsin, to the extent that any provision of the Agreement conflicts with the Wisconsin Fair Dealership Law such provision shall be superseded by the law’s requirements.

Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its Principals acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20____.

DWC FRANCHISING, LLC

YOU

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Date: _____

Title: _____

Date: _____

EXHIBIT D

EXHIBIT D

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

FRANCHISEE

Automatic Debit of Amount Due to Franchisor
Restaurant: ***FRANCHISEE*** d/b/a ***Authorized Assumed Name***

I, the authorized representative and agent for the Restaurant for the account identified below referenced, authorize DWC Franchising, LLC (referred to as "Franchisor") to debit on every Wednesday from Franchisee's bank account, the amount of Royalty and Marketing Fund Fee due to the Franchisor based on Gross Sales of the above referenced Detroit Wing Company Restaurant, and any Late Fees or Interest, for each and every preceding week, ending on Sunday, and any other fee that may be due and owing to Franchisor or any affiliate of Franchisor. I also authorize Franchisor to debit any other fees and purchases associated with the Restaurant including but not limited to the Marketing Fund Fee, the required local advertising expenditures not incurred, required purchases, as well as any other fees and amounts that may become due to Franchisor or any affiliate of Franchisor.

Franchisee Bank Information: Attach blank copy of check

Bank Name	***Bank Name***
Bank Address	***Bank Address***
Account Name	***Account Name***
Account Number	***Account Number***
ABA Routing Number	***ABA Routing Number***

FRANCHISEE:

By: _____ Date: _____

Principal Owner 1

Its: Authorized Representative

By: _____ Date: _____

Principal Owner 2

Its: Authorized Representative

EXHIBIT E

EXHIBIT E

PRINCIPAL OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS

This Guaranty must be signed by the principal owners (referred to as "Guarantor") of ***FRANCHISEE*** (the "Franchisee") under the Franchise Agreement dated ***Franchise Agreement Date*** (the "Franchise Agreement") with **DWC FRANCHISING, LLC** (the "Franchisor").

1. **Scope of Guaranty.** The shareholders, partners, or members ("Principal Owners") of any entity that signs a Franchise Agreement must personally guarantee the franchisee's performance under the Franchise Agreement. In consideration of and as an inducement to Franchisor signing and delivering the Franchise Agreement, each Guarantor signing this Guaranty personally and unconditionally: (a) guarantees to Franchisor and its successors and assigns that the Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of each and every provision in the Franchise Agreement.

2. **Waivers.** Each Guarantor waives: (a) acceptance and notice of acceptance by Franchisor of Guarantor's obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor's; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor; (d) any right Guarantor may have to require that an action be brought against the Franchisee or any other person as a condition of Guarantor's liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor may have against the Franchisee arising as a result of Guarantor's execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor may be entitled in Guarantor's capacity as guarantor.

3. **Consents and Agreements.** Each Guarantor consents and agrees that (a) Guarantor's direct and immediate liability under this Guaranty are joint and several; (b) Guarantor must render any payment or performance required under the Franchise Agreement upon demand if the Franchisee fails or refuses punctually to do so; (c) Guarantor's liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against the Franchisee or any other person; (d) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence shall in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, if required by the Franchise Agreement, after its termination or expiration.

4. **Enforcement Costs.** If Franchisor is required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor must reimburse Franchisor for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Guarantor’s obligations under this Guaranty are effective on the effective date of the Franchise Agreement, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreement. This Guaranty is governed by Michigan law and Franchisor may enforce its rights regarding it in the state or federal courts in the State of Michigan. Each Guarantor irrevocably submits to the jurisdiction and venue of such courts.

Each Guarantor now signs and delivers this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

GUARANTOR

Principal Owner 1
Principal Owner 1 Address
Principal Owner 1 Telephone Number
Principal Owner 1 Ownership Interest

GUARANTOR

Principal Owner 3
Principal Owner 3 Address
Principal Owner 3 Telephone Number
Principal Owner 3 Ownership Interest

GUARANTOR

Principal Owner 5
Principal Owner 5 Address
Principal Owner 5 Telephone Number
Principal Owner 5 Ownership Interest

GUARANTOR

Principal Owner 2
Principal Owner 2 Address
Principal Owner 2 Telephone Number
Principal Owner 2 Ownership Interest

GUARANTOR

Principal Owner 4
Principal Owner 4 Address
Principal Owner 4 Telephone
Principal Owner 4 Ownership Interest

GUARANTOR

Principal Owner 6
Principal Owner 6 Address
Principal Owner 6 Telephone Number
Principal Owner 6 Ownership Interest

DATE: ***Franchise Agreement Date***

EXHIBIT F

EXHIBIT F

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE (Individual Owner)

This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete is entered into as of the date or dates set forth below by and between ***FRANCHISEE*** located at ***Franchisee Street Number*** ***Franchisee Street Name***, ***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code*** (“Franchisee” or you) and DWC Franchising, LLC, located at 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071 (“DWC” or us), and ***Principal Owner 1***, owner of Franchisee (“Owner”).

WHEREAS, DWC is the Franchisor of “Detroit Wing Company” Restaurants and has the authority to disclose and discuss all information relating to the operations of a Restaurant (hereinafter referred to as “Detroit Wing Company” “Business,” or “Franchised Business”);

WHEREAS, confidential information will be disclosed to Franchisee and Owner; and

WHEREAS, such confidential information gives DWC and Franchisee and Owner a competitive advantage over those who do not know it and who may compete with DWC, its affiliates or its Franchisees by operating a fast-casual carry out style Restaurant that features on-premises dining, and carry out that features and offers chicken wings, homemade sauces, side dishes, desserts, and other Menu Items using fresh, house-made ingredients, in a distinctive atmosphere (the “Restaurant”).

NOW, THEREFORE, in order to induce DWC to transmit the aforesaid Information to it, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee and Owner hereby agrees as follows:

1. The term “Information” shall mean, but shall not be limited to, any and all data or facts, not available to the public or which do not become available to the public, which data and facts shall include but not be limited to all information, knowledge, trade secrets or know-how utilized or embraced by the System or otherwise concerns your or our systems of operations, programs, services, products, customers, practices, books, records, manuals, computer files, databases or software, the System, all Operations Manuals, Training Manuals or other Manuals, the Standards and Specifications, written directives, equipment and equipment specifications, all proprietary software, computer and point-of-sale programs (and output from such programs), all pricing paradigms established by you or us, all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers), our specifications, and your final plans for the construction, buildout, design, renovation, décor, the identity of and all information relating to the computer and POS hardware and software utilized by you and/or us, internet protocols, procedures and content, all elements of your recommended staffing, staff training and staff certification policies and procedures, all communications between us (including financial and other reports you are required to submit to us under this Agreement), memoranda, notes, disks, cost analyses, financial statements, trademarks, trade dress, copyrights, logos, signage, blueprints, sketches, recipes, methods, processes, designs, plans, property, reports, documents, analytical tools, business plans, business contacts, information regarding operations, manufacturing, administration, merchandising, marketing, costing, and production

information and all extracts and copies thereof prepared by either party or its officers, agents, employees, attorneys, representatives, or consultants, which when used together as they relate to the System reasonably represent an entity employing the System, which is disclosed to or acquired by you directly or indirectly from us in the course of activities related to the development of a business relationship between you and us, or which is obtained by you through an inspection or tour of our offices, facilities, or Restaurants or the Restaurants of our Franchisees, and any other information, know-how, techniques, material and data imparted or made available by us which is (a) designated as confidential, (b) known by you to be considered confidential by us, or (c) by its nature inherently or reasonably considered confidential.

2. Owner shall not at any time during the term of this Agreement or after this Agreement has expired or been terminated, communicate, disclose or use any Information for your benefit, or the benefit of any third party, nor will Owner directly or indirectly aid any third party to imitate, duplicate or “reverse engineer” any of our Information. Owner agrees to use and permit the use of Information solely in connection with the operation of the Restaurant. Owner shall not, without our prior consent, copy, duplicate, record or otherwise reproduce any Information. Owner shall indemnify us and Our Indemnities from any damages, costs or expenses resulting from or related to any disclosure or use of Information by Owner or its agents, employees, consultants, and contractors. Owner agrees never to copy, duplicate, record or otherwise reproduce any of the Information, in whole or part, share it with any other third-party individual or entity (except as provided herein), store it in a computer or other electronic format, or otherwise make it available to any third party by any other means whatsoever. Owner shall retain all Information in strict confidence and not use it except as otherwise provided herein and Owner agrees not to claim any right or interest in or to disclose Information to others.

3. In the event the relationship contemplated by the Franchise Agreement between Franchisee and DWC terminates or expires without renewal, then to such extent, Owner agrees not to use any of the Information to own, operate or develop any business, competitive with or similar to the Business. Owner shall also return to DWC all Information supplied to it by DWC pertaining to the business or Franchised Business, and shall not retain any copies in whatever form, including without limitation electronically stored information, or other reproductions, or extracts thereof, prepared by Franchisee or any of its officers, employees, attorneys, representatives or consultants or Owner, in connection with the Restaurant. Owner shall provide a certificate to DWC that all of the foregoing have in fact been destroyed.

4. (a) Owner acknowledges that the Information disclosed to Owner and all other aspects of the franchise system are highly valuable assets of DWC, and Owner agrees that it shall not, without the prior written consent of DWC (i) during the term of the Franchise Agreement, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit its name or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any business competitive with or similar to the Restaurant unless such other business is operated pursuant to a written license or other agreement with Detroit Wing Company, and (ii) for a period of three (3) years from the date of the Franchise Agreement’s termination or expiration without renewal, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit its name or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any business competitive with or

similar to the Restaurant within thirty-five (35) miles of the Restaurant Location or any other Detroit Wing Company franchised Restaurant or corporate or affiliate owned Restaurant, unless such other business is operated pursuant to a written license or other agreement with DWC. Owner agrees to cause all persons to whom it has disclosed such Information to execute a written Covenant Not to Compete in a form prescribed by DWC.

(b) Owner also acknowledges and agrees that if Owner should violate the provisions of Section 4 of this Confidentiality and Nondisclosure Agreement and Covenant not to Compete with respect to the operation of a competing business following expiration or termination of this Confidentiality and Nondisclosure Agreement and Covenant not to Compete, then the period for which the prohibition stated therein shall be applicable shall be extended until three (3) years following the date Owner ceases all activities that are in violation of such provision.

5. Owner acknowledges that it will be difficult to measure accurately the damages to DWC from any breach of Owner of the covenants and restrictions set forth herein, that the injury to DWC from any such breach would be incalculable and irremediable and the damages would not, therefore in and of themselves, be an adequate remedy. Owner therefore agrees that in the event it shall breach or attempt to breach any of the terms of this Agreement, DWC shall be entitled as a matter of right to obtain from any court of competent jurisdiction an injunction (i) prohibiting Owner from any further breaches of this Agreement; (ii) rescinding any action taken by Owner contrary to the terms of this Agreement; and (iii) authorizing DWC to recover from Owner any and all salaries, fees, commissions, income, profits or other remuneration or gain which Owner may have received or to which it may have become entitled to receive from or by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. The issuance of such an injunction will not prevent DWC from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

6. Franchisee agrees to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of this or any Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete executed by any of the individuals to whom Franchisee has disclosed Confidential Information. Franchisee acknowledges DWC's right, to be exercised as DWC alone determines, to enforce for itself the terms of such executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete. If the substantive provisions of the Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete have been breached by an individual employed, engaged or otherwise serving the Franchise Store who has not executed a Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Franchisee shall nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law. If DWC prosecutes such Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Franchisee shall indemnify and hold DWC harmless from any and all losses and expenses as provided under this Agreement.

7. Owner has carefully considered the nature and extent of the restrictions upon Owner set forth in this Agreement (including without limitation, the covenants not to compete, confidentiality restrictions and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us and the System; (c) are fully required to protect our legitimate business interests; and (d) do not confer benefits upon us that are disproportionate to your detriment. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship

on Owner, since Owner has other considerable skills, experience and education which afford Owner the opportunity to derive income from other endeavors.

8. This Agreement shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise by the laws of the State of Michigan.

9. In the event any Paragraph or portion of any Paragraph in this Agreement shall be determined to be invalid or unenforceable for any reasons, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining valid and enforceable Paragraphs hereof, which shall be construed as if such invalid or unenforceable Paragraph or Paragraphs had not been inserted.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year written below.

FRANCHISEE:

DETROIT WING COMPANY:

FRANCHISEE

DWC FRANCHISING, LLC

By: _____
Principal Owner 1
Principal Owner 1 Title

By: _____
Costa Malliaras
President

Dated: _____

Dated: _____

OWNER:

Principal Owner 1

Dated: _____

EXHIBIT G

EXHIBIT G

TELEPHONE NUMBER ASSIGNMENT

THIS ASSIGNMENT is made and entered into by and between DWC Franchising, LLC, ("DWC") located at 876 Horace Brown Drive, Suite 100, Madison Heights, Michigan 48071, ***Franchisee State Name*** ***Franchisee Zip Code***, and ***FRANCHISEE*** located at ***Franchisee Street Number*** ***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code***, hereinafter referred to as "Franchisee".

WHEREAS, Franchisee has obtained a franchise from DWC for the operation of a "Detroit Wing Company" Restaurant using DWC's Trademarks and System as those terms are used in a Franchise Agreement dated the ***Franchise Agreement Date*** (hereinafter referred to as the "Franchise Agreement");

WHEREAS, in consideration of DWC granting the franchise to Franchisee, Franchisee agreed in the Franchise Agreement to execute an assignment to DWC of its telephone number upon the termination or expiration without renewal of the Franchise Agreement, or transfer of the Franchise Agreement;

NOW THEREFORE, it is hereby agreed as follows:

1. Telephone Information. Franchisee represents and warrants that the telephone number(s) set forth in the attached Exhibit "A," from time to time, shall constitute all of the telephone numbers to be used in its advertising and marketing of its "Detroit Wing Company" Restaurant licensed by the above referenced Franchise Agreement. It is hereby agreed that this assignment covers not only the telephone numbers set forth in Exhibit "A," but also any other telephone number used by Franchisee in its advertising or marketing of its "Detroit Wing Company" Restaurant.

2. Assignment. Franchisee hereby assigns to DWC all of its right, title and interest in and to the telephone numbers described above in Paragraph 1 effective upon the expiration without renewal or termination of the Franchise Agreement.

3. Consent. Franchisee hereby consents and authorizes any and all telephone companies, telephone directory services, and other public or private business containing, using, or authorizing any of the telephone numbers described above in Paragraph 1 to immediately recognize this assignment upon receipt of written notice from DWC. Such companies and services shall construe this Assignment as Franchisee's immediate cancellation and surrender of the numbers in Exhibit A, thereby permitting the immediate re-assignment of the numbers by said companies and services to DWC. A copy of this Assignment, certified by an officer of DWC, is agreed to be as valid and binding as the original.

4. Notice. DWC shall give notice of its acceptance of the assignment of the telephone numbers pursuant to this agreement by either delivering them personally or sending them by first class, certified or registered mail with postage fully paid and depositing them in a depository of the United States Postal Service. Notices shall be given to Franchisee and to all other telephone companies and other businesses who are to recognize the assignment. All notices to Franchisee shall be addressed to the address indicated in this Agreement, or to any subsequent address of which DWC is notified in writing and shall be effective on the date sent by DWC. Any notice delivered by mail in the manner set forth above shall be deemed delivered and received 2 days after mailing.

5. Cooperation. Franchisee shall cooperate with DWC, including but not limited to, executing any and all documents reasonably necessary to effectuate this Assignment, and to cause the telephone company or companies to recognize this Assignment. In the event of Franchisee's failure to sign any required documents within 2 business days of Notice, Franchisee hereby appoints DWC as its lawful attorney in fact to sign on Franchisee's behalf any and all documents necessary to effectuate the assignment of the telephone numbers listed in Exhibit "A" to DWC. This power, coupled with an interest, is given as security for the rights and privileges given to Franchisee under the Franchise Agreement by DWC.

6. Proration. All telephone charges, including charges for classified advertising in the telephone directory, shall be prorated as of the time of Assignment, with Franchisee paying for all charges prior to the effectiveness of the assignment, and DWC paying for all charges incurred thereafter.

IN WITNESS WHEREOF, the parties have entered into this agreement on the _____ day of _____, 20____.

DWC FRANCHISING, LLC

By: Costa Malliaras
Its: President

By: ***Principal Owner 1***
Its: ***Principal Owner 1 Title***

EXHIBIT A TO TELEPHONE NUMBER

ASSIGNMENT AGREEMENT

TELEPHONE NUMBER: _____.

EXHIBIT H

EXHIBIT H

CONDITIONAL ASSIGNMENT OF LEASE

THIS CONDITIONAL ASSIGNMENT OF LEASE (“Assignment”) is made and entered into as of _____, 20__, by and between DWC Franchising, LLC, a Michigan limited liability company ("Franchisor"), located at 17535 E. 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071, and _____, a _____ located at _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have executed a Franchise Agreement on _____, 20__ (“Franchise Agreement”) for the establishment of a Detroit Wing Company Restaurant to be operated pursuant to Franchisor’s Trademarks and System as those terms are defined in the Franchise Agreement;

WHEREAS, the Franchise Agreement requires the execution of this Conditional Assignment of Lease if the real estate for the establishment of the Detroit Wing Company Restaurant is leased by the Franchisee;

WHEREAS, Franchisee has entered into a lease with _____ (“Landlord”) for certain premises (“Premises”) in which Franchisee will operate a Detroit Wing Company Restaurant pursuant to the Franchise Agreement, which lease is dated _____, 20__ (the "Lease"); and

WHEREAS, the Premises are located in _____, _____, as more particularly described on **Exhibit A-1** attached hereto.

NOW THEREFORE, it is hereby agreed as follows:

1. **Conditional Assignment**. Franchisee hereby assigns to Franchisor all of Franchisee's right, title, and interest in and to the Lease, including any and all rights or options of Franchisee to extend or renew the Lease or purchase the Premises through a right of first refusal or otherwise, such assignment to become effective upon the occurrence of any of the following:

A. **Termination of Lease**. If (i) Franchisee fails to cure any default(s) under the Lease, (ii) the Lease is terminated, (iii) Franchisee’s right to possession is terminated, (iv) Landlord re-enters the Premises and retakes possession, or (v) the Lease expires without renewal, Franchisor shall have the option to accept the assignment of the Lease pursuant to this Assignment by giving notice to Franchisee and Landlord in accordance with the terms of Section 3.A below.

B. **Termination of Franchise Agreement**. Upon termination or expiration without renewal of the Franchise Agreement, Franchisor shall have the option to accept the assignment of the Lease pursuant to this Assignment by giving notice to Franchisee and Landlord in accordance with the terms of Section 3.B below.

C. **Franchisee Right to Assign**. Upon an assignment of the Lease from Franchisee to Franchisor, which assignment may occur at any time without the consent of Landlord and without the payment of any fees to Landlord.

2. Effect of Assignment. Upon Franchisor's exercise of its option to accept the assignment of the Lease pursuant to this Assignment:

A. All of Franchisee's right, title and interest in the Lease is assigned to Franchisor, including without limitation, all rights of Franchisee to extend or renew the Lease or purchase the Premises through a right of first refusal or otherwise and all rights Franchisee has to any unpaid construction/improvement allowance (collectively, the "Assigned Rights"), all of which shall become the sole property of Franchisor. Franchisee agrees to immediately and peaceably vacate the Premises and, upon Franchisor's request, to remove all of its personal property from the Premises. Any personal property not removed by Franchisee within five (5) days of Franchisor's request shall be deemed abandoned by Franchisee. Regardless of any assignment of the Lease to Franchisor, Franchisee and any guarantor agree to remain liable to Landlord for all of its obligations under the Lease and to Franchisor for all amounts that Franchisor, in its discretion, pays to Landlord to cure Franchisee's defaults under the Lease, including interest and reasonable attorneys' fees and collections costs. Landlord acknowledges and agrees that Franchisor's right to exercise its option to accept assignment of the Lease is not contingent upon nor is Franchisor obligated in any manner to cure any default of Franchisee under the Lease.

B. Franchisor shall assume all of Franchisee's rights, options, and obligations under the Lease commencing upon the effective date of the assignment and Franchisor shall have the further right to transfer or assign the Lease to another Detroit Wing Company franchisee without the need to seek consent from Landlord. Franchisor shall not be liable to Landlord for anything that arose prior to the effective date of the assignment to Franchisor. If Franchisor assigns the Lease to another Detroit Wing Company franchisee, Franchisor shall be released from any further liability under the Lease. Notwithstanding any assignment of the Lease to Franchisor, Franchisor shall not be subject to any provisions of the Lease that requires continuous operation of a business in the Premises during any period that the Premises is closed for remodeling or while Franchisor is seeking to obtain and train a new franchisee, provided that rent is paid during such period of closure pursuant to the terms of the Lease.

C. Franchisee agrees to execute any and all documents requested by Franchisor in order to fully exercise any of Franchisor's rights under this Assignment and hereby appoints Franchisor as its attorney-in-fact with the full right and power to execute all documents and to take all action that may be necessary or desirable for Franchisor to take such assignment or otherwise exercise any of Franchisor's rights under this Assignment. The foregoing is given as security for the rights and privileges give to Franchisee under this Assignment and the Franchise Agreement.

3. Notice of Franchisee's Default.

A. Landlord's Notice. Landlord shall provide Franchisor written notice of (i) any default by Franchisee under the Lease, (ii) any notice of default by Landlord received by Landlord under the Lease, (iii) any termination of the Lease, (iv) termination of Franchisee's right to possession, (v) re-entry or repossession, and (vi) expiration of the Lease without renewal. Franchisor shall have the option (but not the obligation) to cure any default by Franchisee should Franchisee fail to cure the default within the period in which Franchisee has to cure the default or exercise any option to renew the Lease. At the expiration of Franchisee's period within which Franchisee has to cure any default, Franchisor shall then have an additional fifteen (15) business days in which to cure Franchisee's default, provided, however, if Franchisor cannot reasonably cure such default within fifteen (15) business days, Franchisor shall have a reasonable period of time within which to cure such default so

long as Franchisor commences to cure within such fifteen (15) business day period and thereafter diligently pursues the cure to completion. Franchisor may cure Franchisee's default without exercising its option to accept assignment of the Lease and, in such event, Landlord agrees to accept Franchisor's cure as if made timely by Franchisee. Franchisor may also cease any action taken to cure Franchisee's default and in such event shall not be liable to Landlord or to Franchisee for any partial action taken and shall not be obligated to complete such cure. In addition to the foregoing, if (i) Franchisee fails to cure any default, (ii) the Lease is terminated, (iii) Franchisee's right to possession is terminated, (iv) Landlord re-enters the Premises and retakes possession, or (v) the Lease is expired without renewal, Franchisor may exercise its option to accept assignment of the Lease by written notice to the Landlord delivered within thirty (30) days following receipt of Landlord's written notice. If Franchisor exercises its option to accept assignment of the Lease, the effective date of such assignment shall be the date set forth by Franchisor in such written notice to Landlord. It is hereby agreed that Landlord may rely solely upon the written notice received from Franchisor as Franchisor's acceptance of the assignment of the Lease, and Franchisee hereby releases and holds Landlord and Franchisor harmless from any liability that arises out of or relates to any action taken by Landlord in reliance upon such notice.

B. Franchisor's Notice. If the Franchise Agreement terminates or expires without renewal, and if Franchisor desires to exercise its option to accept assignment of the Lease, Franchisor shall provide written notice thereof to Landlord, delivered within thirty (30) days following the termination or expiration of the Franchise Agreement. If Franchisor exercises its option to accept assignment of the Lease, the effective date of such assignment shall be the date set forth by Franchisor in such written notice to Landlord. It is hereby agreed that Landlord may rely solely upon the written notice received from Franchisor as Franchisor's acceptance of the assignment of the Lease, and Franchisee hereby releases and holds Landlord and Franchisor harmless from any liability that arises out of or relates to any action taken by Landlord in reliance upon such notice.

4. Notice. Notice required by this Assignment shall be sent by overnight mail, certified or registered mail, or email (provided that a copy is also simultaneously delivered by one of the other methods of delivery provided for herein). Notices to Franchisor shall be sent to the following address:

DWC Franchising, LLC
Attn: Costa Malliaras
876 Horace Brown Drive, Suite 100
Madison Heights MI 48071
Email: franchise@detroitwingco.com

with a copy to (which shall not be deemed notice):

Michael J. Cole
Fahey Schultz Burzych Rhodes, PLC
4151 Okemos Road
Okemos, Michigan 48864
Email: mcole@fsbriaw.com

Notice to Franchisee shall be sent to the following address:

Email: _____

Notice to Landlord shall be sent to the following address:

Email: _____

Notices shall be deemed given upon receipt (or refusal of receipt). Emailed notices shall be deemed given when sent during normal business hours (8 a.m. to 5 p.m. Eastern Time). Parties may change the notice address by providing written notice to the other parties of a change in such notice address.

5. Renewal, Extension or Amendment. Any renewal or extension of the Lease, or any amendment to this Assignment or the Lease of any type, can only be made by a writing executed by all three parties to this Assignment.

6. Indemnification. Franchisee shall indemnify and hold Franchisor harmless from any and all liability that Franchisor may incur arising under the terms of the Lease, excluding only such liability arising after Franchisor's acceptance of the assignment that Franchisor agrees in writing to assume.

7. Miscellaneous.

A. Use of Real Estate. Landlord hereby agrees to and acknowledges Franchisee's right to use and display Detroit Wing Company Trademarks, subject only to any limitations imposed by Franchisor and any local, state or federal law. Landlord agrees that it will not limit Franchisee's right to use Detroit Wing Company Trademarks. Landlord further agrees and acknowledges that the Premises shall be used solely for the operation of a Detroit Wing Company Restaurant. Landlord agrees to notify Franchisor in the event that Franchisee begins to use the Premises in any other manner and Landlord shall consider such use as an event of default. If after the occurrence of an event giving rise to Franchisor's option hereunder, Franchisor does not exercise its option to accept the assignment of the Lease, Franchisee agrees to promptly remove all Detroit Wing Company Trademarks from the Premises. If Franchisee fails to promptly do so, Landlord agrees that Franchisor may enter the Premises without being guilty of trespass or tort to so de-identify the Premises. Franchisee will be responsible for all expenses incurred by Franchisor in performing such de-identification, including without limitation, reasonable attorneys' fees.

B. Applicable Law. This Assignment shall be construed according to the laws of the state in which the premises are located. If any provision, or portion of a provision, of this Assignment is or shall become in conflict with any applicable law, then the applicable law shall govern and such provision or portion of a provision shall be automatically deleted and shall not be effective to the extent that it is not in accordance with applicable law. However, the remaining terms and conditions of this Assignment shall remain in full force and effect.

C. Entire Agreement. This Assignment contains all of the terms and conditions agreed upon by the parties, except for: (i) the provisions of the Lease, and (ii) as between Franchisor and Franchisee, the provisions of the Franchise Agreement and related agreements.

D. New Lease. It is hereby agreed that if the Lease is terminated or expires without renewal, and the Franchisee and Landlord enter into a new lease arrangement, any such new lease shall be deemed to be the Lease for purposes of this Assignment thereby making it fully applicable to the new lease.

E. Option to Purchase. In the event Franchisee purchases the Premises, Franchisee agrees to execute the Real Estate Option to Purchase in the form then prescribed by Franchisor.

F. NO ASSUMPTION OF LIABILITY. BY EXECUTING THIS ASSIGNMENT, FRANCHISOR DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATIONS AS TENANT UNDER THE LEASE UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATIONS IN WRITING IN ACCORDANCE WITH THE TERMS OF THIS ASSIGNMENT.

G. Right to Assign. Franchisor may assign this Assignment and its rights hereunder to any affiliate, subsidiary, parent, successor or assign of Franchisor and, if so assigned, Franchisor will provide Landlord with written notice of such assignment.

H. Successors and Assigns; No Waiver. This Assignment runs with the land and the Lease and is binding on the parties as well as any successor(s) or assign(s) of the parties. Franchisor's decision not to exercise its option to accept assignment of the Lease in accordance with the terms of this Assignment on any one occasion shall not constitute a waiver or affect the validity of this Assignment or Franchisor's ability to exercise its option to accept assignment of the Lease at any time thereafter.

I. Right to Record. The parties agree that this Assignment may be recorded in the public records of the County where the Premises are located.

J. Attorney Fees. Franchisee agrees that in the event it is necessary for Franchisor to file any action to enforce the terms and conditions of this Assignment, then Franchisor shall be entitled to recover from Franchisee all of Franchisor's reasonable attorney's fees and costs, including any appellate or bankruptcy proceedings associated therewith.

K. Jurisdiction and Venue. Any dispute between the parties regarding this Assignment shall be brought in the state or federal courts having jurisdiction over Franchisor's principal place of business. Notwithstanding the foregoing, nothing set forth in this Assignment shall be construed or interpreted as allowing Franchisee to bring an action or claim in any forum inconsistent with the dispute resolution and arbitration provisions set forth in the Franchise Agreement.

[SIGNATURES ON FOLLOWING PAGE]

LANDLORD'S CONSENT

The undersigned Landlord hereby consents and agrees to the foregoing Conditional Assignment of Lease between DWC Franchising, LLC ("Franchisor") and _____ ("Franchisee").

Dated: _____

LANDLORD: _____

By: _____

Its: _____

STATE OF _____)

_____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, the _____ of _____, a _____, on behalf of the entity.

_____, Notary Public
_____ County

My Commission Expires: _____

**EXHIBIT A-1
LEGAL DESCRIPTION**

EXHIBIT I

EXHIBIT I

REAL ESTATE OPTION TO PURCHASE

THIS AGREEMENT is entered into between DWC Franchising, LLC, located at 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071 (hereinafter referred to as "DWC"), and ***FRANCHISEE*** located at ***Franchisee Street Number*** ***Franchisee Street Name***, ***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code*** (hereinafter referred to as "Franchisee").

WHEREAS, Franchisee and DWC have entered into a Franchise Agreement by which Franchisee acquired the right to establish and operate a "Detroit Wing Company" Restaurant using the Trademarks and System as those terms are defined in the Franchise Agreement, which Agreement is dated ***Franchise Agreement Date*** (hereinafter referred to as the "Franchise Agreement");

WHEREAS, the Franchise Agreement requires that DWC approve the location for the Restaurant to be established pursuant to the above referenced Franchise Agreement, that approval being conditioned upon the execution of this Real Estate Option to Purchase in the event Franchisee owns or controls the real estate;

WHEREAS, Franchisee seeks DWC's approval for particular real estate.

NOW THEREFORE, it is hereby agreed as follows:

1. Option. Franchisee hereby grants to DWC the option to purchase the real estate described in Exhibit "A" (and hereinafter referred to as the "Real Estate") upon the expiration without renewal or termination of the Franchise Agreement. Any transfer, renewal, extension, or amendment of the Franchise Agreement shall not affect this Option Agreement unless expressly provided. The terms of the Option rights are as follows:

A. Exercise of Option. Within 15 days following the termination or expiration without renewal of the Franchise Agreement as provided for in the Franchise Agreement, DWC may notify Franchisee in writing of its intention to exercise this option to purchase the Real Estate, and which notice shall constitute an agreement to purchase the Real Estate conditioned upon DWC obtaining any necessary financing and the real estate being inspected, the results are satisfactory to DWC. The closing of the sale shall occur as soon as all documentation and other matters have been completed, including obtaining of any necessary financing and inspections, but in any event not later than 120 days after the date upon which the fair market value of the Real Estate is established, as provided in Paragraph B below, unless the parties hereto agree to a later closing date.

B. Fair Market Value. The parties will attempt to agree upon a fair price for the purchase of the Real Estate, but upon failing to do so within 30 days from the date of the exercise of this option by DWC, DWC shall select and pay for the services of a qualified appraiser to establish the fair market value of the Real Estate, and a copy of that appraisal shall be provided to Franchisee. Within 10 days after Franchisee receives the written appraisal, Franchisee shall advise DWC, in writing, as to whether Franchisee accepts the appraisal. If the appraisal is acceptable to both DWC and Franchisee, then the amount stated therein shall be the purchase price. If Franchisee rejects the value stated in the appraisal, then Franchisee must notify DWC of its rejection within the 10-day period

(failing to so notify shall be deemed to be an acceptance) and thereafter Franchisee shall select and pay for the services of a qualified appraiser to appraise the value of the property within 15 days thereafter. Franchisee shall provide DWC with a copy of the appraisal so obtained, within 30 days after its rejection of the appraisal obtained by DWC. If DWC accepts the value stated therein, then the amount stated therein shall be the purchase price. If DWC rejects the value stated in this appraisal, then two appraisers shall select a third appraiser within the 15 days thereafter, whose determination of fair market value as to the property shall be final and binding on the parties. The cost of the third appraiser shall be paid equally by both DWC and the Franchisee.

C. Possession. Upon receipt of DWC's notice that it is exercising the option to purchase, Franchisee shall immediately vacate the premises and transfer possession of them to DWC. From the date of possession to the date of closing, DWC shall pay on or before Friday of each week a per diem rate equal to .002 of the assessed value on the property, with the final adjustment to be made at closing equal to .002 of the purchase price for the real estate. All utilities and taxes shall be prorated as of the date of possession. Taxes shall be deemed to cover the calendar year in which the taxes became a lien. Taxes that become a lien in years prior to the year of closing shall be paid by Franchisee without proration. Taxes that become a lien in the year of closing shall be prorated so that the Franchisee shall be charged with taxes from the first of the year to closing date and DWC shall be charged with taxes for the balance of the year. If any bill for taxes able to be prorated under this provision has not yet been issued, the corresponding tax bill for the last previous year shall be substituted therefore and used in proration. Franchisee shall provide an owner's policy of title insurance without exceptions covering the real estate at Franchisee's expense, or at DWC option, a complete abstract showing marketable title, together with a 10-year tax history, tax lien search, and financing statements search, all certified to the date of the transfer of possession to DWC, the cost of the abstract to be paid by Franchisee. Franchisee shall maintain insurance on the real estate to the date of closing, with DWC becoming responsible for insuring the property beginning with the date of closing.

2. Miscellaneous.

A. Applicable Law. This Agreement shall be construed according to the laws of the state in which the real estate is located.

B. Integration. This Agreement, together with the Franchise Agreement, and any addendums that are attached hereto and are executed on the date hereof which are hereby incorporated herein, contain all of the terms and conditions agreed upon by the parties. No promises or representations have been made by DWC other than herein set forth. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both DWC and the Franchisee.

C. Arbitration. Any dispute between the parties, and any claim by either party that cannot be amicably settled, shall be determined solely and exclusively by arbitration as provided for in the Franchise Agreement.

EXHIBIT J

**EXHIBIT J
GENERAL RELEASE**

THIS GENERAL RELEASE is made and given on this _____ day of _____, 20____ by _____, (“RELEASOR”) an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by DWC Franchising, LLC, a Michigan limited liability company (“RELEASEE”), of a successor Franchise Agreement or other renewal documents renewing the franchise (the “Franchise”) granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the “Franchise Agreement”) between RELEASOR and RELEASEE; or

_____ RELEASEE’S consent to RELEASOR’S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE’S consent to RELEASOR’S assumption of rights and duties under the Franchise Agreement; or

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE’S officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE’S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR’S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

EXHIBIT K

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EXHIBIT L

EXHIBIT L

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California

Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Department of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, California 95834
(866) 275-2677 Toll Free

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

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

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

New York

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island

Division of Securities
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, Rhode Island 02920

South Dakota

Department of Revenue and Regulation
Division of Insurance
124 S. Euclid Ave., #2
Pierre, South Dakota 57501

Virginia

Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin

Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

EXHIBIT M

EXHIBIT M

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, DWC Franchising, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Restaurant. In this Franchisee Disclosure Questionnaire, DWC Franchising, LLC will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the DWC Franchising, LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?
Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
Yes ___ No ___

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?
Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?
Yes ___ No ___

If “No”, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating the Restaurant with an attorney, accountant or other professional advisor and do you understand those risks?

Yes ___ No ___

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ___ No ___

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the Restaurant that we or our franchisees operate?

Yes ___ No ___

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Restaurant that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Restaurant?

Yes ___ No ___

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

11. If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes ___ No ___

13. Did you receive the DWC Franchising, LLC Franchise Disclosure Document at least 14 calendar days before this _____ day of _____, 20____, the day on which this Franchise Agreement was executed?

Yes ___ No ___

14. Do you acknowledge that at the time you received the DWC Franchising, LLC Franchise Disclosure Document, it was complete in all material respects, including all exhibits and attachments referenced therein?

Yes ___ No ___

15. Do you acknowledge that you received a completed copy of the DWC Franchising, LLC Franchise Agreement to which this Questionnaire is attached at least 7 calendar days before this date, there being no blanks or spaces not completed therein, except for the date and signatures of the parties?

Yes ___ No ___

16. Do you acknowledge that you are an independent contractor and responsible for running your own Restaurant business and that we do not have any authority to hire or fire your employees?

Yes ___ No ___

17. Do you expressly agree and will never contest otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Restaurant does not directly or indirectly vest in us the power to hire, fire, or control any such employee?

Yes ___ No ___

18. Do you acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Restaurant and that under no circumstance shall we do so or be deemed to do so?

Yes ___ No ___

19. Do you further acknowledge and agree and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Restaurant, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Restaurant, but rather are to protect the DWC franchise System and brand?

Yes ___ No ___

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant

Date: _____, 20__

Signature

Name and Title of Person Signing

Subscribed and sworn to before me, a Notary Public, this _____ day of _____ ,
20_____.

_____, Notary Public

_____ County, State of _____

Acting in _____ County

My Commission Expires: _____

EXHIBIT N

EXHIBIT N

LIST OF EXISTING FRANCHISEES

Location	Franchisee	Contact	Address	Phone Number
MICHIGAN				
Chesterfield	CSV Restaurants, LLC	Santo Sclafani	50916 Gratiot Avenue Chesterfield, Michigan 48051	(586) 367-5394
Detroit	CSV Mack, LLC	Santo Sclafani	18743 Mack Avenue Detroit, MI 48236	(313) 332-5412
Grand Blanc	Grand Blanc Wingco, LLC	Adam Mlynarek	6331 S. Saginaw Road, Unit 5 Grand Blanc, Michigan 48439	(810) 584-7632
Grand Rapids	Wing Nut Holdings, LLC	Philip Georgeson	2004 E. Beltline Avenue, NE Grand Rapids, Michigan 49525	(616) 214-8331
Novi	JARG – Livonia, LLC	Chris Jonna	19714 Haggerty Road Livonia, MI 48152	(248) 692-8222
Southfield	JARG - Southfield, LLC	Chris Jonna	23327 Greenfield Road Southfield, Michigan 48075	(248) 307-7391
Taylor	CSV Restaurants II, LLC	Santo Sclafani	21312 Eureka Road Taylor, Michigan 48180	(734) 318-2329
Traverse City	TC Food Service, LLC	Charles Lerg	1201 E. Front Street Traverse City, MI 49686	(231) 421-1917
Troy	JARG - Troy, LLC	Chris Jonna	2928 W. Maple Road Troy, Michigan 48084	(248) 940-5229
Woodhaven	CSV Woodhaven, LLC	Santo Sclafani	23151 Allen Road Woodhaven, MI 48183	(734) 519-1777

LIST OF FRANCHISE AGREEMENTS SIGNED BUT NOT OPENED

Location	Franchisee	Contact	Address	Phone Number
MICHIGAN				
Allen Park	Curis QSR 1, LLC	Daniel Curis	23017 West Outer Drive Allen Park, MI 48101	(313) 580-5556
Ann Arbor	Ann Arbor Wings I, LLC	Justin Buccellato	3234 Ann Arbor Saline Rd. Ann Arbor, MI 48103	(734) 263-1414
Ann Arbor	Ann Arbor Wings II, LLC	Justin Buccellato	3365 Washtenaw Ave. Ann Arbor, MI 48104	(313) 300-7280
Belleville	Belleville Wings, LLC	William Gershenson	5028 Oakwood Court Commerce Twp., MI 48382	(248) 417-3913
Brighton	Brighton Wings, LLC	Justin Buccellato	8593 W. Grand River Ave. Brighton, MI 48116	(810) 626-3388
Canton	Canton Wings, LLC	William Gershenson	5028 Oakwood Court Commerce Twp., MI 48382	(248) 417-3913
East Lansing	BTKM Enterprises, LLC	William Marchiori	24900 Harper Ave. St. Clair Shores, MI 48080	(248) 561-8222
Grand Rapids	GR Food Service, LLC	Charles Lerg	2500 East Beltline Ave. Grand Rapids, MI 49546	(616) 551-6952

Howell	Howell Wings, LLC	Justin Buccellato	118 West Highland Road Howell, MI 48855	(313) 300-7280
Lansing	Yard Bird Investments – Cedar Street, LLC	Brandon Hess	6527 S. Cedar Street Lansing, MI 48910	(586) 945-0983
Oxford	Oxford Wingco, LLC	Adam Mlynarek	1071 Roslyn Road Grosse Pointe Woods, MI 48236	(586) 554-0445
Plymouth	Plymouth Wings, LLC	William Gershenson	5028 Oakwood Court Commerce Twp., MI 48382	(248) 417-3913
Roseville	Roseville Wings, LLC	Chrisovalanto Pertsakis	31831 Gratiot Ave. Roseville, MI 48066	(586) 307-7391
Sterling Heights	16 And Van Dyke Wings, LLC	Dennis Theodorou	36741 Van Dyke Road Sterling Heights, MI 48312	(586) 636-9006
TBD	Hazel Park Wings, LLC	Dennis Theodorou	54761 Birchfield Drive E Shelby Twp, MI 48316	(313) 300-8437
TBD	12 Mile Wings, LLC	William Gershenson	5028 Oakwood Court Commerce Twp., MI 48382	(248) 417-3913
TBD	Yard Bird Investments – Delta Township, LLC	Brandon Hess	580 Pemberton Grosse Pointe Park, MI 48230	(586) 945-0983
TBD	Union Cooley Wings, LLC	William Gershenson	5028 Oakwood Court Commerce Twp., MI 48382	(248) 417-3913
Warren	28805 Mound Wings, LLC	William Gershenson	28805 Mound Road Warren, MI 48092	(248) 417-3913
Waterford	Waterford Wings, LLC	Miles Gatland	5385 Highland Road Waterford, MI 48327	(248) 701-6800
White Lake	White Lake Wings, LLC	Miles Gatland	1110 Island Drive Commerce Twp., MI 48382	(248) 701-6800
OHIO				
Loraine	LW Food Service, LLC	Daniel Marcantonio	15016 Detroit Avenue Lakewood, OH 44107	(248) 379-5292

EXHIBIT O

EXHIBIT O
LIST OF FORMER FRANCHISEES

None.

EXHIBIT P

EXHIBIT P
SELECT LIST OF STATE ADMINISTRATORS

California (filing required)

Department of Financial Protection and
Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Department of Financial Protection and
Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Department of Financial Protection and
Innovation
2101 Arena Blvd.
Sacramento, California 95834
(866) 275-2677

Hawaii (filing required)

Franchise & Securities Division
State Department of Commerce
P.O. Box 40
Honolulu, HA 96813
(808) 586-2722

Illinois (filing required)

Franchise Division
Office of Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana (notice filing)

Franchise Division
Office of Secretary of State
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Maryland (filing required)

Franchise Office
Division of Securities
200 St. Paul Place
20th Floor
Baltimore, MD 21202
(410) 576-6360

Michigan (only notice required)

Consumer Protection Division
Franchise Section
PO Box 30213
Lansing, MI 48909

Minnesota (filing required)

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

New York (filing required)

Office of the New York State Attorney General
Investor Protection Bureau, Franchise Section
120 Broadway 23rd Floor
New York NY 10271
(212) 416-8236

North Dakota (filing required)

Franchise Division
Office of Securities Commission
600 East Boulevard - 5th Floor
Bismarck, ND 58505
(701) 328-2910

Oregon (no filing)

Corporate Securities Section
Dept. of Insurance & Finance
Labor & Industries Bldg.
Salem, OR 97310
(503) 378-4387

Rhode Island (filing required)

Franchise Office
Division of Securities
233 Richmond St. - Suite 232
Providence, RI 02903
(401) 222-3048

South Dakota (filing required)

Franchise Office
Division of Insurance
124 S. Euclid Avenue, 2nd Floor
Pierre, SD 57501
(605) 773-4013

Virginia (filing required)

Franchise Office
State Corporation Commission
1300 E. Main St.
Richmond, VA 23219
(804) 371-9276

Washington (filing required)

The Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
Voice: (360) 902-8760

Wisconsin (filing required)

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
(608) 266-3364

Federal Trade Commission

Division of Marketing Practices
Bureau of Consumer Protection
600 Pennsylvania Avenue NW
Washington, D.C. 20580-0002
202-326-2222

EXHIBIT Q

DWC FRANCHISING, LLC

MULTI-STATE ADDENDA

EXHIBIT Q TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE
DWC FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Neither the franchisor, any person or franchise broker in ITEM 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

3. ITEM 17 of the Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.
- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of a state other than the State of California. This provision might not be enforceable under California law.
- The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281,

and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

- The following URL address is for the franchisor's website:

www.detroitwingco.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.dfpi.ca.gov.

FOR THE STATE OF CONNECTICUT

1. ITEM 3 is amended to read as follows:

- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.
- Neither the Franchisor nor any other person identified in ITEMS 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.
- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.
- Neither Company nor any person identified in ITEM 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. ITEM 4 is amended to read as follows:

- During the 10 year period immediately before the date of the Disclosure Document neither Company nor Affiliate, or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or

a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the officer or general partner of Company held this position in the debtor company.

FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:
 - This proposed registration is on file with or will shortly be on file with the States of Illinois, Indiana, Michigan, and New York.
 - There are no states that have refused, by order or otherwise, to register these franchises.
 - There are no states that have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:
 - The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 13, 15, and 16, contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
 - Section 16.09 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise. This release shall exclude claims arising under the Hawaii Franchise Investment Law.
 - Section 15.01 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. The Receipt Pages are amended to add the following:
 - THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
 - THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A

COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.
- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.
- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.
- Any provision in the Franchise Agreement requiring a general release is void if the provision requires a waiver of compliance with the Illinois Franchise Disclosure Act.
- Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void.

ITEM 5 of the Disclosure Document is amended to add the following:

- Franchisee's payment of initial franchisee fees will be deferred until franchisor has met all of its initial obligations to franchisee, and franchise has commenced doing business. This financial assurance requirement was imposed by the Office of the Attorney General due to franchisor's financial condition.

ITEM 17 of the Disclosure Document is amended to add the following:

- The conditions under which a franchise can be terminated and your rights upon non-renewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20, including without limitation, a 30-day cure period for termination of the Franchise Agreement for "good cause."
- The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:
 - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. ITEMS 6 and 9 of the Disclosure Document is amended to add the following:
 - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. ITEM 17 of the Disclosure Document is amended to add the following:
 - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
 - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
 - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.
 - ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
 - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

1. ITEM 17 of the Disclosure Document is amended to add the following:
 - Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
 - Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
 - Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
 - In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
 - The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. ITEM 23 is amended to add the following:
 - The State of Maryland requires the delivery of the Disclosure Document to be at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

FOR THE STATE OF MICHIGAN

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

- A prohibition of your right to join an association of Franchisees.
- A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- A provision that permits us to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.
- A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the Franchised Swim School are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- A provision that permits us to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.
- A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - The fact that the proposed transferee is our or Subfranchisor's competitor.
 - The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in ITEM 17 (g).
 - A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

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

3. Any questions regarding this notice should be directed to:

State of Michigan
 Consumer Protection Division
 Attention: Franchise Bureau
 P. O. Box 30213
 Lansing, MI 48909
 (517) 335-7567

FOR THE STATE OF MINNESOTA

1. ITEM 13 of the Disclosure Document is amended as follows:

- As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. ITEM 17 of the Disclosure Document is amended as follows:

- With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

1. All references made herein to a “Disclosure Document” shall be replaced with the term “Offering Prospectus” as used under New York Law.
2. The FDD Cover Page is amended as follows:
 - **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.**
 - **THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**
3. ITEM 3 is amended by the addition of the following language:
 - Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:
 - A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
 - B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
 - C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement;

fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. ITEM 4 is amended to state that:

- Neither the franchisor, nor its predecessor, officers or general partner of the franchisor has, during the ten (10) year period immediately before the date of the Disclosure Document, has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; (c) was a principal officer of any company or a general partner in any partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.
- The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. ITEM 17 of the Disclosure Document is amended to add the following:

- The following language is added to the end of the “Summary” sections of ITEM 17(c), titled “**Requirements for franchisee to renew or extend**,” and ITEM 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of the General Business Law Sections 687.4 and 687.5 be satisfied.
- The following language replaces the “Summary” section of ITEM 17(d), titled “**Termination by franchisee**”:

You may terminate the Agreement on any grounds available by law.
- The following language is added to the end of the “Summary” section of ITEM 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who, in the good faith judgment of Franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

- The following language is added to the end of the "Summary" sections of ITEM 17(v), titled "**Choice of forum**," and ITEM 17(w), titled "**Choice of law**":
The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the State of New York.

FOR THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.
- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.
- ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- ITEM 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE STATE OF WASHINGTON

ITEM 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
- A general release or waiver of rights signed by you will not include rights under the Washington Franchise Investment Protection Act.
- Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, including the right to a jury trial may not be enforceable.
- Transfer fees are collectable if they reflect our reasonable estimated or actual costs in effecting a transfer.
- The Franchise Agreement requires any litigation to be conducted in a state other than Washington; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

EXHIBIT R

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<u>State</u>	<u>Effective Date or Status</u>
California	
Hawaii	
Illinois	June 14, 2022
Indiana	January 15, 2022
Maryland	
Michigan	December 4, 2022
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	October 25, 2022

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or other seller-assisted marketing plans.

EXHIBIT S

EXHIBIT S
Item 23
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If DWC Franchising, LLC offers you a franchise, DWC Franchising, LLC must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale unless otherwise stated in your state's addendum. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with us or make any payment to us. Michigan, Oregon, Washington, and Wisconsin require us to give you this disclosure document at least 10 business days before signing a binding agreement or paying any consideration, whichever is first to occur.

If DWC Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit P.

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

Mr. Costa ("Gus") Malliaras	Mr. Thomas Pozios	Ms. Anna Denooijer
876 Horace Brown Drive,	876 Horace Brown Drive,	876 Horace Brown Drive
Suite 100, Madison Heights,	Suite 100, Madison Heights,	Suite 100, Madison Heights,
MI 48071	MI 48071	MI 48071

The issuance date of this Disclosure Document is April 27, 2022 as amended January 3, 2023, or the effective date in your state, whichever is later.

I have received a Uniform Franchise Disclosure Document including the following exhibits on the date listed below:

- A. Financials
- B. Franchise Agreement
- C. Area Development Agreement
- D. Electronic Funds Transfer Authorization
- E. Principal Owner's Guaranty and Assumption of Obligations
- F. Confidentiality and Nondisclosure Agreement and Covenant Not to Compete
- G. Telephone Number Assignment

- H. Conditional Assignment of Lease
- I. Real Estate Option to Purchase
- J. General Release
- K. Operations Manual Table of Contents
- L. List of Agents for Service of Process
- M. Acknowledgment
- N. List of Existing Franchisees and Developers
- O. List of Former Franchisees
- P. Select List of State Administrators
- Q. FDD State Addenda
- R. State Effective Dates
- S. Receipt

Please sign and print your name below, date and return one copy of this receipt to DWC Franchising, LLC and keep the other for your records.

Date of Receipt

Print Name

Signature

(individually or as an officer, member or partner of)

(Name of corporation, limited liability company or partnership)

a _____ corporation
(State of incorporation)

a _____ limited liability
company
(State of organization)

a _____ partnership
(State where partnership formed)

Return to:

DWC FRANCHISING, LLC

Item 23
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The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

Mr. Costa ("Gus") Malliaras 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071	Mr. Thomas Pozios 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071	Ms. Anna Denooijer 876 Horace Brown Drive, Suite 100, Madison Heights, MI 48071
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Please sign and print your name below, date and return one copy of this receipt to DWC Franchising, LLC and keep the other for your records.

Date of Receipt

Print Name

Signature

(individually or as an officer, member or partner of)

(Name of corporation, limited liability company or partnership)

a _____ corporation
(State of incorporation)

a _____ limited liability
company
(State of organization)

a _____ partnership
(State where partnership formed)

Keep for your records