

## FRANCHISE DISCLOSURE DOCUMENT



Wings Over, Inc.  
6320 McLeod Drive, Unit 2  
Las Vegas, NV 89120  
(646) 893-5508  
[www.wingsover.com](http://www.wingsover.com)

As a Wings Over franchisee, you will operate a Wings Over restaurant that offers for sale to the public boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and other approved items, and the dine-in, carry-out, and delivery of such products.

The total investment necessary to begin operation of a Wings Over franchise is \$198,000 to \$701,875. This includes \$55,000 that must be paid to us or our affiliate.

If you enter into a development agreement for the right to develop three Wings Over restaurants in a specified development area, you will pay us a development fee of \$50,000. If you commit to developing more than three restaurants, you will pay us \$10,000 for each additional restaurant that you commit to developing. The total investment necessary to enter into a development agreement and begin operation of the first of three restaurants to be developed is \$218,000 to \$721,875.

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 to you. To discuss the availability of disclosures in different formats, contact Mike Buss at 151 First Avenue, Suite 192, New York, NY 10003, (646) 893-5508.

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

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

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## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Wings Over business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Wings Over franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 A.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New York. 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 New York than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), call into question the franchisor's financial ability to provide services and support to you.

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

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## **ITEM 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this disclosure document, “us,” “we,” “our” or “Franchisor” means Wings Over, Inc., the franchisor. “You” or “your” means the person who buys the franchise. If you are a corporation, partnership, or limited liability company, “you” does not include the principals of the corporation, partnership, or limited liability company.

#### **The Franchisor, Parents, Predecessors, and Affiliates**

The first franchisor of the Wings Over franchise system, and our prior predecessor, Matcal, Inc., was formed in the state of Massachusetts on December 15, 2000 (“Matcal Massachusetts”). On September 29, 2017, all of the issued and outstanding equity securities of Matcal Massachusetts were sold by its original owners (the “Founders”) to Delectable Capital Management, LLC (“Delectable Capital”), a Delaware limited liability company with its principal business address at 251 Little Falls Drive, Wilmington, Delaware, 19808. In this disclosure document, this transaction is referred to as the “Acquisition.” After the Acquisition, on December 7, 2017 Delectable Capital merged Matcal Massachusetts into Matcal, Inc. (“Matcal New York”), a New York corporation, which survived the merger. Matcal New York incorporated us as a wholly owned subsidiary in Delaware on March 26, 2018, and subsequently merged with Matcal NV, Inc., a Nevada corporation, which survived the merger (“Matcal Nevada” or “Parent”).

Our affiliate, Wings Over IP, Inc. (“Wings Over IP”) owns all of our Proprietary Marks (defined below) which are listed on the Principal Register of the U.S. Patent and Trademark Office. We have a license agreement with Wings Over IP whereby we have the rights to use the Proprietary Marks and to sublicense the Proprietary Marks to franchisees. Our affiliate, Wings Over Gift Card Escrow, LLC (“Wings Over Gift Card Escrow”) maintains the escrow account holding balances of gift cards issued as part of the Wings Over gift card program.

Matcal New York, Matcal Nevada, Wings Over IP, Wings Over Gift Card Escrow, and Delectable Capital have not offered or operated franchises in any line of business. Our principal business address and the principal business address of Matcal Nevada, Wings Over IP, and Wings Over Gift Card Escrow, is 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120. We do business under the name “Wings Over,” and under no other names. Our agents for service of process are disclosed in Exhibit B.

Our predecessor, Matcal Massachusetts, offered “Wings Over” franchises starting in January 2002 until January 2018, and did not offer franchises for any other business. We have offered “Wings Over” franchises since July 2018. We do not directly operate the type of business that you will operate. However, certain affiliates and some of our principal officers of ours own and/or operate “Wings Over” businesses similar to those offered under this disclosure document. In this disclosure document, we refer to these businesses operated by our affiliates and principal officers as “company-owned outlets.” We do not offer franchises in any other type of business and do not conduct any other line of business.

We do not have any other affiliates to disclose for purposes of this Item 1.

All franchised Wings Over outlets are either franchisees under franchise agreements with our Parent, or are franchisees under franchise agreements with us.

### The Franchised Business

We have developed and own a unique system relating to the establishment, development and operation of Wings Over restaurants offering products and services related to the offer for sale to the public of, boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and sauces, and the dine-in, carry-out, and delivery of such products (the “System”).

We license the right to operate a business under the System (the “Franchised Business” or “Restaurant”) and to use the “Wings Over...” service mark and the marks “WINGS and Design,” “B-1,” “B-1 BOMBER,” “B-17 BOMBER,” “AIRCRAFT CARRIER,” “B-17,” “C-5,” “HANGAR 1,” “HANGAR 2,” “HANGAR 3,” and “HANGAR 4,” and other service marks, trade names, trade dress and trademarks as are now designated (and may be designated by us in our Confidential Operating Manual (the “Manual”) or otherwise in writing) under the System (collectively, the “Proprietary Marks”).

You will operate the Franchised Business under a franchise agreement entered into with us (the “Franchise Agreement”), included as Exhibit D-1 to this disclosure document. If you are signing your Franchise Agreement to renew your existing franchise, you will also sign the Renewal Addendum (the “Renewal Addendum”) attached to this disclosure document as Exhibit D-2.

If your desired location is in a metropolitan area that we determine will support at least 3 Restaurants, we may also require you to enter into a development agreement (“Development Agreement”) in the form attached as Exhibit C to this disclosure document. Under the Development Agreement, we will specify the number of Restaurants you must develop within a designated area (“Development Area”) and will designate your particular development schedule (“Development Schedule”). For each Restaurant you develop under the Development Agreement, you must sign a separate, then-current franchise agreement, which may differ from the current Franchise Agreement attached hereto as Exhibit D-1.

### Market and Competition

The general market for the products and services offered by the Restaurant is well developed and competitive. Your competitors will primarily include small local restaurants as well as national restaurant chains.

### Laws and Regulations

The Restaurant will be subject to various federal, state, and local laws and regulations applicable to restaurant businesses generally, including state and local licensing, zoning, land use, construction, environmental regulations and various health, sanitation, safety and fire standards. The Restaurant must comply with all federal and state laws requiring disclosure of

nutritional information on menus and menu boards, including the requirements of Section 4205 of the Patient Protection and Affordable Care Act of 2010. The Restaurant also will be subject to employment laws, such as the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, Family and Medical Leave Act, and various state laws governing such matters as minimum wages, overtime and working conditions. In addition, the Americans with Disabilities Act may require you to expend certain amounts in connection with ongoing remodeling of your Restaurant in order to comply with the legislation. Your Restaurant also will be subject to other laws or regulations that are not specific to the restaurant industry, but apply to businesses generally.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **President, Treasurer, Secretary, and Director: Kevin Mok**

Mr. Mok has served as the President, Treasurer, Secretary, and Director of Wings Over, Inc. since March 2018, and of Matcal NV, Inc. since October 2017, in New York, New York. Mr. Mok has also served as Chief Investment Officer and Managing Partner of Hidden Lake Capital in New York, New York since May 2018.

#### **Chief Operating Officer: Michael Buss**

Mr. Buss has served as Chief Operating Officer and Director of Wings Over, Inc. since May 2024, and of Matcal NV, Inc. since May 2024, in Atlanta, Georgia. Mr. Buss served as our Senior Vice President of Operations from December 2023 to May 2024. Prior to that, Mr. Buss was the owner and operator of The French Market & Tavern in Locust Grove, Georgia from January 2018 to November 2023.

#### **Director: Raunak Nirmal**

Mr. Nirmal has served as a Director of Wings Over, Inc. since March 2018, and of Matcal NV, Inc. since October 2017, and is based in Paramus, New Jersey. Mr. Nirmal has served as a Director of Three Colts Group Inc. in Wilmington, Delaware since March 2021, and as Chief Executive Officer for Vantage Inc. dba Acquco in New York, New York since January 2020. Previously, Mr. Nirmal served as Chief Executive Officer for RefundLabs in New York, New York from February 2018 until December 2019.

#### **Director: Michael Wang**

Mr. Wang has served as a Director of Wings Over, Inc. since September 2017 and is based in New York, New York. Mr. Wang serves as a Partner of Delectable Capital Management LLC. Mr. Wang is the founder and Chief Executive Officer of Taggle Software Inc. since December 2019.



**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

**Franchise Agreement**

You must pay to us an initial franchise fee of \$30,000 for a single Wings Over restaurant to be operated under an individual Franchise Agreement. The initial franchise fee is fully earned and non-refundable when paid. You must pay the entire initial franchise fee no later than the date of your signing the Franchise Agreement.

In addition, to ensure that the layout and interior design of your restaurant is consistent with the appearance of other Wings Over restaurants, we require you to use our approved architectural firm for the build-out and interior design of the premises of your restaurant (the “Premises”). Although the firm’s fees for these design services exceed \$25,000, we pay the additional amounts on your behalf and collect \$25,000 from you as a pass-through payment to the firm. These fees are fully earned and non-refundable when paid.

If you are signing your Franchise Agreement to renew your existing franchise, you will pay a renewal fee of \$7,500 in lieu of the initial franchise fee described above. The renewal fee is due no later than the date on which you sign the renewal Franchise Agreement and Renewal Addendum, and is fully earned and non-refundable when paid.

**Development Agreement**

If your desired location is in a metropolitan area that we determine will support at least 3 Restaurants, we may not allow you to open a Wings Over restaurant unless you agree to enter into a Development Agreement in which you commit to developing three or more Restaurants. Each Restaurant will be operated under its own Franchise Agreement. If you enter into a Development Agreement, you must pay a development fee equal to \$30,000 for the first Restaurant to be developed plus \$10,000 for each additional Restaurant to be developed. The Development Fee is fully earned and nonrefundable when paid. We will credit \$30,000 of the Development Fee against the initial franchise fee due under the Franchise Agreement for the first

Restaurant, and \$10,000 of the Development Fee against the initial franchise fee due under the Franchise Agreement for each subsequent Restaurant.

\* \* \*

All fees described above in this Item 5 are uniformly imposed, with 1 exception. For well qualified franchisees and developers, we have granted requests for the initial franchise fee or development fee (as applicable) to be paid in installments.

## **ITEM 6**

### **OTHER FEES**

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Additional Products	\$11,900	As incurred	See Note 1
Additional Banners and Menus	\$3,305	As incurred	See Note 2
Royalty	5% of Gross Sales	Payable by the 10 <sup>th</sup> day of each month, for the previous month.	See Note 3
Local Advertising	2% of Gross Sales	As incurred (or, if collected by us, by the 10 <sup>th</sup> day of each month, for the previous month)	See Note 4
Advertising Cooperative	Up to \$10,000 annually	Bi-annually; within 10 days of your receipt of the invoice.	See Note 5
Advertising Fund	Up to 3% of Gross Sales. Currently 1% of Gross Sales.	Payable by the 10 <sup>th</sup> day of each month, for the previous month.	See Note 6
Insufficient payments and Interest	\$50, and for all payments due to us, interest on the amount at the rate of the lesser of 18% per annum, or the maximum rate permitted by law, until paid.	As incurred	See Note 7
Computer Support Fees	Approximately \$150 per month	Monthly	See Note 8
Technology Fee	\$100	Monthly	See Note 9
Renewal of Franchise Agreement	\$7,500	No later than date you sign the renewal Franchise Agreement.	
Insurance	Cost of insurance and, if not obtained by you, our procurement expense	As required and as incurred.	See Note 10
Audit	Cost of audit	As incurred	See Note 11
Operational Audit Program	\$250 to \$300	As incurred	See Note 12
Training	Amount of expenses, \$500-\$6,000	As incurred	See Note 13
Site Selection	Amount of expenses	As incurred	See Note 14
Transfer	Up to \$10,000	Before consummation of transfer.	See Note 15
Indemnification	Cost of liability	As incurred	See Note 16

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Collection Costs and Attorneys' Fees	Cost of collection and attorneys' fees	As incurred	See Note 17
Unauthorized Sales	\$500 per item offered, plus \$100 per item actually sold	As incurred	See Note 18
Failure to Record Sales	\$250 per week	As incurred	See Note 19
Failure to Provide Records of Active Insurance Policies	\$250 per week	As incurred	See Note 20
Operation without Approved Management	\$100 per day	As incurred	See Note 21
Franchise Management Fee	\$5,000 plus costs and expenses	As incurred	See Note 22
Inspection and Assistance Costs	Up to \$500 per quarter	As incurred	See Note 23
Delivery Mapping Software (Bringg)	Approximately \$300 - \$400 per month	Payable by the 10 <sup>th</sup> day of each month, for the previous month.	See Note 24

The above table describes other recurring or isolated fees or payments that you must pay to us, or which we impose or collect on behalf of a third party. Unless otherwise indicated below, all of the fees are imposed by, payable to, and collected by us, and are non-refundable. Any fees not paid to us are also non-refundable, unless otherwise stated or permitted by the payee. All fees are uniformly imposed for all new franchisees; provided, however the negotiated terms of the Acquisition included separate and lower fee structures for the Founders. In addition, we may from time-to-time offer short-term incentives such as royalty reductions to existing franchisees in exchange for making certain system changes.

**Note 1:** If you run out of your initial inventory of branded clothing and wear gear, phone equipment, marketing materials, restaurant equipment and supplies, and training materials, you will need to purchase additional items from our approved vendors. These purchases are in addition to those you will make before the opening of your Restaurant or during the first 3 months of the Restaurant's operations. The amount and cost will vary depending on how many items you purchase.

**Note 2:** If you run out of your initial inventory of banners and menus, you will need to purchase additional items from our approved vendors. These purchases are in addition to those you will make before the opening of your Restaurant or during the first 3 months of the Restaurant's operations. The amount and cost will vary depending on how many items you purchase.

**Note 3:** All required royalty fees will be automatically withdrawn from your designated bank account via electronic funds transfer on or before the tenth day of each month for all amounts due to us for the previous month. We intend to provide an invoice to you reflecting the amounts to be withdrawn, but are not required to do so. You must maintain a designated bank account for the operation of the Franchised Business, where all revenues from operation of the Franchised Business are deposited. The designated bank account must be located within the United States and governed by its laws. "Gross Sales" means all revenue from the sale of all products and services and all other income of every kind and nature at or from the Restaurant or otherwise

related to the Restaurant, including, without limitation, any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales will not include any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority.

**Note 4:** You must spend 2% of Gross Sales the first 6 months and the second 6 months of each calendar year during the term of the Franchise Agreement on local advertising and promotion. You must submit verification of the expenditures by July 31 and January 31 of each year for the prior 6-month period in which the Franchised Business was in operation. We reserve the right to begin collecting a local advertising contribution and to spend such amounts on your behalf if you fail to make the required expenditures or fail to submit the required verification of such expenditures.

**Note 5:** During the term of the Franchise Agreement, if we establish a regional advertising and promotional cooperative (“Cooperative”), you must contribute to the Cooperative applicable to your Wings Over restaurant in amounts as are determined by the Cooperative. However, you will not be required to contribute to any Cooperative in excess of \$10,000 during any calendar year.

**Note 6:** We have the right to require you to contribute up to 3% of your prior month’s Gross Sales to the System’s advertising fund (the “Advertising Fund”) for advertising, marketing, promotional programs, and related expenses. Currently, you must contribute 1% of Gross Sales. Beginning in January 2025, you will be required to contribute 2% of Gross Sales. Beginning in January 2026, you will contribute 3% of Gross Sales. All contributions to the Advertising Fund will be paid monthly, at the same time and in the same manner as the ongoing royalty.

**Note 7:** If the funds in your designated bank account are insufficient to cover any amounts due under the Franchise Agreement on the date the funds are due, or your bank does not honor an electronic funds transfer, you agree that you will be responsible for the payment and any service charges we incur. In addition, if any payments to us or any of our affiliates, under the Franchise Agreement or any other agreement, are not received when due and you fail to pay the past due amount within 2 days after we notify you of the past due amount, you will be charged, subject to state law, a fee of \$50, and interest may be charged on the unpaid amounts from the date they were due until all past due amounts are paid, at a rate of the lesser of 18% per annum or the maximum rate permitted by law.

**Note 8:** You must pay any applicable computer hardware support fees charged by us or the approved supplier of the computer or point-of-sale system purchased by you for use in the Franchised Business. The estimated cost of these services will be \$150 per month, by the 10<sup>th</sup> day of the month.

**Note 9:** You must pay a technology fee of \$100 per month, by the 10<sup>th</sup> day of the month, for maintenance of the website, development of a mobile app, or other System-wide technology. We reserve the right, upon 30 days’ prior written notice, to increase this fee up to \$500 per month.

**Note 10:** Before you open your Franchised Business, you must purchase and maintain, at your sole expense, at all times during the term of the Franchise Agreement, the insurance coverage required by the Franchise Agreement, including comprehensive general liability insurance, professional liability, non-owned/hired automobile policy for vehicles used in connection with the Franchised Business, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. If you fail to obtain or maintain the insurance required, we will have the right and authority (but not the obligation) to obtain the required insurance and to charge you for it, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice.

**Note 11:** We and our designated agents will have the right at all reasonable times to examine and copy, at our expense, your books, records, accounts, and tax returns. We will also have the right, at any time, to have an independent audit made of your books. If an inspection should reveal that (a) any monthly Gross Sales have been understated in any report to us by 1% or more; (b) you failed to record transactions representing 1% or more of Gross Sales in any calendar month, or (c) you lack adequate records for our or our agents to perform an audit, then you must immediately pay to us the royalty fee due on such understated or unrecorded amounts or, if you lack adequate records, 1% of monthly Gross Sales for the period(s) for which you lack adequate records. If an inspection discloses an understatement in any report, you must, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses in connection with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). These remedies will be in addition to any other remedies we may have.

**Note 12:** We reserve the right to obtain or require you to obtain certain third-party assessments of the Franchised Business, at your expense ("Operational Audit Program"). The Operational Audit Program may include assessments of customer satisfaction with the Franchised Business, based on secret shopper surveys, or health inspections of the business. We reserve the right to implement the Operational Audit Program indefinitely. We anticipate that each individual audit should cost approximately \$250 to \$300. If we do establish an Operational Audit Program, then you must comply with our requirements, as set forth in the Manual or otherwise in writing.

**Note 13:** All training programs we conduct will be at the times and places as we may designate. For all required training courses, seminars, and programs, for up to 3 persons only, we will provide instructors and training materials; and you or your employees will be responsible for any and all other expenses incurred by you or your employees in connection with any courses, seminars, and programs, including the costs of transportation, lodging, meals, and wages. For any more than 3 persons, you will be solely responsible for all costs and expenses associated with required training for those persons.

**Note 14:** Under the Franchise Agreement, we will conduct, if we deem necessary and appropriate, up to 2 on-site evaluations of any properly submitted proposed sites. These evaluations will be at our cost, if the proposed site is within 100 miles of our principal place of business in Las Vegas, Nevada and at your cost, if the proposed site is more than 100 miles of our principal place of business or if we have already conducted 2 on-site evaluations. For each additional on-site evaluation (if any), you must reimburse us for our expenses, including the costs of travel, lodging and meals.

**Note 15:** If there is a transfer under the Franchise Agreement or the Development Agreement (as described in Item 17, the Franchise Agreement, and Development Agreement), you must pay to us a transfer fee of \$10,000. However, in the case of a transfer to a corporation formed by you for the convenience of ownership, the transfer fee will only be our external legal costs related to the transfer plus an administrative fee of \$1,000; and, in case of a transfer to a transferee due to your death, the transfer fee will only be \$5,000.

**Note 16:** You must indemnify and hold us, and our officers, directors and employees harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with your operation of the Franchised Business under the Franchise Agreement and your operations under the Development Agreement (if any), as well as the costs, including attorneys' fees, of the indemnified party in defending against them.

**Note 17:** You must pay to us all damages, costs, and expenses, including all court costs, mediation costs, and reasonable attorneys' fees, and all other expenses we incur in enforcing any obligation or in defending against any claim, demand, action, or proceeding relating to the Franchise Agreement, including the obtaining of injunctive relief.

**Note 18:** You must refrain from any deviation from our standards and specifications without our prior written consent, and must discontinue selling and offering for sale any Wings Over Products which we may, in our discretion, disapprove. In addition to all other remedies we may have, we reserve the right to charge you a fee of \$500 per item offered, plus \$100 per item actually sold in violation of the restriction.

**Note 19:** You must record all sales using the point-of-sale system we designate, and on any other equipment or record-keeping system we specify in the Manual or otherwise in writing. In addition to such other remedies we may have, we reserve the right to charge you a penalty of up to \$250 per week for each week that you fail to record your sales as we require.

**Note 20:** You must send us a digital copy of all active insurance policies to [partner@wingsover.com](mailto:partner@wingsover.com). A copy of an active policy must also be retained by you and kept on hand at all times. A penalty of \$250 may be imposed for each week after you commence operations that we do not receive a copy of all your active insurance policies.

**Note 21:** The Restaurant must at all times be under the direct, on-premises supervision of you (or the Managing Owner) and Managers who have satisfactorily completed the training as we specify in writing. We reserve the right to keep a list of the approved managers and operators of the Restaurant, and may impose a penalty of \$100 per day for each day an approved manager or operator is not on-premises during operations.

**Note 22:** We have the right to step in and operate the Franchised Business in the event there is any uncured default. If we elect to exercise that right, you must pay us \$5,000 for our management of the Franchised Business, plus reimbursements for the costs and expenses we incur, and you must indemnify and hold us harmless for our operation of the Franchised Business.

**Note 23:** We reserve the right to visit the Restaurant to conduct inspections, provide consultations, or otherwise review operations. In connection with these inspections you must spend up to \$500 as we direct, which may include providing food at a free or discounted rate to us for the purpose of testing food quality, participating in recommended promotions that involve free or discounted food for customers, reimbursing us for personnel costs incurred while reviewing operational standards, or on other reasonable expenditures intended to improve operations and customer satisfaction. However, this expenditure will not exceed \$500 in any calendar quarter.

**Note 24:** You must use our designated delivery mapping software, Bringg, to facilitate the delivery services you are required to provide at your Restaurant. For all company-owned restaurants, and all franchised restaurants that choose to use Bringg, we pay the vendor for access to the software and then pass those costs through, in an equal share, to each participating restaurant. Currently, these costs are approximately \$300 to \$400 per month.

## **ITEM 7**

### **ESTIMATED INITIAL INVESTMENT**

#### **YOUR ESTIMATED INITIAL INVESTMENT (FRANCHISE AGREEMENT)**

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
INITIAL FRANCHISE FEE (Note 1)	\$30,000	Lump sum in cash, certified check or bank check	At signing	Us
REAL ESTATE LEASE DEPOSITS (Note 2)	\$1,500 - \$8,000	Lease	Before Opening	Landlord
LEASE HOLD IMPROVEMENTS (Note 3)	\$25,000 - \$330,000	Lump sum	Before opening	Supplier or Us
FURNITURE, EQUIPMENT, SIGNS AND FIXTURES (Note 4)	\$80,000 - \$190,000	Lump Sum	Before Opening	Supplier and/or us
POINT-OF-SALE SYSTEM AND SOFTWARE (Note 5)	\$15,000 - \$25,875	Lump Sum or combination of Lump Sum and Financing	Before Opening	Supplier
INVENTORY (Paper, Food, Supplies) (Note 6)	\$4,000 - \$20,000	Lump Sum	Before Opening	Supplier
BRANDED MERCHANDISE AND UNIFORMS (Note 7)	\$12,500	Lump Sum	Before Opening	Supplier
TRAVEL AND LIVING EXPENSES FOR TRAINING (Note 8)	\$2,000 - \$5,000	As incurred	During training	Airlines, Hotels and Restaurants

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
GRAND OPENING LOCAL ADVERTISING AND PROMOTIONAL PROGRAM (Note 9)	\$5,000	As incurred	Before Opening	Supplier
ADVERTISING (Note 10)	\$1,000 - \$3,000	Lump Sum	Before Opening	Supplier
INSURANCE (Note 11)	\$5,000 - \$20,000	Lump Sum (Annual Premium)	As Appropriate	Supplier
PERMITS, HEALTH, OCCUPANCY (Note 12)	\$1,000 - \$2,000	Lump Sum	Before Opening	Local Agencies
UTILITIES (Note 13)	\$3,000	Lump Sum	As Appropriate	Supplier
LEGAL AND ACCOUNTING (Note 14)	\$1,000 - \$2,500	Lump Sum	Before Opening	Supplier
ADDITIONAL FUNDS – 3 MONTHS (Note 15)	\$12,000 - \$45,000	As incurred (Line of credit)	As appropriate	Employees, Suppliers
<b>TOTAL (Note 16)</b>	<b>\$198,000 - \$701,875</b>			

Except as otherwise described in the notes below, the above table provides an estimate of your initial investment for a single, new Restaurant and the costs necessary to begin operation of a Restaurant. All costs are estimates only. Actual costs will vary for each franchisee and each location depending upon a number of factors. All fees and payments described in this Item 7 are non-refundable, unless otherwise stated or permitted by the payee.

**Note 1:** You must pay to us an initial franchise fee of \$30,000 for a single Wings Over Restaurant to be operated under an individual Franchise Agreement. The initial franchise fee is fully earned and non-refundable when paid.

**Note 2:** Unless otherwise approved, the Premises for the Franchised Business must be a minimum of 1,500 square feet and will likely be located in a shopping center or on its own as a freestanding unit. If you do not already own a site for your Franchised Business, you must lease or acquire a site for the term of the Franchise Agreement. We expect that you will lease the Premises, and we have provided an estimated cost to sign the lease, which includes 1 month's rent plus 1 month's rent as security deposit. We have not provided an estimate of costs incurred for purchasing the Premises.

**Note 3:** This estimate reflects your anticipated costs to complete the buildout of the Premises. The estimate in the table also includes the \$25,000 design services fee we will collect from you as a pass-through payment to our approved architectural firm. The Premises must have a dedicated dining zone consisting of at least 30% of the square footage, and must include fiberglass reinforced panels in the kitchen area. Your leasehold improvement costs may be on the lower end of the estimate if, for example, your landlord provides you with a significant tenant improvement allowance.



**Note 4:** The estimated amounts stated in this section are based on new equipment only, including a sauce station, fryers, signs, menus, high-speed Internet, 1 facsimile line, 4 grouped phone lines with caller identification, and T8, 2x4 light fixtures. Used equipment may be purchased in lieu of new equipment. A savings of up to 25% or more could be realized. The estimated amounts do not reflect shipping. Financing and/or leasing may be available for used or new equipment from suppliers. The Premises will also require painting, wall color striping, a minimum 12-foot hood, and digital TV menu boards. Certain mandatory items are listed in the Manual regarding the decor of the Premises.

**Note 5:** You must record all sales using the point-of-sale system we designate, and on any other equipment or record-keeping system we specify in the Manual or otherwise in writing. You must purchase such equipment from our approved suppliers. We currently require the use of four software platforms with the point-of-sale system hardware: the point-of-sale software itself, a direct online ordering and loyalty platform; a third-party delivery aggregator, and our delivery mapping software. Although not currently required, we strongly recommend that you also use our designated inventory system software, payroll administrator software, scheduling optimization tool, learning and development platform, and third-party delivery services. We estimate that the total purchase price of the point-of-sale system (hardware and software) is between \$15,000 and \$25,875. The low-end figure in this range represents the estimated total start-up costs if you finance the required hardware and license the required software; the high-end figure represents the estimated total cost if you purchase both the required and recommended software and hardware. Item 11 has more detailed information.

**Note 6:** At the time the Franchised Business opens, you must stock the initial inventory of chicken, food items, recorded music, and other products and supplies required by us in the Manual or otherwise in writing. Subsequently, you must stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand.

**Note 7:** Before opening of the Franchised Business, you must purchase certain clothing and wear gear, phone equipment, marketing materials, restaurant equipment and supplies, training materials, banners and menus from our designated supplier at the then-current prices charged by such supplier. The cost of these items will be approximately \$12,500 per Restaurant.

**Note 8:** For all training courses, seminars and programs required under the Franchise Agreement, we will provide, at no charge to you, instructors and training materials; and you or your employees will be responsible for any and all other expenses incurred by them in connection with any of these courses, seminars, and programs, including the costs of transportation, lodging, meals, and wages.

**Note 9:** Beginning 2 weeks before the opening of the Franchised Business and continuing until the opening of the Franchised Business, you must conduct an initial, grand opening local advertising and promotional program in the form and manner required by us in writing. You must submit verification of the required expenditures to us. If you fail to submit the verification or fail to make the required expenditures and submit to us the verification of those expenditures by 30 days after the opening of the Franchised Business, you must pay to us a fee equal to \$7,500 less the amount of any verified expenditures made.

**Note 10:** You may, at your expense, obtain listings in the white and yellow pages of local telephone directories with our prior approval for advertisement of the Franchised Business. This type of advertising is not required unless you choose to obtain it.

**Note 11:** You must procure, before the start of any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your expense, an insurance policy or policies protecting you, us, and our respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense arising or occurring upon or in connection with the Franchised Business, including comprehensive general liability insurance, professional liability, non-owned/hired automobile policy for vehicles used in connection with the Franchised Business, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. The insurance must be from a carrier that is acceptable to us, and must provide minimum coverage of \$1,000,000. The cost of the required coverage will vary from state to state and will depend on your prior loss experience, if any, and/or the prior loss experience of your insurance carrier in the state or locale in which you operate, and national or local market conditions. We anticipate that you will be required to pay your insurance carrier or agent a full annual premium in advance. The estimate provided in the chart is for a full annual premium. You must send us a digital copy of all active insurance policies to [partner@wingsover.com](mailto:partner@wingsover.com). A copy of an active policy must also be retained by you and kept on hand at all times. A penalty of \$250 may be imposed for each week after you commence operations that we do not receive a copy of all your active insurance policies.

**Note 12:** Before the opening of your Franchised Business, you must obtain all necessary permits and licenses. The above estimate includes licenses to do business, fictitious name registrations, sales tax permits, health permits, building permits, and fire clearances.

**Note 13:** This estimate includes the costs of deposits for gas and electric service that you will need to operate your Franchised Business.

**Note 14:** This estimate includes the costs of legal fees that you will need to establish your Franchised Business.

**Note 15:** This is an estimate of the additional funds, including payroll costs, necessary during the first 3 months that your Restaurant is open and operating. The estimate is based on the personal experience of our principal officers with opening and operating businesses similar to those offered under this disclosure document, in New York.

**Note 16:** We do not offer financing for any part of the initial investment.

## YOUR ESTIMATED INITIAL INVESTMENT (DEVELOPMENT AGREEMENT)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
DEVELOPMENT FEE (Note 1)	\$50,000 (minimum)	Lump sum in cash, certified check or bank check	At signing	Us
TOTAL ESTIMATED INVESTMENT FOR FIRST RESTAURANT (Note 1)	\$168,000 - \$671,875	See first table in this Item 7	See first table in this Item 7	See first table in this Item 7
<b>TOTAL</b>	<b>\$218,000 - \$721,875</b>			

**Note 1:** If your desired location is in a metropolitan area that we determine will support at least 3 Restaurants, we may not allow you to open a Wings Over restaurant unless you agree to enter into a Development Agreement in which you commit to developing 3 or more Restaurants. If you enter into a Development Agreement, you must: (a) open a minimum of 3 Restaurants in the specified region within an agreed-upon timeframe, and (b) pay a development fee of \$30,000 for the first Restaurant to be developed, plus \$10,000 for each additional Restaurant to be developed (3 Restaurants or \$50,000 minimum). We will credit the \$30,000 against the initial franchise fee due under the Franchise Agreement for the first Restaurant you develop, and \$10,000 against the initial franchise fee due under the Franchise Agreement for each additional Restaurant you develop. If you do not enter into a Development Agreement, you will not pay a development fee.

### ITEM 8

#### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with the methods, standards, and specifications as we may require in the Manual or otherwise in writing; and you must refrain from deviating from these methods, standards, and specifications without our prior written consent. We may revise the contents of the Manual, and you must comply with each new or changed standard and specification. You must at all times insure that your copy of the Manual is kept current and up to date.

You must maintain in sufficient supply (as we may require in the Manual or otherwise in writing), and use at all times, only food items, recorded music, aviation merchandise, and other products acquired from a supplier or suppliers we designate or approve, and other ingredients, products, materials, supplies, paper goods, fixtures, furnishings, equipment, signs, and menu items, as conform with our standards and specifications, and refrain from deviating from those standards and specifications by the use of nonconforming items, without our prior written consent.

You must sell or offer for sale only chicken wings and specialty sandwiches (“Wings Over Products”), and other products and services as we have expressly approved for sale in writing; sell or offer for sale all types of Wings Over Products and other products and services we specify; refrain from any deviation from our standards and specifications without our prior written consent; and discontinue selling and offering for sale any Wings Over Products or other products or services which we may, in our discretion, disapprove in writing at any time. Our standards and specifications are provided to you in the Manual, our internet webpage, or otherwise in writing.

You must purchase and install, at your expense, all fixtures, furnishings, equipment (including a refrigerator, sinks, telecopy machine, telephone, and point-of-sale system), décor and signs as we may reasonably direct; and refrain from installing or permitting to be installed on or about the Premises, without our prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved as meeting our standards and specifications. You may not use any handwritten signs at the Franchised Business at any time.

All products, materials, supplies, paper goods, fixtures, furnishings and equipment sold or offered for sale at the Franchised Business must meet our then-current standards and specifications, as established in the Manual, our internet webpage, or otherwise in writing. You must purchase all food items, spices, ingredients, supplies, materials, and other products and equipment used or offered for sale at the Franchised Business for which we have established standards or specifications solely from suppliers (including manufacturers, distributors and other sources) which demonstrate, to the continuing reasonable satisfaction of us, the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manual or otherwise in writing. If you desire to purchase products from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We have the right to require that our representatives be permitted to inspect the supplier’s facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. A charge not to exceed the reasonable cost of the evaluation and testing must be paid by you. We must use our best efforts, within 90 days after our receipt of such completed request and completion of this evaluation and testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease to sell any disapproved products and cease to purchase from any disapproved supplier.

We formulate and modify specifications and standards imposed upon franchisees by evaluating the market acceptance of products and the financial stability of suppliers. We are not required to issue these specifications and standards to franchisees or approved suppliers, nor are criteria for supplier approval made available to franchisees. You must provide production-run samples of the food products and services identified by the Proprietary Marks at least as often as

annually and also on our request to determine whether these products and services meet all quality control requirements.

We estimate that the proportion of your purchases of goods and services from suppliers approved by us, or in accordance with our standards and specifications, will be 90-95% of all of your purchases of goods and services in establishing and operating the Franchised Business.

There are no existing purchasing or distribution cooperatives. We currently negotiate purchase arrangements with some of our suppliers (including price terms, volume rebates, and other incentives) for the benefit of our franchisees. For example, in the fiscal year ending September 30, 2023, we and our franchisees, collectively, received rebates and other incentives totaling approximately \$5,353, which was split between Wings Over businesses on a pro rata basis. We may continue to negotiate purchase arrangements with suppliers for the benefit of franchisees, but are under no obligation to do so.

We and our affiliates have the right to receive volume rebates and other incentives from approved suppliers. We do not directly receive payments or other consideration from any suppliers due to suppliers' transactions with us or our franchisees. However, our Parent and affiliate, Matcal Nevada, has agreements with our beverage supplier for flat-fee rebates between \$0.50 and \$2.00 per case, depending on the product, and certain marketing contributions; our food supplier has agreed to pay flat-fee rebates between \$0.081 and \$0.12 per case of frozen potato products, depending on the product, flat-fee rebates of \$.01 per pound of other food products, and to make certain marketing contributions. The marketing dollars from these suppliers are used to support the Wings Over brand generally. In total, in fiscal year 2023, Matcal Nevada received \$59,854 from these two suppliers based on franchisee and company-owned store purchases.

We do not provide any material benefits to franchisees based on their purchase of products or services from approved suppliers. One of our officers, Kevin Mok, owns a small, non-controlling minority interest in Lunchbox, the approved supplier of the direct online ordering and loyalty platform used in the System. None of our other officers own an interest in any approved supplier.

Due to the confidential nature of the ingredients in the spices required to duplicate the food products and services identified by the Proprietary Marks and the need for uniform quality by different franchisees, you must purchase spices and any other confidential supplies only from sources approved in advance by us. This is also true with respect to the gift cards, envelopes, and holders used in the Wings Over gift card program. Also, as described in Item 5, you must use our approved architectural firm for the build-out and interior design of the Premises of your restaurant. In addition, although we are not the actual supplier of the sauce system equipment you are required to use in your restaurant, we will purchase this system from the supplier, install it at your restaurant, and then pass the expense through to you, at invoice cost.

All products made available for purchase by you at the Wings Over eStore are to be used by you and your employees only in connection with the operation of the Franchised Business. You are not permitted to re-sell any such items to customers, vendors, or other third parties. We

reserve the right to charge you a fee of \$500 per unauthorized item offered, plus \$100 per item actually sold in violation of this restriction.

You must obtain, before the start of any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your expense, an insurance policy or policies protecting you, us, and our and your respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including comprehensive general liability insurance, professional liability, non-owned/hired automobile policy for vehicles used in connection with the Franchised Business, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. The insurance must be from a carrier that is acceptable to us, and must provide minimum coverage of \$1,000,000. Prior to beginning any operations under the Franchise Agreement, you must deliver to us Certificates of Insurance evidencing the proper types and minimum amounts of coverage. A penalty of \$250 may be imposed for each week after you commence operations that we do not receive a copy of all your active insurance policies.

## **ITEM 9**

### **FRANCHISEE'S OBLIGATIONS**

**These tables list 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.**

<b>OBLIGATION</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a. Site selection and acquisition/lease	1.2	No provision
b. Pre-opening purchases/leases	7.6	Items 5, 6, 7 and 8
c. Site development and other pre-opening requirements	3.1, 5.1 and 5.2	Item 11
d. Initial and ongoing training	6	Items 6, 7 and 11
e. Opening	5.3	Item 11
f. Fees	4	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	7.3, 7.4, 7.5, and 9.1	Items 8 and 11
h. Trademarks and proprietary information	8 and 10	Items 13 and 14
i. Restrictions on products/services offered	7.2, 7.3, 7.5, 7.19, and 7.20	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 11
k. Territorial development and sales quotas	2.2 and 14.3	Item 12
l. Ongoing product/service purchases	7.3 and 7.9	Item 8
m. Maintenance, appearance and remodeling requirements	7.11 and 7.12	Item 11
n. Insurance	7.10 and 13	Items 6, 7, and 8
o. Advertising	12	Items 6, 7 and 11
p. Indemnification	20.3	Item 6
q. Owner's participation/management/staffing	7.13 and 7.15	Items 11 and 15
r. Records and reports	11	Item 6

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
s. Inspections and audits	7.7 and 11.4	Items 6 and 11
t. Transfer	14	Item 17
u. Renewal	2.2	Item 17
v. Post-termination obligations	16	Item 17
w. Non-competition covenants	17	Item 17
x. Dispute resolution	26	Item 17
y. Other (describe)	Not Applicable	Not Applicable

### **Development Agreement**

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	3.2, 3.3, and 3.4	Items 7, 12
b. Pre-opening purchases/leases	Not Applicable	Not Applicable
c. Site development and other pre-opening requirements	3.5 and 3.6	Items 7, 8
d. Initial and ongoing training	Not Applicable	Not Applicable
e. Opening	Not Applicable	Not Applicable
f. Fees	2.1, 2.2, 7.3.8, and 7.6	Items 5, 6
g. Compliance with standards and policies/operating manual	Not Applicable	Not Applicable
h. Trademarks and proprietary information	Not Applicable	Not Applicable
i. Restrictions on products/services offered	Not Applicable	Not Applicable
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sale quotas	1.1, 3.5, and 3.6	Item 12
l. Ongoing product/service purchases	Not Applicable	Not Applicable
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Not Applicable	Not Applicable
o. Advertising	Not Applicable	Not Applicable
p. Indemnification	10.3	Item 15
q. Owner's participation/management/staffing	Not Applicable	Not Applicable
r. Records and reports	Not Applicable	Not Applicable
s. Inspections and audits	Not Applicable	Not Applicable
t. Transfer	7	Item 17
u. Renewal	Not Applicable	Item 17
v. Post-termination obligations	9.2	Item 17
w. Non-competition covenants	9.2	Item 17
x. Dispute resolution	15	Item 17
y. Other (describe)	Not Applicable	Not Applicable

## **ITEM 10**

### **FINANCING**

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

## **ITEM 11**

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

Except as listed below, Wings Over, Inc. is not required to provide you with any assistance.

#### **Pre-Opening Obligations**

##### **Franchise Agreement**

Before the Franchised Business opens, we are required by the Franchise Agreement to provide the following to you:

1. We will provide site selection guidelines and consultation as we deem advisable (Franchise Agreement, Exhibit B, Paragraph 5);
2. Will provide you with on-site evaluation that we deem advisable as part of our evaluation of your request for site approval. However, we will not provide on-site evaluation for any proposed site before we receive the required information and materials from you. If on-site evaluation is deemed necessary and appropriate, we will conduct up to two on-site evaluations, which will be at our expense if the proposed site is within 100 miles of our principal place of business in Las Vegas, Nevada, or at your expense if the proposed site is more than 100 miles of our principal place of business. For each additional on-site evaluation (if any), you must reimburse us for our reasonable expenses, including the costs of travel, lodging and meals (Franchise Agreement, Exhibit B, paragraph 5);
3. We will make available, at no charge to you, standard layout, equipment cut sheets, and guidelines for the interior design of a prototypical Restaurant, including a description of, and specifications for, fixtures, furnishings, and signs (Franchise Agreement, Section 3.1);
4. We will provide a mandatory initial training for up to 3 persons, which must include the Managing Owner, and if applicable the Managers (Franchise Agreement, Sections 3.2 and 6);
5. We may make available to you on occasion, at your expense, advertising and promotional materials and bulletins on new sales, marketing developments, new recipes and new or improved techniques in a periodic newsletter/information package and/or corporate website (Franchise Agreement, Sections 3.3 and 12);
6. We will provide you, on loan, either 1 paper copy of the Manual or provide you with electronic access to the Manual (via Internet, extranet, or other electronic means) (Franchise Agreement, Sections 3.4 and 9); and
7. We will make available to you for sale, or will designate or approve other suppliers who will make available to you for sale, menu items as we may designate in writing (Franchise Agreement, Section 3.6).



### Development Agreement

Before each Franchised Business opens, we are required by the Development Agreement to provide the following to you:

1. We will furnish to you site selection consultation as we may deem advisable (Development Agreement, Section 5.1.1); and
2. We will furnish to you on-site evaluation as we may deem advisable as part of our evaluation of your request for site approval. However, we will not provide on-site evaluation for any proposed site before our receipt of such information and material required under the Development Agreement with respect to site approval, a description of the proposed site and evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site. If on-site evaluation is deemed necessary and appropriate, we will conduct up to 2 on-site evaluations for each Restaurant at our cost if the proposed site is located within 100 miles of our then-current principal place of business. For each additional evaluation after the first 2 or if the site is located more than 100 miles from our then-current principal place of business, we may require that you reimburse us for our reasonable expenses (Development Agreement, Section 5.1.2).

### Continuing Obligations

#### Franchise Agreement

After the Restaurant opens, we are required by the Franchise Agreement to provide the following to you:

1. We may make available to you on occasion, at your expense, advertising and promotional materials and bulletins on new sales, marketing developments, new recipes and new or improved techniques in a periodic newsletter/information package (Franchise Agreement, Sections 3.3 and 12);
2. We will conduct, as we deem advisable, inspections of your operation of the Restaurant (Franchise Agreement, Section 3.5);
3. During the required time period of operations of the Restaurant, as we specify in the Manual or otherwise in writing, we will make available to you for sale, or will designate or approve other suppliers who will make available to you for sale, menu items as we may designate in writing (Franchise Agreement, Section 3.6);
4. If the Franchise Agreement is for your only Franchised Business or if the Franchise Agreement is for the first or second Franchised Business granted to you under a development agreement with us, we will provide with up to 80 hours of start-up advice at no charge to you; otherwise, we will provide only up to 40 hours of start-up assistance at no charge to you. (Franchise Agreement, Section 3.7);
5. We will provide you with reasonable consultation annually (Franchise Agreement, Section 3.8);

6. We will provide a list of approved suppliers and other specifications as a part of the Manual during training (Franchise Agreement, Section 3.10);

7. We will provide you with a World Wide Web site (a “Web site”) page in connection with the Franchised Business. (Franchise Agreement, Section 3.11);

8. We have the option to set reasonable restrictions on the maximum prices of specific goods or services offered and sold by you, but no obligation to do so (Franchise Agreement, Section 3.14); and

9. Our information technology consultant will provide computer hardware support to you, if requested by you. (Franchise Agreement, Section 3.15).

10. We will maintain and administer the Advertising Fund (Franchise Agreement Section 12.4).

#### Development Agreement

Under the Development Agreement, we need not furnish any assistance to you after the opening of your Restaurant(s).

#### **Typical Length of Time Between Signing Franchise Agreement and Opening Franchised Business**

We estimate the typical length of time between signing the Franchise Agreement and opening your Restaurant will be 180 to 270 days after signing the Franchise Agreement. The factors that affect this time are your ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions and installation of equipment, fixtures, and signs.

#### **Site Selection**

You must operate the Franchised Business only at the “Approved Location” set forth in the Franchise Agreement. You may not relocate the Franchised Business without our prior written approval, which we may withhold in our sole discretion. If, at the time of signing of the Franchise Agreement, you have not yet obtained a location approved by us, you must, at your expense, lease or acquire a location approved by us within 120 days, within the Site Selection Territory specified in your Franchise Agreement. We will have 30 days after receipt of information and materials from you to approve or disapprove, in our sole discretion, the site as a location for the Franchised Business. If you fail to obtain an Approved Location within 120 days of signing the Franchise Agreement applicable to the Franchised Business, we can terminate the Franchise Agreement. If you enter into a Development Agreement and fail to obtain an Approved Location within the time period designated in the Franchise Agreement, we can terminate the Development Agreement.

Before your acquisition by lease or purchase of a site for the Franchised Business, you must submit to us, in the form specified by us, a completed site review form, other information or materials as we may reasonably require, and a letter of intent or other evidence satisfactory to

us which confirms your favorable prospects for obtaining the proposed site. You must submit a proposed site, together with the information and materials required in the Site Selection Addendum attached as Exhibit B to the Franchise Agreement, to us for our approval within 30 days after signing of the Site Selection Addendum. We will have 30 days after receipt of such information and materials from you to approve or disapprove, in our sole discretion, the site as a location for the Franchised Business. In the event we do not accept a proposed site by written notice to you within 30 days after receipt of your properly submitted materials, as described above, your proposed site will be deemed disapproved by us. You must submit to us the information developed at your expense that we request concerning any site and lease proposed by you for our approval at any time as we may request.

We will provide site selection guidelines and consultation as we deem advisable. We will conduct up to 2 on-site evaluations, as we deem necessary and appropriate. These evaluations will be at our expense if the proposed site is within 100 miles of our principal place of business in Las Vegas, Nevada, or at your expense if the proposed site is more than 100 miles of our principal place of business or if we have already conducted 2 prior on-site evaluations. For any additional on-site evaluation, you must reimburse us for our expenses, including costs of travel, lodging and meals. Our approval of your proposed site will depend on factors as general neighborhood, size, traffic, and population density in approving a location.

### **Computer Software and Hardware**

You will be required to purchase a point-of-sale system for your franchise, and any other equipment or record-keeping system we specify in the Manual or otherwise in writing. The point-of-sale system will be used to record sales. We may, but are not obligated, to provide or assist you in obtaining the system hardware and software. We currently require the use of 4 software platforms with the point-of-sale system: the point-of-sale software itself (Toast), a direct online ordering and loyalty platform (Lunchbox), a third-party delivery aggregator (Checkmate), and designated delivery mapping software (Bringg). We also require you to use the third-party delivery services UberEats, Grubhub, Postmates, and DoorDash. In addition, although not currently required, we strongly recommend that you also use our designated inventory system software (Foodager), payroll administrator software (Gusto), scheduling optimization tool (7Shifts), and learning and development platform (Jolt).

We estimate that the total purchase price of the point-of-sale system (hardware and software) is between \$24,875 and \$25,875. The low-end figure in this range represents the estimated total cost if you purchase only the required software; the high-end figure represents the estimated total cost if you purchase both the required and recommended software. If you choose to finance the point-of-sale hardware and license your use of the software, your initial costs may be as low as \$15,000, and we estimate that it will cost approximately \$400 to \$500 per month to make the ongoing payments for the hardware, plus approximately \$1,400 per month to license only the required software or approximately \$2,400 per month (total) to license the required and recommended software.

You must upgrade your system and software upon written request from us. There are no contractual limitations on the frequency and cost of your obligation to upgrade or update any system component or software program during the term of the franchise. We estimate that an

upgrade would cost approximately \$2,000. We will have the independent access to the information set forth in the point-of-sale and record keeping system. There are no contractual limitations on our access to this information and data.

We, our affiliate, if any, and the provider of the system and software do not have a contractual obligation to upgrade or update any of the above listed system components or software programs. Our information technology team will provide computer hardware support to you, if requested by you. We may, at our sole discretion, require you to pay a computer hardware support fee for this assistance. Nevertheless, you must pay any applicable computer hardware support fees charged by us or the approved supplier of the point-of-sale system purchased by you for use in the Franchised Business, as described in Item 8. The estimated cost of these services will be \$150 per month.

### **Advertising Programs**

***Advertising Fund.*** We have the right to require you to contribute up to 3% of your prior month's Gross Sales to the Advertising Fund. (Franchise Agreement, Section 12.3). Currently, you must contribute 1% of Gross Sales. Beginning in January 2025, you will be required to contribute 2% of Gross Sales. Beginning in January 2026, you will contribute 3% of Gross Sales. We expect that all franchised and company-owned locations will contribute to the Fund at the same rate. We will maintain separate bookkeeping for the Fund and may (but are not required to) deposit advertising contributions into one more separate bank accounts.

We will administer contributions to the Advertising Fund, at our sole discretion, to cover the costs to maintain, administer, direct, and prepare national, regional, or local advertising materials. (Franchise Agreement, Section 12.4). We will direct all advertising programs of the Advertising Fund, with sole discretion over the concepts, materials, and media used in these programs and the placement and allocation of them. (Franchise Agreement, Section 12.4.1). The Advertising Fund's advertising may be disseminated in print, radio, or television, and may be local, regional, or national in scope. The source of the advertising is from in-house advertising or a national, regional, or local advertising agency. The Advertising Fund, all contributions to it, and any of its earnings, are used exclusively to meet any and all costs of promoting and supporting the Wings Over brand and System and maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations materials, sales materials, and/or promotional programs and materials, including the costs of radio and television advertisements, production and media, review of locally produced advertisements, door hangers, mailers, inserts and coupons, brochures, promotional materials, market research, market surveys, sponsorships, web site design and maintenance, public relations, related retainers, mystery shoppers for competitors, celebrity endorsements, trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment), association dues (including, without limitation, International Franchise Association, National Restaurant Association, and International Council of Shopping Centers), search engine optimization; utilizing networking media sites and other emerging media or promotional tactics; establishing a third-party facility for customizing local advertising, accounting costs, and other costs that we believe, in our sole discretion, are appropriate to enhance, promote, and protect the Wings Over brand and System. (Franchise Agreement 12.4.2). We do not intend to use any monies contributed to the

Advertising Fund for the solicitation of the sale of franchises, and no such monies were used for that purpose during our most recently completed fiscal year.

No Advertising Fund monies will be used to defray any of our expenses, except for certain reasonable costs and overhead as we may incur in activities reasonably related to the direction and implementation of the Advertising Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing advertising, promotional, and marketing programs. We reserve the right to charge 5% of our reasonable costs and overhead incurred by us in our direction and implementation of the Advertising Fund. The Advertising Fund is not audited. Although we are not required to make the financial statements of the Advertising Fund available for your review, you may obtain an accounting of the Advertising Fund for the prior fiscal year by sending us a written request (Franchise Agreement, Sections 12.4.3 and 12.4.6).

Except as indicated above, we will not receive payment for providing goods or services to the Advertising Fund. We are not obligated, in administering the Advertising Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures by the Advertising Fund. (Franchise Agreement, Section 12.4.1). It is anticipated that all contributions to and earnings of the Advertising Fund will be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Advertising Fund at the end of the taxable year, all expenditures in the following taxable year(s) will be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions. (Franchise Agreement, Section 12.4.4).

Although we intend that the Advertising Fund will be of perpetual duration, we maintain the right to terminate it. The Advertising Fund may not be terminated, however, until all monies in it have been expended for advertising and/or promotional purposes. (Franchise Agreement, Section 12.4.5).

***Local Advertising.*** You must spend 2% of Gross Sales the first 6 months and the second 6 months of each calendar year during the term of the Franchise Agreement on local advertising and promotion. All advertising and promotion by you must be in media and of the type and format as we may approve, must be conducted in a dignified manner, and must conform to standards and requirements as we may specify. You must not use any advertising or promotional plans or materials unless and until you have received written approval from us. You may not use any handwritten advertising, promotional, or marketing materials for any reason. (Franchise Agreement, Section 12.5). You must submit to us for our prior approval samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you wish to use and that we have not prepared or previously approved within the preceding 6 months (except with respect to minimum prices to be charged). You must not use plans or materials until they have been approved in writing by us. If you do not receive written notice of disapproval from us within 15 days of the date of our receipt of samples or materials, we will be deemed to have approved them. (Franchise Agreement, Section 12.6). For multiple publications of the same advertisement, only first time approval is necessary.

We may make available to you, at your expense, promotional materials, including newspaper mats, merchandising materials, point-of-purchase materials, special promotions and similar advertising and promotional materials. (Franchise Agreement, Section 3.12). We do not provide for placement of advertising. Most placement is done on a local basis.

**Web Site.** Except as we otherwise approve in advance, you may not establish or maintain any other Web site, or otherwise maintain a presence or advertise on the Internet or any other public computer network, in connection with your Restaurant. In connection with your Web site, you must comply with the following requirements, in addition to those we may set forth in the Manuals or otherwise in writing.

You may only use Web materials, Web pages, Web site content which we have approved in advance in writing. If approved, we will promptly incorporate such materials, pages, and site content on the Web site. You are prohibited from using the Proprietary Marks on your Web site except as we expressly permit. You are prohibited from posting or including any confidential information (as described in the Franchise Agreement) or any other copyrighted material or information on your Web site without our prior written approval. You must not modify your approved Web site without our prior written approval. We may provide you with materials for your Web site, but we will at all times remain the owner of the copyrights for all material which appears on your Web site. You must obtain our prior written approval for each Internet domain name and/or home page address you use in connection with your Web site, and we will at all times remain the sole owner of the domain name and/or home page address for the Web site you maintain in connection with the Franchised Business. (Franchise Agreement, Section 12.7). We reserve the right to charge you a fee for maintenance of the Web site. (Franchise Agreement, Section 4.6).

**Advertising Cooperative.** We reserve the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”) in the future, and to determine whether a Cooperative applies to your Restaurant. If we have established a Cooperative applicable to your Restaurant at the time you start operation of your Restaurant, you must immediately become a member of the Cooperative. If we establish a Cooperative applicable to your Restaurant at any later time during the term of your Franchise Agreement, you must become a member of that Cooperative within 30 days of the date on which the Cooperative starts operation. If your Restaurant is within the territory of more than 1 Cooperative, then you are only required to be a member of 1 Cooperative. (Franchise Agreement, Section 12.9).

Each Cooperative will be organized and governed in a form and manner, will start operation on a date, and will operate according to written governing documents, all of which we must approve in advance in writing. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. Each Cooperative will have the right to require its members to make contributions to the Cooperative in the amounts as are determined by the Cooperative. You will not be required to contribute more than \$10,000 to the Cooperative during any calendar year.

Your contributions to the Cooperative must be submitted in the amount the Cooperative or we invoice, together with statements or reports as may be required by us or by the Cooperative with our prior approval. All contributions made to the Cooperative will be forwarded to us, which we will expend on behalf of the Cooperative. We reserve the right to require Cooperatives to be changed, dissolved, or merged.

***Advertising Council.*** There is no advertising council in existence at this time, although we reserve the right to create an advertising council in the future.

## **Operations Manual**

You must operate the Franchised Business in accordance with the Manual provided to you. We may revise the contents of the Manual, and you must comply with each new or changed standard. You must at all times insure that your copy of the Manual is kept current and up-to-date. The Table of Contents of the Manual is attached to this disclosure document as Exhibit E. The total number of pages and the number of pages devoted to each topic are reflected in the Table of Contents.

## **Training Programs**

If you are a corporation, limited liability company, or a partnership, you must appoint and maintain during the term of the Franchise Agreement a shareholder, member, or partner to be your managing owner (the “Managing Owner”). You (or the Managing Owner, if you are an entity) must either (a) personally manage the Restaurant full-time on a day-to-day basis or (b) appoint (i) a full-time general manager (“General Manager”) to manage the Restaurant on a day-to-day basis and (ii) an assistant manager (“Assistant Manager”) to assist in managing the Restaurant. The Manager and the Assistant Manager are collectively referred to in this Franchise Disclosure Document as the “Managers.”

Before opening, we will provide an initial training program to you for up to 3 persons we approve (which must include the Managing Owner, and if applicable the Managers) who will manage the day-to-day operations of the Restaurant. The initial training program is mandatory and includes marketing, sales and business management, as well as systems and procedures necessary to operate the franchise.

For first-time owners of a Wings Over restaurant, the initial training program is conducted on-site at a company-owned restaurant, in the following manner: (a) 20 hours of on-the-job general operations training (referred to as “Day In The Life” training); (b) 60 hours of on-the job training in office work; and (c) 116 hours of on-the-job training in day-to-day operations (e.g., food preparation, health requirements, sales/business operations). If you already own a Wings Over restaurant, the initial training program is conducted on-site at a company-owned restaurant, in the following manner: (a) 5 hours of classroom training in office work; (b) 40 hours of on-the-job training in office work; and (c) 280 hours of on-the-job training in day-to-day operations (e.g., food preparation, health requirements, sales/business operations).

## TRAINING PROGRAM

### New Franchisees

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
General Operations (“Day In The Life”)	0 hours	20 hours	Company-owned restaurant
General Operations – Office Work	0 hours	60 hours	Company-owned restaurant
Day-to-Day Operations (food preparation; health requirements; sales/business operations)	0 hours	116 hours	Company-owned restaurant
<b>Total</b>	<b>0 hours</b>	<b>196 hours</b>	

### Existing Franchisees

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
General Operations – Office Work	5 hours	40 hours	Company-owned restaurant
Day-to-Day Operations (food preparation; health requirements; sales/business operations)	0 hours	280 hours	Company-owned restaurant
<b>Total</b>	<b>5 hours</b>	<b>320 hours</b>	

You (or the Managing Owner) and Managers must complete the initial training program within 60 days of our approval of the Franchised Business location. If we determine, in our sole discretion, at any time before the Franchised Business opens, that you (or the Managing Owner) or the Managers require additional training, you or such employees must attend such training at your sole cost and expense prior to the opening of the Franchised Business. At our option, any persons subsequently acting as the Managing Owner or employed by you in the position of General Manager or Assistant Manager must also attend and complete our training program, to our satisfaction. You (or the Managing Owner) and Managers must also attend such additional courses, seminars and other training programs as we may reasonably require periodically. Additional training may be provided to you during the first week of the opening of the Franchised Business. (Franchise Agreement, Section 6.1.)

Instructional materials for the training program consist of the Manual. All training programs are conducted on an as-needed basis and are overseen by Mike Buss, our Chief Operating Officer, who has been with us since December 2023 and has over 10 years of experience in the hospitality industry. Currently, our other training instructor is Mitch Blinn, our Director of Operations, who has been with us or our predecessor for more than a decade and has over 20 years of experience in the hospitality industry. We may at times utilize others in the training process. However, we will require that any individual providing training be validated as an expert on our operating procedures and training best practices, and have completed a “train the trainer” course to become “Wings Over certified.”



We conduct additional training programs on an as-needed basis. All training programs must be at times and places as we designate. We reserve the right to obtain reimbursement from you for our employees' expenses incurred in providing such additional training programs, including without limitation travel, lodging, and meals for any on-site training.

For all required training courses, seminars, and programs for up to 3 persons only, we will provide instructors and training materials. You are solely responsible for the training (including all associated costs and expenses) of any additional persons as may be required by the Franchise Agreement. You and your employees will be responsible for any and all other expenses incurred in connection with any courses, seminars, and programs, including the costs of transportation, lodging, meals, and wages.

During the initial training program, and any other training programs that we provide, we reserve the right to issue validation tests and quizzes to trainees at any point to ensure standards are understood and practiced. Failure to pass any such test and quizzes can result in additional training sessions at your expense, until a passing grade is achieved.

## **ITEM 12**

### **TERRITORY**

#### **Franchise Agreement**

You will receive an exclusive territory. During the term of the Franchise Agreement, we will not establish or operate, or license any other person to establish or operate, a Wings Over restaurant under the System and the Proprietary Marks at any location within the specified territory that will be described in the Franchise Agreement ("Territory"). The size of your Territory will vary depending on whether your Wings Over restaurant will be located in an urban area or a suburban or rural area. At our option, we may describe your Territory as a certain radius (in miles) from the center of the Approved Location, or as a geographic area defined by certain streets, zip codes, highways, or state, county, or town lines. Generally, we will grant a territory of a geographic area equivalent to the area (a) with a radius of .25 miles to .5 miles from your Wings Over restaurant in an urban area, and (b) with a radius of .5 miles to 3 miles from your Wings Over restaurant in a suburban or rural area. There is no guaranteed minimum territory. The size of your Territory will be based on a variety of factors, including the population density surrounding the Approved Location as of the date of signing the Franchise Agreement. The continuation of your territorial protection does not depend on your achievement of a certain sales volume, market penetration or other contingency.

Although you have the exclusive right to operate a Wings Over restaurant in your Territory, we retain all other rights, including among others, on any terms and conditions we deem advisable, and without granting any rights to you: (a) to establish and operate, and license others to establish and operate, a Wings Over restaurant under the System and the Proprietary Marks at any location outside your Territory; (b) to sell or distribute, directly or indirectly, or license others to sell or distribute boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and sauces, and any other products or services, including

sales made at supermarkets, convenience stores, grocery stores, machines, variety stores, the Internet, and through delivery services, at any location, whether within or outside your Territory, under the same or different Proprietary Marks; and (c) to acquire and operate any business or store of any kind under different proprietary marks, at any location (notwithstanding its proximity to the Approved Location), whether within or outside your Territory.

You must not relocate the Restaurant without our prior written approval. We must have the right, in our sole discretion, to withhold approval of relocation. Approval will be based on whether other franchisees are located nearby the Restaurant and our analysis of the viability of the new location for the business.

You will not be granted any option, right of first refusal or similar right to acquire additional franchises within your Territory, or in a contiguous territory.

You must provide delivery service of all Wings Over Products and other approved menu items to customers located in your Territory. Delivery service must be made in accordance with our then-current delivery standards as described in the Manual or otherwise in writing. However, your delivery rights are not exclusive, and other Wings Over restaurants may solicit and accept delivery orders and provide delivery services in your Territory. In addition, you may solicit and accept orders and provide delivery service of Wings Over Products and other approved menu items outside of the Territory. Other than providing delivery service in accordance with our then-current standards (which may specify or limit permissible delivery platforms), you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing to make sales outside your Territory, unless permitted by us in the Manual or otherwise in writing.

As of the date of this disclosure document, neither we nor an affiliate has used other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within any franchisee's protected area using the Proprietary Marks or marks other than the Proprietary Marks; however, we reserve the right to do so. We are not required to pay you any compensation for soliciting or accepting orders from inside your Territory.

### Development Agreement

The Development Agreement assigns you a Development Area within which you must develop Restaurants under a Development Schedule. Each Restaurant developed under the Development Agreement must be located in the Development Area. The Development Area and the Development Schedule will be identified in Exhibit A to the Development Agreement. We must approve the site for each Restaurant you propose to develop in the Development Area before you sign a lease for the site. The Development Area will be a geographic area we agree on, defined by, for example, highways, state, county, or town line.

If you meet your obligations under the Development Schedule, your Development Area will be exclusive and no other Wings Over restaurant using the Marks will be established, operated, or franchised to others under the System and Proprietary Marks in the Development Area. If you fail to meet your obligations under the Development Schedule, your development

rights will be maintained, but your Development Area will no longer be exclusive. We retain the rights, among others: (a) to establish and operate, and license others to establish and operate, a Restaurant under the System and the Proprietary Marks at any location outside the Development Area; (b) to sell or distribute, directly or indirectly, or license others to sell or distribute boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and sauces, and any other products or services, including sales made at supermarkets, convenience stores, grocery stores, machines, variety stores, the Internet, and through delivery services, at any location (regardless of its proximity to the Restaurants) whether within or outside the Development Area under the same or different Proprietary Marks; and (c) to acquire and operate any business or restaurant of any kind under different proprietary marks, at any location (regardless of its proximity to the Restaurants) whether located within or outside the Development Area.

If you open and operate additional Restaurants ahead of the time period designated in the Development Schedule, we will credit these additional Restaurants to your subsequent period of performance under the Development Schedule. If you fail to open the cumulative number of new Restaurants required in the Development Area as of the end of the applicable period specified in the Development Schedule, you will have until the conclusion of the next 12-month period to comply with your obligations under the Development Schedule. If, at the end of such 12-month period, you are unable to open the number of Restaurants required under the Development Schedule for the applicable period, you will be permitted to continue to operate your existing Restaurants; however, your rights under the Development Agreement will terminate.

Except as described above, the continuation of your territorial protection under the Development Agreement does not depend on your achievement of a certain sales volume, market penetration or other contingency.

\* \* \*

Except as described in Item 1 above and in this Item 12, we have not established, nor do we presently intend to establish, other franchises or company-owned outlets or other channels of distribution selling or leasing similar products or services under a different trademark, but we retain the right to do so. We do operate, and intend to continue to operate, the Wings Over restaurants set forth in Item 20, selling the Wings Over Products and using the System and the Proprietary Marks. Except as described above, there are no other circumstances that permit us to modify your territorial rights.

## **ITEM 13**

### **TRADEMARKS**


#### **Development Agreement**

The Development Agreement does not grant you any right to use or license others to use the Proprietary Marks.

#### **Franchise Agreement**

The Franchise Agreement grants you the right to use the Proprietary Marks and to operate a business under the name “WINGS OVER”. You may also use our other current or future trademarks or service marks to operate your business, on a non-exclusive basis. You must follow our rules when you use these marks. You cannot use a Proprietary Mark as part of a corporate name or with modifying words, designs or symbols, except for those that we license to you. You may not use the Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must indicate “Locally and Independently Owned and Operated” under the Marks on signs, receipts, stationary, and other business literature and materials.

The following trademarks and service marks, which will be licensed to you, are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) or are the subject of pending registration applications:

<b>MARK</b>	<b>REGISTRATION / APPLICATION NUMBER</b>	<b>REGISTRATION / FILING DATE</b>
WINGS OVER	3065826 (renewed)	March 7, 2006
 WINGS and Design	2783684 (renewed)	November 18, 2003
DC-3	2628248 (renewed)	October 1, 2002
HANGAR	2642708 (renewed)	October 29, 2002
WIMPY	2869678 (renewed)	August 3, 2004
RED ALERT	2869679 (renewed)	August 3, 2004
JET FUEL	2869680 (renewed)	August 3, 2004
AFTERBURNER	2869682 (renewed)	August 3, 2004
CONCORDE	2869683 (renewed)	August 3, 2004
ZEPPELIN	2869687 (renewed)	August 3, 2004
PUDDLE JUMPER	2869689 (renewed)	August 3, 2004

MARK	REGISTRATION / APPLICATION NUMBER	REGISTRATION / FILING DATE
F-16	2869690 (renewed)	August 3, 2004
C-5 GALAXY	2869691 (renewed)	August 3, 2004
CRUISIN' ALTITUDE	2877538 (renewed)	August 24, 2004
DC-10	3023040 (renewed)	December 6, 2005
PAPER AIRPLANE	3122975 (renewed)	August 1, 2006
SKYMASTER	5570354	September 25, 2018
STRATOCRUISER	5570353	September 25, 2018
 WINGS and Design	5604775	November 13, 2018
	5695041	March 12, 2019
AIRCRAFT CARRIER	5725080	April 16, 2019
WINGS OVER	5816622	July 30, 2019
	5859919	September 17, 2019
	5859911	September 17, 2019
	Application No. 98678915	Filed August 1, 2024 (pending)
	Application No. 98678519	Filed August 1, 2024 (pending)
LIFT OFF	Application No. 98689558	Filed August 8, 2024 (pending)
FULL THROTTLE	Application No. 98689568	Filed August 8, 2024 (pending)

<b>MARK</b>	<b>REGISTRATION / APPLICATION NUMBER</b>	<b>REGISTRATION / FILING DATE</b>
MANGO MELTDOWN	Application No. 98689572	Filed August 8, 2024 (pending)
FOOD TO FLY FOR	Application No. 98689575	Filed August 8, 2024 (pending)

Our affiliate, Wings Over IP, owns all the marks listed above. We have a license agreement with Wings Over IP whereby we have the rights to use the Proprietary Marks and to sublicense the Proprietary Marks to franchisees. The term of the license agreement is indefinite, but either we or Wings Over IP may terminate the license agreement with or without cause on 30 days' written notice. In the event that the license agreement is terminated, Wings Over IP would be obligated to license to you the right to use the marks. No other agreements currently exist that significantly limit our rights to use or license the use of the Proprietary Marks in a manner material to the franchise.

As part of the Acquisition, we entered into a non-exclusive license agreement that granted to 1 of the 2 Founders and his present or future affiliates a royalty-free license to use the Marks (including the associated goodwill) in any current or future Hangar Pub and Grill restaurant in the following counties in the state of Massachusetts: Berkshire, Franklin, Hamden, Hampshire, and Worcester. This agreement does not limit our rights to use or license the use of the Proprietary Marks.

Wings Over IP has filed all required affidavits for the registered marks listed in the table above, and all registrations have been renewed. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court relative to the above registrations. There are currently no pending infringement, opposition, or cancellation proceedings, nor any pending material litigation against the Proprietary Marks which may be relevant to their use in any state or otherwise. Wings Over IP has filed trademark applications for all of the marks designated as "pending" in the table above (collectively, the "Pending Marks"). However, Wings Over IP does not yet have federal registrations for the Pending Marks. Therefore, the Pending Marks do not have as many legal benefits and rights as federally registered trademarks. If our, or Wings Over IP's, right to use the Pending Marks is challenged, you may have to change to an alternative trademark, which may increase your expense.

We are aware that a restaurant in Syracuse, NY called Wings Over Syracuse has been using the name "Wings Over," possibly since as early as April 2003. Our records suggests that we have been using the "WINGS OVER" marks in that region since January 2003. In April 2006 and March 2018, cease and desist letters were sent to the operators of that restaurant. We have continued to correspond with this entity periodically and are considering our options regarding further actions. We are aware that a restaurant called Wings Over Texas had been operated in Clute, TX since approximately 2010. A demand letter was sent in 2018, with no response, and the business appeared to cease its use of the "Wings Over" mark. The business resumed use of the mark in a related location in Lake Jackson, Texas. In early 2022, another

demand letter was sent to both the business and its online ordering platforms, resulting in the removal of the marks from the platforms. There have been no further actions taken against the business.

We are also aware of two other instances of unauthorized use of the “WINGS OVER” mark. The first is at a restaurant in Tucson, AZ called Wings Over Broadway, which may have been using such name since 1999. The second is by the owner of a restaurant called “WINGS” in Texas, which has 3 current locations. At times, the 3 locations appear to be referred to as “Wings Over Seagoville” (in Seagoville, TX), “Wings Over Kaufman” (in Kaufman, TX), and “Wings Over Fort Worth” (in Fort Worth, TX), respectively. This restaurant group may have been using the mark “WINGS OVER” since at least as early as August 2002. A demand letter has been sent to the Texas group; however, in the territories in which they operate, these Arizona and Texas restaurants may hold common law rights in the mark that predate our federal rights. No further action has been taken against either of them at this stage.

We are also aware of third-parties using certain others of our registered marks with goods and services that may be considered to overlap with the respective goods and services associated with our Marks. We are aware of a third-party operating at least 2 restaurant locations under the mark “DC-3” at Dulles International Airport outside of Washington, DC and Greenville-Spartanburg International Airport in Greenville, SC. We have corresponded with the listed owner of the U.S. trademark registration for the mark associated with these restaurants, who has withdrawn its registration for the “DC-3” mark and allowed its pending application for the same mark to lapse. The owner informed us that the 2 locations are being operated without authorization by its former licensee. We sent a demand letter to the former licensee in March 2020 and corresponded with its legal counsel, but we have not yet received a substantive reply. No further action has been taken at this stage. We are also aware that the restaurant chain Zaxby’s has been using the mark “WIMPY” with sauces, and may have common law rights in certain territories that could predate our federal rights. We have not taken any action against Zaxby’s at this time. Additionally, Formula One Licensing B.V. has secured a federal trademark registration for the mark “F1” for goods that include chicken, which could conflict with our earlier existing registration for the similar mark “F-16”. No action has been taken against this mark.

Except as previously described, we do not actually know of any infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere.

In addition to the marks above, we claim common law rights in the marks “B-1,” “B-1 BOMBER,” “B-17” and “B-17 BOMBER” in connection with restaurant services, chicken, and the various other food goods sold at our restaurants. However, we are aware of a third-party U.S. registration for the mark “B-52 BOMBER WINGS” for use in connection with chicken, owned by George’s Inc. While we believe the marks and associated goods may be able to be distinguished if needed due to distinct channels of trade and other distinctions with respect to the commercial impression of the mark, we are aware that the owner of the mark may be able to claim prior rights dating back to 1991.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our affiliate’s

ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement.

We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks for use in identifying the System and the businesses operating under the Proprietary Marks. You must comply with any changes, revisions and/or substitutions, and you must bear the costs of modifying your signs, advertising materials, interior graphics and any other items to conform to our new Proprietary Marks.

## **ITEM 14**

### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

#### **Patents and Copyrights**

We do not own any right in, or to, any patents or registered copyrights that are material to the franchise. We do not have any pending patent applications that are material to the franchise.

#### **Confidential Manual**

To protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your Restaurant in accordance with the standards, methods, policies, and procedures specified in the Manual. Upon your completion of our initial training program to our satisfaction, we will loan you 1 copy of the Manual for the term of your Franchise Agreement.

You must treat the Manual, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place on the Premises. We may revise the contents of the Manual, and you must comply with each new or changed standard.

We have the right to maintain all or any portions of the Manual in written or electronic form, including, without limitation, on one or more Web sites. If we maintain the Manual in electronic form or on one or more Web sites, you agree (a) to install, maintain, and upgrade continually throughout the term of the Franchise Agreement and as required by us in the Manual and in writing, at your sole expense, the highest-speed Internet connection available to provide



access to such portions of the Manual; (b) to make one copy of such portions of the Manual and to maintain such copies and their contents as secret and confidential; and (c) you and none of your principals or employees can make any electronic copy of any portion of the Manual.

The electronic copy (or, if unavailable, the paper copy) of the Manual maintained by Franchisor at its home office is, and will be, controlling in the event of any dispute as to the Manual's contents. You must use the Manual solely for the operation of the Franchised Business. You must ensure that the Manual is kept current at all times.

### **Confidential Information**

You must not, during the term of the Franchise Agreement or after the term, communicate, divulge, or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised under the Franchise Agreement (including recipes, prepared mixtures or blends of flavors, customer lists, drawings, materials, or equipment) which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement. You may divulge confidential information only to those of your employees as must have access to it to operate the Franchised Business. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential must be deemed confidential for purposes of the Franchise Agreement.

At our request, you must require your Managers and any personnel having access to any of our confidential information to sign covenants (attached as Exhibit C to the Franchise Agreement) that they will maintain the confidentiality of information they receive in connection with their employment by you at the Franchised Business.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Under the Franchise Agreement, including the Franchise Agreement for each Restaurant granted under a Development Agreement, you must devote full time and best efforts to the management and operation of the Restaurant. You (or the Managing Owner) and the Managers must take an active role in the operation of the Restaurant, and be on the Premises operating the Restaurant during peak hours of store operation as we specify in writing.

The Restaurant must at all times be under the direct, on-premises supervision of you (or the Managing Owner) and Managers who have satisfactorily completed the training as we specify in writing. You must maintain a competent, conscientious, trained staff, including Managers who have satisfactorily completed the training as we specify in writing. We have the right to approve your principal, Managers, and any other person who attends our initial training program. There is no minimum equity interest in you as the Franchisee required for a principal who provides on-premises supervision.

At our request, you must obtain and furnish to us signed non-competition and confidentiality covenants (attached as Exhibit C to the Franchise Agreement) from your Managers and other personnel having access to our confidential information by virtue of their relationship with you.

If you are a corporation, partnership or limited liability corporation, or if any successor to or assignee of the Franchisee is a partnership or limited liability corporation, then all of the principals of the Franchisee must sign a Guarantee, Indemnification, and Acknowledgment in the form attached as Exhibit D to the Franchise Agreement. Spouses of the Franchisee's principals are not required to sign a Guarantee, Indemnification, and Acknowledgment.

As security for the payment of all amounts you may owe to us under the Franchise Agreement and all other agreements between us, and performance of all obligations to be performed by you, you must grant us a security interest in all of the assets of the Franchised Business, including all equipment, furniture, fixtures, and building and road signs, as well as all proceeds of the Franchised Business. This security interest has priority over all other security interests in the Franchised Business, except any bona fide purchase money security interests.

## **ITEM 16**

### **RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL**

You must (1) sell or offer for sale only products and services as we have expressly approved for sale in writing; (2) sell or offer for sale all types of Wings Over Products, products and services we specify, including any proprietary products which we may develop; (3) refrain from any deviation from our standards and specifications without our prior written consent; and (4) discontinue selling and offering for sale any Wings Over Products, products or services which we may, in our discretion, disapprove in writing at any time. You must provide a sit-down eating area, for customers who wish to eat inside the Franchised Business, and must conduct dine-in, carry-out, and delivery of the Wings Over Products at the Franchised Business in the manner we prescribe in the Manual or otherwise in writing.

All products sold or offered for sale at the Franchised Business must meet our then-current standards and specifications, as established in the Manual or otherwise in writing. You must purchase all food items, ingredients, supplies, materials and other products and equipment to be used or offered for sale at the Restaurant for which we have established standards and specifications solely from suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who we have approved in the Manual or otherwise in writing. See Item 8 for more information.

The Franchise Agreement does not limit our right to make changes in the types of authorized goods and services. We have the right to add additional authorized services and products that you must offer. We also reserve the right to require you to comply with reasonable restrictions on maximum prices of specific goods or services you offer and sell as required in the Manual or through the Advertising Fund, or as we otherwise reasonably direct.

## ITEM 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

#### **THE FRANCHISE RELATIONSHIP**

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

#### Franchise Agreement\*

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a.	Length of the franchise term	2.1	5 years.
b.	Renewal or extension of the term	2.2	You have the right to renew the Franchise Agreement for 3 consecutive terms of 5 years each.
c.	Requirements for franchisee to renew or extend	2.2	Give written notice between 6 and 12 months before the end of the current term; make or provide for renovation of the Premises as we reasonably require; not be in default of any agreement between us and you, or between any of our affiliates and you; complied with these agreements during their terms; satisfied all obligations owed to us or to our affiliates, and met those obligations throughout the term of the Franchise Agreement; show to us that you have the right to remain in possession of the Premises for the duration of the renewal period; sign our then-current franchise agreement, which may have terms that are materially different from the terms of your initial franchise agreement, including a higher royalty fee and advertising contribution, except that you will not be required to pay any initial franchise fee and your Territory will remain the same; sign a general release of us and our affiliates; comply with our then-current qualification and training requirements; and pay us a renewal fee of \$7,500.
d.	Termination by franchisee	No provision	The Franchise Agreement does not contain such a provision.
e.	Termination by franchisor without cause	No provision	The Franchise Agreement does not contain such a provision.
f.	Termination by franchisor with cause	15	We have the right to terminate the Franchise Agreement with cause. Depending upon the reason for termination, we may not provide you an opportunity to cure. See this Item 17(g) and (h) for further description.
g.	"Cause" defined – curable defaults	15.3	Except those described in this Item 17(h), you have 30 days to cure defaults. Defaults capable of cure include, for example: (1) failure to maintain the cleanliness of the Restaurant, or failure to comply with any of our specifications; (2) failure to comply with the requirements of the Franchise Agreement or the Manual; (3) failure, refusal or neglecting to promptly pay monies owing to us or our affiliates when due; (4) failure to maintain and observe standards or procedures required in the Franchise Agreement, the Manual or otherwise in writing; (5) failure to obtain required approvals; (6) sale or offering for sale any unapproved products; (7) acting in a manner which is inconsistent with or contrary to your lease or sublease for the

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			Premises, or jeopardizing your right to renew the lease or sublease; (8) engaging in any business which uses a confusingly similar mark; (9) receiving any citation or notice of potential health code violation from the local board of health or us, or failure of a health inspection conducted by us or our designee; or (10) failure to maintain acceptable customer satisfaction scores, secret shopper ratings, or health ratings as prescribed by us in the Manual.
h.	“Cause” defined – non-curable defaults	15.1 and 15.2	<p>Your rights will automatically terminate without notice if you become insolvent, file for bankruptcy, or are subject to various legal actions or proceedings.</p> <p>We may terminate the Franchise Agreement, without any opportunity to cure the default, effective immediately upon notice, if, for example: (1) you fail to locate an approved site or to construct and open the Restaurant within the time required by the Franchise Agreement or the Site Selection Addendum; (2) you or your designated trainees fail to complete the initial training program, or you fail to provide training to your employees as required by the Franchise Agreement; (3) you cease to operate the Franchised Business or you lose the right to possession of the Premises; (4) you are convicted of certain crimes; (5) a threat to public health or safety results from the operation of the Franchised Business; (6) you attempt to transfer your rights under the Franchise Agreement or in you or the Franchised Business without our consent; (7) an approved transfer is not made within the time provided following death or mental incapacity; (8) you fail to comply with the covenants relating to non-disclosure and non-competition or fail to obtain signing of covenants from others, as required by the Franchise Agreement; (9) you disclose the contents of the Manual or other confidential information; (10) you submit false reports; (11) you misuse the Proprietary Marks or damage the goodwill in the Proprietary Marks; (12) you refuse to let us inspect the Premises, or your books, records or accounts; (13) you receive a notice of default and do not initiate a cure immediately; or (14) if after you cure any default, you commit the same default again.</p>
i.	Franchisee’s obligations on termination/ non-renewal	16	Cease to operate the Franchised Business, cease to use any confidential information, the Proprietary Marks and certain other material associated with the System, cancel any assumed name registration. There are other obligations as well.
j.	Assignment of contract by franchisor	14.1	We have the right to transfer or assign all or any part of our rights or obligations under the Franchise Agreement to any person or legal entity.
k.	“Transfer” by franchisee – defined	14.2	You may not transfer an interest in the Franchise Agreement or you, or sell substantially all of the assets of the Franchised Business, without our prior written consent.
l.	Franchisor approval of transfer by franchisee	14.2	Any purported assignment or transfer, by operation of law or otherwise, not having our written consent required by the Franchise Agreement, will be null and void.
m.	Conditions for franchisor approval of transfer	14.3	We may impose any or all of the following conditions on our approval of your proposed transfer: you have satisfied your accrued monetary obligations and other obligations to us and our affiliates; you are not in default of any agreement between us and you, or between any of our affiliates and you; you sign a general release of us; the transferee

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			enter into a written assignment, assuming and agreeing to perform your obligations under the Franchise Agreement, the transferee shows to us that it meets our standards, as specified in the Franchise Agreement; you provide financial terms and financing sources for the proposed transfer; the purchase price does not negatively impact ability of the transferee's franchised business to operate; the transferee sign our then-current form of franchise agreement; you remain liable for all of your obligations to us in connection with the Franchised Business which arose before the transfer; the transferee complete our training programs; and you pay a transfer fee to us.
n.	Franchisor's right of first refusal to acquire franchisee's business	14.5	We will have the option to purchase the seller's interest on the same terms and conditions offered by a third party.
o.	Franchisor's option to purchase franchisee's business	16.9	Within 30 days after termination of the Franchise Agreement, we have the option to purchase from you any or all of the equipment, signs and customer lists related to the operation of the Franchised Business at fair market value or at your depreciated book value, whichever is less, and to purchase any or all supplies and inventory of the Franchised Business at your cost or depreciated book value, whichever is less.
p.	Death or disability of franchisee	14.6	Upon your death or mental incapacity, your executor, administrator, or personal representative must transfer your controlling interest in the Franchise Agreement, you, or the Franchised Business to a third party approved by us within 9 months after your death or mental incapacity. These transfers will be subject to the same conditions as any other transfer.
q.	Non-competition covenants during the term of the franchise	17.2	You must not: (a) divert or attempt to divert any business or customer to any competitor, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or (b) own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in any business that (i) offers or sells products or services which are the same as or similar to the products and services being offered by the Restaurant under the System, including boneless chicken wings, bone-in chicken wings, and sandwiches; and (ii) is, or is intended to be, located at or within: the "Franchisee's Territory" (as defined in the Franchise Agreement); the county or municipality in which the Approved Location is located; the state in which the Approved Location is located; or 15 miles of any business operating under the Proprietary Marks.
r.	Non-competition covenants after the franchise is terminated or expires	17.3	You must not, for a continuous uninterrupted period of 2 years following the transfer, termination or expiration of the Franchise Agreement own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any business that: (i) offers or sells products or services which are the same as or similar to the products and services offered by the Franchised Business under the System, including boneless chicken wings, bone-in chicken wings, and sandwiches; and (ii) is, or is intended to be, located at or within: the "Franchisee's Territory" (as defined in the Franchise Agreement); within 5 miles of the Franchisee's Territory, within 5 miles of the county or municipality in which the Approved Location is located; 5 miles of the Approved Location; or 5 miles of any business operating under the Proprietary Marks.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
s.	Modification of the agreement	24	No amendment, change, or variance from the Franchise Agreement will be binding on either party unless mutually agreed to by the parties and signed in writing.
t.	Integration/merger clause	24	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable 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	26.2 and 26.3	<p>The parties must first attempt to settle all disputes and claims by mediation at the office of JAMS located in the principal city closest to our principal place of business as determined by us in accordance with the Mediation Rules of JAMS; otherwise, all disputes and claims relating to the Franchise Agreement must be settled by arbitration at the office of JAMS located in New York City, New York in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules and Procedures of JAMS.</p> <p>Mediation will not be required with respect to: (a) any claim or dispute involving any payment obligation of you that is more than 45 days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of our confidential information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the insurance or indemnification provisions of the Franchise Agreement; or (e) any action by us to enforce the non-competition covenants in the Franchise Agreement.</p>
v.	Choice of forum	26.3	Subject to applicable state law, all disputes and claims relating to the Franchise Agreement must be arbitrated at the office of JAMS located in New York City, New York. Judgment upon the arbitrator's award must be submitted for confirmation to the United States District Court for the Southern District of New York.
w.	Choice of law	26.1	Subject to applicable state law, the Franchise Agreement will be interpreted and construed under the laws of the state of New York.

### **Development Agreement\***

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the term	4.1	The earlier of the last date specified in the Development Schedule or the date when Developer has open and in operation all of the Restaurants required by the Development Schedule.
b. Renewal or extension of the term	No provision	Not applicable
c. Requirements for developer to renew or extend	No provision	Not applicable
d. Termination by developer	No provision	Not applicable
e. Termination by franchisor without cause	No provision	Not applicable
f. Termination by franchisor with cause	3.5 and 8	We have the right to terminate with cause. See Items 17(g) and (h), below, for a further description.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
g. “Cause” defined – curable defaults	3.6	If you fail to open the cumulative number of new Restaurants required in the Development Area as of the end of the applicable period specified in the Development Schedule, but at the end of the next 12-month period, you fulfill your development obligations under the Development Schedule.
h. “Cause” defined – non-curable defaults	8.1 and 8.2	If you become insolvent or make a general assignment for the benefit of creditors; if you file for bankruptcy; if you are adjudicated a bankrupt or insolvent; if you fail to comply with the terms, conditions, or obligations of the Development Agreement; if you fail to comply with the Franchise Agreement or any other agreement between you or any of your affiliates and us and our affiliates or subsidiaries; or you make or attempt to make a transfer or assignment in violation of the provisions of the Development Agreement.
i. Developer’s obligations on termination/non-renewal	9.3	Obligations include: loss of rights granted under the Development Agreement and other agreements.
j. Assignment of contract by franchisor	7.1	No restriction on our right to assign.
k. “Transfer” by developer-defined	7.2	Includes transfer without our consent for assignment of any direct or indirect interest in you, your business, or substantially all the assets of you without our prior written consent.
l. Franchisor’s approval of transfer by developer	7.2 and 7.3	Except as provided for in Item 17.k, above, we have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	7.3	Satisfaction of all of your accrued monetary obligations to us or our affiliates; non-default of any material provision of Development Agreement; transferor’s signing of general release under seal; transferee’s entering into written assignment; transferee’s meeting of our educational, managerial, and business standards; transferee’s signing of our then-current standard form of Development Agreement; your remaining liable for obligations of your business before the effective date of transfer; opening of each Restaurant in compliance with terms of Franchise Agreement for each Restaurant; payment of transfer fee; and transferor’s offering to sell interest to us.
n. Franchisor’s right of first refusal to acquire developer’s business	7.6	We will have the option to purchase the seller’s interest on the same terms and conditions offered by a third party.
o. Franchisor’s option to purchase developer’s business	No provision	Not applicable.
p. Death or disability of developer	7.7	Upon your death or mental incapacity, your executor, administrator, or personal representative must transfer your controlling interest in the Development Agreement or in you, to a third party approved by us within 9 months after your death or mental incapacity. These transfers will be subject to the same conditions as any other transfer.
q. Non-competition covenants during the term of the agreement	9.2	You must not: (a) divert or attempt to divert any business or customer to any competitor, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or (b) own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in any business that (i) offers or sells products or services which are the same as or similar to the products and services being offered by the Restaurants under the System, including boneless chicken wings, bone-in chicken wings, and sandwiches; and (ii) is, or

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
		is intended to be, located at or within: the Development Area; or 15 miles of any business operating under the Proprietary Marks.
R. Non-competition covenants after the agreement is terminated or expires	9.3	You must not, for a continuous uninterrupted period of 2 years following the transfer, termination or expiration of the Franchise Agreement own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any business that: (i) offers or sells products or services which are the same as or similar to the products and services offered by the Franchised Businesses under the System, including boneless chicken wings, bone-in chicken wings, and sandwiches; and (ii) is, or is intended to be, located at or within: the Development Area or 15 miles of any business operating under the Proprietary Marks.
S. Modification of the agreement	13	No amendment, change, or variance from the Development Agreement will be binding on either party unless mutually agreed to by the parties and signed in writing.
t. Integration/merger clause	13	Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Development Agreement may not be enforceable.
u. Dispute Resolution by arbitration or mediation	15	The parties must first attempt to settle all disputes and claims by mediation at the office of JAMS located in or closest to our principal place of business as determined by us in accordance with the Mediation Rules of JAMS; otherwise, all disputes and claims relating to the Development Agreement must be settled by arbitration at the office of JAMS located in New York City, New York in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules and Procedures of JAMS.  Mediation will not be required with respect to: (a) any claim or dispute involving any payment obligation of you that is more than 45 days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of our confidential information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the insurance or indemnification provisions of the Development Agreement; or (e) any action by us to enforce the non-competition covenants in the Development Agreement.
v. Choice of forum	15	Subject to applicable state law, all disputes and claims relating to the Development Agreement must be arbitrated at the office of JAMS located in New York City, New York. Judgment upon the arbitrator's award must be submitted for confirmation to the United States District Court for the Southern District of New York.
w. Choice of law	15	Subject to applicable state law, the Development Agreement will be interpreted and construed under the laws of the state of New York.

\*Certain states have statutes or court decisions that may supersede the Franchise Agreement and Development Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. The State Addenda in Exhibit I, to the extent applicable, may also describe certain state laws that may supersede the Franchise Agreement and Development Agreement in your relationship with us.



## **ITEM 18**

### **PUBLIC FIGURES**

We do not use any public figure 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.

#### **Historical Financial Performance Representations**

This Item 19 presents historical Gross Sales data for franchised and company-owned Wings Over businesses that were open for the entire 2022 fiscal year (October 1, 2021 to September 30, 2022) and the entire 2023 fiscal year (October 1, 2022 to September 30, 2023), respectively, with certain exceptions (as described below). We have not audited or verified this information. We relied solely on the information provided through each outlet's point-of-sale computer systems.

"Gross Sales" means all revenue from the sale of all products and services and all other income of every kind and nature at or from the Restaurant or otherwise related to the Restaurant, including any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales will not include any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority.

**Table A** below presents Gross Sales information for certain franchised outlets in operation during fiscal years 2022 and 2023.

Gross Sales presented for fiscal year 2022 were generated by 25 of 32 franchised outlets operating during that fiscal year. The information provided does not include 2 franchised outlets that opened during that fiscal year, nor 3 franchised outlets that ceased operating under a franchise agreement during fiscal year 2022. The information provided also does not include 1 franchised outlet that remained closed for the first 3 months of the fiscal year due to a fire on the premises of a neighboring business, nor 1 franchised outlet that temporarily closed due to relocation. In fiscal year 2022, 8 (32%) of the 25 reported franchised outlets met or exceeded the average Gross Sales figure for those 25 outlets, and 17 (68%) of the 25 reported franchised outlets did not meet or exceed that average Gross Sales figure.

Gross Sales presented for fiscal year 2023 were generated by 25 of 31 franchised outlets operating during that fiscal year. The information provided does not include 1 franchised outlet that opened during that fiscal year, nor 4 franchised outlets that ceased operating under a franchise agreement during fiscal year 2023. The information provided does not include 1 franchised outlet that reopened following relocation. In fiscal year 2023, 9 (36%) of the 25 reported franchised outlets met or exceeded the average Gross Sales figure for those 25 outlets, and 16 (64%) of the 25 reported franchised outlets did not meet or exceed that average Gross Sales figure.

**TABLE A**  
**Franchised Outlets**  
**Gross Sales**

<b>Fiscal Year</b>	<b>Number of Reported Outlets</b>	<b>Highest Gross Sales of Reported Outlets</b>	<b>Average Gross Sales of Reported Outlets</b>	<b>Median Gross Sales of Reported Outlets</b>	<b>Lowest Gross Sales of Reported Outlets</b>
2022	25	\$3,236,785	\$1,436,391	\$1,284,089	\$668,388
2023	25	\$2,888,876	\$1,276,810	\$1,135,578	\$524,312

**Table B** below presents Gross Sales information for certain company-owned outlets in operation during fiscal years 2022 and 2023.

Gross Sales presented for fiscal year 2022 were generated by 6 of the 7 company-owned outlets operating during that fiscal year. The information provided for fiscal year 2022 excludes 1 company-owned outlet that closed during that fiscal year, which was in operation for less than 9 months. In fiscal year 2022, 3 (50%) of the 6 reported company-owned outlets met or exceeded the average Gross Sales figure for those 6 outlets, and 3 (50%) of the 6 reported company-owned outlets did not meet or exceed that average Gross Sales figure.

Gross Sales presented for fiscal year 2023 were generated by 6 of the 6 company-owned outlets operating during that fiscal year. In fiscal year 2023, 1 (16.7%) of the 6 reported company-owned outlets met or exceeded the average Gross Sales figure for those 6 outlets, and 5 (83.3%) of the 6 reported company-owned outlets did not meet or exceed that average Gross Sales figure.

**TABLE B**  
**Company-Owned Outlets**  
**Gross Sales**

<b>Fiscal Year</b>	<b>Number of Reported Outlets</b>	<b>Highest Gross Sales of Reported Outlets</b>	<b>Average Gross Sales of Reported Outlets</b>	<b>Median Gross Sales of Reported Outlets</b>	<b>Lowest Gross Sales of Reported Outlets</b>
2022	6	\$3,084,880	\$1,734,001	\$1,546,500	\$1,024,973
2023	6	\$2,904,080	\$1,339,188	\$1,072,583	\$811,144

The products and beverages sold at all of the above locations are similar to those that will be offered by you, including boneless chicken wings, bone-in chicken wings, specialty sandwiches, and Coca Cola products. The outlets obtained the majority of sales from carry-out and delivery services.

Written substantiation of the data used in preparing this financial performance representation will be made available to you as a prospective franchisee upon reasonable written request.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial 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 Mike Buss at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120, (646) 893-5508, or [partner@wingsover.com](mailto:partner@wingsover.com); the Federal Trade Commission; and the appropriate state regulatory agencies.

## **ITEM 20**

### **OUTLETS AND FRANCHISEE INFORMATION**

**Table 20.1**  
**SYSTEM-WIDE OUTLET SUMMARY**  
**FOR YEARS 2021 TO 2023\***

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised**	2021	26	30	+4
	2022	30	29	-1
	2023	29	27	-2
Company-Owned	2021	8	7	-1
	2022	7	6	-1
	2023	6	6	0
<b>Total Outlets</b>	<b>2021</b>	34	37	+3
	<b>2022</b>	37	35	-2
	<b>2023</b>	35	33	-2

\*All numbers are as of September 30 (our and our predecessors' fiscal year end) for each year.

\*\*Some franchised outlets in this Item 20 are parties to a franchise agreement with our parent and predecessor Matcal, Inc.

**Table 20.2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR YEARS 2021 TO 2023\***

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
OH	2021	0
	2022	0
	2023	1
VT	2021	0
	2022	1
	2023	0
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>1</b>
	<b>2023</b>	<b>1</b>

\*All numbers are as of September 30 (our and our predecessors' fiscal year end) for each year.

**Table 20.3**  
**STATUS OF FRANCHISED OUTLETS**  
**FOR YEARS 2021 TO 2023\***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations—Other Reasons	Outlets at End of Year
CT	2021	5	2	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
MA	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
MI	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
NJ	2021	1	1	0	0	0	0	2
	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
NY	2021	4	1	0	0	0	1	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
NC	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	1	2	0	0	0	3
OH	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
PA	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	2	0	0	0	0
RI	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	2021	0	1	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations—Other Reasons	Outlets at End of Year
VT	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
WI	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
<b>Total</b>	<b>2021</b>	<b>26</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>30</b>
	<b>2022</b>	<b>30</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29</b>
	<b>2023</b>	<b>29</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>

\* All numbers are as of September 30 (our and our predecessors' fiscal year end) for each year.

**Table 20.4**  
**STATUS OF COMPANY-OWNED OUTLETS**  
**FOR YEARS 2021 TO 2023\***

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
IN	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
MD	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
MA	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
NY	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
OH	2021	2	1	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
PA	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
TN	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
<b>Total</b>	<b>2021</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>7</b>
	<b>2022</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>6</b>
	<b>2023</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

\* All numbers are as of September 30 (our and our predecessors' fiscal year end) for each year.

**Table 20.5**  
**PROJECTED OPENINGS**  
**AS OF SEPTEMBER 30, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
All States	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>

Listed in Exhibit F is the name of all Wings Over franchisees (as of September 30, 2023) and the address and telephone number of each of their outlets.

Exhibit F also contains a list of all franchises that were terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with us during the most recently completed fiscal year or have not communicated with us within the 10 weeks preceding the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed confidentiality clauses during the last 3 fiscal years that restrict their ability to speak with you about their franchised business. There are no trademark-specific franchisee organizations associated with the franchise system.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Our fiscal year end is September 30. Our audited financial statements which comprise the balance sheets as of September 30, 2023 and 2022, the related statements of income,

stockholder's equity and cash flows for each of the years in the three-year period ended September 30, 2023 are included in Exhibit G.

Please note, we have adopted the provisions of FASB ASC Topic 606 and have used the modified retrospective method in determining revenue recognition.

## **ITEM 22**

### **CONTRACTS**

This disclosure document contains our standard form of Development Agreement (with exhibits) as Exhibit C, Franchise Agreement (with exhibits) as Exhibit D-1, Renewal Addendum as Exhibit D-2, and General Release as Exhibit H.

## **ITEM 23**

### **RECEIPTS**

A receipt in duplicate is attached to this disclosure document as Exhibit K. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Wings Over, Inc., at [partner@wingsover.com](mailto:partner@wingsover.com).



## **EXHIBIT A**

### **LIST OF STATE ADMINISTRATORS**

#### **CALIFORNIA**

Department of Financial Protection  
and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
(866) 275-2677

#### **FLORIDA**

Florida Department of Agriculture &  
Consumer Services  
Division of Consumer Affairs  
Mayo Building, Second Floor  
Tallahassee, Florida 32399-0800

#### **HAWAII**

Business Registration Division  
Department of Commerce  
and Consumer Affairs  
335 Merchant Street, Rm. 203  
Honolulu, Hawaii 96813

#### **ILLINOIS**

Office of Attorney General  
Franchise Division  
500 South Second Street  
Springfield, Illinois 62701

#### **INDIANA**

Secretary of State  
Franchise Section  
Indiana Securities Division  
302 West Washington, Room E-111  
Indianapolis, Indiana 46204

#### **MARYLAND**

Office of the Attorney General  
Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

#### **MICHIGAN**

Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
670 Law Building  
Lansing, Michigan 48913

#### **MINNESOTA**

Department of Commerce  
85 7th Place East  
Suite 280  
St. Paul, Minnesota 55101

#### **NEBRASKA**

Department of Banking and Finance  
1200 N Street  
Suite 311  
P.O. Box 95006  
Lincoln, Nebraska 68509

#### **NEW YORK**

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005  
(212) 416-8222

**KENTUCKY**

Commonwealth of Kentucky  
Office of the Attorney General  
Consumer Protection Division  
1024 Capital Center Drive  
P.O. Box 2000  
Frankfort, Kentucky 40602

**RHODE ISLAND**

Associate Director &  
Superintendent of Securities  
Division of Securities  
John O. Pastore Center, Building 69-1  
1511 Pontiac Avenue  
Cranston, RI 02910

**SOUTH DAKOTA**

Department of Labor and Regulation  
Division of Insurance  
Securities Regulation  
124 South Euclid Avenue, Suite 104  
Pierre, South Dakota 57501

**TEXAS**

Statutory Document Section  
Secretary of State  
P.O. Box 12887  
Austin, Texas 78711

**NORTH DAKOTA**

Securities Department

600 East Boulevard Avenue  
State Capitol, 14<sup>th</sup> Floor, Dept. 414  
Bismarck, North Dakota 58505

**VIRGINIA**

State Corporation Commission  
Division of Securities and Retail Franchising  
Ninth Floor  
1300 East Main Street  
Richmond, Virginia 23219

**WASHINGTON**

Department of Financial Institutions  
Securities Division  
150 Israel Rd SW  
Tumwater WA 98501

**WISCONSIN**

Franchise Registration Division  
Office of the Wisconsin  
Commissioner of Securities  
101 East Wilson Street  
Madison, Wisconsin 53702

## **EXHIBIT B**

### **AGENTS FOR SERVICE OF PROCESS**

Arkansas:	Secretary of State State Capital Building Little Rock, Arkansas 72201
California:	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344
Georgia:	Secretary of State 2 Martin Luther King, Jr. Drive Atlanta, Georgia 30334
Hawaii:	Commissioner of Securities Department of Commerce & 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 302 West Washington Street Room E111 Indianapolis, Indiana 46204
Maryland:	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan:	Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913
Minnesota:	Minnesota Commissioner of Commerce 85 7th Place East Suite 280 St. Paul, Minnesota, 55101

Nebraska:	Department of Banking and Finance 1200 N Street, Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509
New York:	NYS Secretary of State 99 Washington Avenue Albany, New York 12231
North Dakota:	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol, 14 <sup>th</sup> Floor, Dept. 414 Bismarck, North Dakota 58505
Rhode Island:	Director of Rhode Island Department of Business Regulation Division of Securities Building 69-1 John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02910
South Carolina:	Dennis S. D'Annunzio 2 Amherst Street Charleston, South Carolina 29403
South Dakota:	Director South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501
Tennessee:	Larry Albritton 1805 Oriole Road Gatlinburg, Tennessee 37738
Virginia:	Clerk of State Corporation Commission 1300 East Main Street Richmond, Virginia 23219
Washington:	Washington Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501
Wisconsin:	Wisconsin Commissioner of Securities 101 East Wilson Street, 4th Floor Madison, Wisconsin 53703

**EXHIBIT C**  
**DEVELOPMENT AGREEMENT**

**“WINGS OVER”**

**DEVELOPMENT AGREEMENT**

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EXHIBIT C – GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

EXHIBIT D – CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

## **WINGS OVER, INC. DEVELOPMENT AGREEMENT**

This Agreement is made and entered into this \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ and between Wings Over, Inc., a Delaware corporation with its principal place of business at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120 (“Franchisor”); and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“Developer”).

### **RECITALS**

**WHEREAS**, Franchisor as the result of the expenditure of time, effort and money has developed, and owns and will use its best efforts to provide a unique system relating to the establishment, development and operation of Wings Over restaurants offering products and services related to the dine-in, carry-out, and delivery of and offer for sale to the public of boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and other approved items (the “System”);

**WHEREAS**, the distinguishing characteristics of the System include, without limitation, special marketing and advertising methods, operating procedures and materials, and training and supervision, all of which may be improved, further developed or changed by Franchisor from time to time;

**WHEREAS**, Franchisor has the right, title and interest to use the System and the “Wings Over...” service mark, the marks “WINGS and Design,” “B-1,” “B-1 BOMBER,” “B-17 BOMBER,” “THE AIRCRAFT CARRIER,” “B-17,” “C-5,” “HANGAR 1,” “HANGAR 2,” “HANGAR 3,” and “HANGAR 4,” and such other service marks, trade names, trade dress and trademarks as are now designated (and may hereinafter be designated by Franchisor in its Confidential Operating Manual or otherwise in writing) as part of the System (collectively, the “Proprietary Marks”) under a license agreement between Wings Over IP, Inc. and Franchisor;

**WHEREAS**, Franchisor continues to develop, use and control such Proprietary Marks for the benefit and exclusive use of itself and its developers and franchisees in order to identify for the public the source of services marketed thereunder and the System, and to represent the System’s high standards of quality and service; and

**WHEREAS**, Developer wishes to obtain certain development rights to operate Wings Over restaurants under the System, to be identified with the Proprietary Marks in the territory described in this Development Agreement, and to be trained by Franchisor to establish and operate Wings Over restaurants.

**NOW, THEREFORE**, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

### **1. GRANT**

1.1 Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Development Agreement, the development rights, and Developer hereby undertakes the



obligation, to establish and operate \_\_\_\_\_ (\_\_\_\_\_) Wings Over restaurants under the Proprietary Marks and the System (the “Restaurants” or “Franchised Businesses”), and to use the System solely in connection therewith, at specific locations to be designated in separate Wings Over franchise agreements (the “Franchise Agreements”) executed by Developer as provided in Section 3.1 hereof, and pursuant to the development schedule set forth in Exhibit “A” (the “Development Schedule”) attached hereto. Each Restaurant developed hereunder shall be located in the area described in Exhibit “A” (the “Development Area”) attached hereto.

1.2 Each Restaurant developed hereunder shall be established and operated pursuant to a separate Franchise Agreement entered into between Developer and Franchisor in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person other than Developer to establish or operate, a Wings Over restaurant under the System and the Proprietary Marks in the Development Area; provided, however, that Developer acknowledges and agrees that Franchisor retains the rights, among others: (a) to establish and operate, and license others to establish and operate, a Restaurant under the System and the Proprietary Marks at any location outside the Development Area; (b) to sell or distribute, directly or indirectly, or license others to sell or distribute, boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and sauces, and any other products or services, including, without limitation, sales made at supermarkets, convenience stores, grocery stores, machines, variety stores, the Internet, and through delivery services, at any location (notwithstanding its proximity to the Restaurants) whether within or outside the Development Area under the same or different Proprietary Marks; and (c) to acquire and operate any business or restaurant of any kind under different proprietary marks, at any location (notwithstanding its proximity to the Restaurants) whether located within or outside the Development Area.

1.4 Developer acknowledges that the System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Developer agrees to comply with all reasonable requirements of Franchisor in that regard, including, without limitation, offering and selling new or different products or services as specified by Franchisor.

1.5 This Agreement is not a franchise agreement, and does not grant to Developer any right to use in any manner Franchisor’s Proprietary Marks or System. Developer shall have no right under this Agreement to license others to use in any manner the Proprietary Marks or System.

## **2. FEES**

2.1 In consideration of the development rights granted herein, Developer shall pay to Franchisor, upon execution of this Agreement, a non-refundable development fee of \_\_\_\_\_ Dollars (\$) (the “Development Fee”), which shall be calculated as (a) Thirty Thousand Dollars (\$30,000) for the first Restaurant that Developer is obligated to develop hereunder plus (b) Ten Thousand Dollars (\$10,000) multiplied by number of additional Restaurants that Developer is obligated to develop hereunder, as described in the Development Schedule in Exhibit A hereto. The Development Fee shall be deemed fully earned

and non-refundable when paid in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor's lost or deferred opportunity to grant development rights to others.

2.2 Except as otherwise provided herein, Franchisor will apply Thirty Thousand Dollars (\$30,000) of the Development Fee as a credit against the Initial Franchise Fee payable under the first Franchise Agreement executed pursuant to this Agreement; and Ten Thousand Dollars (\$10,000) of the Development Fee as a credit against the Initial Franchise Fee payable under each subsequent Franchise Agreement executed pursuant to this Agreement.

### **3. DEVELOPMENT OBLIGATIONS**

3.1 In exercising its development rights and fulfilling its development obligations under this Agreement, Developer or one of Developer's affiliates approved by Franchisor shall execute a Franchise Agreement for each Restaurant at a site approved by Franchisor in the Development Area as hereinafter provided. The Franchise Agreement for the first Restaurant developed hereunder shall be in the form of the Franchise Agreement attached hereto as Exhibit "B" and shall be executed concurrently with this Agreement. The Franchise Agreement for each additional Restaurant developed hereunder shall be the form of Franchise Agreement being offered for new Wings Over restaurants, generally, by Franchisor at the time each such Franchise Agreement is executed, the terms of which agreement may be different from the Franchise Agreement attached as Exhibit "B".

3.2 Prior to Developer's or its affiliate's acquisition by lease or purchase of any site for a Restaurant, Developer shall submit to Franchisor, in the form specified by Franchisor, the description of the proposed site and such information or materials as Franchisor may reasonably require, together with evidence satisfactory to Franchisor which confirms Developer's favorable prospects for obtaining the proposed site. Franchisor shall have thirty (30) days after receipt of the description of the proposed site and other information and materials from Developer to exercise its right and option, in writing, to approve or disapprove the proposed site for development as a Wings Over restaurant. In the event Franchisor does not approve a proposed site by written notice to Developer within such thirty (30) days, such site shall be deemed disapproved by Franchisor. Franchisor may present sites to Developer which meet the criteria and are available, but Developer shall have no obligation to accept any such sites. Developer acknowledges that Developer, and not Franchisor, has the duty and obligation to obtain an approved site for each Restaurant.

3.3 If Developer or its affiliate will occupy the premises at which a Restaurant is operated under a lease, Developer or its affiliate shall, prior to the execution thereof, (1) execute the Conditional Assignment of Lease and obtain the Lessor's execution of the Consent and Agreement of Lessor, in the form attached as Exhibit F to the Franchise Agreement, and (2) submit such lease to Franchisor, for its written approval. Franchisor's approval of the lease may be conditioned upon the inclusion in the lease of such provisions as Franchisor may reasonably require, including, without limitation:

3.3.1 Providing that the initial term of the lease, or the initial term together with renewal terms, shall be for not less than five (5) years;

3.3.2 Providing that the lessor consents to Developer's or its affiliate's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the applicable Restaurant;

3.3.3 Providing that the use of the premises for each Restaurant shall be restricted solely to the operation of the applicable Restaurant;

3.3.4 Prohibiting Developer or its affiliate from subleasing or assigning all or any part of its occupancy rights or extending the term of renewing the lease without Franchisor's prior written consent;

3.3.5 Lessor's providing to Franchisor copies of any and all notices of default given to Developer or its affiliate under the lease;

3.3.6 Providing for Franchisor's right to enter the premises of the applicable Restaurant to make modifications necessary to project the Proprietary Marks or the System or to cure any default under the applicable Franchise Agreement or under the lease;

3.3.7 Providing for Franchisor's or (Franchisor's designee's) option, upon default, expiration or termination of the Franchise Agreement, and upon notice to lessor, to assume all of Developer's or its affiliate's rights under the lease terms, including the right to assign or sublease.

3.4 Developer acknowledges that Developer is solely responsible for locating and securing sites acceptable to Franchisor and for negotiating leases for the sites acceptable to Franchisor. Developer shall submit to Franchisor the information developed at Developer's expense that Franchisor requests concerning any site and lease proposed by Developer for Franchisor's approval under this Agreement at any time as Franchisor may request. Developer acknowledges and agrees that Franchisor's review of the site information and lease (if any), presentation of a site to Developer, and/or approval does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for a Restaurant or any of the lease terms or for any other purpose, or of its compliance with any federal, state or local laws, codes or regulations, including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design and operation of the Restaurant. Franchisor's presentation and/or approval of the site and/or lease (if any) indicates only that Franchisor believes the site and lease complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Developer and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises under the System may not be predictive of potential for all sites and leases and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site or lease presented or approved by Franchisor to meet Developer's expectations as to revenue or operational criteria. Developer further acknowledges and agrees that its acceptance of a franchise for the operation of the Restaurant at the site or lease is based on its own independent investigation of the suitability of the site or the lease.

3.5 Recognizing that time is of the essence, Developer agrees to develop, open and operate in the Development Area the number of Restaurants by the dates described in the Development Schedule and Section 1.1 of this Agreement. If Developer fails to develop, open and operate the number of Restaurants in the Development Area described in the Development Schedule by the respective dates set forth in the Development Schedule, Franchisor shall have the right, without notice to Developer to terminate this Development Agreement automatically, and Franchisor shall have the right to establish and operate, and license others to establish and operate, Wings Over restaurants within the Development Area, subject to Section 3.6 herein.

3.6 Notwithstanding the foregoing, if Developer or its affiliates opens and operates additional Restaurants ahead of the time period designated in the Development Schedule, Franchisor will credit these additional Restaurants to the Developer's subsequent period of performance under the Development Schedule. If Developer or its affiliates fails to open the cumulative number of new Restaurants required in the Development Area as of the end of the applicable period specified in the Development Schedule, Developer shall have until the conclusion of the next twelve (12) month period to comply with its obligations under the Development Schedule. If, at the end of such twelve (12) month period, the Developer is unable to open the number of Restaurants required under the Development Schedule for the applicable period, Developer shall be permitted to operate its existing Restaurants, but this Agreement shall terminate automatically without notice to Developer.

3.7 An "affiliate" of Developer hereunder shall mean any entity in which a principal of Developer has at least a fifty-one percent (51%) ownership interest.

#### **4. TERM**

4.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted hereunder shall expire on the earlier of: (1) the last date specified in the Development Schedule; or (2) the date when Developer has open and in operation all of the Restaurants required by the Development Schedule.

4.2 Upon expiration of this Agreement as set forth in Section 4.1 of this Agreement:

4.2.1 Developer shall not have any right to establish any Wings Over restaurants for which a Franchise Agreement has not been executed by Franchisor at the time of expiration; and

4.2.2 Franchisor shall be entitled to establish and operate, and license others to establish and operate Wings Over restaurants under the System and Proprietary Marks in the Development Area, except as may otherwise be provided under any Franchise Agreement which has been executed between Franchisor and Developer.

## **5. DUTIES OF FRANCHISOR**

5.1 For each Restaurant developed hereunder, Franchisor shall furnish to Developer the following:

5.1.1 Such site selection consultation as Franchisor may deem advisable; and

5.1.2 Such on-site evaluation as Franchisor may deem advisable as part of its evaluation of Developer's request for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to Franchisor's receipt of such information and materials required under Section 3.2 hereof, including, but in no way limited to, a description of the proposed site and a site review form or other evidence satisfactory to Franchisor which confirm Developer's favorable prospects for obtaining the proposed site. If on-site evaluation is deemed necessary and appropriate by Franchisor, Developer shall conduct up to two (2) on-site evaluation for each Restaurant at Franchisor's cost if the proposed site is located within one hundred (100) miles of Franchisor's then-current principal place of business. For each additional on-site evaluation (if any) or for an on-site evaluation of a proposed site located more than one hundred (100) miles from Franchisor's then-current principal place of business, Franchisor may require, in its sole discretion, that Developer reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging, and meals.

## **6. DUTIES OF DEVELOPER**

6.1 Developer accepts the following obligations:

6.1.1 A Developer which is a corporation shall comply, except as otherwise approved in writing by Franchisor, with the following requirements throughout the term of this Agreement:

6.1.1.1 Developer shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to operating the Franchised Business.

6.1.1.2 Copies of Developer's Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor.

6.1.1.3 Developer shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Developer shall have conspicuously endorsed upon its face 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 assignments by this Agreement; provided, however, that the requirements of this Section 6.1.1.3 shall not apply to a publicly-held corporation.

6.1.1.4 Developer shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of Developer and shall furnish the list to Franchisor upon request.

6.1.2 A Developer which is a partnership shall comply, except as otherwise approved in writing by Franchisor, with the following requirements throughout the term of this Agreement:

6.1.2.1 Developer shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

6.1.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by this Agreement.

6.1.2.3 Developer shall prepare and furnish to Franchisor, upon request, a list of all general and limited partners in Developer.

6.1.3 A Developer which is a limited liability company shall comply, except as otherwise approved in writing by Franchisor, with the following requirements throughout the term of this Agreement:

6.1.3.1 Developer shall furnish Franchisor with a copy of its articles of organization and operating agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

6.1.3.2 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the this Agreement.

6.1.3.3 Developer shall prepare and furnish to Franchisor, upon request, a list of all members in Developer.

6.2 Developer shall comply with all of the other terms, conditions and obligations of Developer under this Agreement.

6.3 If Developer is a corporation, partnership or limited liability corporation, or if any successor to or assignee of Developer is a partnership or limited liability corporation, then all of the principals thereto shall execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit "C".

## **7. TRANSFER OF INTEREST**

7.1 Franchisor shall have the right to transfer, assign or delegate all or any part of its rights or obligations herein to any person or legal entity, Developer agrees hereby to consent to any such assignment and delegation and to execute any documents in connection therewith as reasonably requested by Franchisor. Any such assignment shall be binding upon and inure to the benefit of Franchisor's successors and assigns.

7.2 Developer understands and acknowledges that the rights and duties set forth in this Agreement are unique to Developer, and are granted in reliance on the business skill,

financial capacity and personal character of Developer or Developer's owners. Accordingly, neither Developer nor any immediate or remote successor to any part of Developer's interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly controls Developer shall transfer or assign this Agreement or shall sell, assign, transfer, convey, or give away any direct or indirect interest in Developer (including any direct or indirect interest in an corporate, partnership or limited liability company Developer), in Developer's business, or in substantially all the assets of Developer without the prior written consent of Franchisor. The Franchisor's consent shall not be unreasonably withheld. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Section 8.2 of this Agreement.

7.3 Developer shall notify Franchisor orally and in writing sent by certified mail, return receipt requested: (a) at least ninety (90) days in advance of any proposed transfer of this Agreement, of any direct or indirect controlling interest in Developer, Developer's business, or in all or substantially all of the assets of Developer (this subsection applies if a transfer, alone, or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring this Agreement, a controlling interest in Developer, Developer's business, or in all or substantially all of Developer's assets); and (b) at least forty-five (45) days before any proposed transfer of any direct or indirect, non-controlling interest in Developer, Developer's business, or in all or substantially all of Developer's assets. Franchisor shall not unreasonably withhold its consent to any transfer. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

7.3.1 That all of Developer's accrued monetary obligations to Franchisor and its affiliates and all other outstanding obligations related to the terms and conditions under this Agreement shall have been satisfied;

7.3.2 That Developer is not in default of any material provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Developer and Franchisor or its subsidiaries and affiliates;

7.3.3 That the transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules, and ordinances;

7.3.4 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Developer's obligations under this Agreement; and, if the obligations of Developer were guaranteed by the transferor, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

7.3.5 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business contemplated herein (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to comply with the Development Schedule;

7.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a legal or beneficial interest in the transferee as Franchisor may request) shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, Franchisor's then-current standard form of Development Agreement, which agreement shall supersede this Agreement in all respects and the terms of which agreement may differ from the terms of this Agreement; provided, however, that the Development Schedule thereunder shall be the same as in this Agreement;

7.3.7 That Developer remain liable for all of the obligations of Developer's business prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

7.3.8 That each Restaurant which has opened and been approved for operation by Franchisor is in full compliance with all the conditions and terms of the Franchise Agreement for such Restaurant;

7.3.9 That Developer shall pay to Franchisor a transfer fee of Ten Thousand Dollars (\$10,000). However, in the case of a transfer to a corporation formed by Developer for the convenience of ownership, the transfer fee shall Franchisor's external legal costs related to the transfer plus an administrative fee of One Thousand Dollars (\$1,000); and, in case of a transfer to a transferee due to death of the Developer or its owners, the transfer fee shall be Five Thousand Dollars (\$5,000); and

7.3.9 That transferor shall have first offered to sell such interest to Franchisor pursuant to Section 7.6 hereof.

7.4 Developer shall use its best efforts in the event it grants a security interest in any of the assets of the business licensed hereunder to cause the secured party to agree that in the event of any default by Developer under any documents related to the security interest, Franchisor shall have the right and option to be substituted as obligor to the secured party and to cure any default of Developer, it being understood that such right of Franchisor may be subordinate to the rights of Developer's lenders or landlord.

7.5 Developer acknowledges and agrees that each condition which must be met by the transferee developer is necessary to assure such transferee's full performance of the obligations hereunder.

7.6 If any party holding any direct or indirect interest in this Agreement, in Developer, in the Developer's business, or substantially all of the Developer's assets (the transfer



of which interest would have the effect of transferring this Agreement, a controlling interest in Developer, Developer's business, or in substantially all of Developer's assets), or if Developer desires to accept any bona fide offer from a third party to purchase such interest, the seller shall notify Franchisor in writing of the terms of such offer, and shall provide such information and documentation relating to the offer as Franchisor may require and the Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 7.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 7, with respect to a proposed transfer. If the seller's interest is not sold by Developer within six (6) months from the date it is offered to Franchisor, then Developer must re-offer to sell to Franchisor prior to the sale to a third party. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding.

7.7 Upon the death or mental or physical incapacity for a period greater than six (6) months of any person with a controlling interest in this Agreement or in Developer, the transfer of which requires Franchisor's consent as provided in Section 7.3 hereof, the executor, administrator, or personal representative of such person shall transfer such interest within nine (9) months after such death or mental incompetency to a third party approved by Franchisor. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 7, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within one hundred eighty (180) days, Franchisor may terminate this Agreement. If the heirs or beneficiaries are unable to meet such qualifications, or if Franchisor rejects a proposed transferee, the personal representative will be granted an additional one hundred and eighty (180) days to dispose of the deceased's interest in this Agreement which disposition is subject to all terms and conditions for transfers contained in this Agreement.

7.8 Franchisor's consent to a transfer under this Section 7 shall not constitute a waiver of any claims Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

7.9 Sections 7.2 and 7.3 shall not apply to transfer by Developer of a less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation which has securities registered under the Securities Exchange Act of 1934.

## **8. DEFAULT AND TERMINATION**

8.1 Developer shall be deemed in default under this Agreement, and all rights granted herein shall automatically terminate, without notice to Developer, if Developer falsifies any information or material provided by the Developer to Franchisor; if Developer terminates or repudiates this Agreement orally or in writing; if Developer shall become insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Developer or such a petition is filed against and consented to by Developer; if Developer is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; if a receiver or other custodian (permanent or temporary) of Developer's business or assets or any part thereof is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against Developer's business or assets; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against Developer and not dismissed within thirty (30) days; or if the real or personal property of any of Developer's Restaurants shall be sold after levy thereupon by any sheriff, marshal or constable.

8.2 If Developer fails to comply with or to perform any of the terms, conditions or obligations of (1) this Agreement, (2) any Franchise Agreement or any other agreement between Developer or any of Developer's affiliates and Franchisor, its affiliates or subsidiaries, or (3) makes or attempts to make a transfer or assignment in violation of Section 7.2 hereof, such failure or action shall constitute a default under this Agreement. Upon such default, Franchisor shall have the right to terminate this Agreement and all rights granted hereunder without affording Developer any opportunity to cure the default, effective immediately upon receipt by Developer of written notice.

8.3 Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Restaurants for which a Franchise Agreement has not been executed by Franchisor at the time of termination. Franchisor shall have the right to establish and operate, and to license others to establish and operate, Wings Over restaurants under the System and the Proprietary Marks in the Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Franchisor and Developer.

8.4 No default under this Development Agreement shall constitute a default under any Franchise Agreement between the parties hereto. Default under this Development Agreement shall constitute default under any other Development Agreement between the parties hereto.

8.5 No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

## **9. COVENANTS**

9.1 Developer covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer (or, if Developer is a corporation, partnership or limited liability company, a principal, general partner or member of Developer approved by Franchisor) shall devote full time and best efforts to the management and operation of the business contemplated hereunder, including the establishment and operation of the Restaurants to be developed hereunder.

9.2 Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable confidential information, including, without limitation, information regarding the site selection and marketing methods and techniques of Franchisor and the System and that Developer has the right and obligation under this Agreement to identify sites and develop the Development Area for the benefit of the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

9.2.1 Divert or attempt to divert any present or prospective business or customer of any Franchised Businesses or any Wings Over restaurant to any competitor, 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 Proprietary Marks and the System; or

9.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that: (a) offers, sells or manufactures products or services which are the same as or similar to the products and services offered by the Franchised Businesses under the System, including, but not limited to, providing boneless chicken wings, bone-in chicken wings, and sandwiches ("Competitive Business") that is, or is intended to be, located at or within:

9.2.2.1 the Development Area; or

9.2.2.2 fifteen (15) miles of any business operating under the Proprietary Marks.

9.3 Developer covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 7 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 9.3; or (e) any or all of the foregoing; either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, and notwithstanding any other provision hereof, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at or within:

9.3.1 the Development Area; or

9.3.2 fifteen (15) miles of any business operating under the Proprietary Marks;

provided, however, that Section 9.2.2 and this Section 9.3 shall not apply to the operation by Developer of any business under the System which may be franchised by Franchisor to Developer under a written Franchise Agreement.

9.4 Sections 9.2.2 and 9.3 shall not apply to ownership by Developer of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

9.5 Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 9.2 and 9.3, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof; and Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 13 hereof.

9.6 Developer expressly acknowledges that the existence of any claims it may have which Developer may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9.

9.7 Developer acknowledges that Developer's violation of the terms of this Section 9 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Developer accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Developer in violation of the terms of this Section.

9.8 At the request of Franchisor, Developer shall provide Franchisor with executed covenants similar in substance to those set forth in this Section 9 (including covenants applicable upon the termination of a person's relationship with Developer) from any other person employed by Developer who has received training from Franchisor. All covenants required by this Section 9.8 shall be in the form attached as Exhibit "D" to this Agreement and shall identify Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

## **10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

10.1 Franchisor and Developer agree that this Agreement does not create a fiduciary relationship between them, that Developer shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

10.2 During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor operating pursuant to this Agreement. Developer agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the franchised premises, the content of which Franchisor reserves the right to specify.

10.3 Nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Developer in its operation hereunder or for any claim or judgment arising therefrom against Franchisor. Developer shall indemnify and hold Franchisor and its affiliates, and their respective officers, directors and employees harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with Developer's operations hereunder, as well as the costs, including attorneys' fees, of the indemnified party in defending against them.

## **11. APPROVALS AND WAIVERS**

11.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor therefor, and except as otherwise provided herein, any approval or consent granted shall be in writing.

11.2 Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer, by providing any waiver, approval, advice, consent, or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

11.3 No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Developer shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission of Franchisor to exercise any power or right arising out of any breach of default by Developer of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants, or conditions of this Agreement.

11.4 Neither Franchisor, Franchisor's affiliates, nor Developer shall be responsible or liable for any delays in the performance of any duties under this Agreement which are not the fault or within the reasonable control of that party including, but not limited to, the inability of Franchisor or its affiliates to distribute chicken wings and specialty sandwiches, fire, flood, natural disasters, acts of God, delays in deliveries by common carriers, governmental acts or orders, late deliveries of products or goods or furnishing of services by third party vendors, civil disorders, or strikes and any other labor-related disruption, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay or impossibility. Provided, however, this clause shall not apply to and not result in an extension of: (1) the time for payments to be made by Developer as required by Section 2 hereof; or (2) the term of this Agreement.

## 12. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery, excluding electronic mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

**Wings Over, Inc.**  
dba Wings Over  
6320 McLeod Drive, Unit 2  
Las Vegas, NV 89120  
Attn: Mr. Kevin Mok

*with a copy to:*

**Nixon Peabody, LLP**  
799 9<sup>th</sup> Street, NW, Suite 500  
Washington, DC 20001  
Attn: Keri A. McWilliams, Esq.

Notices to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

## 13. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Developer concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Developer to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement between Franchisor and Developer is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

## 14. SEVERABILITY AND CONSTRUCTION

14.1 If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given

full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

14.2 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, Franchisor's officers, directors, shareholders, agents, and employees, and such of Franchisor's successors and assigns as may be contemplated by Section 7 hereof, any rights or remedies under or by reason of this Agreement.

14.3 Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

## **15. APPLICABLE LAW AND DISPUTE RESOLUTION**

15.1 This Agreement shall be interpreted and construed exclusively under the laws of the state of New York. In the event of any conflict of law, the laws of New York shall prevail, without regard to the application of New York conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of New York and if Developer is located outside of New York and such provision would be enforceable under the laws of the state in which Developer is located, then such provision shall be interpreted and construed under the laws of that state.

15.2 Except as otherwise provided herein, the parties hereto first agree to endeavor to settle in an amicable manner by mediation all disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, at the office of JAMS located in or closest to Franchisor's principal place of business, as reasonably determined by Franchisor in accordance with the mediation rules of JAMS. The following shall supplement and, in the event of a conflict, shall govern such mediation. The parties shall select one (1) mediator from a list provided by JAMS. JAMS shall only list available attorneys with at least ten (10) years of experience in the practice of franchise law. In selecting the mediator from the list provided by JAMS, the parties shall make the selection by the striking method. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between Franchisor and Developer. The parties hereto agree that mediation shall not be required with respect to: (a) any claim or dispute involving any payment obligation of Developer that is more than forty-five (45) days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of Franchisor's confidential information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the indemnification provisions of this Agreement; or (e) any action by Franchisor to enforce the covenants set forth in Section 9 of this Agreement.

15.3 Except as otherwise provided in Section 15.2 hereof, all disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration at the office of JAMS located in New York City, New York in accordance with the Federal Arbitration Act and the Comprehensive Arbitration Rules and Procedures of JAMS. The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. The following shall supplement and, in the event of a conflict, shall govern any arbitration. The parties shall select one arbitrator from the panel provided by JAMS and the arbitrator shall use the laws of New York for interpretation of this Agreement. In selecting the arbitrator from the list provided by JAMS, Franchisor and Developer shall make the selection by the striking method. Franchisor and Developer shall each bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between Franchisor and Developer. The arbitrator shall have no authority to amend or modify the terms of the Agreement. Franchisor and Developer further agree that, unless such a limitation is prohibited by applicable law, neither Franchisor nor Developer shall be liable for punitive or exemplary damages, and the arbitrator shall have no authority to award the same. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Developer. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District Court for the Southern District of New York and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

15.4 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 cumulative of every other right or remedy.

15.5 Any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Franchisor, or Developer's operation of the Developer's business, brought by Developer against Franchisor, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or such action shall be barred.

15.6 Franchisor and Developer hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

15.7 Nothing herein contained (including, without limitation, Section 15.3, above, regarding arbitration) shall bar Franchisor's right to obtain injunctive relief from a court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.



15.8 Except as provided by Sections 15.2 and 15.3 hereof, Developer shall pay to Franchisor all damages, costs, and expenses, including all court costs, mediation costs, arbitration costs, and reasonable attorney's fees, and all other expenses incurred by Franchisor in enforcing any obligation or in defending against any claim, demand, action, or proceeding related to this Agreement, including, but not limited to the obtaining of injunctive relief.

## **16. DEVELOPER'S ACKNOWLEDGMENTS AND REPRESENTATIONS**

16.1 Developer acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Developer (or, if Developer is a corporation, partnership or limited liability company, the ability of its principals) as an independent businessperson. Franchisor expressly disclaims the making of, and Developer acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement, except as provided in Franchisor's franchise disclosure document.

16.2 Developer acknowledges that it received Franchisor's current franchise disclosure document at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Developer further acknowledges that it received a completed copy of this Agreement, and all related agreements attached to the franchise disclosure document, with any changes to such agreements unilaterally and materially made by Franchisor at least seven (7) calendar days prior to the date on which this Agreement and all related agreements were executed.

16.3 Developer acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Developer ample time and opportunity to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement.

16.4 Developer acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), Franchisor is prohibited from engaging in any transaction with any Specially Designated National or Blocked Person. "Specially Designated National" or "Blocked Person" shall mean (1) those persons designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially designated national" or "blocked person" or similar status, (2) a person engaged in, or aiding any person engaged in, acts of terrorism, as defined in the Order, or (3) a person otherwise identified by government or legal authority as a person with whom Franchisor is prohibited from transacting business. Currently, a listing of such designations and the text of the Order are published at the Internet website address, [www.ustreas.gov/offices/enforcement/ofac](http://www.ustreas.gov/offices/enforcement/ofac). Accordingly, Developer represents and warrants to Franchisor that as of the date of this Agreement, neither Developer nor any person holding any ownership interest in Developer, controlled by Developer, or under common control with Developer is a Specially Designated National or Blocked Person, and that Developer (1) does not, and hereafter shall not, engage in any terrorist activity; (2) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (3) is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in,

contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity. Developer agrees that Developer shall immediately provide written notice to Franchisor of the occurrence of any event which renders the representations and warranties in this Section 16.4 incorrect.

16.5 In the event of any default on the part of either party hereto, in addition to any other remedies of the aggrieved party, the losing party shall pay to the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as a result of any such default.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

**DEVELOPER**

**WINGS OVER, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

\_\_\_\_\_

Home Phone Number: \_\_\_\_\_

**EXHIBIT A TO  
“WINGS OVER”  
DEVELOPMENT AGREEMENT**

**DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE**

1. Each Wings Over restaurant developed under this Development Agreement shall be located in the following area or as reflected in the attached map (if any):

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2. Recognizing that time is of the essence, Developer agrees to satisfy the development schedule set forth below:

<u>On or Before</u>	<u>New Restaurants to be Opened</u>	<u>Cumulative Total Number of Restaurants Required to be Open and in Operation</u>
___ months from the Effective Date (the “First Development Period”)		
___ months from the end of the First Development Period (the “Second Development Period”)		
___ months from the end of the Second Development Period (the “Third Development Period”)		
Each successive ___ month period from the end of the Third Development Period until the ____ month following the Effective Date (the “Fourth Development Period”)		
The ___ month period following the Fourth Development Period		

**EXHIBIT B TO  
“WINGS OVER”  
DEVELOPMENT AGREEMENT**

**FRANCHISE AGREEMENT**

The form of Wings Over, Inc. Franchise Agreement currently offered by Franchisor is attached.

**EXHIBIT C TO  
“WINGS OVER”  
DEVELOPMENT AGREEMENT**

**GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT**

As an inducement to Wings Over, Inc. (“Franchisor”) to execute the Development Agreement between Franchisor and \_\_\_\_\_ (“Developer”) dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Developer’s obligations under the Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned will immediately make each payment to Franchisor required of Developer under the Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Developer for any payment required under the Agreement; (b) proceed against or exhaust any security from Developer; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Developer, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys’ fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants contained in Section 9 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 15 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of New York shall prevail, without

regard to, and without giving effect to, the application of the State of New York conflict of law rules.

The undersigned agree that the dispute resolution and attorney fee provisions in Section 15 of the Agreement are hereby incorporated into this Guarantee by reference, and references to “Developer” and the “Development Agreement” therein shall be deemed to apply to “Guarantors” and this “Guarantee,” respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which afford the sender evidence of delivery or rejected delivery, excluding electronic mail, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

**Wings Over, Inc.**

dba Wings Over

6320 McLeod Drive, Unit 2

Las Vegas, NV 89120

Attn: Mr. Kevin Mok

*with a copy to:*

**Nixon Peabody, LLP**

799 9<sup>th</sup> Street, NW, Suite 500

Washington, DC 20001

Attn: Keri A. McWilliams, Esq.

Notices to Guarantors:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Any notice by a method which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given at the date and time of receipt or rejected delivery.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

#### **GUARANTORS**

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT D TO  
“WINGS OVER”  
DEVELOPMENT AGREEMENT**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

In consideration of my position as \_\_\_\_\_ of \_\_\_\_\_ (the “Developer”), and One Dollar, receipt of which is acknowledged, I hereby acknowledge and agree that:

1. Wings Over, Inc. (the “Franchisor”), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment and operation of franchised businesses (“Franchised Businesses”), which feature the dine-in, carry-out, and delivery of and offer for sale to the public boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and other approved items (the “System”).

2. As an employee of the Developer, I will receive valuable confidential information, disclosure of which would be detrimental to the Franchisor and the Developer, such as information relating to recipes, prepared mixtures or blends of flavors, drawings, materials, or equipment of the Franchisor and the System related to the establishment and operation of Franchised Businesses which are beyond the present skills and experience possessed by me. This list of confidential matters is illustrative only, and does not include all matters considered confidential by the Franchisor and the Developer.

3. I will hold in strict confidence all information designated by the Franchisor or the Developer as confidential. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the confidential information only in connection with my duties as an employee of the Developer. My undertaking not to disclose confidential information is a condition of my position with the Developer, and continues even after I cease to be in that position.

4. While in my position with the Developer, I will not do anything which may injure the Developer or the Franchisor, such as (a) divert or attempt to divert any present or prospective business or customer of any Franchised Business to any competitor, by direct or indirect inducement or otherwise; or (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor’s marks and the System.

5. While in my position with the Developer and for two (2) years after I cease to be in my position with the Developer, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advise to, or have any interest in (as owner or otherwise) any business that: (a) offers, sells or manufactures products or services which are the same as or similar to the products and services being offered by Franchised Businesses under the System, including, without limitation, chicken wings, and sandwiches; and (b) is, or is intended to be, located at or within: (1) the Development Area, the boundaries of which I acknowledge have been described to me; or (2) within a radius of five (5) miles of any business operating under the Franchisor’s marks.

6. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Developer. I am aware that my violation of this Agreement will

cause the Franchisor and the Developer irreparable harm; therefore, I acknowledge and agree that the Franchisor and/or the Developer may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay the Franchisor and the Developer all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisor and the Developer, any claim I have against the Franchisor or the Developer is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Development Agreement, and that such meaning has been explained to me.

7. The Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

8. This Agreement shall be construed under the laws of the State of New York. The only way this Agreement can be changed is in a writing signed by both the Developer and me.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ACKNOWLEDGED BY DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT D-1**  
**FRANCHISE AGREEMENT**

**“WINGS OVER”**

**FRANCHISE AGREEMENT**

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## **WINGS OVER, INC. FRANCHISE AGREEMENT**

This Agreement is made and entered into on \_\_\_\_\_, 20\_\_\_\_ by and between Wings Over, Inc., a Delaware corporation with its principal place of business at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120 (“Franchisor”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“Franchisee”).

### **RECITALS**

**WHEREAS**, Franchisor as the result of the expenditure of time, effort and money has developed, and owns and will use its best efforts to provide a unique system relating to the establishment, development and operation of Wings Over restaurants offering products and services related to offer for sale to the public of boneless chicken wings, bone in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and other approved items, and the dine-in, carry-out, and delivery of such products (the “System”);

**WHEREAS**, the distinguishing characteristics of the System include, without limitation, special marketing and advertising methods, operating procedures and materials, and training and supervision, all of which may be improved, further developed or changed by Franchisor from time to time;

**WHEREAS**, Wings Over IP, Inc. (“Trademark Owner”) is the owner of all right, title and interest in the “Wings Over...” service mark, the marks “WINGS and Design,” “B-1,” “B-1 BOMBER,” “B-17 BOMBER,” “AIRCRAFT CARRIER,” “B-17,” “C-5,” “HANGAR 1,” “HANGAR 2,” “HANGAR 3,” and “HANGAR 4,” and other related service marks, trade names, trade dress and trademarks, and has granted Franchisor the right to use and sublicense the use of such marks, and such additional marks as are now designated (and may hereinafter be designated by Franchisor in its Confidential Operating Manual (the “Manual”) or otherwise in writing) as part of the System (collectively, the “Proprietary Marks”);

**WHEREAS**, Franchisor continues to develop, use and control such Proprietary Marks for the benefit and exclusive use of itself and its franchisees in order to identify for the public the source of services marketed thereunder and the System, and to represent the System’s high standards of quality and service;

**WHEREAS**, Franchisee desires to enter into the business of operating a “WINGS OVER...” franchise which provides specialized restaurant services to the public and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training, and other assistance provided by Franchisor, in connection therewith;

**WHEREAS**, Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality and service, and the necessity of operating the franchise in conformity with Franchisor’s standards and specifications; and

**WHEREAS**, Franchisee hereby acknowledges that this Agreement and Franchisor's franchise disclosure document have been personally read and the terms, conditions and covenants contained in this Agreement are acceptable as being reasonably necessary to maintain Franchisor's high standards of quality service and the uniformity of those standards at all franchises and thereby to protect and preserve the Proprietary Marks.

**NOW, THEREFORE**, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

**1. GRANT**

1.1 Franchisor grants to Franchisee the right and Franchisee undertakes the obligation, upon the express terms and conditions set forth in this Agreement, to establish and operate a Wings Over restaurant (the "Restaurant" or "Franchised Business"), and to use the Proprietary Marks and the System, as they may be changed and improved from time to time at Franchisor's sole discretion, solely in connection therewith and only at the location set forth in Section 1.2 hereof.

1.2 Franchisee shall operate the Franchised Business only at \_\_\_\_\_ (the "Approved Location"). If, at the time of execution of this Agreement, a location for the Restaurant has not been obtained by Franchisee and approved by Franchisor, Franchisee shall lease or acquire a location within one hundred twenty (120) days after the date of this Agreement, subject to the Franchisor's approval, as provided for in the Site Selection Addendum attached hereto as Exhibit B. Franchisee shall not relocate the Restaurant without the prior written approval of Franchisor. Franchisor shall have the right, in its sole discretion, to withhold approval of relocation.

1.3 Except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person to establish or operate, a Wings Over restaurant under the System and the Proprietary Marks at any location within the territory described in Exhibit A (the "Franchisee's Territory"). Franchisor further retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein: (a) to establish and operate, and license others to establish and operate, a Restaurant under the System and the Proprietary Marks at any location outside the Franchisee's Territory; (b) to sell or distribute, directly or indirectly, or license others to sell or distribute, boneless chicken wings, bone-in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and sauces, and any other products or services, including, without limitation, sales made at supermarkets, convenience stores, grocery stores, machines, variety stores, the Internet, and through delivery services, at any location (notwithstanding its proximity to the Approved Location) whether within or outside the Franchisee's Territory under the same or different Proprietary Marks; and (c) to acquire and operate any business or store of any kind under different proprietary marks, at any location (notwithstanding its proximity to the Approved Location) whether located within or outside the Franchisee's Territory.

1.4 If Franchisee is a corporation, limited liability company, or a partnership, Franchisee must appoint and maintain during the term of this Agreement a shareholder, member, or partner to be Franchisee's managing owner (the "Managing Owner"). Franchisee (or

Franchisee's Managing Owner, if Franchisee is an entity) shall either (a) personally manage the Restaurant full-time on a day-to-day basis or (b) appoint (i) a full-time general manager ("General Manager") to manage the Restaurant on a day-to-day basis and (ii) an assistant manager ("Assistant Manager") to assist in the managing the Restaurant. Franchisor must approve Franchisee's proposed Managers. The Managing Owner, as of the date first above written, is identified in Exhibit A. The Manager and the Assistant Manager shall be collectively referred to in this Agreement as the "Managers."

1.5 Franchisee acknowledges that the System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Franchisee agrees to comply with all reasonable requirements of Franchisor in that regard, including, without limitation, offering and selling new or different products or services as specified by Franchisor.

## **2. TERM AND RENEWAL**

2.1 This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, the term of this Agreement shall be five (5) years from the date first above written.

2.2 Franchisee may, subject to the following conditions, renew the rights granted under this Agreement for three (3) additional consecutive terms of five (5) years each. Franchisor may require, in its sole discretion, that any or all of the following conditions be met prior to such renewal:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months prior to the end of the then-current term;

2.2.2 Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation, modernization, and refurbishment of the premises of the Restaurant (the "Premises") as Franchisor may reasonably require, including, without limitation, installation of new equipment and renovation of signs, furnishings, fixtures, and décor to reflect the then-current standards and image of the System;

2.2.3 Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates, and shall have timely met those obligations throughout the term of this Agreement;

2.2.5 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of the renewal term or shall obtain Franchisor's approval of a new location for the Restaurant for the duration of the renewal term;

2.2.6 Franchisee shall, at Franchisor's option, execute Franchisor's then-current form of franchise agreement (but only for such renewal terms as are provided by this Agreement), which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution, except that Franchisee shall not be required to pay any initial franchise fee and the Franchisee's Territory shall remain the same;

2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees;

2.2.8 Franchisee shall comply with Franchisor's then-current qualification and training requirements; and

2.2.9 Franchisee shall pay Franchisor a renewal fee in an amount equal to Seven Thousand Five Hundred Dollars (\$7,500).

### **3. DUTIES OF FRANCHISOR**

3.1 Franchisor shall make available at no charge to Franchisee, standard layout, equipment cut sheets, and guidelines for the interior design of a prototypical Restaurant, including a description of, and specifications for, fixtures, furnishings, and signs. Franchisee acknowledges that such plans and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities). Franchisee shall be solely responsible for obtaining any required architectural plans or designs.

3.2 Franchisor shall provide training as set forth in Section 6 hereof.

3.3 Franchisor shall make available to Franchisee advertising and promotional materials and bulletins on new sales, marketing developments, new recipes and new or improved techniques, in a periodic newsletter/information package, as provided in Section 12 hereof.

3.4 Franchisor shall either lend Franchisee one paper copy of Franchisor's Confidential Operating Manual (the "Manual"), as more fully described in Section 9 hereof, or provide Franchisee with electronic access to the Manual (via Internet, extranet, or other electronic means) for Franchisee's use during the term of this Agreement only. During the term of this Agreement, Franchisor will provide Franchisee with modifications, additions and deletions to the Manual from time to time in the manner determined by Franchisor.

3.5 Franchisor shall conduct, as it deems advisable, inspections of Franchisee's operation of the Restaurant.

3.6 During the required time period of operations of the Restaurant, as specified by Franchisor in the Manual or otherwise in writing from time to time, Franchisor shall make available to Franchisee for sale, or designate or approve other suppliers who shall make available to Franchisee for sale, menu items as Franchisor may designate in writing from time to time.



3.7 If this Agreement is for Franchisee's only Franchised Business or if this Agreement is for the first or second Franchised Business granted to Franchisee under a development agreement with Franchisor, Franchisor shall provide Franchisee with up to eighty (80) hours of start-up assistance, including assisting Franchisee, upon Franchisee's request, in the training of its hourly employees, at no charge to Franchisee; otherwise, Franchisor shall provide only up to forty (40) hours of start-up assistance at no charge to Franchisee.

3.8 Franchisor shall provide Franchisee with reasonable consultation annually, including, but not limited to, consultation on promotional efforts and operation of the Franchised Business.

3.9 Franchisor shall have the right, without the obligation, to establish and administer an advertising fund in the manner set forth in Section 12 hereof (the "Advertising Fund").

3.10 Franchisor shall provide a list of approved suppliers and other specifications as a part of the Manual during training.

3.11 Franchisor shall provide Franchisee with a World Wide Web site (a "Web site") page in connection with the Franchised Business. The term "Web site" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site such as Facebook, Twitter, LinkedIn, and on-line blogs and forums ("Networking Media Site"). Franchisor may, at its discretion, require Franchisee to pay a Web site fee for use of such Web site page.

3.12 Franchisor may make available to Franchisee from time to time in Franchisor's sole discretion, at Franchisee's expense, such promotional materials, including newspaper mats, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials.

3.13 Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

3.14 Franchisor reserves the right to require Franchisee to comply with reasonable restrictions on maximum prices of specific goods or services offered and sold by Franchisee as required in the Manual or through the Advertising Fund, or as otherwise reasonably directed by Franchisor in writing from time to time.

3.15 Franchisor's information technology consultant shall provide computer hardware support to Franchisee, if requested by Franchisee. Franchisor may, at its sole discretion, require Franchisee to pay to Franchisor a computer hardware support fee of up to One Hundred Fifty Dollars (\$150) per month, by the tenth (10<sup>th</sup>) day of the month, for such assistance; provided, however, that Franchisee shall also pay any applicable computer hardware support fees charged by the approved supplier of the computer or point-of-sale system purchased by Franchisee for use in the Franchised Business.

#### **4. FEES**

4.1 In consideration of the franchise granted herein, Franchisee shall pay to Franchisor, on execution of this Agreement, an initial franchise fee of Thirty Thousand Dollars (\$30,000) (the “Initial Franchise Fee”), receipt of which is hereby acknowledged. The Initial Franchise Fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor’s lost or deferred opportunity to enter into this Agreement with others.

4.2 Franchisee is required to pay a continuing royalty fee to Franchisor equal to five percent (5%) of Gross Sales, as defined below and at the times and in the manner described in Section 4.4 hereof. As used in this Agreement, “Gross Sales” means all revenue from the sale of all products and services and all other income of every kind and nature at or from the Restaurant or otherwise related to the Restaurant, including, without limitation, any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales shall not include any sales taxes or other taxes collected from customers by Franchisee and paid directly to the appropriate taxing authority.

4.3 Franchisee shall make expenditures and contributions for advertising and promotion at the times specified in Section 12 hereof.

4.4 On or before the tenth (10th) day of each month, Franchisor will automatically withdraw from Franchisee’s designated bank account (described in this Section 4.4) all amounts due to Franchisor for the previous month, via electronic funds transfer (“EFT”). Franchisor currently intends to provide an invoice to Franchisee reflecting the amounts to be withdrawn, but is not required to do so. Franchisee shall maintain a designated bank account for the operation of the Franchised Business, and all revenues from operation of the Franchised Business shall be deposited into such bank account within two (2) days of receipt, including cash, checks, credit card receipts or the value of other forms of payment. The designated bank account must be located within the United States and governed by its laws. Upon execution of this Agreement, Franchisee shall execute Exhibit F attached hereto and furnish to Franchisor the bank account number, a voided check from the bank account, and written authorization for Franchisor to withdraw funds from the bank account via EFT, without further consent or authorization, based upon Franchisor’s calculation of royalties, advertising contributions, and all other amounts due under this Agreement for the relevant time periods. Franchisee agrees to execute any and all further documents as may be necessary to effectuate and maintain the EFT and direct deposit arrangement, if required by Franchisor. In the event Franchisee changes banks or accounts for the bank account(s) required by this Section 4.4, Franchisee shall, prior to such change, provide to Franchisor such information concerning the new account(s) and an authorization to make withdrawals therefrom. Franchisee’s failure to provide such information concerning the bank account(s) required by this Section 4.4 or any new account(s), or Franchisee’s withdrawal of consent for Franchisor to make withdrawals, for whatever reason and by whatever method, shall be a breach of this Agreement.

4.5 If the funds in Franchisee’s designated bank account are insufficient to cover any amounts due under this Agreement on the date such funds are due, or should any EFT not be honored by Franchisee’s bank for any reason, Franchisee agrees that Franchisee shall be

responsible for that payment and any service charges incurred by Franchisor. In addition, if any payments to Franchisor or any of its affiliates are not received when due (either under this Agreement or any other agreement), and Franchisee fails to pay such past due amount within two (2) days after Franchisor notifies Franchisee of the past due amount, Franchisee will be charged a fee of Fifty Dollars (\$50), and interest may be charged on such unpaid amount from the date it was due until all past due amounts are paid, at a rate of the lesser of eighteen percent (18%) per annum or the maximum rate permitted by law.

4.6 Franchisor reserves the right to charge Franchisee a technology fee of up to Five Hundred Dollars (\$500) per month, by the tenth (10<sup>th</sup>) day of the month, for maintenance of the Website, development of a mobile app, or other system-wide technology. Currently, this fee is One Hundred Dollars (\$100) per month. Franchisor reserves the right to increase this fee upon thirty (30) days' prior written notice.

4.7 For any payments to Franchisor required by Sections 4.2, 12.2, and 12.3 hereof, Franchisor reserves the right to designate an alternative method of payment or time period for payment, and upon written notice to Franchisee, Franchisee agrees to comply with such modified payment method.

## **5. OPENING OF FRANCHISED BUSINESS**

5.1 Franchisee shall renovate or construct, and equip, the Restaurant at Franchisee's own expense. Before commencing any renovation or construction of the Restaurant, Franchisee, at its expense, shall prepare preliminary and final architectural drawings and specifications of the Premises in accordance with Franchisor's standard plans provided in Section 3.1. Such preliminary and final drawings and specifications shall be submitted to Franchisor for its prior written approval. The drawings and specifications shall not thereafter be changed or modified without the prior written approval of Franchisor. Franchisor's approval shall not relate to Franchisee's obligations with respect to any federal, state or local laws, codes or regulations including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant, which shall be Franchisee's sole responsibility.

5.2 Franchisee shall be responsible, at Franchisee's expense, for conforming the Premises to local ordinances, building codes and the ADA, and for obtaining all zoning classifications, permits, and clearances, including, but not limited to, certificates of occupancy and certificates of health, which may be required by federal, state or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to the Premises or required by the lessor.

5.3 Franchisee shall obtain Franchisor's written approval prior to first opening the Restaurant, which approval shall not be unreasonably withheld. Franchisee shall commence operation of the Restaurant not later than one hundred eighty (180) days after the date of this Agreement, if Franchisee has selected a site prior to the execution hereof or, if Franchisee has executed the Site Selection Addendum, within six (6) months after obtaining an Approved Location. The parties agree that time is of the essence in the opening of the Restaurant.

## **6. TRAINING**

6.1 Prior to opening, Franchisor will provide an initial training program to Franchisee for up to three (3) persons Franchisor approves (which shall include the Managing Owner, and if applicable the Managers) who will manage the day-to-day operations of the Restaurant. The initial training program is mandatory, includes marketing, sales and business management, as well as systems and procedures necessary to operate the franchise, and is held at Franchisor's headquarters or a corporate location. If this Agreement is for Franchisee's first Wings Over restaurant, the initial training program will consist of approximately: (a) five (5) days of on-site training at a company-owned restaurant ("Day In The Life"); (b) thirty-five (35) days of initial training at Franchisor's headquarters and/or a corporate location; and (c) five (5) days of in-office classroom training. If Franchisee has previously operated a Wings Over restaurant, the initial training program will consist of approximately: (a) thirty (30) days of initial training at Franchisor's headquarters and/or a corporate location; and (b) five (5) days of in-office classroom training. Franchisee (or Franchisee's Managing Owner, if Franchisee is an entity) and Managers must complete the initial training program to Franchisor's satisfaction within sixty (60) days of Franchisor's approval of the Franchised Business location. At Franchisor's option, any persons subsequently acting as the Managing Owner or employed by Franchisee in the position of Manager or Assistant Manager shall also attend and complete Franchisor's training program, to Franchisor's satisfaction. Franchisee, the Managing Owner and Managers shall also attend such additional courses, seminars and other training programs as Franchisor may reasonably require from time to time. Additional training may be provided to Franchisee during the first week of the opening of the Restaurant.

6.2 All training described in this Section 6 must be completed to Franchisor's satisfaction. If Franchisor determines in its sole discretion, that Franchisee, the Managing Owner, or applicable Managers have not completed the initial training program to Franchisor's satisfaction, within sixty (60) days of Franchisor's approval of the Franchised Business location, Franchisor may terminate the Franchise Agreement. Upon such termination, Franchisee shall comply with its termination obligations described in Section 16 below. Franchisee acknowledges and agrees that it shall not have a right to any refund or additional compensation from Franchisor in the event the Franchise Agreement is terminated pursuant to this Section 6.2.

6.3 If, after initial training, Franchisor determines that the Managers should be retrained, Franchisee shall pay Franchisor the then-current per diem charge for such re-training and shall be responsible for all travel, lodging, and meal expenses of Franchisor's personnel and related expenses. Managers who attend the initial training program shall also attend such additional training as required by Franchisor to satisfy specific training requirements.

6.4 All training programs required by Section 6.1 hereof shall be at such times and places as may be designated by Franchisor. For all training courses, seminars and programs required by Section 6.1 hereof, Franchisor shall provide, at no charge to Franchisee, instructors and training materials; and Franchisee shall be responsible for any and all other expenses incurred by it in connection with any such courses, seminars, and programs, including, without limitation, the costs of transportation, lodging, meals, and wages.

6.5 It shall be solely Franchisee's responsibility to ensure that it trains all new employees and current employees to perform their duties in a proper manner at the Franchised Business; provided, however, that at Franchisee's request and at Franchisee's sole expense, Franchisor may provide initial and ongoing training, as prescribed by Franchisor in the Manual or otherwise in writing from time to time, to any of Franchisee's employees who have not attended Franchisor's training program(s) as described in Section 6.1 hereof, but who will be providing the direct, on-premises supervision of the Restaurant as required by Section 7.13 hereof. In the event that Franchisor provides training to Franchisee's employees upon Franchisee's request, Franchisee hereby releases, indemnifies and holds harmless Franchisor and its affiliates, agents, and employees from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or additional training of Franchisee's employees as set forth herein.

## **7. DUTIES OF FRANCHISEE**

7.1 Franchisee understands and acknowledges that every detail of the Franchised Business is important to Franchisee, Franchisor and other franchisees in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchised businesses operating under the System, and to protect Franchisor's reputation and goodwill.

7.2 Franchisee shall use the Premises solely for the operation of the business franchised hereunder; shall keep the Restaurant open and in normal operation for such minimum hours and days as Franchisor may specify; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor; and shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee shall refrain from deviating from such standards, specifications, and procedures without Franchisor's prior written consent

7.3 To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee agrees:

7.3.1 To maintain in sufficient supply as Franchisor may prescribe in the Manual or otherwise in writing, and to use at all times, only such food items, recorded music, and other products acquired from a supplier or suppliers designated or approved by Franchisor, and such other ingredients, products, materials, supplies, paper goods, fixtures, furnishings, equipment, signs and menu items, as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use of nonconforming items, without Franchisor's prior written consent. Franchisor may designate itself or an affiliate to be an approved supplier, or the only approved supplier, of any products and other items.

7.3.2 To sell or offer for sale only such chicken wings and specialty sandwiches ("Wings Over Products"), and other products and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of Wings Over

Products, products, and services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any Wings Over Products which Franchisor may, in its discretion, disapprove in writing at any time. Franchisor reserves the right to charge Franchisee a fee of Five Hundred Dollars (\$500) per item offered, plus One Hundred Dollars (\$100) per item actually sold in violation of this restriction. The foregoing shall be in addition to such other remedies Franchisor may have.

7.3.3 To use and display only the standard menu format required by Franchisor, as the same may be revised by Franchisor from time to time. Any change in the menu format must be approved in writing by Franchisor prior to use. Franchisee shall have sole discretion as to the prices to be charged to customers, except as otherwise provided in Section 3.14 hereof.

7.3.4 To use, in the operation of the Franchised Business, such standards, specifications, and procedures as prescribed by Franchisor.

7.3.5 To refrain from selling or advertising any Wings Over Product or other products or services hereunder on the Internet without Franchisor's prior, written approval.

7.3.6 To purchase certain clothing and wear gear, phone equipment, marketing materials, restaurant equipment and supplies, and training materials from Franchisor or its designated supplier at then-current prices as set forth in the Manual.

7.3.7 To provide production run samples of the food products and services identified by the Proprietary Marks at least as often as annually and also on Franchisor's request in order to determine whether such products and services meet all quality control requirements.

7.4 Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, supplies, equipment (including, without limitation, refrigerator, sinks, telecopy machine, telephone, and cash register or point-of-sale recording system), décor, and signs as Franchisor may reasonably direct from time to time; and shall refrain from installing or permitting to be installed on or about the Premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved by Franchisor. Franchisee shall not use any handwritten signs on the Premises for any reason.

7.5 All products sold or offered for sale at the Franchised Business, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used at the Franchised Business, shall meet Franchisor's then-current standards and specifications, as established in the Manual, Franchisor's internet webpage, or otherwise in writing. Franchisee shall purchase all food items, spices, ingredients, supplies, materials, and other products and equipment used or offered for sale at the Franchised Business for which Franchisor has established standards or specifications solely from suppliers (including manufacturers, distributors and other sources) which demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's standards and specifications, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manual or otherwise in writing. If Franchisee desires to purchase products from

a party other than an approved supplier, Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of conformity with Franchisor's specifications as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall use its best efforts, within ninety (90) days after its receipt of such completed request and completion of such evaluation and testing (if required by Franchisor), to notify Franchisee in writing of its approval or disapproval of the proposed supplier. Franchisee shall not sell or offer for sale any products of the proposed supplier until Franchisor's written approval of the proposed supplier is received. Franchisor may from time to time revoke its approval of particular products or suppliers when Franchisor determines, in its sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to sell any disapproved products and cease to purchase from any disapproved supplier. Franchisee agrees that it shall use products purchased from approved suppliers solely for the purpose of operating the Franchised Business and not for any other purpose, including, without limitation, resale. Nothing in the foregoing shall be construed to require Franchisor to make available to prospective suppliers, standards and specifications for formulas, including, without limitation, the recipes for the Wings Over Products, that Franchisor, in its sole discretion, deems confidential. Notwithstanding the above, Franchisor reserves the right, in its business judgment, to require Franchisee to purchase any or all approved products, equipment, merchandise, or services used in the Franchised Business solely from Franchisor or an affiliate of Franchisor.

7.6 At the time the Franchised Business opens, Franchisee shall stock the initial inventory of chicken, food items, recorded music, and other products and supplies prescribed by Franchisor in the Manual or otherwise in writing. Thereafter, Franchisee shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand. All products made available for purchase by Franchisee at the Franchised Business through the Wings Over eStore, or otherwise, are to be used by Franchisee and its employees only in connection with the operation of the Franchised Business. Franchisee is not permitted to resell any such items to customers, vendors, or other third parties. Franchisor reserves the right to charge Franchisee a fee of One Hundred Dollars (\$100) per item that is sold in violation of this restriction.

7.7 Franchisee shall permit Franchisor and its agents to enter upon the Franchised Business premises at any time during normal business hours for the purpose of conducting inspections, providing consultations, or otherwise reviewing operations. In connection with these inspections, Franchisee shall:

7.7.1 Cooperate with representatives of Franchisor during such visit by rendering such assistance as they may reasonably request.

7.7.2 Spend up to Five Hundred Dollars (\$500) as directed by Franchisor, which may include without limitation providing food at a free or discounted rate to Franchisor for the purpose of testing food quality, participating in recommended promotions that involve free or discounted food for customers, reimbursing the Franchisor for personnel costs incurred while

reviewing operational standards, or on other reasonable expenditures intended to improve operations and customer satisfaction, provided that any such expenditures shall not in the aggregate exceed Five Hundred Dollars (\$500) per calendar quarter.

7.7.3 Upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. In determining deficiencies, Franchisor shall include an evaluation of any customer complaints on file, as well as a list of customers. Should Franchisee, for any reason, fail to correct such deficiencies within thirty (30) days as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable to Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

7.8 Franchisee shall ensure that all advertising and promotional materials, signs, decorations and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

7.9 Prior to opening of the Franchised Business, and during the term of this Agreement, Franchisee must purchase from Franchisor all banners and menus used in the Franchised Business.

7.10 Franchisee shall offer and provide delivery service for all Wings Over Products and any other approved menu items to customers located in Franchisee's Territory. Franchisee may provide directly (or through an online app or other delivery service) such delivery service outside of Franchisee's Territory and in the territory of another Franchisee. Franchisee acknowledges and agrees that other Wings Over franchisees may provide delivery in Franchisee's Territory.

7.10.1 Franchisee shall have a staff of delivery drivers whose vehicles must be owned by a delivery driver or Franchisee. Any such vehicles shall be well-maintained and also registered and insured according to all local and state automobile laws. Franchisee shall ensure that all of its drivers carry reasonable insurance for collision, bodily injury and property damage, and be licensed according to all local and state automobile laws.

7.10.2 All delivery service provided hereunder shall be made in accordance with Franchisor's then-current delivery standards as described in the Manual or as we otherwise specify in writing from time-to-time.

7.11 Franchisee shall maintain the Premises (including the adjacent public areas) in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and décor as Franchisor may reasonably direct.

7.12 At Franchisor's request, but no more than twice every five (5) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Premises, at its expense, to



conform to the building design, trade dress, color schemes and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Wings Over franchised businesses. Such refurbishment may include, without limitation, structural changes, installation of new equipment, remodeling, redecoration and modifications to existing improvements.

7.13 The Franchised Business shall at all times be under the direct, on-premises supervision of the Franchisee (or its Managing Owner) and Managers who have satisfactorily completed the training as required by Section 6.1 hereof. Franchisor reserves the right to maintain a list of these approved Managers. Franchisor also reserves the right to charge Franchisee a fee of One Hundred Dollars (\$100) per day in which the restaurant is operating without Franchisor-approved Managers on-premises. Franchisee shall also maintain a competent, conscientious, trained staff, including Managers who have satisfactorily completed the training described in Section 6.1 hereof. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and meet such minimum standards, including, without limitation, such attire as Franchisor reasonably requires, as Franchisor may establish from time to time in the Manual. Franchisee shall require that Franchisee and its employees handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from the name and goodwill of Franchisor. Franchisee shall take such steps as are necessary to ensure that its employees do not violate Franchisor's policies relating to the use of Networking Media Sites (as defined in Section 3.11), including, but not limited to, the posting of any information relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business on any Networking Media Site that is inconsistent with such policies; provided, however, that Franchisee shall not prohibit or restrict any social media communications or activity which prohibition or restriction violates its employees' right to engage in protected concerted activity under the National Labor Relations Act. Franchisee shall be solely responsible for all employment decisions and functions of the Franchised Business, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of its employees.

7.14 Franchisee shall contemporaneously record all sales using the point-of-sale system designated by Franchisor, and on any other equipment or record-keeping system specified by Franchisor in the Manual or otherwise in writing, and shall participate in all online, electronic, or centralized ordering programs developed or designated by Franchisor for the System. Franchisee agrees to purchase all required equipment necessary for participation in such programs from Franchisor's approved supplier, and to install and use, at its own expense, the required fixtures, equipment, and information systems, including paying to Franchisor and/or a designated third-party provider the then-current fees associated with such equipment or programs. Franchisee agrees that Franchisor shall have independent access to the information set forth in the point-of-sale, record-keeping, or other electronic systems, at any time, and shall upgrade such systems and software used in the Franchised Business at Franchisee's expense upon written request from Franchisor. Franchisor reserves the right to charge Franchisee a penalty of up to Two Hundred Fifty Dollars (\$250) per week for each week that Franchisee fails to record its sales as required by Franchisor. The foregoing shall be in addition to such other remedies Franchisor may have.

7.15 All data provided by Franchisee, uploaded to Franchisor's system from Franchisee's system, and/or downloaded from Franchisee's system to Franchisor's system, is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in

any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the establishment and operation of the Franchised Business pursuant to this Agreement.

7.16 Subject to commercial standards of reasonableness based upon local business practices in the Territory, Franchisor may, from time-to-time, specify in the Manual (or otherwise in writing) the information that Franchisee shall collect and maintain on the computer system ("Computer System") installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Business (including without limitation data pertaining to or otherwise about customers) is and shall be the exclusive property of Franchisor, and Franchisor hereby grants a royalty-free nonexclusive license to Franchisee to use said data during the term of this Agreement. Franchisee shall abide by all applicable laws and standards pertaining to the privacy of consumer, employee, transactional, and other electronic information (including the Payment Card Industry Data Security Standards and relevant provisions of the Health Insurance Portability and Accountability Act). Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

7.17 Franchisor may, but is not obligated to, establish an Extranet. The term "Extranet" means a private network based upon Internet protocols that will allow users inside and outside of Franchisor's headquarters to access certain parts of Franchisor's computer network via the Internet. If Franchisor does establish an Extranet, then Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include, without limitation, the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware (including but not limited to telecommunications capacity) as may be required to connect to and utilize the Extranet. Franchisor shall have the right to require Franchisee to install a video, voice and data system that is accessible by both Franchisor and Franchisee on a secure Internet website, in real-time, all in accordance with Franchisor's then-current written standards as set forth in the Manual or otherwise in writing. Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Extranet and/or such other computer systems as Franchisor may reasonably require.

7.18 Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the Managing Owner) or Franchisee's Managers shall take an active role in the operation of the Franchised Business, and shall be on the Premises operating the Franchised

Business during peak hours of store operation specified by Franchisor in writing in the Manual or otherwise in writing from time to time.

7.19 Franchisee shall not implement any change, amendment or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, amendment or improvement in the System which Franchisee proposes to make, and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, amendment or improvement. Franchisee acknowledges and agrees that Franchisor shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to Franchisee.

7.20 Franchisee shall comply with all the terms of its lease or sublease and all other agreements affecting the operation of the Franchised Business; shall promptly furnish Franchisor a copy of its lease, upon request; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Premises.

7.21 Franchisee shall provide a sit-down eating area, for customers who wish to eat inside the Franchised Business, and shall conduct dine-in, carry-out, and delivery of the Wings Over Products at the Franchised Business in the manner prescribed by Franchisor in the Manual or otherwise in writing.

7.22 Franchisor may, but is not obligated to, develop, identify, permit, or require one or more Mobile Apps to be used in connection with the System. The term "Mobile App" refers to an application for use on smart phones, tablets, other mobile devices, and laptop (or other) computers, and may include, but is not limited to, online ordering and/or delivery, a loyalty or reward program, electronic payments options, and other features. If Franchisor develops, identifies, permits or requires a Mobile App, then Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Mobile App and utilizing the Mobile App in connection with the operation of the Franchised Business, including participation in any loyalty or rewards program, and Franchisee will not be permitted to use any Mobile Apps not specifically designated by Franchisor.

7.23 Franchisee shall participate in all promotional programs developed by Franchisor for the System, including gift card programs, loyalty programs, customer complaint programs, and/or coupon or discount programs (except as prohibited by applicable law), as prescribed by Franchisor in the Manual or otherwise in writing from time to time, including, but not limited to, selling and offering for sale gift cards which may be redeemed at any Wings Over restaurant for menu items or products; encouraging customers to participate in loyalty programs; and permitting customers who have valid gift cards or accumulated loyalty points to redeem their gift cards or loyalty points for menu items or products at the Franchised Business at Franchisee's expense (with any reimbursement subject to the then-current terms of the loyalty program as set forth in the Manual or otherwise in writing). Franchisee agrees to install and use, at Franchisee's expense, the required equipment or information systems necessary to allow customers to participate in such System-wide promotional programs. Franchisee must comply with all of

Franchisor's policies regarding advertising and promotion, including the use and acceptance of coupons, gift cards, and loyalty points. Franchisee acknowledges and agrees that participation in a gift card program may require the payment and/or transfer of gift card revenue to a centralized account controlled by Franchisor, its affiliate, or to a designated third-party, for the administration of the gift card program.

7.24 Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Business. Franchisee shall furnish to Franchisor within five (5) business days after receipt thereof, a copy of any violation, citation, report or inspection which indicates Franchisee's failure to maintain local health or safety standards or which indicates deficiencies in any aspect of the operation of the Franchised Business.

7.25 Franchisee acknowledges and agrees that it is essential to customers of the Restaurant, the success of the Restaurant, and to the System and Proprietary Marks, and the goodwill associated therewith, that Franchisee maintains the highest adherence to Franchisor's standards of quality, operations and service, under Franchisor's System standards, at the Restaurant, including, without limitation, the highest health and safety standards, the highest customer approval ratings, and adherence to Franchisor's menu and product ingredient requirements.

7.25.1 In accordance therewith, Franchisee acknowledges and agrees that (1) Franchisor has established a system for monitoring Franchisee's compliance with such standards and requirements, under Franchisor's System standards, to confirm compliance therewith, and (2) Franchisor may utilize and obtain, and/or require Franchisee to utilize and obtain, certain third-party assessments of the operation of the Franchised Business at Franchisee's expense (collectively, "Operational Audit Program"). Franchisor's Operational Audit Program may be based on a variety of measurements, including, without limitation, (a) operational audits and inspections by Franchisor, and certain third-party health inspections of the Franchised Business based on restaurant industry standards, each of which may measure compliance with Franchisor's System standards, and (b) secret shopper programs and surveys, customer satisfaction ratings based on Franchisor and third-party customer satisfaction surveys, and on-line customer feedback received by Franchisor or Franchisee, as described herein. Franchisee shall promptly reimburse Franchisor for the cost of any third-party inspections, assessments, or surveys as described in this Section 7.25.

7.25.2 Franchisee acknowledges and agrees that (1) Franchisor may utilize a performance-based scoring system in connection with its Operational Audit Program to assess deficiencies Franchisor identifies at the Restaurant under the Operation Audit Program and (2) Franchisee is required to (a) promptly address and cure such deficiencies identified in the Operational Audit Program, and (b) continuously maintain acceptable health ratings and secret shopper satisfaction ratings (as Franchisor reasonably determines and described in the Manual or otherwise in writing and according to its scoring system) throughout the term hereof. Franchisee acknowledges and agrees that its compliance with all such requirements throughout the term hereof is a material obligation of Franchisee hereunder.

7.25.3 Franchisee acknowledges and agrees that, under Franchisor's performance-based scoring system, Franchisee may be subject to certain monetary fines for

deficiencies that Franchisee fails to cure after notice from Franchisor or to maintain acceptable System standards, based on Franchisee's level of non-performance or under-performance, as described in the Manual. Franchisor and Franchisee agree that such monetary fines are a reasonable pre-estimate of the damage to the Franchisor which would otherwise be difficult to determine and shall be described in the Manual.

7.25.4 In the event of serious health inspection deficiencies identified and uncured by Franchisee through the Operational Audit Program, Franchisor reserves the right, after Franchisor has provided Franchisee with notice and a reasonable opportunity to cure such deficiencies, to operate the Restaurant on a temporary basis in order to cure such deficiencies, as further described in Section 15.4 hereof. Franchisor's rights under this Section 7.25 and Section 15.4 shall be in addition to Franchisor's other rights hereunder, including, without limitation, Franchisor's rights to terminate this Agreement under Section 15.

## **8. PROPRIETARY MARKS**

8.1 Franchisor represents with respect to the Proprietary Marks:

8.1.1 Franchisor has the right to use, and to license others to use, the Proprietary Marks; and

8.1.2 The Trademark Owner has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks.

8.2 With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

8.2.1 Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

8.2.2 Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the Approved Location, or in advertising for the Franchised Business conducted at or from the Approved Location;

8.2.3 Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchised Business only under the name "WINGS OVER" and shall use all Proprietary Marks without prefix or suffix. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

8.2.4 During the term of this Agreement and any renewal or extension hereof, Franchisee shall identify itself as the owner of the Franchised Business (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as Franchisor may designate in writing;

8.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an

infringement of the Trademark Owner's rights and will entitle Franchisor to exercise all of its rights under this Agreement in addition to all rights available at law or in equity;

8.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

8.2.7 Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

8.2.8 Franchisee shall promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to the Trademark Owner's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts;

8.2.9 Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks;

8.2.10 Franchisee shall not hold out or otherwise employ the Proprietary Marks to perform any activity or to incur any indebtedness, in a manner as could reasonably result in making Franchisor liable therefor;

8.2.11 Franchisee shall operate the Franchised Business under the name "Wings Over" immediately followed by the name of the city where Franchised Business is located, as approved by Franchisor and shall assign to Franchisor all rights and title to such name; and

8.2.12 Franchisee shall not advertise or use, in advertising or any other form of promotion, the Proprietary Marks of Franchisor without appropriate © or ® or TM symbols, where applicable.

8.3 Franchisee expressly understands and acknowledges that:

8.3.1 The Trademark Owner is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

8.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

8.3.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of the Trademark Owner's ownership of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

8.3.4 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

8.3.5 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of the Trademark Owner, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to Franchisee or any of its principals, affiliates, subsidiaries, successors, licensees or assigns as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

8.3.6 Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself in connection with selling products and services; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee;

8.3.7 Franchisor reserves the right, in Franchisor's sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the businesses operating thereunder. Franchisee agrees promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of modifying Franchisee's signs, advertising materials, interior graphics and any other items which bear the Proprietary Marks to conform therewith; and

8.3.8 Franchisor shall have the right to disapprove any use, representation or display of the Proprietary Marks which in its reasonable judgment may affect its ownership rights in the Proprietary Marks or any goodwill associated with the Proprietary Marks.

## **9. OPERATING MANUAL**

9.1 In order to protect the reputation and goodwill of the Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Business in strict accordance with the standards, methods, policies, and procedures specified in the Manual. Upon commencement by Franchisee or its Managers of the Franchisor's initial

training program, Franchisor will provide to Franchisee on loan, or make available by electronic means, one copy of the Manual for the term of this Agreement.

9.2 Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 Franchisor has the right to maintain all or any portions of the Manual in written or electronic form, including, without limitation, on one or more Web sites. If Franchisor maintains the Manual in electronic form or on one or more Web sites, Franchisee agrees (a) to install, maintain, and upgrade continually throughout the term of this Agreement and as required by Franchisor in the Manual and in writing from time to time, at Franchisee's sole expense, the highest-speed Internet connection available to provide access to such portions of the Manual; (b) to make one copy of such portions of the Manual and to maintain such copies and their contents as secret and confidential; and (c) Franchisee and none of Franchisee's principals or employees shall make any electronic copy of any portion of the Manual.

9.4 The electronic copy (or, if unavailable, the paper copy) of the Manual maintained by the Company at its home office is, and shall be, controlling in the event of any dispute as to the Manual's contents. Franchisee shall use the Manual solely for the operation of the Franchised Business. The Manual shall remain the sole property of Franchisor and shall be kept in a secure place on the Premises. Franchisee shall ensure that the Manual is kept current at all times.

9.5 Franchisor may from time to time revise the contents of the Manual in the manner determined by Franchisor, and Franchisee expressly agrees to comply with each new or changed standard.

## **10. CONFIDENTIAL INFORMATION**

10.1 Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the business franchised hereunder, including, without limitation, recipes, prepared mixtures or blends of flavors, customer lists, drawings, materials, or equipment which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 At Franchisor's request, Franchisee shall require its Managers and other such personnel having access to any of Franchisor's confidential information as Franchisor requires to execute non-competition covenants and covenants that they will maintain the confidentiality of



information they receive in connection with their employment by Franchisee at the Franchised Business. Such covenants shall be in the form attached hereto as Exhibit C.

## **11. ACCOUNTING AND RECORDS**

11.1 Franchisee shall record all sales point-of-sale system designated by Franchisor, and on any other equipment specified by Franchisor in the Manual or otherwise in writing. Franchisee shall prepare, and shall preserve for at least three (3) years from the dates of their preparation, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.2 All Gross Sales, sales tax, and charges collected on behalf of third parties shall be recorded by Franchisee in accordance with the procedures prescribed in the Manual or as otherwise designated by Franchisor.

11.3 Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, the following reports, financial statements, and other data:

11.3.1 By fifteen (15) calendar days after the end of each fiscal quarter, an accurate profit and loss statement and unaudited financial statements reflecting all Gross Sales and showing the results of operations of the Franchised Business during the preceding calendar month, and including, without limitation, details related to food costs, labor costs, and such other costs related to operating the Franchised Business as Franchisor may designate;

11.3.2 Within seventy-five (75) calendar days after the end of each fiscal year, Franchisee's financial statements for its preceding fiscal year, including, without limitation, a complete and accurate profit and loss statement and balance sheet, which may be unaudited but, upon Franchisor's request, shall be reviewed in accordance with generally accepted accounting principles;

11.3.3 Within ten (10) business days after Franchisor's request, all federal, state and local sales, income or other tax returns filed by Franchisee; and

11.3.4 Such other forms, reports, records, information and data as Franchisor may reasonably designate.

11.4 Franchisor and its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, accounts, sales tax returns, and federal and state tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that (a) any monthly Gross Sales have been understated in any report to Franchisor by one percent (1%) or more; (b) Franchisee has failed to record transaction representing one percent (1%) or more of Gross Sales in any calendar month, or (c) Franchisee lacks adequate records for Franchisor or its agents to perform an audit, then Franchisee shall immediately pay to Franchisor the royalty fee due on such understated or unrecorded amounts or, if the Franchisee lacks adequate records, one percent (1%) of monthly Gross Sales for the period(s) for which Franchisee lacks adequate records. In addition, Franchisee shall pay interest on such royalty fees, from the date such royalty fees should

have been paid on such understated or unrecorded amounts until such royalty fees are actually paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, plus all of Franchisor's costs and expenses in connection with the inspection, including, without limitation, travel costs, lodging and wages expenses, and reasonable accounting and legal costs. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## **12. ADVERTISING AND PROMOTION**

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1 Beginning two (2) weeks prior to the opening of the Franchised Business and continuing until the opening of the Franchised Business, Franchisee shall conduct an initial, grand opening local advertising and promotional program in the form and manner prescribed by Franchisor in writing. Franchisee shall expend no less than Five Thousand Dollars (\$5,000) on such grand opening advertising and promotion. Franchisee shall submit verification of the expenditure required by this Section 12.1 prior to the opening of the Franchised Business. If Franchisee fails to submit the required verification of such expenditures prior to the opening of the Franchised Business, or fails to make the required expenditures and submit to Franchisor verification of such expenditures by thirty (30) days' after the opening of the Franchised Business, Franchisee shall pay Franchisor a fee equal to Seven Thousand Five Hundred Dollars (\$7,500) less the amount of any expenditures made by Franchisee and verified by Franchisor.

12.2 In addition to the expenditure required by Section 12.1 hereof, Franchisee shall spend two percent (2%) of Gross Sales the first six (6) months and the second six (6) months of each calendar year during the term hereof (or each portion thereof) on local advertising and promotion. Franchisee understands and acknowledges that such required expenditure is a minimum requirement only. Franchisee shall submit verification of the expenditures required by this Section 12.2 to Franchisor by July 31 and January 31 of each year (for such expenditures in the prior six-month period in which the Franchised Business was operating) in the form and manner prescribed by Franchisor in the Manual or otherwise in writing from time to time. If Franchisee fails to make the required expenditures or fails to submit the required verification of such expenditures in the form and manner prescribed by Franchisor, Franchisor reserves the right to begin collecting a local advertising contribution equal to two percent (2%) of Gross Sales per month, at the time and in the manner described in Section 4.4 above, and to spend such amounts on the Franchisee's behalf and in Franchisor's sole discretion.

12.3 During the term of this Agreement, Franchisee shall pay to the Advertising Fund a monthly fee equal to three percent (3%) of Gross Sales of the Restaurant for the preceding month. Contributions to the Advertising Fund shall be in addition to any expenditures made pursuant to Sections 12.1 and 12.2 above and shall be made in accordance with Section 4.4. Franchisor shall maintain a separate account for said contribution and shall administer it in the Advertising Fund, at its sole discretion, to cover the costs to maintain, administer, direct, and prepare national, regional, or local advertising materials.

12.4 The Advertising Fund shall be maintained and administered by Franchisor as follows:

12.4.1 Franchisor shall direct all advertising, marketing, and promotional programs, and have sole discretion over all aspects of such programs, including but not limited to concepts, materials, and media used in such programs, and the placement and allocation thereof. Franchisee agrees and acknowledges that the Advertising Fund is intended to maximize general public recognition, acceptance, and use of the System; and that Franchisor is not obligated, in administering the Advertising Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures by the Advertising Fund.

12.4.2 The Advertising Fund, all contributions thereto, and any earnings thereon, shall be used to meet any and all costs of promoting and supporting the Wings Over brand and System and maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations materials, sales materials, and/or promotional programs and materials, including the costs of radio and television advertisements, production and media, review of locally produced advertisements, door hangers, mailers, inserts and coupons, brochures, promotional materials, market research, market surveys, sponsorships, web site design and maintenance, public relations, related retainers, mystery shoppers for competitors, celebrity endorsements, trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment), association dues (including, without limitation, International Franchise Association, National Restaurant Association, and International Council of Shopping Centers), search engine optimization; utilizing Networking Media Sites (as described in Section 3.11 above) and other emerging media or promotional tactics; establishing a third party facility for customizing local advertising, accounting costs, and other costs that Franchisor believes, in its sole discretion, are appropriate to enhance, promote, and protect the Wings Over brand and System.

12.4.3 We will maintain separate bookkeeping for the Advertising Fund and may, but will not be required to, cause Advertising Fund contributions to be deposited into one or more separate bank accounts. All sums paid by Franchisee to the Advertising Fund shall not be used to defray any of Franchisor's expenses, except for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Advertising Fund and advertising programs for franchisees and the System, including, among other things, costs of personnel for creating and implementing advertising, promotional and marketing programs. The Fund and any earnings thereon shall not otherwise inure to the benefit of Franchisor. Franchisee acknowledges that Franchisor is not a fiduciary to Franchisee of the monies in the Advertising Fund.

12.4.4 It is anticipated that all contributions to and earnings of the Fund will be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Fund at the end of such taxable year, all expenditures in the following taxable year(s) will be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

12.4.5 Although the Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been expended for advertising and/or promotional purposes.

12.4.6 Franchisor reserves the right to charge five percent (5%) of its reasonable costs and overhead incurred by Franchisor in its direction and implementation of the Fund.

12.5 All advertising and promotion by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any handwritten advertising, promotional, or marketing materials for any reason. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 12.7 hereof.

12.6 Franchisee shall submit to Franchisor samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including, without limitation, the Internet) that Franchisee desires to use and that have not been prepared or previously approved by Franchisor within the preceding six (6) months (as provided in Section 21 hereof), for Franchisor's prior approval (except with respect to minimum prices to be charged). Franchisee shall not use such plans or materials until they have been approved in writing by Franchisor. If written notice of approval is not received by Franchisee from Franchisor within fifteen (15) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them.

12.7 Except as approved in advance by Franchisor, Franchisee may not establish or maintain any other Web site, a Mobile App, or otherwise maintain a presence or advertise on the Internet or any other public computer network, in connection with the Franchised Business. In connection with Franchisee's Web site, Franchisee shall comply with the following requirements, and all other applicable requirements set forth by Franchisor in the Manual or otherwise in writing from time-to-time:

12.7.1 Franchisee may only use Web materials, Web pages, and Web site content which Franchisor has approved in advance in writing. If approved, Franchisor shall incorporate such materials, pages, and site content on the Franchisee's Web site;

12.7.2 Franchisee shall not use any of the Proprietary Marks on its Web site, except as expressly permitted by Franchisor in writing. Franchisee may not post or include any confidential information (as described in Section 10.1 hereof) or any other copyrighted material or information on its Web site without Franchisor's prior written approval. If Franchisee wishes to modify its approved Web site, all proposed modifications must receive Franchisor's prior written approval;

12.7.3 Franchisor may furnish Franchisee with materials for Franchisee's Web site, but Franchisor shall be and at all times remain the sole owner of the copyrights for all material which appears on Franchisee's Web site;

12.7.4 Franchisee shall obtain Franchisor's prior written approval for each Internet domain name and/or home page address Franchisee uses in connection with its Web site. Upon request by Franchisor, Franchisee shall immediately irrevocably assign and transfer to Franchisor or its designee any and all interests Franchisee may have in the Web site maintained by Franchisee in connection with the Franchised Business and in the domain name and home page address related to such Web site. Franchisor shall be, and at all times remain, the sole owner of the domain name and/or home page address for the Web site Franchisee maintains in connection with the Franchised Business, Franchisee shall execute all documents required by Franchisor in connection therewith, and Franchisee hereby appoints Franchisor as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so; and

12.7.5 Franchisee shall not make any posting or other contribution to a Networking Media Site relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business that (a) is derogatory, disparaging, or critical of Franchisor, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or the Proprietary Marks, or (d) violates Franchisor's policies relating to the use of Networking Media Sites provided, however, that Franchisor shall not prohibit or restrict any social media communications or activity which prohibition or restriction violates Franchisee's right to engage in protected concerted activity under the National Labor Relations Act.

12.8 Franchisee may, at its expense, obtain listings in the white and yellow pages of local telephone directories with Franchisor's prior approval. Franchisee shall comply with Franchisor's specifications concerning the form and size of such listings, and the number of directories in which such listings shall be placed. Franchisee's expenditures for the advertising described in this Section 12.9 shall be in addition to any expenditures required under this Section 12.

12.9 Franchisor shall have the right, in its discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Franchised Business. If a Cooperative has been established applicable to the Franchised Business at the time the Franchisee commences operations hereunder, Franchisee shall immediately become a member of the Cooperative. If a Cooperative applicable to the Franchised Business is established at any later time during the term of this Agreement, Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. If the Franchised Business is within the territory of more than one Cooperative, Franchisee shall be required to be a member of only one such Cooperative:

12.9.1 Each Cooperative shall be organized and governed in a form and manner, shall commence operation on a date, and shall operate pursuant to written governing documents, all of which must be approved in advance by Franchisor in writing.

12.9.2 Each Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized advertising materials for use by the members in local advertising.

12.9.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor. All such plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 12.7 hereof.

12.9.4 Each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the Cooperative; provided, however, that Franchisee shall not be required to contribute to any Cooperative in excess of Ten Thousand Dollars (\$10,000) during any calendar year.

12.9.5 Each member franchisee shall submit to the Cooperative, its contribution as provided in Section 12.9.4 hereof, together with such other statements or reports as may be required by Franchisor or by the Cooperative with Franchisor's prior approval. All contributions to the Cooperative shall be forwarded to the Franchisor, and Franchisor shall expend such monies on behalf of the Cooperative.

12.9.6 Franchisor, in its sole discretion, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating the reasons supporting such exemption. Franchisor's decision concerning such request for exemption shall be final. If an exemption is granted to a franchisee, such franchisee shall be required to expend on local promotion and advertising in the full amount provided for in Section 12.2 hereof. Franchisor reserves the right to require Cooperatives to be changed, dissolved, or merged.

### **13. INSURANCE**

13.1 Franchisee shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to, comprehensive general liability insurance, professional liability, non-owned/hired automobile policy for vehicles used in connection with the Franchised Business, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. Such policy or policies shall be written by a responsible carrier or carriers acceptable to Franchisor, shall name Franchisor as additional insureds as specified by Franchisor, and shall provide the minimum amounts of coverage of One Million Dollars (\$1,000,000).

13.2 Franchisee's obligation to obtain and maintain the policy or policies in the amounts specified in the Manual shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 20.3 of this Agreement.

13.3 All public liability and property damage policies shall contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under such

policies on any loss occasioned to Franchisor or its servants, agents or employees by reason of the negligence of Franchisee or its servants, agents or employees.

13.4 Prior to the commencement of any operations under this Agreement, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation of the coverages evidenced by such Certificates. Franchisee must send Franchisor a digital copy of all active insurance policies to partner@wingsover.com. Franchisee acknowledges and agrees that for each week after commencing operations under this Agreement for which Franchisee does not provide Franchisor a digital or physical copy of active insurance policies, Franchisor may impose a penalty of Two Hundred Fifty Dollars (\$250). Franchisee further acknowledges and agrees that Wings Over Products will not be sold under this Agreement until Franchisee has provided evidence of the required product liability insurance coverage to Franchisor.

13.5 Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## **14. TRANSFER OF INTEREST**

14.1 Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisee shall execute such documents of attornment or otherwise as Franchisor shall request.

14.2 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or limited liability company, its principals') business skill, financial capacity and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly owns any interest in Franchisee or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business without the prior written consent of Franchisor. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 14.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 15.2.6 of this Agreement.

14.3 Franchisee shall notify Franchisor orally and in writing sent by certified mail, return receipt requested, (a) of any proposed transfer of this Agreement, of any direct or indirect, controlling interest in Franchisee, or in all or substantially all of the assets of the Franchised Business at least ninety (90) days before such transfer is proposed to take place, and (b) for any proposed transfer of any direct or indirect, non-controlling interest in Franchisee at least forty-five (45) days before such transfer is proposed to take place. Franchisor shall not unreasonably withhold its consent to any transfer. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

14.3.1 That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

14.3.2 That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

14.3.3 That the transferee, in a manner satisfactory to Franchisor, agrees to, within three (3) months of acquisition of the Restaurant, renovate and modernize the premises of the Restaurant as Franchisor may reasonably require, including replacement of existing equipment, installation of new equipment, making structural changes required by Franchisor (including, without limitation, remodeling, redecoration, and modifications to existing improvements), and renovating signs, furnishings, fixtures, and décor, each of which is to comply with Franchisor's then-current standards, specifications, Proprietary Marks, and image required for new Wings Over franchisees at new Wings Over restaurants under the System;

14.3.4 That the transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

14.3.5 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

14.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Franchised Business;

14.3.7 That (a) Franchisee provides to Franchisor such information and documentation relating to the financial terms and financing sources for the proposed transfer as Franchisor may require, and (b) the purchase price and financing terms will not, in Franchisor's opinion, negatively impact the ability of the transferee's franchised business to operate;



14.3.8 That the transferee execute, for a term ending on the expiration date of this Agreement and with such renewal term(s) as may be provided by this Agreement, the Franchisor's then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution, except that the transferee shall not be required to pay any initial franchise fee and the Franchisee's Territory shall remain the same;

14.3.9 That Franchisee remain liable for all of the obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

14.3.10 That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to Franchisor), any new Managing Owner, and the transferee's Managers (if transferee or transferee's new Managing Owner will not manage the Franchised Business), at the transferee's expense, complete any training programs then in effect upon such terms and conditions as Franchisor may reasonably require; and

14.3.11 That Franchisee pay to Franchisor a transfer fee of Ten Thousand Dollars (\$10,000). However, in the case of a transfer to a corporation formed by Franchisee for the convenience of ownership, the transfer fee shall be our external legal costs related to the transfer plus an administrative fee of One Thousand Dollars (\$1,000); and, in case of a transfer to a transferee due to death of the Franchisee, the transfer fee shall be Five Thousand Dollars (\$5,000).

14.4 Franchisee shall not grant a security interest in the Franchised Business or in any of the assets of the Franchised Business unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void.

14.5 If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer from a third party to purchase such interest, Franchisee shall notify Franchisor as provided in Section 14.3 hereof, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any

other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer. If the Franchised Business is not sold by Franchisee within six (6) months from the date it is offered to Franchisor, then Franchisee must re-offer to sell to Franchisor prior to the sale to a third party. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding.

14.6 Upon the death or mental or physical incapacity for a period greater than six (6) months of any person with a controlling interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within nine (9) months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within one hundred eighty (180) days, Franchisor may terminate this Agreement, pursuant to Section 15.2.7 hereof. If the heirs or beneficiaries are unable to meet such qualifications, or if Franchisor rejects a proposed transferee, the personal representative will be granted an additional one hundred and eighty (180) days to dispose of the deceased's interest in this Agreement which disposition is subject to all terms and conditions for transfers contained in this Agreement.

14.7 Franchisor's consent to a transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

14.8 Sections 14.2 and 14.3 shall not apply to transfer by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation which has securities registered under the Securities Exchange Act of 1934.

## **15. DEFAULT AND TERMINATION**

15.1 Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or

temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

15.2 Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in the manner provided under Section 23 hereof):

15.2.1 If Franchisee fails to locate an approved site or to construct and open the Franchised Business within the time limits provided in the Site Selection Addendum or Section 5.3 hereof;

15.2.2 If Franchisee or Franchisee's designated trainees fail to complete the initial training program described in Section 6.1 hereof to Franchisor's satisfaction, regardless of whether Franchisee has started construction of the Franchised Business, or if Franchisee fails to provide the training as described in Section 6.5 hereof;

15.2.3 If Franchisee at any time ceases to operate or otherwise abandons the Franchised Business, or loses the right to possession of the Premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located. However, if, through no fault of Franchisee, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld;

15.2.4 If Franchisee, its owners, or its Managers are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interest therein;

15.2.5 If a threat or danger to public health or safety results from the operation of the Franchised Business;

15.2.6 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business is made to any third party without Franchisor's prior written consent, contrary to the terms of Section 14 hereof;

15.2.7 If an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6 hereof;

15.2.8 If Franchisee fails to comply with the covenants in Section 17.2 hereof or fails to obtain execution of the covenants required under Section 10.2 hereof;

15.2.9 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

15.2.10 If Franchisee submits any false reports to Franchisor;

15.2.11 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

15.2.12 If Franchisee refuses to permit Franchisor to inspect the Premises, or the books, records or accounts of Franchisee upon demand;

15.2.13 If Franchisee, upon receiving a notice of default under Section 15.3 hereof, fails to initiate immediately a remedy to cure such default; or

15.2.14 If Franchisee, after curing any default pursuant to Section 15.3 hereof, commits the same default again, whether or not cured after notice.

15.3 Except as otherwise provided in Sections 15.1 and 15.2 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 23 hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the applicable cure period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the applicable cure period or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder include the following illustrative events:

15.3.1 If Franchisee fails to maintain the cleanliness of the Franchised Business, or fails to comply with any of Franchisor's specifications;

15.3.2 If Franchisee fails to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Manual, or failure to carry out the terms of this Agreement in good faith;

15.3.3 If Franchisee fails, refuses or neglects promptly to pay any monies owing to Franchisor or its affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

15.3.4 If Franchisee fails to maintain or observe any of the standards or procedures prescribed by Franchisor in this Agreement, the Manual or otherwise in writing;

15.3.5 Except as provided in Section 15.2.6 hereof, if Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

15.3.6 If Franchisee sells or offers for sale any unapproved products;

15.3.7 If Franchisee acts, or fails to act, in any manner which is inconsistent with or contrary to its lease or sublease for the Premises, or in any way jeopardizes its right to renewal of such lease or sublease;

15.3.8 If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks; or

15.3.9 If Franchisee receives any citation or notice of potential health code violation from the local board of health or Franchisor, or fails a health inspection conducted by Franchisor or its designee.

15.3.10 If Franchisee fails to maintain acceptable customer satisfaction scores, secret shopper ratings, or health ratings as prescribed by Franchisor from time to time in the Manual or otherwise in writing.

15.4 Franchisor shall have the right, but not the obligation, to step in and operate the Franchised Business in the event there is any uncured default under this Agreement for which Franchisor has provided notice to Franchisee. In the event Franchisor exercises such right, (a) Franchisee shall pay Franchisor for its management of the Franchised Business Five Thousand Dollars (\$5,000) plus reimbursements for the costs and expenses we incur, including, without limitation, the costs of transportation, lodging, meals, and wages for Franchisor's representative(s) and (b) Franchisee will indemnify and hold Franchisor harmless for its operation of the Franchised Business, except in the case of Franchisor's negligence or reckless misconduct. All rights under this Section 15.4 are in addition to all other remedies available to Franchisor under this Agreement.

## **16. OBLIGATIONS UPON TERMINATION OR EXPIRATION**

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor. Immediately upon the expiration or termination hereof, Franchisee shall dispose of, and not sell, any Wings Over Products or other products sold hereunder.

16.2 Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Mark "Wings Over..." and all other Proprietary Marks and distinctive forms, slogans, signs, symbols and devices associated with the System. In particular, Franchisee shall cease to use,

without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles which display the Proprietary Marks.

16.3 Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark “Wings Over...” or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

16.4 Franchisee shall, at Franchisor’s option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises (including, without limitation, the changing of, and the assigning to Franchisor of, the telephone number and removal of all sign faces bearing the Proprietary Marks) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of the Franchised Business under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 16.4, Franchisor shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

16.5 Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in Franchisor’s sole discretion, is likely to cause confusion, mistake or deception, or which, in Franchisor’s sole discretion, is likely to dilute Franchisor’s rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description or representation (including but not limited to reference to the Franchisor, the System or the Proprietary Marks) which, in Franchisor’s sole discretion, suggests or represents a present or former association or connection with Franchisor, the System or the Proprietary Marks.

16.6 Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises operated hereunder at the time of default.

16.7 Franchisee shall immediately deliver to Franchisor the Manual and all other records, correspondence and instructions containing confidential information relating to the operation of the Franchised Business (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing, with the exception of Franchisee’s copy of

this Agreement, any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

16.8 Franchisee shall immediately irrevocably assign and transfer to Franchisor or its designee any and all interests Franchisee may have in the Web site maintained by Franchisee in connection with the Franchised Business and in the domain name and home page address related to such Web site. Franchisee shall immediately execute any documents and perform any other actions required by Franchisor to effectuate such assignment and transfer and otherwise ensure that all rights in such Web site revert to Franchisor or its designee, and hereby appoints Franchisor as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so. Franchisee may not establish any Web site using any similar or confusing domain name and/or home page address.

16.9 Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the equipment, signs and customer lists related to the operation of the Franchised Business at fair market value or at Franchisee's depreciated book value, whichever is less, and to purchase any or all supplies and inventory of the Franchised Business at Franchisee's cost or depreciated book value, whichever is less. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraisal shall be conducted at Franchisor's expense, and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

16.10 Franchisee shall comply with the covenants contained in Sections 10.1 and 17.3 of this Agreement.

16.11 The signs, the lettering and logo affixed to the exterior of the location or affixed to any materials, and any other sign face bearing the name "WINGS OVER" or other marks of Franchisor, shall upon termination of this franchise become the property of Franchisor. Franchisee shall assign all ownership rights to the sign faces and the exterior lettering and logo, if any, to Franchisor immediately upon termination of this Agreement and shall at Franchisee's expense forward such signs to Franchisor.

16.12 If after (a) a transfer permitted under Section 14 of this Agreement; (b) expiration of this Agreement; or (c) termination of this Agreement (regardless of the cause for termination), Franchisee either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, owns, maintains, operates, engages in, is employed by, provides assistance to, or has any interest in (as owner or otherwise) any business, other than a business under the System which is be franchised by Franchisor to Franchisee under a written Franchise Agreement, that uses any of the Proprietary Marks or element of the System in connection with the operation of such business or otherwise, then, in addition to any other remedies available to Franchisor hereunder or at law or in equity, Franchisor will be entitled to collect from Franchisee, and Franchisee agrees to pay, a royalty fee for such use of the Proprietary Marks and/or the System equal to one hundred fifty percent (150%) of the royalty fees that Franchisee would otherwise have been obligated to pay under Section 4.2 hereof.

16.13 If Franchisee terminates this Agreement or ceases to operate the Franchised Business under this Agreement before the expiration of its term and, within twenty-four (24) months after the date of such termination or cessation of operation, directly or indirectly commences operation of a business that offers, sells or manufactures products or services which are the same as or similar to the products and services offered by the Franchised Business under the System, including, but not limited to, providing boneless chicken wings, bone-in chicken wings, and sandwiches (a “Competitive Business”), then, in addition to any other remedies available to Franchisor hereunder or at law or in equity, Franchisor will be entitled to receive throughout what would have been the entire remaining term of this Agreement, and Franchisee agrees to pay, a weekly fee equal to ten percent (10%) of the gross sales of the Competitive Business.

## **17. COVENANTS**

17.1 Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, a principal, general partner or member of Franchisee) or Franchisee’s Managing Owner and Managers shall devote full time and best efforts to the management and operation of the Franchised Business.

17.2 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

17.2.1 Divert or attempt to divert any present or prospective business or customer of any Franchised Business to any competitor, 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 Proprietary Marks and the System; or

17.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at or within:

	17.2.2.1	the Franchisee’s Territory; or
Location is located; or	17.2.2.2	the county or municipality in which the Approved
	17.2.2.3	the state in which the Approved Location is located; or
Proprietary Marks.	17.2.2.4	fifteen (15) miles of any business operating under the



17.3 Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 14 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 17.3; or (e) any or all of the foregoing; either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, and notwithstanding any other provision hereof, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at or within:

17.3.1 the Franchisee's Territory; or

17.3.2 within five (5) miles of the Franchised Territory; or

17.3.3 within five (5) miles of the county or municipality in which the Approved Location is located; or

17.3.4 five (5) miles of the Approved Location; or

17.3.5 five (5) miles of any business operating under the Proprietary Marks;

provided, however, that Sections 17.2.3 and this Section 17.3 shall not apply to the operation by Franchisee of any business under the System which may be franchised by Franchisor to Franchisee under a written Franchise Agreement.

17.4 Sections 17.2.2 and 17.3 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 and 17.3, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 23 hereof.

17.6 Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 17.

## **18. CORPORATE, PARTNERSHIP OR LLC FRANCHISEE**

18.1 If Franchisee is a corporation, Franchisee shall comply with the following requirements:

18.1.1 Franchisee shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to operating the Franchised Business.

18.1.2 Copies of Franchisee's Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor.

18.1.3 Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Franchisee shall have conspicuously endorsed upon its face 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 assignments by this Agreement; provided, however, that the requirements of this Section 18.1.3 shall not apply to a publicly-held corporation.

18.1.4 Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of Franchisee and shall furnish the list to Franchisor upon request.

18.2 If Franchisee or any successor to or assignee of Franchisee is a partnership, it shall comply with the following requirements:

18.2.1 Franchisee shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

18.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement.

18.2.3 Franchisee shall prepare and furnish to Franchisor, upon request, a list of all general and limited partners in Franchisee.

18.3 If Franchisee or any successor to or assignee of Franchisee is a limited liability company, it shall comply with the following requirements:

18.3.1 Franchisee shall furnish Franchisor with a copy of its articles of organization and operating agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

18.3.2 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement.

18.3.3 Franchisee shall prepare and furnish to Franchisor, upon request, a list of all members in Franchisee.

18.4 If Franchisee is a corporation, partnership or limited liability corporation, or if any successor to or assignee of Franchisee is a partnership or limited liability corporation, then all of the principals thereto shall execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit D.

## **19. TAXES, PERMITS, AND INDEBTEDNESS**

19.1 Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

19.2 In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises, or any improvements thereon.

19.3 Franchisee shall comply with all federal, state, and local laws, rules, and regulations (including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Franchised Business and applicable provisions of Section 4205 of the Patient Protection and Affordable Care Act of 2010 and related regulations regarding disclosure of nutritional information on menus and menu boards) and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, health permits, building permits, handicap permits and fire clearances.

19.4 Franchisee shall immediately notify Franchisor in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

## **20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

20.1 Franchisor and Franchisee agree that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. Franchisee acknowledges and agrees that Franchisor's usual business is the offering and selling rights to operate Wings Over restaurants using the Proprietary Mark and System, developing enhancements to the System and providing assistance to Wings Over franchisees and, accordingly, Franchisor's usual business is different from Franchisee's usual

business of operating a retail Wings Over restaurant. Franchisee acknowledges and agrees that Franchisee has the sole authority, and it is Franchisee's sole obligation hereunder, to make all employment-related decisions for the Franchised Business, including, without limitation, decisions related to hiring, firing, discharging and disciplining employees, and to setting their wages, hours of employment, and any benefits, and that Franchisor shall have no direct or indirect authority or control over any employment-related matters for Franchisee's employees. Franchisee shall require each of its employees to acknowledge in writing that Franchisee (and not Franchisor) is the employer of such employee. Notwithstanding any other provision of this Agreement, Franchisee acknowledges and agrees that it is solely responsible for all personnel decision relating to the Franchise Business.

20.2 During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which Franchisor reserves the right to specify.

20.3 Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee or Franchisee's employees in their conduct in operating the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or Franchisor. Franchisee shall indemnify and hold Franchisor and its affiliates, and their respective officers, directors and employees harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business, as well as the costs, including attorneys' fees, of the indemnified party in defending against them.

## **21. APPROVALS AND WAIVERS**

21.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

21.2 Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

21.3 No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission of Franchisor to exercise any power or right arising out of any breach of

default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

21.4 Neither Franchisor, Franchisor's affiliates, nor Franchisee shall be responsible or liable for any delays in the performance of any duties under this Agreement which are not the fault or within the reasonable control of that party including, but not limited to, the inability of Franchisor or its affiliates to manufacture or distribute Wings Over Products, fire, flood, natural disasters, acts of God, delays in deliveries by common carriers, governmental acts or orders, late deliveries of products or goods or furnishing of services by third party vendors, civil disorders, or strikes and any other labor-related disruption, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay or impossibility. Provided, however, this clause shall not apply to and not result in an extension of: (1) the time for payments to be made by Franchisee as required by Section 4.4 hereof; or (2) the term of this Agreement.

## **22. GRANT OF SECURITY INTEREST**

As security for the payment of all amounts from time to time owing by Franchisee to Franchisor under this Agreement and all other agreements between the parties, and performance of all obligations to be performed by Franchisee, Franchisee hereby grants to Franchisor a security interest in all of the assets of Franchisee, including, without limitation, all equipment, furniture, fixtures, and building and road signs, as well as all proceeds of the foregoing (the "Collateral"). Franchisee warrants and represents that the security interest granted hereby is prior to all other security interests in the Collateral except bona fide purchase money security interests, if any. Franchisee agrees not to remove the Collateral, or any portion thereof, from the Premises without the prior written consent of Franchisor. Upon the occurrence of any event entitling Franchisor to terminate this Agreement or any other agreement between the parties, Franchisor shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which the Franchised Business is located, including, without limitation, the right to take possession of the Collateral. Franchisee agrees to execute and deliver to Franchisor financing statements or such other documents as Franchisor reasonably deems necessary to perfect Franchisor's interest in the Collateral within ten (10) days of receipt by Franchisee of such documents from Franchisor. Any notices delivered or mailed in accordance with Section 23 hereof at least five (5) days prior to disposition of the Collateral, or any portion thereof, and, in reference to a private sale, need state only that Franchisee intends to negotiate such a sale.

## **23. NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party, excluding electronic mail:

Notices to Franchisor:

**Wings Over, Inc.**  
dba Wings Over  
6320 McLeod Drive, Unit 2  
Las Vegas, NV 89120  
Attn: Mr. Kevin Mok

with a copy to:

**Nixon Peabody, LLP**  
799 9<sup>th</sup> Street, NW, Suite 500  
Washington DC, 20001  
Attention: Keri A. McWilliams, Esq.

Notices to Franchisee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

## **24. ENTIRE AGREEMENT**

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement between Franchisor and Franchisee is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

## **25. SEVERABILITY AND CONSTRUCTION**

25.1 If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

25.2 Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including but not limited to Sections 10, 17, and 26.

25.3 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, shareholders, agents, and employees, and such of Franchisor's successors and assigns as may be contemplated by Section 14 hereof, any rights or remedies under or by reason of this Agreement.

25.4 Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

## **26. APPLICABLE LAW AND DISPUTE RESOLUTION**

26.1 This Agreement shall be interpreted and construed exclusively under the laws of the state of New York. In the event of any conflict of law, the laws of New York shall prevail, without regard to the application of New York conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of New York and if Franchisee is located outside of New York and such provision would be enforceable under the laws of the state in which Franchisee is located, then such provision shall be interpreted and construed under the laws of that state.

26.2 Except as otherwise provided herein, the parties hereto first agree to endeavor to settle in an amicable manner by mediation all disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, at the office of JAMS located in the principal city closest to Franchisor's principal place of business, as reasonably determined by Franchisor in accordance with the mediation rules of JAMS. The following shall supplement and, in the event of a conflict, shall govern such mediation. The parties shall select one (1) mediator from a list provided by JAMS. JAMS shall only list available attorneys with at least ten (10) years of experience in the practice of franchise law. In selecting the mediator from the list provided by JAMS, the parties shall make the selection by the striking method. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between Franchisor and Franchisee. The parties hereto agree that mediation shall not be required with respect to: (a) any claim or dispute involving any payment obligation of Franchisee that is more than forty-five (45) days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of Franchisor's confidential information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the insurance or indemnification provisions of this Agreement; or (e) any action by Franchisor to enforce the covenants set forth in Section 17 of this Agreement.

26.3 Except as otherwise provided in Section 26.2 hereof, all disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this

Agreement, shall be settled by arbitration at the office of JAMS located in New York City, New York in accordance with the Federal Arbitration Act and the Comprehensive Arbitration Rules and Procedures of JAMS. The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. The following shall supplement and, in the event of a conflict, shall govern any arbitration. The parties shall select one arbitrator from the panel provided by JAMS and the arbitrator shall use the laws of New York for interpretation of this Agreement. In selecting the arbitrator from the list provided by JAMS, Franchisor and Franchisee shall make the selection by the striking method. Franchisor and Franchisee shall each bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between Franchisor and Franchisee. The arbitrator shall have no authority to amend or modify the terms of the Agreement. Franchisor and Franchisee further agree that, unless such a limitation is prohibited by applicable law, neither Franchisor nor Franchisee shall be liable for punitive or exemplary damages, and the arbitrator shall have no authority to award the same. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District Court for Southern District of New York and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

26.4 No right or remedy conferred upon or reserved to Franchisor or Franchisee 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 cumulative of every other right or remedy.

26.5 Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Business, brought by Franchisee against Franchisor and/or Franchisor's affiliates and their principals, employees and agents, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

26.6 Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

26.7 Nothing herein contained (including, without limitation, Section 26.3, above, regarding arbitration) shall bar Franchisor's right to obtain injunctive relief from a court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

26.8 Except as provided by Section 26.2 and 26.3 hereof, Franchisee shall pay to Franchisor all damages, costs, and expenses, including all court costs, mediation costs, arbitration costs, and reasonable attorney's fees, and all other expenses incurred by Franchisor in enforcing



any obligation or in defending against any claim, demand, action, or proceeding related to this Agreement, including, but not limited to the obtaining of injunctive relief.

## **27. FRANCHISEE'S ACKNOWLEDGMENTS AND REPRESENTATIONS**

27.1 Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement, except as provided in Franchisor's franchise disclosure document.

27.2 Franchisee acknowledges that it received Franchisor's current franchise disclosure document at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it received a completed copy of this Agreement, and all related agreements attached to the franchise disclosure document, with any changes to such agreements unilaterally and materially made by Franchisor at least seven (7) calendar days prior to the date on which this Agreement and all related agreements were executed.

27.3 Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

27.4 Franchisee acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), Franchisor is prohibited from engaging in any transaction with any Specially Designated National or Blocked Person. "Specially Designated National" or "Blocked Person" shall mean (1) those persons designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially designated national" or "blocked person" or similar status, (2) a person engaged in, or aiding any person engaged in, acts of terrorism, as defined in the Order, or (3) a person otherwise identified by government or legal authority as a person with whom Franchisor is prohibited from transacting business. Currently, a listing of such designations and the text of the Order are published at the Internet website address, [www.ustreas.gov/](http://www.ustreas.gov/). Accordingly, Franchisee represents and warrants to Franchisor that as of the date of this Agreement, neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee is a Specially Designated National or Blocked Person, and that Franchisee (1) does not, and hereafter shall not, engage in any terrorist activity; (2) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (3) is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity. Franchisee agrees that Franchisee shall immediately provide written notice to Franchisor of the occurrence of any event which renders the representations and warranties in this Section 27.4 incorrect.

27.5 In the event of any default on the part of either party hereto, in addition to any other remedies of the aggrieved party, the losing party shall pay to the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as a result of any such default.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

**FRANCHISEE**

**WINGS OVER, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

\_\_\_\_\_

Home Phone Number: \_\_\_\_\_

**EXHIBIT A TO  
“WINGS OVER”  
FRANCHISE AGREEMENT**

**DISCLOSURE OF PRINCIPALS AND FRANCHISEE INFORMATION**

1. Date: \_\_\_\_\_

2. Franchisee Contact. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Daytime Telephone No.: \_\_\_\_\_

Evening Telephone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

3. Franchisee's Territory: \_\_\_\_\_

4. Franchisee Owners. The undersigned agree and acknowledge that the following is a complete list of all of the shareholders, partners, or members (“Owners”) of Franchisee and the percentage interest of each individual:

<u>Name</u>	<u>Position</u>	<u>Interest (%)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. The Managing Owner. Franchisee's Managing Owner (must be one the individuals listed in Paragraph 4 above) as of the date of execution of the Franchise Agreement is \_\_\_\_\_

6. Change in Owners. Franchisee acknowledges and agrees that any proposed change in the Owners listed in Paragraph 4, or the Managing Owner identified in Paragraphs 4 and 5, respectively, shall require Franchisor's prior written consent in accordance with the terms of Section 1.4 and 14 of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Disclosure of Principals on the date first above written.

**FRANCHISEE**

\_\_\_\_\_  
Witness/Attest

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B TO  
“WINGS OVER”  
FRANCHISE AGREEMENT**

**SITE SELECTION ADDENDUM**

Wings Over, Inc. (hereinafter the “Franchisor”) and \_\_\_\_\_  
\_\_\_\_\_ (hereinafter “Franchisee”), have this date, \_\_\_\_\_, 20\_\_\_\_, entered into a certain Wings Over, Inc. Franchise Agreement (the “Franchise Agreement”) and desire to supplement its terms, as set forth below. The parties hereto therefore agree as follows:

1. Within one hundred twenty (120) days after Franchisee’s execution of the Franchise Agreement, Franchisee shall obtain a site, at Franchisee’s expense, for the Franchised Business (“Franchised Business”) franchised under the Franchise Agreement, which premises shall be approved by Franchisor as hereinafter provided. The premises shall be within the following territory (“Site Selection Territory”):

2. Failure by Franchisee to obtain premises for the Franchised Business within the time required in Paragraph 1 hereof shall constitute a default under the Franchise Agreement and this Site Selection Addendum. Time is of the essence.

3. Franchisor shall not establish, nor franchise another to establish, a Franchised Business within the Site Selection Territory until Franchisor approves a location for the Franchised Business, or until the time set forth in Paragraph 1 hereof expires, whichever event first occurs.

4. Prior to Franchisee’s acquisition by lease or purchase of a site for the Franchised Business, Franchisee shall submit to Franchisor, in the form specified by Franchisor, a completed site review form, such other information or materials as Franchisor may reasonably require, and a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee’s favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, Franchisee agrees that Franchisee must submit a proposed site, together with the information and materials required by this Paragraph 4, to Franchisor for its approval within thirty (30) days after execution of this Site Selection Addendum. Franchisor shall have thirty (30) days after receipt of such information and materials from Franchisee to approve or disapprove, in Franchisor’s sole discretion, the site as a location for the Franchised Business. No proposed site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

5. Franchisor shall furnish to Franchisee the following:

a. Such site selection guidelines and consultation as Franchisor deems advisable;

b. Such on-site evaluation as Franchisor deems advisable as part of its evaluation of Franchisee’s request for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to Franchisor’s receipt of the information or materials required by Paragraph 4 hereof. If on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall conduct up to two (2) on-site evaluations; such

evaluations shall be at Franchisor's expense if the proposed site is within one hundred (100) miles of the Franchisor's principal place of business in Las Vegas, NV, or at Franchisee's expense, if the proposed site is more than one hundred (100) miles of the Franchisor's principal place of business. For each additional on-site evaluation (if any), Franchisee shall reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging and meals.

6. If Franchisee will occupy the premises of the Franchised Business under a lease, Franchisee shall, prior to the execution thereof, (1) execute the Conditional Assignment of Lease and obtain the Lessor's execution of the Consent and Agreement of Lessor, in the forms attached as Exhibit E to the Franchise Agreement, and (2) submit the lease to Franchisor for its approval. Franchisor's approval of the lease may be conditioned upon the inclusion of the following terms and conditions:

a. That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than five (5) years;

b. That the lessor consents to Franchisee's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Franchised Business;

c. That the use of the premises be restricted solely to the operation of the Franchised Business;

d. That Franchisee be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;

e. That lessor provide to Franchisor copies of any and all notices of default given to Franchisee under the lease;

f. That Franchisor have the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease;

g. That Franchisor (or Franchisor's designee) have the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Franchisee's rights under the lease terms, including the right to assign or sublease.

7. Franchisee shall furnish Franchisor with a copy of any executed lease within ten (10) days after execution thereof.

8. After a site for the Franchised Business has been approved in writing by Franchisor and obtained by Franchisee pursuant to Paragraph 4 hereof, the site shall constitute the constitute the Approved Location referred to in Section 1.2 of the Franchise Agreement.

9. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Franchisor's

approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

10. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

**FRANCHISEE**

**WINGS OVER, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C TO  
“WINGS OVER”  
FRANCHISE AGREEMENT**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

In consideration of my position as \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ (the “Franchisee”), and One Dollar, receipt of which is  
acknowledged, I hereby acknowledge and agree that:

1. Wings Over, Inc. (the “Franchisor”), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment and operation of franchised businesses (“Franchised Businesses”), which feature the dine-in, carry-out, and delivery of and offer for sale to the public boneless chicken wings, bone in chicken wings, jumbo wings, specialty chicken sandwiches, wraps, and other approved items (the “System”).

2. As an employee of the Franchisee, I will receive valuable confidential information, disclosure of which would be detrimental to the Franchisor and the Franchisee, such as information relating to recipes, prepared mixtures or blends of flavors, drawings, materials, or equipment of the Franchisor and the System related to the establishment and operation of Franchised Businesses which are beyond the present skills and experience possessed by me. This list of confidential matters is illustrative only, and does not include all matters considered confidential by the Franchisor and the Franchisee.

3. I will hold in strict confidence all information designated by the Franchisor or the Franchisee as confidential. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the confidential information only in connection with my duties as an employee of the Franchisee. My undertaking not to disclose confidential information is a condition of my position with the Franchisee, and continues even after I cease to be in that position.

4. While in my position with the Franchisee, I will not do anything which may injure the Franchisee or the Franchisor, such as (a) divert or attempt to divert any present or prospective business or customer of any Franchised Business to any competitor, by direct or indirect inducement or otherwise; (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor’s marks and the System.

5. While in my position with the Franchisee and for two (2) years after I cease to be in my position with the Franchisee, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advise to, or have any interest in (as owner or otherwise) any business that: (a) offers, sells or manufactures products or services which are the same as or similar to the products and services being offered by Franchised Businesses under the System, including, without limitation, chicken wings or sandwiches; and (b) is, or is intended to be, located at or within: (1) the Franchisee’s Territory, the boundaries of which I acknowledge have been described to me; (2) within five (5) miles of the Franchisee’s Territory, (3) within five (5) miles of the Franchised Business, (4) within the county or municipality in which the Franchisee’s Franchised



Business is located; or (5) within a radius of five (5) miles of any business operating under the Franchisor's marks.

6. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisor and/or the Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay the Franchisor and the Franchisee all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisor and the Franchisee, any claim I have against the Franchisor or the Franchisee is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to me.

7. The Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

8. This Agreement shall be construed under the laws of the state of New York. The only way this Agreement can be changed is in a writing signed by both the Franchisee and me.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ACKNOWLEDGED BY FRANCHISEE:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D TO  
“WINGS OVER”  
FRANCHISE AGREEMENT**

**GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT**

As an inducement to Wings Over, Inc. (“Franchisor”) to execute the Franchise Agreement between Franchisor and \_\_\_\_\_ (“Franchisee”) dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee’s obligations under the Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned will immediately make each payment to Franchisor required of Franchisee under the Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys’ fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Sections 10 and 17 of the Agreement, and the liquidated damages provisions in Sections 16.12 and 16.13.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 26 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of New York shall prevail, without

regard to, and without giving effect to, the application of the State of New York conflict of law rules.

The undersigned agree that the dispute resolution and attorney fee provisions in Section 26 of the Agreement are hereby incorporated into this Guarantee by reference, and references to “Franchisee” and the “Franchise Agreement” therein shall be deemed to apply to “Guarantors” and this “Guarantee,” respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which afford the sender evidence of delivery or rejected delivery, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

**Wings Over, Inc.**  
dba Wings Over  
6320 McLeod Drive, Unit 2  
Las Vegas, NV 89120  
Attn: Mr. Kevin Mok

with a copy to:

**Nixon Peabody, LLP**  
799 9<sup>th</sup> Street, NW, Suite 500  
Washington DC, 20001  
Attention: Keri A. McWilliams, Esq.

Notices to Guarantors:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Any notice by a method which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given at the date and time of receipt or rejected delivery.

**[Signature Page to Follow]**

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

**GUARANTORS**

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT E TO  
“WINGS OVER”  
FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF LEASE**

**FOR VALUE RECEIVED**, the undersigned (“Assignor”) hereby assigns and transfers to Wings Over, Inc., a Delaware corporation (“Assignee”), all of Assignor’s right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the “Lease”) respecting premises commonly known as \_\_\_\_\_. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the “Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

WITNESS: \_\_\_\_\_

ASSIGNOR: \_\_\_\_\_

Print Name: \_\_\_\_\_

### **CONSENT AND AGREEMENT OF LESSOR**

The undersigned Lessor under the aforescribed Lease hereby:

- (a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
- (b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;
- (c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the defaults, if any, of Assignor under the Lease;
- (d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

DATED: \_\_\_\_\_

LESSOR:

\_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT 1 TO CONDITIONAL ASSIGNMENT OF LEASE**  
**LEASE**

(Attached.)

**EXHIBIT F TO  
“WINGS OVER”  
FRANCHISE AGREEMENT**

**ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION**

Bank Name: \_\_\_\_\_

ABA#: \_\_\_\_\_

Acct. No.: \_\_\_\_\_

Acct. Name: \_\_\_\_\_

Effective as of the date of the signature below, **FRANCHISEE** hereby authorizes Wings Over, Inc. (“Company”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Company due under the Franchise Agreement: (1) all royalties; (2) all advertising contributions; and (3) all other amounts due under the Franchise Agreement or any other agreement between Company and **FRANCHISEE**. Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. Company is also authorized to deposit funds into the above-referenced account, electronically or otherwise. This authorization shall remain in full force and effect until terminated in writing by Company. **FRANCHISEE** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

**AGREED:**

<b>ATTEST:</b>	<b>FRANCHISEE:</b>
_____	By: _____
	Print name: _____
	Its: _____



**EXHIBIT D-2**  
**RENEWAL ADDENDUM**

**WINGS OVER FRANCHISE AGREEMENT  
RENEWAL ADDENDUM**

This **RENEWAL ADDENDUM** (the “Addendum”) is effective as of \_\_\_\_\_  
by and between WINGS OVER, INC., a Delaware corporation with its principal place of business  
at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120 (“Franchisor”), and \_\_\_\_\_  
\_\_\_\_\_, a \_\_\_\_\_ with its principal  
place of business at \_\_\_\_\_ (“Franchisee”).

**WITNESSETH:**

**WHEREAS**, Franchisee currently operates a Wings Over restaurant located at \_\_\_\_\_  
\_\_\_\_\_ (the “Franchised Business”) pursuant to a prior  
franchise agreement entered into between Franchisor and Franchisee dated \_\_\_\_\_  
\_\_\_\_\_ (the “Prior Agreement”);

**WHEREAS**, Franchisor and Franchisee have entered into that certain Wings Over  
Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”), for the  
purpose of renewing the rights granted to Franchisee under the Prior Agreement; and

**WHEREAS**, Franchisor and Franchisee desire to amend the terms of the Franchise  
Agreement in connection with the renewal of the Franchised Business, as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants, representations, and  
conditions set forth herein, the parties hereto agree as follows:

1. **Recitals.** The fifth WHEREAS clause on Page 1 of the Franchise Agreement is  
hereby deleted in its entirety and replaced with the following language:

**WHEREAS**, Franchisee has operated a Wings Over restaurant under  
Franchisor’s System and Proprietary Marks under a franchise agreement,  
and wishes to enter into a renewal franchise agreement with Franchisor to  
continue to operate such restaurant;

2. **Approved Location.** Section 1.2 of the Franchise Agreement is hereby deleted in  
its entirety and replaced with the following language:

Franchisee shall operate the Franchised Business only at \_\_\_\_\_  
\_\_\_\_\_ (the “Approved Location”).  
Franchisee shall not relocate the Restaurant without the prior written  
approval of Franchisor. Franchisor shall have the right, in its sole  
discretion, to withhold approval of relocation.

3. **Renewal.** Section 2.2 of the Franchise Agreement is hereby deleted in its entirety  
and replaced with the following language:

Franchisee may, subject to the following conditions, renew the rights granted under this Agreement for \_\_\_\_\_ (\_\_\_\_) additional consecutive terms of five (5) years each.

4. **Site Selection.** Section 3.1 and Exhibit B are hereby deleted in their entirety.
5. **Additional Assistance.** Section 3.7 is hereby deleted in its entirety.
6. **Renewal Fee.** Section 4.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

In consideration of the renewal franchise rights granted herein, Franchisee shall pay to Franchisor a renewal fee of Seven Thousand Five Hundred Dollars (\$7,500) on execution of this Agreement. The renewal fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor's lost or deferred opportunity to enter into this Agreement with others.

7. **Restaurant Development and Opening.** Sections 5.3 and 15.2.1 of the Franchise Agreement are hereby deleted in their entirety.

8. **Additional Initial Training.** Section 6.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Franchisor's initial training program is mandatory, includes training on marketing, sales and business management, as well as systems and procedures necessary to operate the franchise, and is held at Franchisor's headquarters or a corporate location. Franchisee (or Franchisee's Managing Owner, if Franchisee is an entity) and current Managers have completed the initial training program to Franchisor's satisfaction. However, at Franchisor's option, any persons subsequently acting as the Managing Owner or employed by Franchisee in the position of Manager or Assistant Manager shall also attend and complete Franchisor's training program to Franchisor's satisfaction. Franchisee, the Managing Owner, Franchisee's Managers, and Franchisee's Assistant Managers shall also attend such additional courses, seminars and other training programs as Franchisor may reasonably require from time to time.

9. **Inventory and Resales.** Section 7.6 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Franchisee shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand. All products made available for purchase by Franchisee at the Franchised Business through the Wings Over eStore, or otherwise, are to be used by

Franchisee and its employees only in connection with the operation of the Franchised Business. Franchisee is not permitted to resell any such items to customers, vendors, or other third parties. Franchisor reserves the right to charge Franchisee a fee of One Hundred Dollars (\$100) per item that is sold in violation of this restriction.

10. **Grand Opening Marketing.** Section 12.1 of the Franchise Agreement is hereby deleted in its entirety.

11. **Release.** Franchisee and the undersigned principal(s), for themselves and their respective assigns, beneficiaries, executors, trustees, administrators, subrogees, agents, representatives, employees, officers, directors, shareholders, partners, members, parent corporations, subsidiaries and affiliates (collectively, “Releasors”), do hereby irrevocably and absolutely release and forever discharge Franchisor and its affiliates, and their respective successors, predecessors, assigns, beneficiaries, executors, trustees, administrators, subrogees, agents, representatives, employees, officers, directors, shareholders, partners, members, parent corporations, subsidiaries and affiliates (collectively, the “Released Parties”), of and from any and all claims, demands, obligations, debts, actions, and causes of action of every nature, character, and description, known or unknown, pursuant to, arising out of, or related to, the Prior Agreement and the Franchised Business, which Releasors now own or hold, or have at any time heretofore owned or held, or may at any time own or hold against the Released Parties, arising prior to and including the date of this Addendum.

12. This Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to inconsistent provisions and the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed. The section numbering in the Franchise Agreement shall remain the same and shall not be adjusted based on the deletion of any sections as set forth in this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum in duplicate on the date first above written.

**FRANCHISEE:** \_\_\_\_\_

**WINGS OVER, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**

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# **WINGS OVER**

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## **EXHIBIT F**

### **LIST OF CURRENT AND FORMER FRANCHISEES (as of September 30, 2023)**

#### **A. CURRENT FRANCHISEES**

##### **Connecticut**

WINGS OVER BRISTOL, CT  
1215 Farmington Avenue  
Bristol, CT 06010  
Owner: Savin Foods USA, Inc.  
Tel: 860-589-WING (9464)

WINGS OVER WEST HARTFORD, CT  
285 Park Road  
West Hartford, CT 06119  
Owner: Savin Foods USA, Inc.  
Tel: 860-236-WING (9464)

WINGS OVER FAIRFIELD, CT  
2075 Blackrock Turnpike  
Fairfield, CT 06825  
Owner: Savin Foods USA, Inc.  
Tel: 860-589- WING (9464)  
(closed FY 2024)

WINGS OVER MIDDLETOWN, CT  
688 Washington Street  
Middletown, CT 06457  
Owner: Savin Foods USA, Inc.  
Tel: 860-740-5121  
(closed FY 2024)

WINGS OVER NEWINGTON, CT  
1480 East Street  
New Britain, CT 06053  
Owner: Savin Foods USA, Inc.  
Tel: 860-666-WING (9464)

WINGS OVER STORRS, CT  
153 North Eagle Road  
Storrs, CT 06268  
Owner: Savin Foods USA, Inc.  
Tel: 860-429-WING (9464)



WINGS OVER STRATFORD, CT  
1345 Barnum Avenue  
Stratford, CT 06614  
Owner: Savin Foods USA, Inc.  
Tel: 203-540-5077  
(closed FY 2024)

**Massachusetts**

WINGS OVER BOSTON, MA  
325 Huntington Ave  
Boston, MA 02115  
Owner: Savin Foods USA, Inc.  
Tel: 617-266-WING (9464)

WINGS OVER FRAMINGHAM, MA  
686 Worcester Road  
Framingham, MA 01702  
Owner: Savin Foods USA, Inc.  
Tel: 508-628-WING (9464)

WINGS OVER LOWELL, MA  
26A Market Street  
Lowell, MA 01852  
Owner: Savin Foods USA, Inc.  
Tel: 978-441-WING (9464)

WINGS OVER NEW BEDFORD, MA  
972 Kempton Street  
New Bedford, MA 02740  
Owner: Illyrian, LLC  
Tel: 508-999-9464

WINGS OVER SOMERVILLE, MA  
519 Somerville Ave.  
Somerville, MA 02143-3238  
Owner: Savin Foods USA, Inc.  
Tel: 617-666-WING (9464)

WINGS OVER WORCESTER, MA  
One Kelley Square  
Worcester, MA 01604  
Owner: WingTime, LLC  
Tel: 508-421-WING (9464)

## **New Jersey**

WINGS OVER RUTGERS, NJ  
152 Easton Ave.  
New Brunswick, NJ 08901  
Owner: SIARIS, Inc.  
Tel: 732-543-1111  
(closed FY 2024)

## **New York**

WINGS OVER BALDWIN, NY  
1759 Grand Ave.  
Baldwin, NY 11510  
Owner: JR Lighthouse Road LLC\*  
Tel: (516) 635-2502

WINGS OVER FARMINGDALE, NY  
221 Main St.  
Farmingdale, NY 11735  
Owner: New Holy Long Island, Inc.  
Tel: 516-756-WING (9464)

WINGS OVER ROCHESTER, NY  
2973 W Henrietta Road  
Rochester, NY 14623  
Owner: JPK Wings, LLC  
Tel: 585-272-WING (9464)

WINGS OVER SYRACUSE, NY  
315 Nottingham Road  
Syracuse, NY 13210  
Owners: AIAE Syracuse, LLC  
Tel: 315-445-WING (9464)

WINGS OVER VALLEY STREAM, NY  
52 Sunrise Highway  
Valley Stream, NY 11581  
Owner: George Schreiner  
Tel: 516-407-3022

## **North Carolina**

WINGS OVER CHAPEL HILL, NC  
313 E. Main Street  
Carrboro, NC 27510  
Owners: Wings Over Chapel Hill, LLC.  
Tel: (646) 893-5508  
(transferred franchisee ownership FY 2024)

WINGS OVER GREENVILLE, NC  
1400 Charles Blvd.  
Greenville, NC 27858  
Owners: HPPR, Inc.  
Tel: 252-758-9464

WINGS OVER RALEIGH, NC  
2900 Hillsborough Street  
Raleigh, NC 27607  
Owners: HPPR, Inc.  
Tel: 919-546-9111

### **Ohio**

WINGS OVER BOWLING GREEN, OH  
215 E. Wooster St.  
Bowling Green, OH 43402  
Tel: 419-352-OVER (6837)  
Owners: Zobn Investment Ventures, LLC  
(closed FY 2024)

### **Rhode Island**

WINGS OVER PROVIDENCE, RI  
725 Hope St.  
Providence, RI 02906  
Owner: Albo, LLC  
Tel: 401-272-WING (9464)

### **Vermont**

WINGS OVER BURLINGTON, VT  
150 Dorset St.  
South Burlington, VT 05403  
Owner: SB Wings Company, LLC  
Tel: 802-863-WING (9464)

### **Wisconsin**

WINGS OVER MADISON  
2739 University Avenue  
Madison, Wisconsin 53705  
Owner: Badger State Wings, Inc.  
Tel: 608-467-3300  
(transferred franchisee ownership FY 2024)

WINGS OVER MILWAUKEE  
1434 East Brady Street  
Milwaukee, Wisconsin 53202  
Owner: Badger State Wings, Inc.  
Tel: 414-278-WING (9464)  
(transferred franchisee ownership FY 2024)

\*The listed franchisee has a Development Agreement with us.

## **B. FORMER FRANCHISEES**

Robert Savin  
East Hartford, CT  
Tel: 860-282-0651  
(FY 2024 – Voluntary termination of 1 location)

Ryan Malley  
Chapel Hill, NC  
Tel: 413-658-7294  
(FY 2024 – Sale and transfer of franchisee ownership interest to Wings Over)

Jamie Brooks  
Durham, NC  
Tel: 773-414-3729  
(FY 2023 – Voluntary termination of 2 locations)

Dhananjay V. Gadam, Gadam M. Rao, and Mohan K. Kognati  
Scotch Plains, NJ  
Tel: 518-605-4828  
(FY 2024 -Voluntary termination of 1 location)

Garrett Burgon and Frankie Burgoon  
Bowling Green, OH  
Tel: 419-303-2006  
(FY 2023 – Sale and transfer of franchisee ownership interest)

Obadiah Burnett  
Bowling Green, OH  
Tel: 513-400-0148  
(FY 2024 – Voluntary closure of 1 location)

Brian Hurowitz  
Pittsburgh, PA  
Tel: 215-264-4039  
(FY 2023 – Voluntary closure of 2 locations)

Bryan Rieber  
Madison, WI  
Tel: 317-644-0448  
(FY 2024 – Sale and transfer of franchisee ownership of 2 locations)

**EXHIBIT G**  
**FINANCIAL STATEMENTS**

**WINGS OVER, INC.**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023, 2022 AND 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Stockholder  
Wings Over, Inc.

### **Opinion**

We have audited the accompanying financial statements of Wings Over, Inc., which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of income, changes in stockholder's equity and cash flows for each of the years in the three-year period ended September 30, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wings Over, Inc. as of September 30, 2023 and 2022, and the results of its operations, changes in stockholder's equity and cash flows for each of the years in the three-year period ended September 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 Statements section of our report. We are required to be independent of Wings Over, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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




## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 statements.

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

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



New York, New York  
August 26, 2024

**WINGS OVER, INC.**  
**BALANCE SHEETS**  
**SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 3,463	\$ 152,165
Due from affiliate	35,660	-
Accounts receivable - royalties	191,224	98,602
Other receivables	<u>15,000</u>	<u>54,432</u>
Total current assets	<u>245,347</u>	<u>305,199</u>
Other assets:		
Due from affiliates	-	346,511
Due from parent, net	<u>422,104</u>	<u>-</u>
Total other assets	<u>422,104</u>	<u>346,511</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 667,451</u></b>	<b><u>\$ 651,710</u></b>
<b><u>LIABILITIES AND STOCKHOLDER'S EQUITY</u></b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 118,255	\$ 126,164
Deferred revenues	57,802	52,915
Due to affiliates	38,704	-
Franchisee royalty deposits	48,129	7,826
Due to parent, net	<u>-</u>	<u>66,349</u>
Total current liabilities	262,890	253,254
Long-term liabilities:		
Deferred revenues, net of current portion	<u>80,857</u>	<u>104,981</u>
Total liabilities	<u>343,747</u>	<u>358,235</u>
Commitments and contingencies (Note 8)		
Stockholder's equity:		
Common stock - \$.01 par value; 1,000 shares authorized, issued and outstanding	10	10
Additional paid-in capital	199,990	199,990
Retained earnings	<u>123,704</u>	<u>93,475</u>
Total stockholder's equity	<u>323,704</u>	<u>293,475</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 667,451</u></b>	<b><u>\$ 651,710</u></b>

See accompanying notes to financial statements.

**WINGS OVER, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023, 2022 AND 2021**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:			
Royalties	\$ 1,072,585	\$ 749,456	\$ 493,808
Franchise fees	86,237	67,082	74,347
Marketing fees	<u>65,137</u>	<u>-</u>	<u>-</u>
Total revenues	1,223,959	816,538	568,155
Selling, general and administrative expenses	<u>1,179,574</u>	<u>762,963</u>	<u>378,197</u>
Income from operations	44,385	53,575	189,958
Other income	<u>-</u>	<u>1,650</u>	<u>1,500</u>
Income before provision for income taxes	44,385	55,225	191,458
Provision for income taxes	<u>14,156</u>	<u>20,314</u>	<u>32,992</u>
NET INCOME	<u>\$ 30,229</u>	<u>\$ 34,911</u>	<u>\$ 158,466</u>

See accompanying notes to financial statements.

**WINGS OVER, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023, 2022 AND 2021**

	Common Stock		Additional	Retained	
	Shares	Amount	Paid-In	Earnings	
			Capital	(Accumulated	Total
				Deficit)	
Balance - September 30, 2020	1,000	\$ 10	\$ 199,990	\$ (85,577)	\$ 114,423
Cumulative effect of change in accounting principle (Note 2)	-	-	-	(14,325)	(14,325)
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,466</u>	<u>158,466</u>
Balance - September 30, 2021	1,000	10	199,990	58,564	258,564
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,911</u>	<u>34,911</u>
Balance - September 30, 2022	1,000	10	199,990	93,475	293,475
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,229</u>	<u>30,229</u>
BALANCE - SEPTEMBER 30, 2023	<u>1,000</u>	<u>\$ 10</u>	<u>\$ 199,990</u>	<u>\$ 123,704</u>	<u>\$ 323,704</u>

See accompanying notes to financial statements.

**WINGS OVER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023, 2022 AND 2021**

	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>
Cash flows from operating activities:			
Net income	\$ 30,229	\$ 34,911	\$ 158,466
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Bad debt expense	-	-	4,287
Provision for (benefit from) deferred taxes	819	(5,015)	6,598
Changes in operating assets and liabilities:			
Due from parent	(422,922)	421,454	(389,206)
Accounts receivable - royalties	(92,622)	(39,044)	(10,838)
Other receivables	39,432	11,438	6,967
Accounts payable and accrued expenses	(7,910)	30,005	74,382
Deferred revenues	(19,236)	7,918	75,653
Due to affiliates	38,704	(20,661)	20,661
Franchisee royalty deposits	40,302	(23,479)	31,305
Due to parent	<u>(66,349)</u>	<u>71,364</u>	<u>-</u>
Net cash provided by (used in) operating activities	(459,553)	488,891	(21,725)
Cash provided by (used in) investing activity:			
Due from/to affiliate	<u>310,851</u>	<u>(346,511)</u>	<u>28,660</u>
Net increase (decrease) in cash	(148,702)	142,380	6,935
Cash - beginning	<u>152,165</u>	<u>9,785</u>	<u>2,850</u>
CASH - ENDING	<u><u>\$ 3,463</u></u>	<u><u>\$ 152,165</u></u>	<u><u>\$ 9,785</u></u>

See accompanying notes to financial statements.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 1.      ORGANIZATION AND NATURE OF OPERATIONS**

Wings Over, Inc. (the "Company") is a wholly-owned subsidiary of Matcal NV, Inc. ("Matcal"). The Company was incorporated on March 26, 2018, as a Delaware corporation intending to sell franchises pursuant to a non-exclusive license agreement, dated June 13, 2018, between the Company and Wings Over IP, Inc. (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate businesses known as "Wings Over" in the United States of America with their own unique system relating to the establishment, development and operations of offering products and services related to boneless chicken wings, bone-in wings, jumbo wings, St. Louis style ribs, specialty fried or broiled chicken sandwiches, wraps, and hamburgers, and the carry-out and delivery of such products.

On October 9, 2020, Matcal was merged with Matcal NV, Inc. ("Matcal NV"). Matcal NV became the surviving entity and the current parent of the Company. All activity from October 1, 2020 through October 9, 2020, was transferred to the new parent.

**NOTE 2.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue and cost recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Topic 606 with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, Accounting Standards Codification ("ASC") 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain cost standards under U.S. GAAP, including industry-specific standards. Collectively, Topic 606 and Subtopic 340-40 are referred to as "ASC 606." ASC 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company adopted ASC 606 effective October 1, 2020, using the modified retrospective transition method. The cumulative effect of initially applying ASC 606 for all contracts not yet completed or substantially completed as of October 1, 2020, resulted in an adjustment to decrease stockholder's equity by \$14,325. The adjustment primarily resulted from the change in recognition of franchise fees upon the adoption of ASC 606.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue and cost recognition (continued)

*Franchise fees and royalties*

Contract consideration from franchise operations primarily consist of initial and renewal franchise fees, fees from development agreements ("DAs"), sales-based royalties, and transfer fees payable by a franchisee for the transfer of a franchise unit to another franchisee. DAs grant a franchisee the right to develop two or more franchise units. The Company collects an up-front development fee for the grant of such rights. The initial franchise fees and development fees are nonrefundable and collected when the underlying franchise agreement or development agreement is signed by the franchisee. Sales-based royalties are payable monthly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property, in addition to a variety of activities relating to the opening of a franchise unit. Those costs include training and other such activities commonly referred to collectively as "pre-opening activities." For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and therefore is accounted for as a separate performance obligation. All other pre-opening activities are determined to be highly interrelated to the use of the Company's intellectual property and therefore are accounted for as a single performance obligation which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities that are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. DAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as initial and renewal franchise fees.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue and cost recognition (continued)

*Franchise fees and royalties (continued)*

Royalties are earned based on a percentage of franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

*Advertising fund*

The Company reserves the right to establish an advertising fund to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Advertising fees will be collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it would act as a principal in the collection and administration of the advertising fund and therefore will recognize the revenues and expenses related to the advertising fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the advertising fund would be highly interrelated and, therefore, will be accounted for as a single performance obligation. As a result, revenues from the advertising fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur. When advertising fund fees exceed the related advertising fund expenses in a reporting period, advertising costs will be accrued up to the amount of advertising fund revenues recognized.

*Marketing fees*

Franchisees have the option to contribute to additional social media advertising and marketing initiatives with approved marketing vendors by the Company. The Company has determined that it acts as the principal in the collection and administration of the marketing fees and therefore recognizes the revenues and expenses related to marketing fees on a gross basis. The Company recognizes revenue from marketing fees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company intends to capitalize direct and incremental costs associated with the sale of franchises to be amortized over the term of the franchise agreements and DAs. In the case of costs paid related to DAs for which no associated franchise agreement has been signed, these costs will be deferred until the applicable agreements are signed.

Royalties and other receivables

Royalties, renewal fee, and other receivables from franchisees are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Management considers the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial condition of the Company's franchisees was to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a



**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Royalties and other receivables (continued)

credit to royalties and other receivables. Generally, the Company does not require collateral to support royalties, renewal fees, or other receivables from franchisees. The Company did not require an allowance for doubtful accounts as of September 30, 2023 and 2022.

Income taxes

The Company is included in the consolidated federal income tax return filed by the parent. Federal income taxes are calculated as if the companies filed on a separate return basis, and the amount of current tax or benefit calculated is either remitted to or received from the parent. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

The Company uses the asset and liability method of accounting for income taxes pursuant to FASB, ASC 740, *Income Taxes*. Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740. Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Advertising

Advertising costs are expensed as incurred and amounted to \$57,428, \$16,928, and \$10,513 for the years ended September 30, 2023, 2022 and 2021, respectively.

Variable interest entities

In accordance with the provisions of FASB Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 8 meet the conditions under ASU 2018-17, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recently issued but not yet effective accounting pronouncements

In June 2016, FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and the subsequent amendment to the initial guidance: ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses (collectively, "Topic 326"). Topic 326 introduces a new forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade receivables. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information, and reasonable and supportable forecasts and will generally result in earlier recognition of allowances for losses. For nonpublic companies, Topic 326 will be effective for annual and interim reporting periods beginning after December 15, 2022. The guidance is to be applied using the modified retrospective approach. The Company is in the process of assessing the impact of Topic 326 on its financial statements.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through August 26, 2024, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**NOTE 3. FRANCHISED OUTLETS**

The following data reflects the status of the Company's franchises as of September 30:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Franchises sold	-	8	6
Franchises renewed/transferred*	7	-	-
Franchised outlets in operations	25	19	12

\* These franchise agreements were with the predecessor franchisor. The franchise agreements were renewed with or transferred to the Company during the years ended September 30, 2023, 2022 and 2021.

**NOTE 4. REVENUES AND RELATED CONTRACT BALANCES**

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues is dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregate's revenue from contracts with customers by geographic region and timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)**

*Disaggregated revenues (continued)*

Revenues by timing of recognition were as follows:

	<u>2023</u>	<u>2022</u>
<i>Point in time:</i>		
Royalties	\$ 1,072,585	\$ 749,456
Franchise fees	29,600	29,600
Marketing fees	<u>65,137</u>	<u>-</u>
Total point in time	1,167,322	779,056
<i>Over time:</i>		
Franchise fees	<u>56,637</u>	<u>37,482</u>
Total revenues	<u>\$ 1,223,959</u>	<u>\$ 816,538</u>

*Contract balances*

Contract assets include accounts receivable - royalties. The balances as of September 30, 2023, 2022, and 2021, are \$191,224, \$98,602, and \$59,558, respectively.

Contract liabilities are comprised of unamortized initial franchise fees, development fees, and renewal fees received from franchisees, which are presented as "Deferred revenues" in the accompanying balance sheets. A summary of significant changes in deferred revenues is as follows:

	<u>2023</u>	<u>2022</u>
Deferred revenues - beginning of year	\$ 157,896	\$ 149,978
Revenue recognized during the year	(86,237)	(67,082)
Current year deferred revenue additions	<u>67,000</u>	<u>75,000</u>
Deferred revenues - end of year	<u>\$ 138,659</u>	<u>\$ 157,896</u>

Deferred revenues expected to be recognized over the remaining term of the associated franchise agreements are as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2024	\$ 57,802
2025	29,633
2026	24,205
2027	19,395
2028	<u>7,624</u>
Total	<u>\$ 138,659</u>

Deferred revenues consisted of the following:

	<u>2023</u>	<u>2022</u>
Franchise units not yet opened	\$ 20,000	\$ 61,980
Opened franchise units	<u>118,659</u>	<u>95,916</u>
Total	<u>\$ 138,659</u>	<u>\$ 157,896</u>

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 5. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution. At times, amounts held with this financial institution may exceed federally insured limits.

**NOTE 6. ADVERTISING FUND**

The Company reserves the right to collect an advertising fund fee from its franchisees of up to 3% of franchisee gross sales in accordance with the Company's standard franchise agreement. The advertising fund is to be utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs for the fund administration. Pursuant to the standard franchise agreement, the Company is required to account for the monies collected on behalf of the advertising fund separately. As of September 30, 2023, the Company has not yet established an advertising fund. As of the date of these financial statements, franchisees are required to contribute 1% of gross sales. Beginning in January 2025, franchisees will be required to contribute 2% of gross sales. Beginning in January 2026, franchisees will be required to contribute 3% of gross sales.

The Company requires franchisees to spend 2% of gross sales on local advertising within the first 6 months of operation and the second 6 months of each calendar year during the term of the franchise agreement (2% of gross sales on local advertising within the first year of operations as of September 30, 2023). The Company currently reserves the right to begin collecting a weekly local advertising contribution and spend such amounts on the franchisee's behalf if the franchisee fails to make the required advertising expenditures or fails to submit the required verification of such advertising expenditures.

The Company has the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"). If the Cooperative is established, franchisees must contribute amounts, as defined, but not in excess of \$10,000 during any calendar year. As of September 30, 2023, the Company has not yet established a Cooperative.

**NOTE 7. RELATED-PARTY TRANSACTIONS**

**License agreement**

On June 13, 2018, the Company entered into a non-exclusive license agreement with the Licensor for the use of various registered names, including but not limited to "Wings Over," as defined in the agreement (the "license agreement"), which is for an indefinite term, unless the parties mutually agree otherwise in writing. Pursuant to the license agreement, the Company acquired the right to sell Wings Over franchises in the United States of America, and collect franchise fees, royalties and other fees from franchisees. Commencing in February 2021, the Company was obligated to pay the Licensor a license fee of 2% on the Company's gross revenue, as further defined in the license agreement. The Licensor will not license the trademarks and/or confidential information to any third parties for the purpose of operating a competing franchised system and will not use the trademarks for any other business activity without the written approval of the Company. The license fees were waived for each of the years in the three-year period ended September 30, 2023.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 7. RELATED-PARTY TRANSACTIONS (CONTINUED)**

Service agreement

On November 15, 2020, the Company memorialized a verbal agreement and entered into a two-year service agreement with Matcal NV. Pursuant to the service agreement, the Company has agreed to pay Matcal NV a service fee of 14.4% of Matcal NV's payroll and operating expenses incurred each month, plus 5% per annum, on the remaining unallocated expenses as an administrative cost through December 31, 2021. Effective January 1, 2022, the service fee increased to 30% of Matcal NV's payroll and operating expenses incurred each month through January 1, 2024. Matcal NV's service fee shall not exceed an amount such that the net income of the Company falls below \$10,000, at which point any excess service fees would be waived. The full service fee was calculated and charged and amounted to \$79,068, \$143,871 and \$67,098 and is reported as a component of "Selling, general and administrative expenses" in the accompanying statements of income for each of the years in the three-year period ended September 30, 2023, respectively.

Due from/to parent

In the ordinary course of business, the Company periodically advances to and receives money from and has various payroll and non-payroll expenses paid by its parent company in accordance with an intercompany expense allocation agreement.

Costs paid for by the Company's parent amounted to \$889,640, \$354,787, \$95,413 and is reported as a component of "Selling, general and administrative expenses" in the accompanying statements of income for each of the years in the three-year period ended September 30, 2023, respectively. The transactions bear no interest rate, are unsecured and will be paid no later than one year from the balance sheet date.

As of September 30, 2023, the balance related to advances to the parent and expenses paid on the Company's behalf and amounted to \$402,208 and tax-related balances owed from the parent amounting to \$19,896, are included in "Due from parent, net" on the accompanying balance sheets.

As of September 30, 2022, the balance related to advances to the parent and expenses paid on the Company's behalf by the parent which amounted to \$87,063, and tax-related balances owed from the parent amounting to \$20,714, are included in "Due to parent, net" on the accompanying balance sheets.

Due from/to affiliates

The Company periodically advances to and receives funds from affiliates related by common ownership. The transactions bear no interest rate, are unsecured and are not expected to be paid within a year from the balance sheet date.

As of September 30, 2023, the balance due from an affiliate amounted to \$35,660, and is included in "Due from affiliate" on the accompanying balance sheets. As of September 30, 2023, the balance due to affiliates amounted to \$38,704 and is included in "Due to affiliates" on the accompanying balance sheets.

As of September 30, 2022, the balance due from affiliates amounted to \$346,511 and is included in "Due from affiliates" on the accompanying balance sheets.

**WINGS OVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023, 2022 AND 2021**

**NOTE 8. INCOME TAXES**

The provision for income taxes for the years ended September 30, 2023, 2022, and 2021, is summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current:			
Federal	\$ (8,451)	\$ (19,152)	\$ (21,243)
State and local	<u>(4,886)</u>	<u>(6,177)</u>	<u>(5,151)</u>
	<u>(13,337)</u>	<u>(25,329)</u>	<u>(26,394)</u>
Deferred:			
Federal	415	11,650	(22,298)
State and local	<u>(1,234)</u>	<u>(6,635)</u>	<u>15,700</u>
	<u>(819)</u>	<u>5,015</u>	<u>(6,598)</u>
Provision for income taxes	<u>\$ (14,156)</u>	<u>\$ (20,314)</u>	<u>\$ (32,992)</u>

The components of the Company's deferred tax assets which are reported as a component of due from parent in the accompanying balance sheets as of September 30, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Deferred revenue	<u>\$ 19,896</u>	<u>\$ 20,714</u>

State net operating losses totaling approximately \$145,000 are available to be carried forward indefinitely.

The Company's effective income tax expense differs from the federal tax statutory amount because of the effect of the following items:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Federal tax statutory rate	21.0 %	21.0 %	21.0 %
Federal deferred tax rate true-up	- %	- %	- %
State tax - net of federal benefit	10.9 %	3.6 %	(6.1)%
Other	<u>0.0 %</u>	<u>19.8 %</u>	<u>2.3 %</u>
Total	<u>31.9 %</u>	<u>44.4 %</u>	<u>17.2 %</u>

The Company's parent files consolidated income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by taxing authorities for years before 2020.

**EXHIBIT H**  
**GENERAL RELEASE**

## GENERAL RELEASE

This General Release ("Release") is made and entered into this \_\_\_\_\_, 20\_\_\_\_ by and between Wings Over, Inc., a Delaware corporation with its principal place of business at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120 ("Franchisor"); and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ ("Franchisee").

### WITNESSETH:

**WHEREAS**, Franchisor and Franchisee are parties to a "Wings Over" Franchise Agreement (the "Franchise Agreement") dated \_\_\_\_\_, 20\_\_\_\_, granting Franchisee the right to operate a Wings Over restaurant under Franchisor's proprietary marks and system at the following location: \_\_\_\_\_.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions contained in this Release, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

Franchisee, for itself and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasors"), irrevocably and absolutely release and forever discharge Franchisor and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasees"), of and from all claims, obligations, actions or causes of action (however denominated), whether in law or in equity, and whether known or unknown, present or contingent, for any injury, damage, or loss whatsoever arising from any acts or occurrences occurring as of or prior to the date of this Release relating to the Franchise Agreement, the business operated under the Franchise Agreement, and/or any other agreement between any of the Releasees and any of the Releasors. The Releasors, and each of them, also covenant not to sue or otherwise bring a claim against any of the Releasees regarding any of the claims being released under this Release.

This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

### FRANCHISOR

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

### FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT I**  
**STATE SPECIFIC ADDENDA**

## ILLINOIS

**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the Franchise Disclosure Document for Wings Over, Inc. for use in the State of Illinois shall be amended as follows:

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

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

\* \* \*

**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Wings Over, Inc. Franchise Agreement (the “Franchise Agreement”) agree as follows:

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

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement in duplicate on the date indicated below.

**WINGS OVER, INC.**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Wings Over, Inc. Development Agreement (the “Development Agreement”) agree as follows:

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

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a development agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a development agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Development Agreement in duplicate on the date indicated below.

**WINGS OVER, INC.**

**DEVELOPER**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

Date:\_\_\_\_\_

# INDIANA

**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF INDIANA**

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, the Franchise Disclosure Document of Wings Over, Inc. for use in the State of Indiana shall be amended as follows:

1. Item 12, under the heading entitled “Territory,” shall be supplemented by the addition of the following language:

Franchisor is required by the Franchise Agreement and Development Agreement (if any) not to compete unfairly with you within the Exclusive Territory.

2. Item 17(f), under the heading, “Termination by Us With Cause,” for the Franchise Agreement shall be amended by the addition of the following language:

The conditions under which your franchise can be terminated may be affected by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act.

3. Item 17(f), under the heading, “Termination by Us With Cause,” for the Development Agreement shall be amended by the addition of the following language:

The conditions under which your development rights can be terminated may be affected by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act.

4. Items 17(q) and (r), under the headings “Non-competition covenants during the term of franchise,” and “Non-Competition covenants after the franchise is terminated or expires,” respectively, for the Franchise Agreement shall be amended by the addition of the following language at the end of each Item:

Notwithstanding the above, your rights will not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the exclusive area granted in the Franchise Agreement.

5. Items 17(q) and (r), under the headings “Non-competition covenants during the term of development rights” and “Non-Competition covenants after the development rights are terminated or expires,” respectively, for the Development Agreement shall be amended by the addition of the following language at the end of each Item:

Notwithstanding the above, your rights will not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the exclusive area granted in the Development Agreement.

6. Item 17(u), under the heading “Dispute resolution by arbitration or mediation,” shall be supplemented with the following language:

To the extent required by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, a franchisee that operates a franchised office in Indiana may require, at the franchisee’s option, that arbitration or mediation concerning such franchise take place in Indiana.

7. Item 17(u), under the heading “Dispute resolution by arbitration or mediation,” shall be supplemented with the following language:

To the extent required by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, a developer that operates a franchised office in Indiana may require, at the developer’s option, that arbitration or mediation concerning such development rights take place in Indiana.

8. Item 17(v), under the heading “Choice of forum,” shall be supplemented with the following language:

However, to the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a franchisee that operates a franchised office in Indiana may require, at the franchisee’s option, that litigation concerning such franchise take place in Indiana.

9. Item 17(v), under the heading “Choice of forum,” shall be supplemented with the following language:

However, to the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a developer that operates a franchised office in Indiana may require, at the developer’s option, that litigation concerning such franchise take place in Indiana.



10. Item 17(w), under the heading “Choice of law,” for the Franchise Agreement and Development Agreement shall be supplemented with the following language:

This provision may not be enforceable under Indiana law.

11. Item 17 shall be supplemented by the addition of the following language at the end of the item:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

12. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum to the Disclosure Document.

\* \* \*

**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF INDIANA**

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, the parties to the Wings Over, Inc. Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. Section 1 of the Franchise Agreement, under the heading “Grant,” shall be supplemented by the addition of the following language to the end of the section:

Franchisor is required by this Agreement to agree not to compete unfairly with Franchisee within the Territory. To the extent required by Indiana Code Sections 23-2-2.7-1(2) and 23-2-2.7-2(4), Franchisor shall not operate a business which is substantially identical to the Franchised Business within the Territory regardless of trade name.

2. Section 2 of the Franchise Agreement, under the heading, “Term and Renewal,” shall be amended by the addition of the following language to the end of the section:

To the extent required by Indiana Code Section 23-2-2.7-1(5), no general release executed pursuant to this subparagraph shall be deemed a release, assignment, novation, waiver or estoppel which purports, or is intended to relieve franchisor from any liability imposed by the Indiana Deceptive Franchise Practices Act.

3. Section 15 of the Franchise Agreement, under the heading “Default and Termination,” shall be amended by the addition of the following section:

15.3.9 The conditions under which the Franchised Business may be terminated may be affected by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practice Act.

4. Section 17 of the Franchise Agreement, under the heading “Covenants,” shall be amended by the addition of the following section:

17.7 Notwithstanding the above, Franchisee’s rights shall not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the exclusive area granted in this Agreement.

5. The following language shall be added to the end of Section 17 of the Franchise Agreement, under the heading “Covenants”:

To the extent required by either the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, the post-term covenant not to compete is limited to the exclusive territory.

6. Section 20 of the Franchise Agreement, under the heading “Independent Contractor and Indemnification,” shall be amended by the addition of the following language to the end of the section:

To the extent required by Indiana Code Section 23-2-2.7-2(10), Franchisee shall not be obligated to indemnify Franchisor as provided herein for any liability caused by Franchisee’s reasonable and proper reliance on or use of procedures and materials provided by Franchisor or arising out of Franchisor’s negligence.

7. Section 26 of the Agreement, under the heading “Applicable Law and Dispute Resolution,” shall be supplemented by the addition of the following language:

To the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a franchisee that operates a franchised office in Indiana may require, at the franchisee’s option, that arbitration concerning such franchise take place in Indiana.

8. Sections 27.1, 27.2, and 27.3 of the Franchise Agreement, under the heading “Franchisee’s Acknowledgements and Representations,” shall be deleted in their entirety. Section 27.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practice Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Indiana Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

**FRANCHISEE**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF INDIANA**

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, the parties to the Wings Over, Inc. Development Agreement (the “Development Agreement”) agree as follows:

1. Section 1 of the Development Agreement, under the heading “Grant,” shall be supplemented by the addition of the following language to the end of the section:

Franchisor is required by this Agreement to agree not to compete unfairly with Developer within the Territory. To the extent required by Indiana Code Sections 23-2-2.7-1(2) and 23-2-2.7-2(4), Franchisor shall not operate a business which is substantially identical to the Restaurants within the Development Area regardless of trade name.

2. Section 7.3.3 of the Development Agreement, under the heading, “Transfer of Interest,” shall be amended by the addition of the following language to the end of the section:

To the extent required by Indiana Code Section 23-2-2.7-1(5), no general release executed pursuant to this subparagraph shall be deemed a release, assignment, novation, waiver or estoppel which purports, or is intended to relieve franchisor from any liability imposed by the Indiana Deceptive Franchise Practices Act.

3. Section 8 of the Development Agreement, under the heading “Default and Termination,” shall be amended by the addition of the following section:

8.6 The conditions under which the Restaurants may be terminated may be affected by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practice Act.

4. Section 9 of the Development Agreement, under the heading “Covenants,” shall be amended by the addition of the following section:

9.9 Notwithstanding the above, Developer’s rights shall not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the exclusive area granted in this Agreement.

5. The following language shall be added to the end of Section 9 of the Development Agreement, under the heading “Covenants”:

To the extent required by either the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, the post-term covenant not to compete is limited to the exclusive territory.

6. Section 10 of the Development Agreement, under the heading “Independent Contractor and Indemnification,” shall be amended by the addition of the following language to the end of the section:

To the extent required by Indiana Code Section 23-2-2.7-2(10), Developer shall not be obligated to indemnify Franchisor as provided herein for any liability caused by Developer’s reasonable and proper reliance on or use of procedures and materials provided by Franchisor or arising out of Franchisor’s negligence.

7. Section 15 of the Development Agreement, under the heading “Applicable Law and Dispute Resolution,” shall be supplemented by the addition of the following language:

To the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a Developer that operates a franchised office in Indiana may require, at the Developer’s option, that arbitration concerning such franchise take place in Indiana.

8. Sections 16.1, 16.2, and 16.3 of the Development Agreement, under the heading “Developer’s Acknowledgements and Representations,” shall be deleted in their entirety. Section 16.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practice Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Indiana Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

**DEVELOPER**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

## MARYLAND



**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Disclosure Document of Wings Over, Inc. for use in the State of Maryland shall be amended as follows:

1. Item 5, under the heading “Initial Fees,” shall be supplemented with the following at the beginning of the Item:

Based upon the franchisor’s financial condition, the Maryland Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

The sentence, “You must pay the entire initial franchise fee no later than the date of your signing the Franchise Agreement” will be stricken from Item 5.

2. The second paragraph under the heading “Advertising Fund,” in Item 11 shall be deleted in its entirety and replaced with the following language:

The sums paid by you to the Advertising Fund will not be used to defray any of our expenses, except for any reasonable costs and overhead as we may incur in activities reasonably related to the direction and implementation of the Advertising Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing advertising, promotional, and marketing programs. We maintain separate bookkeeping for the Advertising Fund. You will have the right to review and obtain an annual accounting of the Advertising Fund’s expenditures for the prior year upon request (Franchise Agreement, Section 12.4.3). We reserve right to charge 5% of our reasonable costs and overhead incurred by us in our direction and implementation of the Advertising Fund. (Franchise Agreement, Section 12.4.6).

3. Items 17(c) and 17(m), under the headings, “Requirements for you to extend” and “Conditions for approval of transfer” for the Franchise Agreement and Development Agreement shall be supplemented by adding the following language at the end of each Item:

However, pursuant to COMAR 02.02.08.16L, a general release required as a condition of approval will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Item 17(f), under the heading entitled “Termination by us with cause” for the Franchise Agreement and Development Agreement, shall be supplemented by adding the following language at the end of the Item:

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. Items 17(v) and 17(w), under the headings entitled “Choice of forum” and “Choice of law” for the Franchise Agreement and Development Agreement shall be supplemented by adding the following language at end of each Item:

; except that you may sue Wings Over, Inc. in 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 grant of the franchise.

6. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Addendum 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 Addendum. The Addendum shall have no force or effect if such jurisdictional requirements are not met.

\* \* \*

**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §§14-201 to 14-233 (2004 Repl. Vol. & Supp. 2006), the parties to the attached Wings Over, Inc. Franchise Agreement (“Franchise Agreement”) agree as follows:

1. Sections 2.2.7, 14.3.4, and 26.1 of the Franchise Agreement, entitled “Term and Renewal,” “Transfer of Interest,” and “Applicable Law and Dispute Resolution” shall be amended by adding the following language at the end of the Section:

Provided that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Maryland Franchise Registration and Disclosure Law shall remain in force; it being the intent of this provision that the non-waiver provisions of the Law be satisfied. To that effect the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 4.1. of the Franchise Agreement, under the heading “Fees,” shall be deleted in its entirety and replaced with the following language:

In consideration of the franchise granted herein, Franchisee shall pay to Franchisor an initial franchise fee of Thirty Thousand Dollars (\$30,000) (the “Initial Franchise Fee”). Based upon the Franchisor’s financial condition, the Maryland Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement and the Restaurant has opened for business. Upon payment, the Initial Franchise Fee shall be deemed fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor’s lost or deferred opportunity to enter into this Agreement with others.

3. Section 15.1 of the Franchise Agreement, under the heading “Default and Termination”, shall be amended by adding the following:

; provided, however, that termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. Section 26 of the Franchise Agreement, entitled “Applicable Law and Dispute Resolution”, shall be amended by adding the following new section:

26.9 Notwithstanding the above, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Section 26.5 of the Franchise Agreement, entitled “Applicable Law and Dispute Resolution” shall be amended by adding the following at the end of the section:

; provided, however, that any and all claims and actions arising out of or relating to this Agreement under the Maryland Franchise Registration and Disclosure Law, shall be brought by Franchisee against Franchisor within three (3) years after the grant of the franchise, or such claim or action shall be barred.

6. Sections 27.1, 27.2, and 27.3 of the Franchise Agreement, under the heading “Franchisee’s Acknowledgements and Representations,” shall be deleted in their entirety. Section 27.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. At the end of Section 27 of the Franchise Agreement, a new Section 27.6 shall be added stating the following:

27.6 The foregoing acknowledgments shall not be construed as a waiver or release by Franchisee of any claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Each provision of this Amendment 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 the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §§14-201 to 14-233 (2004 Repl. Vol. & Supp. 2006), the parties to the attached Wings Over, Inc. Development Agreement (“Development Agreement”) agree as follows:

1. Section 2.1 of the Development Agreement, under the heading “Fees” shall be deleted in its entirety and replaced with the following:

2.1 In consideration of the development rights granted herein, Developer shall pay to Franchisor a non-refundable development fee of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the “Development Fee”), which shall be calculated as (a) Thirty Thousand Dollars (\$30,000) for the first Restaurant that Developer is obligated to develop hereunder plus (b) Ten Thousand Dollars (\$10,000) multiplied by number of additional Restaurants that Developer is obligated to develop hereunder, as described in the Development Schedule in Exhibit A hereto. Based upon the franchisor’s financial condition, the Maryland Commissioner has required a financial assurance. Therefore, the payment of the Development Fee and any other initial payments by Developer shall be deferred until the first Restaurant developed pursuant to this Agreement opens. Upon payment, the Development Fee shall be deemed fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor’s lost or deferred opportunity to enter into this Agreement with others.

2. Section 7.3.3 of the Development Agreement with respect to the general release shall be supplemented to include the following language:

Provided that all rights enjoyed by Developer and any causes of action arising in Developer’s favor from the provisions of the Maryland Franchise Registration and Disclosure Law shall remain in force; it being the intent of this provision that the non-waiver provisions of the Law be satisfied. To that effect the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 8.1 of the Development Agreement, under the heading “Default and Termination”, shall be amended by adding the following:

; provided, however, that termination upon bankruptcy of the developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. Section 15.1 of the Development Agreement, under the heading “Applicable Law and Dispute Resolution”, shall be supplemented by the following:

Maryland developers are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Section 15.5 of the Development Agreement, under the heading “Applicable Law and Dispute Resolution”, shall be supplemented by the addition of the following language at the end of the section:

Notwithstanding the above, any claim Developer may have under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years of the execution of this Agreement.

6. Sections 16.1, 16.2, and 16.3 of the Development Agreement, under the heading “Developer’s Acknowledgements and Representations,” shall be deleted in their entirety. Section 16.1 shall be replaced with the following language:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Section 16 of the Development Agreement, under the heading “Developer’s Acknowledgments and Representations,” shall be supplemented by the following:

The foregoing acknowledgments shall not be construed as a waiver or release by Developer of any claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Each provision of this Amendment 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 the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

**[Signature page follows]**

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

**DEVELOPER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## MICHIGAN



**NOTICE 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.**

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor terminate a franchise agreement or development agreement prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee or developer to comply with any lawful provision of the franchise agreement or development 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 or developer by repurchase or other means for the fair market value at the time of expiration of the franchisee's or developer's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise, or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees or developers of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee or developer from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee or developer to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligation to fulfill contractual obligations to the franchisee unless 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.**

Any questions regarding this Notice should be directed to the Michigan Department of Attorney General, G, Mennen Williams Building, 7<sup>th</sup> Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, Michigan 48909, (517) 373-7117.

# MINNESOTA

**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Wings Over, Inc. Franchise Disclosure Document for use in the state of Minnesota shall be amended to include the following:

1. The description of “Insufficient Payments and Interest” in Item 6 shall be amended by adding the following language:

; provided, however, pursuant to Minnesota Statute 604.113, such service charge in Minnesota shall not exceed \$30.

2. Item 17 shall be amended by adding the following language:

- Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Sections 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930 are met independently without reference to this Addendum to the Disclosure Document.

\* \* \*

**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules. §§ 2860.0100 through 2860.9930, the parties to the attached Wings Over, Inc. Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. Sections 2, 14, and 15 of the Franchise Agreement, under the headings entitled “Term and Renewal,” “Transfer of Interest,” and “Default and Termination,” shall be supplemented by the addition of the following language:

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

2. Sections 2.2.7 and 14.3.3 of the Franchise Agreement, under the headings entitled “Term and Renewal” and “Transfer of Interest,” shall be supplemented by the addition of the following language:

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

3. Sections 26.1, 26.3, and 26.5 of the Franchise Agreement, under the heading entitled “Applicable Law and Dispute Resolution” shall be supplemented by the addition of the following language:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Section 26.5 of the Franchise Agreement, under the heading entitled “Applicable Law and Dispute Resolution,” shall be supplemented by the addition of the following language:

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

5. Sections 27.1, 27.2, and 27.3 of the Franchise Agreement, under the heading entitled “Franchisee’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 27.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

**[Signature page follows]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules. §§ 2860.0100 through 2860.9930, the parties to the attached Wings Over, Inc. Development Agreement (the “Development Agreement”) agree as follows:

1. Sections 7 and 8 of the Development Agreement, under the headings entitled “Transfer of Interest” and “Default and Termination,” shall be supplemented by the addition of the following language:

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

2. Section 7.3.3 of the Development Agreement, under the heading entitled “Transfer of Interest,” shall be supplemented by the addition of the following language:

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

3. Section 9.7 of the Development Agreement, under the heading entitled “Covenants,” shall be deleted in its entirety.

4. Sections 15.1, 15.3, and 15.5 of the Development Agreement, under the heading entitled “Applicable Law and Dispute Resolution,” shall be supplemented by the addition of the following language:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. Section 15.5 of the Development Agreement, under the heading entitled “Applicable Law and Dispute Resolution,” shall be supplemented by the addition of the following language:

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

6. Sections 16.1, 16.2, and 16.3 of the Development Agreement under the heading “Developer’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 16.1 shall be replaced with the following language:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

**[Signature page follows]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DEVELOPER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## NEW YORK

**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF NEW YORK**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of New York:

1. The following information is added to the cover page of the Franchise Disclosure Document:

**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, 28 LIBERTY ST., 21ST FLOOR, NEW YORK, NEW YORK 10005. 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.**

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies 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.
3. The following 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 General Business Law Sections 687(4) and 687(5) be satisfied.
4. 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.
5. The following 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 foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements – No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts – Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Wings Over, Inc. Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. Section 2.2.7 of the Franchise Agreement, under the heading “Term and Renewal,” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees, provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 14.1 of the Franchise Agreement, under the heading “Transfer of Interest,” shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in the good faith judgment of Franchisor, is willing and able to assume Franchisor’s obligations under this Agreement.

3. Section 14.3.3 of the Franchise Agreement, under the heading “Transfer of Interest,” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

14.3.3 The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;



4. Section 26.1 of the Franchise Agreement, under the heading “Applicable Law and Dispute Resolution,” shall be supplemented by the following paragraph:

Provided, however, nothing herein contained shall bar Franchisor’s right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. In addition, the foregoing choice of law will not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

5. Sections 27.1, 27.2, and 27.3 of the Franchise Agreement, under the heading “Franchisee’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 27.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Amendment to the Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

**[Signature page follows]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Wings Over, Inc. Development Agreement (the “Development Agreement”) agree as follows:

1. Section 7.1 of the Development Agreement, under the heading “Transfer of Interest,” shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in the good faith judgment of Franchisor, is willing and able to assume Franchisor’s obligations under this Agreement.

2. Section 7.3.3 of the Development Agreement, under the heading “Transfer of Interest,” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

3. Section 15 of the Development Agreement, under the heading “Applicable Law and Dispute Resolution,” shall be supplemented by the following section:

15.9 Nothing herein contained shall bar Franchisor’s right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

4. Section 15.1 of the Agreement, under the heading “Applicable Law and Dispute Resolution”, shall be supplemented by the following section:

; provided, however, that the foregoing choice of law will not be considered a waiver of any right conferred upon by Developer by the provisions of Article 33 of the General Business Law of New York.

5. Sections 16.1, 16.2, and 16.3 of the Development Agreement, under the heading “Developer’s Acknowledgements and Representations,” shall be deleted in their entirety. Section 16.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Amendment to the Development Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DEVELOPER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# OHIO

**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF OHIO**

In recognition of the requirements of the Ohio Business Opportunity Purchasers Protection Act, Ohio Revised Code §1334.01 et seq., the parties to the attached Wings Over, Inc. Franchise Agreement (“Franchise Agreement”) agree as follows:

1. Section 27 of the Franchise Agreement, entitled “Franchisee’s Acknowledgments and Representations,” shall be amended by adding the following subsection at the end of the Section:

**27.6 You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.**

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Ohio Business Opportunity Purchasers Protection Act, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**[Notice of Cancellation form (in duplicate) follows]**

**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF OHIO**

In recognition of the requirements of the Ohio Business Opportunity Purchasers Protection Act, Ohio Revised Code §1334.01 et seq., the parties to the attached Wings Over, Inc. Development Agreement (“Development Agreement”) agree as follows:

1. Section 16 of the Development Agreement, entitled “Developer’s Acknowledgments and Representations,” shall be amended by adding the following subsection at the end of the Section:

**16.6 You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.**

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Ohio Business Opportunity Purchasers Protection Act, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

**DEVELOPER**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

**[Notice of Cancellation form (in duplicate) follows]**

Notice of Cancellation

\_\_\_\_\_, 20\_\_\_\_

**You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this Agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Wings Over, Inc. at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120, or send a fax to Wings Over, Inc. at \_\_\_\_\_, or an e-mail to Wings Over, Inc. at [partner@wingsover.com](mailto:partner@wingsover.com), not later than midnight of \_\_\_\_\_, 20\_\_\_\_.**

**I hereby cancel this transaction.**

\_\_\_\_\_, 20\_\_\_\_  
(Date)

\_\_\_\_\_  
(Purchaser's signature)

\_\_\_\_\_  
(Print name)



Notice of Cancellation

\_\_\_\_\_, 20\_\_\_\_

**You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this Agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Wings Over, Inc. at 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120, or send a fax to Wings Over, Inc. at \_\_\_\_\_, or an e-mail to Wings Over, Inc. at [partner@wingsover.com](mailto:partner@wingsover.com), not later than midnight of \_\_\_\_\_, 20\_\_\_\_.**

**I hereby cancel this transaction.**

\_\_\_\_\_, 20\_\_\_\_  
(Date)

\_\_\_\_\_  
(Purchaser's signature)

\_\_\_\_\_  
(Print name)

## **RHODE ISLAND**

**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of Wings Over, Inc. for use in the State of Rhode Island shall be amended to include the following:

1. The sentences in Items 17v. and 17w. shall be supplemented with the following language:

except that you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement or development agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. Item 17 shall be supplemented by the addition of the following language at the end of the item:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

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**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached Wings Over, Inc. Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. Sections 27.1, 27.2, and 27.3 of the Franchise Agreement, under the heading “Franchisee’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 27.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following section shall be added at the end of Section 27 of the Franchise Agreement:

27.6 Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

3. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

**FRANCHISEE**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached Wings Over, Inc. Development Agreement (the “Development Agreement”) agree as follows:

1. The following section shall be added at the end of Section 15 of the Development Agreement:

15.9 Notwithstanding the above, Rhode Island developers are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Sections 16.1, 16.2, and 16.3 of the Development Agreement, under the heading “Developer’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 16.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

**DEVELOPER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

# **VIRGINIA**

**ADDENDUM TO THE WINGS OVER, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

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

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document shall be amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the development agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. Item 17 shall be supplemented by the addition of the following language at the end of the item:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum to the Disclosure Document.

\* \* \*

**AMENDMENT TO THE WINGS OVER, INC.  
FRANCHISE AGREEMENT  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

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

1. Sections 27.1, 27.2, and 27.3 of the Franchise Agreement, under the heading “Franchisee’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 27.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Amendment to the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

**WINGS OVER, INC.**

**FRANCHISEE**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_



**AMENDMENT TO THE WINGS OVER, INC.  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

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

1. Sections 16.1, 16.2, and 16.3 of the Development Agreement, under the heading “Developer’s Acknowledgments and Representations,” shall be deleted in their entirety. Section 16.1 shall be replaced with the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Amendment to the Development Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

**WINGS OVER, INC.**

**DEVELOPER**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT J**

**STATE EFFECTIVE DATES**

### **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:

<b>State</b>	<b>Effective Date</b>
Illinois	<i>Pending</i>
Indiana	<i>Pending</i>
Maryland	<i>Pending</i>
Michigan	<i>Pending</i>
Minnesota	<i>Pending</i>
New York	<i>Pending</i>
Rhode Island	<i>Pending</i>
Virginia	<i>Pending</i>
Wisconsin	<i>Pending</i>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT K**  
**RECEIPTS**

## **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 Wings Over, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, Wings Over, Inc. or an affiliate in connection with the proposed franchise sale.

New York requires that Wings Over, Inc. gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that Wings Over, Inc. gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wings Over, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit A.

Wings Over, Inc. authorizes the agents listed in Exhibit B to receive service of process on its behalf. The franchise seller(s) offering this franchise is/are checked off below:

\_\_\_ Mike Buss, 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120, (646) 893-5508.  
\_\_\_ Mike Wang, 6320 McLeod Drive, Unit 2, Las Vegas, NV 89120, (646) 893-5508.  
\_\_\_ Kevin Mok, 6320, McLeod Drive, Unit 2, Las Vegas, NV 89120, (646) 893-5508.

Issuance Date: August 28, 2024.

I have received a disclosure document dated August 28, 2024, that included the following exhibits:

EXHIBIT A	List of State Administrators
EXHIBIT B	List of Agents for Service of Process
EXHIBIT C	Development Agreement
EXHIBIT D-1	Franchise Agreement
EXHIBIT D-2	Renewal Addendum
EXHIBIT E	Table of Contents of Operations Manual
EXHIBIT F	List of Current and Former Franchisees
EXHIBIT G	Financial Statements
EXHIBIT H	General Release
EXHIBIT I	State Specific Addenda
EXHIBIT J	State Effective Dates
EXHIBIT K	Receipts

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Prospective Franchisee**

\_\_\_\_\_  
**Print Name**

**RETAIN THIS COPY FOR YOUR RECORDS**

## **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 Wings Over, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, Wings Over, Inc. or an affiliate in connection with the proposed franchise sale.

New York requires that Wings Over, Inc. gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that Wings Over, Inc. gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wings Over, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit A.

Wings Over, Inc. authorizes the agents listed in Exhibit B to receive service of process on its behalf. The franchise seller(s) offering this franchise is/are checked off below:

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EXHIBIT J	State Effective Dates
EXHIBIT K	Receipts

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Prospective Franchisee**

\_\_\_\_\_  
**Print Name**

**RETURN THIS COPY TO WINGS OVER, INC.**