

FRANCHISE DISCLOSURE DOCUMENT

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This disclosure document is for the development and operation of franchises for friendly neighborhood restaurants specializing in the sale of fresh chicken wings, prepared in a variety of flavors, and other tasty menu items under the name “Hurricane Grill & Wings” (the “**Hurricane Grill & Wings Restaurants**”), or a limited service, limited menu restaurant under the name “Hurricane Burgers Tacos Wings” (the “**BTW Restaurants**”).

The total investment necessary to begin the operation of a Hurricane Grill & Wings Restaurant ranges from \$564,200 to \$2,535,600. The total investment necessary to begin operation of a BTW Restaurant ranges from \$465,269 to \$1,085,000. The range for both a Hurricane Grill & Wings and a BTW Restaurant includes initial fees of \$50,000 that must be paid to us. If you sign a Development Agreement to develop multiple Hurricane Grill & Wings Restaurants or BTW Restaurants, you will have to pay us a development fee of \$50,000 multiplied by the number of Restaurants you must open.

In addition, we are presently offering franchisees of our affiliates, Fatburger Restaurants North America, Inc. (“FBNA”) and Johnny Rockets Licensing, LLC (“JRL”), the right to open an “express” co-branded version of a “Hurricane” restaurant within their “Fatburger” or “Johnny Rockets” restaurants. In addition to the initial fees imposed by FBNA and JRL, you must pay us initial fees for a co-branded franchise equal to \$25,000, though we may waive the initial fee for Fatburger or Johnny Rockets franchisees who are adding a “Hurricane” restaurant to their existing Fatburger or Johnny Rockets restaurant. We estimate that the incremental initial cost (i.e., in addition to the costs of building the Fatburger or Johnny Rockets restaurant) to add a Hurricane co-branded restaurant-in-restaurant location will be between approximately \$36,500 and \$88,000 (in addition to the initial fees).

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 or grant. **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 Warren Christiansen at 9720 Wilshire Boulevard, Suite 500 Beverly Hills, California 90212, 310.319.1850, info@fatbrands.com.

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 an attorney or an accountant.

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

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

This disclosure document is effective May 3, 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 California. 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 California than in your own state.

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.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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SCHEDULES:

- SCHEDULE 1 Table of Contents of Operating Manuals
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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, the words “HAMT,” “we,” “our” and “us” refer to Hurricane AMT, LLC, the franchisor of Hurricane Grill & Wings and Hurricane Burgers Tacos Wings Restaurants. The term “we” only refers to Hurricane AMT, LLC, not its officers, directors or shareholders individually. “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this Franchise Disclosure Document also apply to your owners and will be noted.

This franchise disclosure document has been prepared in “plain English,” as required by law. However, you must still carefully read the actual agreements that you will sign. These agreements will control if there is a dispute between us.

The Franchisor, its Predecessor and Affiliates

We are a Delaware limited liability company organized on December 3, 2018 which was converted from a Florida limited liability company which was previously formed on December 16, 2008. Our principal place of business is located at 9720 Wilshire Boulevard Suite 500 Beverly Hills, California 90212. We do business under our corporate name, “Hurricane,” and the names “Hurricane Grill & Wings”, “Hurricane Burgers Tacos Wings”, “Hurricane Dockside Grill”, and “Hurricane Sports Pub.”

As of our most recently completed fiscal year end, there were 41 franchised Hurricane Grill & Wings Restaurants and 1 franchised Hurricane BTW Burgers + Tacos + Wings Restaurant in operation in the United States. Currently, we have no affiliates that own and operate Hurricane Grill & Wings Restaurants.

Except as stated in this Item 1, we do not operate any Hurricane Grill & Wings Restaurants or BTW Restaurants, we have not offered franchises in any other business, and we have not engaged in any other line of business. Both Hurricane Grill & Wings Restaurants and BTW Restaurants are referred to in this disclosure document as “Restaurants.”

Parents, Predecessors, and Affiliates

We are a wholly-owned subsidiary of FAT Brands, Inc., a Delaware corporation incorporated on March 21, 2017 (the “Parent” or “FAT”). FAT is a party to a whole business securitization through its subsidiary, FAT Brands Royalty I, LLC (“FAT Royalty”), which is our immediate direct parent. FAT Royalty issued notes pursuant to the securitization in which substantially all of the assets held by FAT Royalty and its subsidiaries were pledged as collateral to secure the notes. FAT Royalty is a wholly-owned subsidiary of FAT. Fog Cutter Holdings LLC (“Fog Cutter”) is the parent of FAT. FAT, FAT Royalty, and Fog Cutter are located at 9720 Wilshire Blvd., Suite 500, Beverly Hills, CA 90212.

Our affiliates listed below offer franchises under their own trademarks and systems but do not provide products or services to our franchisees, have not conducted the type of business you will operate, have not offered franchises providing the type of business you will operate, and have never

offered franchises in any other line of business. Unless otherwise disclosed, the FAT affiliates listed below share a principal business address of 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212.

- Fatburger North America, Inc. (“FBNA”) has offered franchises under the name “Fatburger” since 1990. Fatburger restaurants primarily serve burgers, shakes, and fries. As of December 25, 2022, there were 193 franchised Fatburger restaurants (of which 133 are co-branded with “Fatburger” and “Buffalo’s Café”) operating.
- Buffalo’s Franchise Concepts, Inc. (“BFCI”) has offered franchises under the name “Buffalo’s Café” since 1989. Buffalo’s Cafes offer chicken wings and distinctive homemade wing sauces, burgers, wraps, steaks, salads, and other classic American cuisine. As of December 25, 2022, there were 13 franchised Buffalo’s Cafes (and 133 co-branded “Fatburger” and “Buffalo’s Café” restaurants) operating.
- Ponderosa Franchising Company (“PFC”) has offered franchises under the name “Ponderosa Steakhouse” since 1994. Ponderosa Steakhouses primarily offer a buffet serving a broad array of steak, chicken and seafood entrees. As of December 25, 2022, there were 14 franchised Ponderosa Steakhouses operating.
- Johnny Rockets Licensing, LLC (“JRL”) has offered franchises under the name “Johnny Rockets” since 1989. Johnny Rockets restaurants offer a menu of lunch and dinner products featuring made-to-order hamburgers, crispy fries, chili, hand-spun shakes and malts, classic sandwiches, and other menu items. As of December 25, 2022, there were 102 franchised Johnny Rockets restaurants operating.
- The Round Table Franchise Corporation (“RTP”) has offered franchises under the name “Round Table” and “Round Table Pizza” since January 1979. Round Table Pizza restaurants offer pizza and related food items and beverages. As of December 25, 2022, there were 408 franchised Round Table Pizza restaurants operating.
- Marble Slab Franchising, LLC (“MSC”) has offered franchises under the names “Marble Slab” or “Marble Slab Creamery” since 1986. Marble Slab Creameries offer ice cream that customers can order in combination with nuts, fruit, and other “mix-ins” that are blended into ice cream on a chilled marble or granite slab. As of December 25, 2022, there were 250 franchised Marble Slab Creameries operating.
- GAC Franchising, LLC (“GAC”) has offered franchises under the name “Great American Cookies” since 1977. Great American Cookies offer cookies, brownies, cupcakes, and related food items and beverages. As of December 25, 2022, there were 368 franchised Great American Cookies businesses operating.
- HDOS Franchising, LLC (“HDOS”) has offered franchises under the name “Hot Dog on a Stick” since 1997. Hot Dog on a Stick businesses offer award-winning lemonade, hot-dog-on-a-stick and cheese-on-a-stick products, French fries, and other food items and beverages. As of December 25, 2022, there were 18 franchised Hot Dog on a Stick businesses operating.

- PM Franchising, LLC (“PM”) has offered franchises under the name “Pretzelmaker” since 1992. Pretzelmaker businesses offer soft pretzels, pretzel toppings, beverages and other food products. As of December 25, 2022, there were 148 franchised Pretzelmaker businesses operating.
- Twin Restaurant Franchise, LLC (“TRF”) has offered franchises under the name “Twin Peaks” since July 11, 2007. Twin Peaks restaurants feature full bars offering American-style menu items and alcoholic and non-alcoholic beverages. Twin Peaks restaurants also may offer a virtual, delivery-only concept under the name “Good as Cluck”. As of December 25, 2022, there were 64 franchised “Twin Peaks” restaurants operating. Twin Peaks’ principal place of business is 5151 Beltline Road, #1200, Dallas, Texas 75254.
- Native Grill & Wings Franchising, LLC (“NGW”) has offered franchises under the name “Native Grill & Wings” since 1988. Native Grill & Wings is an American fast casual restaurant chain founded in Arizona, which specializes in wings and features full services bars located in Arizona, Illinois, and Texas. As of December 25, 2022, there were 23 franchised Native Grill & Wings restaurants operating.
- Fazoli’s Franchising Systems, LLC (“FFS”) has offered franchises under the name “FAZOLI’S®” and “FAZOLI’S RESTAURANTS” since 2006. Fazoli’s is a premium fast-casual Italian food restaurant chain founded in Kentucky, which is a premium fast-casual Italian restaurant concept, combining the convenience and price of fast food with the food quality and dining atmosphere associated with casual dining. As of December 25, 2022, there were 152 franchised Fazoli’s restaurants operating.

GAC Manufacturing, LLC (“GAC Manufacturing”) an indirect, wholly-owned subsidiary of FAT, is in the business of operating the cookie dough plant that produces proprietary batter, dough, and other ingredients for making cookies (“Cookie Ingredients”) that are supplied to certain of our (and our affiliates’) franchises who have the right to offer and sell cookies as an add-on menu item. GAC Manufacturing produces proprietary batter, dough and other ingredients that are used in the operation of Great American Cookie stores. GAC Manufacturing has a principal business address of 4685 Frederick Drive, Atlanta, Georgia 30336. GAC Manufacturing (i) does not own or operate any franchises like the franchise that we are offering to you, (ii) has never offered franchises in any line of business, and (iii) except for manufacturing Cookie Ingredients, has never provided any other franchise support services to franchisees.

If we offer the opportunity to you, you must offer cookies as a menu item and we require you to purchase the Cookie Ingredients from our affiliate GAC Supply, LLC (“GAC Supply”). GAC Supply has a principal business address of 4685 Frederick Drive, Atlanta, Georgia 30336. GAC Supply (i) does not own or operate any franchises like the franchise that we are offering to you, (ii) has never offered franchises in any line of business, and (iii) except for selling Cookie Ingredients, has never provided any other franchise support services to franchisees.

Our affiliate GFG Management, LLC (“GFG Management”), a wholly-owned subsidiary of FAT, may, among things, may also sell or lease certain equipment (including cookie ovens and related equipment) to system franchisees, as disclosed in Item 7. GFG Management’s principal business address is 5555 Glenridge Connector, Suite 850, Atlanta, Georgia 30342; however, we expect its principal business address to move to 9720 Wilshire Blvd. Suite 500, Beverly Hills, California 90212

in due course. You do not pay any fees directly to GFG Management. GFG Management does not own or operate any franchises that we offer and has never offered franchises in this or any other line of business.

Our affiliate, Bonanza Restaurant Company (“BRC”) has offered franchises under the name “Bonanza Steakhouse” and “Bonanza Steak & BBQ” since 1994. Bonanza Steakhouses primarily offer fresh farm-to-table salad bars and serve a menu showcase of USDA flame-grilled steaks and house-smoked barbeque. As of the date of this disclosure document BRC is no longer offering franchises and as of December 25, 2022, there were 7 franchised Bonanza Steakhouses operating.

Our affiliate, Yalla Mediterranean Franchising Company, LLC (“Yalla”) has offered franchises under the names “Yalla” and “Yalla Mediterranean” since 2019. Yalla restaurants offer a menu of freshly prepared California-inspired Greek and Mediterranean appetizers, sandwiches, wraps, salads, platters, side dishes and beverages for on-premises and off-premises consumption and catering. As of the date of this disclosure document Yalla is no longer offering franchises and as of December 25, 2022, there were no franchised Yalla restaurants operating.

Except as described above, our affiliates do not offer franchises in any other line of business. Our agents for service of process are listed in Exhibit I to this disclosure document.

Franchise Offered

We offer franchises for a distinctive fast casual restaurant system which offers limited menu items, primarily hamburgers, under the trademarks “Hurricane Grill & Wings” and “Hurricane BTW”. This disclosure document relates to our franchise offerings in the United States. The distinguishing characteristics of our system include special recipes, ingredients, and menu items, distinctive decor, color scheme, and furnishings, an in store music system featuring music of various eras, if established, uniform operating standards, consistency of products and services offered, procedures for quality control, training, and advertising programs, all of which we may change at our discretion. Our Restaurants serve the general public and not any particular segment of the population. The currently operating Restaurants are all located in urban and suburban settings and Hurricane Grill & Wings Restaurants have approximately 2,000 – 4,500 square feet, while BTW Restaurants have approximately 1,200 – 3,000 square feet.

In addition to offering franchises for both Hurricane Grill & Wings Restaurants and BTW Restaurants, we offer two separate franchise programs by this disclosure document, though we may not allow you the opportunity to purchase under all of these programs:

(a) Single Restaurant Program. If we approve your application to become a franchisee, you will sign a Franchise Agreement (Exhibit B) to operate a single Restaurant under our trademarks and in accordance with our system during the term of your Franchise Agreement. If you are purchasing an existing Restaurant, you will sign a Franchise Agreement. The franchise agreement will specify whether your Restaurants is a Hurricane Grill & Wings Restaurant or a BTW Restaurant.

(b) Multi-Unit Restaurant Program. Under this program, we assign a defined area (the “**Development Area**”) within which you must develop and operate a specified number of Restaurants, within a specified period of time. The development area may be one city, one or more counties, or some other defined area, and may be non-exclusive or may be granted certain territorial

protection. You will sign a Multi-Unit Restaurant Agreement (Exhibit E), which will describe your development area, your development schedule and obligations, and your territorial protection, if applicable. For each Restaurant you open pursuant to the Multi-Unit Restaurant Agreement, promptly after our acceptance of the location for the Restaurant, you will sign a separate Franchise Agreement on our then-current form, which may contain materially different terms from the form attached to this Franchise Disclosure Document, and pay our then-current initial franchise fee. On occasion, in order to resolve a dispute with a franchisee whose Multi-Unit Restaurant Agreement or Franchise Agreement was terminated for failing to meet its development obligation, we may in our discretion offer the franchisee the right to enter into a new Multi-Unit Restaurant Agreement. The new Multi-Unit Restaurant Agreement will permit the franchisee to open Restaurants, but may or may not be exclusive and may or may not require the franchisee to open a particular number of Restaurants, or specify particular development periods or require a development fee.

Under either program (a) or (b), you may also enter into a Management Agreement with us or our affiliate, if we agree (or our affiliate agrees) to do so. If we or our affiliate do sign a Management Agreement with you, we will provide you with additional advice regarding the operation and management of your Restaurant. The precise level of advice and service, and, if agreed upon, our obligation to manage your Restaurant and supervise your management and supervisory personnel and other employees will be identified in the Management Agreement. Except to the limited extent provided in the Management Agreement, if at all, neither we nor our affiliate perform other services, such as accounting, human resources, and record-keeping, and you will continue to be responsible for these.

Occasionally we or our affiliates may enter into joint venture arrangements for the operation of Restaurants. We or our affiliates may do so by acquiring an interest in the limited liability company (“LLC”) formed to acquire the franchise. In those instances, the LLC will be operated pursuant to a form of Limited Liability Company Operating Agreement substantially similar to the form attached as Exhibit G.

This disclosure document is only for “Hurricane” restaurants. Under a separate disclosure document, our affiliates, FBNA and JRL, offer franchises for their “Fatburger” and “Johnny Rockets®” restaurant concepts, including a co-branded “express” version that can be added within and as part of a “Hurricane” restaurant with our consent, in which case you will sign a franchise agreement with FBNA or JRL, as applicable and a Hurricane Franchise Agreement and Co-brand Addendum (Exhibit B-1). “Fatburger” and “Johnny Rockets®” co-branded restaurants feature certain trade dress elements and signage, and serve a limited menu containing certain of the menu offered in its full casual dining restaurants, including made-to-order hamburgers, crispy fries, chili, hand-spun shakes and malts, classic sandwiches and other menu items.

Competition

Both the restaurant industry in general, and the quick service and fast casual restaurant industry in particular, are established industries and are very competitive. As a member of the restaurant industry, you will compete on the basis of price and the quality of your food and service. You will compete with the major quick service and fast casual restaurant chains that dominate the industry, and with other food service businesses.

Franchise Activities

The first Hurricane Grill & Wings Restaurant was opened in Ft. Pierce, Florida, in 1995. The “Hurricane” chain originally began in or around 1991 as Chris’ Wings in Fort Pierce, Florida by Chris Russo. We have offered franchises for Hurricane Grill & Wings Restaurants since 2009 and franchises for BTW Restaurants since 2017.

Regulations

A wide variety of Federal, state, and local laws, rules, and regulations have been enacted that may impact the operation of your Restaurant, and may include those which (a) establish general standards, permitting restrictions and requirements and other specifications and requirements for the construction, design, maintenance and operation of the business premises; (b) set standards pertaining to employee hiring, health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for Restaurants; (d) regulate employee practices concerning the storage, handling, cooking, and preparation of food; (e) impose smoking restrictions; and requirements for availability of and specifications for public accommodations and for fire safety and general emergency preparedness; (f) regulate discrimination, employment wage and hour and sexual harassment laws as well as OSHA and the Americans with Disabilities Act which requires readily accessible accommodations for disabled individuals and may affect your operations; (g) establish procedures for the disposal of hazardous wastes; (h) regulate advertisements; and (i) establish mandatory nutritional content labeling and disclosures, including on menus, and impose restrictions on certain types of cups and containers. State and local agencies inspect food services business to ensure that they comply with these laws and regulations. You should consult with your attorney concerning these and other laws that may apply in the geographic area in which you are interested in locating your business and should consider both their effect and cost of compliance.

At your option, and with our prior written consent, you may offer alcoholic beverages if you obtain a liquor license. The difficulty and cost of obtaining a beer/wine or full liquor license, and the procedures for securing each type of license, vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state Dram Shop laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol. You must understand and comply with these laws in operating your Restaurant. In addition, the Federal government, State governments and local jurisdictions have enacted and may continue to enact various regulations, orders and recommendations addressing the global COVID-19 pandemic, including “shelter in place,” “safer at home” and “social distancing” orders, that may apply to the operation of your Restaurant. These regulations and orders may, for example, require the temporary closure of what they define as “non-essential” businesses, temporarily restrict the products and services that may be offered from your Restaurant, limit seating and/or occupancy, and/or limit hours and scope of operations. You should investigate whether there are regulations, orders or other requirements or recommendations that may apply in the geographic area in which you are interested in locating your Restaurant and should consider both their impact and cost of compliance.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer of HAMA and Chief Development Officer of FAT – Taylor Wiederhorn

Taylor Wiederhorn has been HAMA's Chief Executive Officer since May 2023. He has also been Chief Development Officer of FAT since October 2017. Mr. Wiederhorn served as FBNA's Vice President Franchise Marketing and Development from September 2011 until October 2017.

Chief Operating Officer of FAT – Thayer Wiederhorn

Thayer Wiederhorn has been FAT's Chief Operating Officer since November 2021. Prior to that, he was FAT's Chief Marketing Officer since October 2017. Mr. Wiederhorn served as FBNA's Vice President of Marketing from April 2012 until October 2017.

Chief Financial Officer and Co-Chief Executive Officer of FAT – Kenneth J. Kuick

Mr. Kuick has been the CFO and the Co-Chief Executive Officer of FAT since May 5, 2023. Prior to joining FAT, Mr. Kuick served as Chief Financial Officer of Noodles & Company, a national fast-casual restaurant concept, from November 2018 to August 2020. Prior to that, Mr. Kuick served as Chief Accounting Officer of VICI Properties Inc., a real estate investment trust specializing in casino properties, from October 2017 to August 2018. Prior to that, from 2011 until October 2017, Mr. Kuick served as Chief Accounting Officer of Caesars Entertainment Operating Company, a subsidiary of Caesars Entertainment Corporation, and as Vice President, Assistant Controller for Caesars Entertainment Corporation.

Head of Debt Capital Markets and Co-Chief Executive Officer of FAT – Robert Rosen

Mr. Rosen has served as FAT's Co-CEO and Head of Debt Capital Markets since May 5, 2023. He joined FAT in March 2021 as its Executive Vice President of Capital Markets. Prior to joining FAT, he served as Managing Member of Kodak Financial Group, a finance company in Katonah, New York from 2004 until March 2021.

General Counsel of FAT – Allen Z. Sussman

Mr. Sussman has served as the General Counsel of FAT since March 2021. Prior to that from 2012 until March 2021, Mr. Sussman was a partner at the law firm of Loeb & Loeb LLP in Los Angeles, California, specializing in corporate and securities law, and served as primary outside corporate and securities counsel to FAT.

Deputy General Counsel and Senior Franchise Counsel of FAT – Warren Christiansen

Mr. Christiansen has been FAT's Deputy General Counsel and Senior Franchise Counsel since May, 2023. Prior to that, from October 2017, he served as FAT's Legal Counsel and Franchise Development Executive. Prior to that, he served as FBNA's Vice President, Domestic Franchise Sales from November 2008 until October 2017.

President, Fast Casual Division of FAT – Jake Berchtold

Mr. Berchtold has been President, Fast Casual Division of FAT since July 2019. Prior to that, from September 2012 until July 2019 he was the Director of Operations for FBNA.

Chief Information Officer of FAT – Michael Chachula

Mr. Chachula has been FAT's Chief Information Officer since April 2022. Prior to that, he was the Head of Digital and Revenue Growth with Coffee Bean and Tea Leaf, located in Hollywood, CA. And from December 2017 to August 2020, he was the Executive Director and CIO for International House of Pancakes (IHOP) in Glendale, California. He also served as the Head of IT Strategy, Innovation and PMO for Dine Brands, Glendale, CA from January 2016 to August December 2017.

Chief Marketing Officer of FAT – Jenn Johnston

Ms. Johnston became FAT's Chief Marketing Officer in May 2023. Prior to that, she served as FAT's President, QSR Division from February 2019. From October 2010 until September 2019. She was the Chief Marketing and Operations Officer for Global Franchise Group, a restaurant company in Atlanta Georgia.

President of QSR Division of FAT (MSC, GAC and PM) - Allison Lauenstein

Ms. Lauenstein joined us on May 8, 2023 as President of QSR Division of FAT (MSC, GAC and PM). Prior to that, from August 2020 until May 2023, she was a Marketing Professor at Siena College in Albany, New York. From January 2018 until June 2020, she was the Chief Innovation Officer of Global Franchise Group, a franchisor in Atlanta, Georgia.

Director of Franchise Sales of FAT – Dan D. Moran, CFE

Mr. Moran has been FAT's Director of Franchise Sales since October 2017. Prior to that, Mr. Moran served as FBNA's Vice President of Franchise Development from October 2009 until October 2017.

Director of Construction of FAT – Bentley C. Hetrick

Mr. Hetrick has been FAT's Director of Construction since April 2019. Prior to that, he was Vice President/General Manager with Preferred Commercial Services, a kitchen installation company in Chatsworth, California from August 2015 to August 2018.

Director of Construction and Purchasing of FAT – James Newell

Mr. Newell became FAT's Director of Construction and Purchasing in May 2018. Prior to that, from February 2018 until May 2018 he was the Director of Operations. Mr. Newell served as our Vice President of Brand Services from February 2015 until February 2018. Previously, he was our Vice President of Operations since January 1, 2010.

President – Casual Dining Division of FAT - Gregg Nettleton

Mr. Nettleton has served as the President– Casual Dining Division of FAT since October 2016.

Chief Concept Officer of FAT and President of Yalla – Donald J. Berchtold

Mr. Berchtold became Yalla's President in December 2018 and has been FAT's Chief Concept Officer since March 2017. Prior to that, he served as FBNA's President from September 21, 2006 until February 2018 and FBNA's Chief Operating Officer from May 2006 until February 2018.

Director of Franchise Sales of FAT, QSR Division – Kim Rogers

Ms. Rogers became FAT's Director of Franchise Sales, QSR Division in July 2021. Prior to that time, from May 2021 until July 2021, she was Director of Franchise Sales and, from September 2017 to May 2021, Senior Franchise Sales Manager, for Global Franchise Group, located in Atlanta, Georgia. Previously, from March 2016 to September 2017, Ms. Rogers was Senior Franchise Sales Manager for Round Table Franchise Corporation, then located in Concord, California.

Director of International Franchise Development of FAT – Hair Parra

Mr. Parra became FAT's Director of International Franchise Development in February 2021. Prior to that, from May 2017 until January 2021 he was the COO at Wing Zone, a restaurant company in Atlanta, Georgia.

**ITEM 3
LITIGATION**

Pending Litigation

Robert J. Matthews, et al., v. FAT Brands, Inc., Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick (United States District Court for the Central District of California, Case No. 2:22-cv-01820). On March 18, 2022, plaintiff Robert J. Matthews, a putative investor in the Company, filed a putative class action lawsuit against the Company, Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), alleging that the defendants are responsible for false and misleading statements and omitted material facts in the Company's reports filed with the SEC under the 1934 Act related to the LA Times story published on February 19, 2022 about the company and its management. The plaintiff alleges that the Company's public statements wrongfully inflated the trading price of the Company's common stock, preferred stock and warrants. The plaintiff is seeking to certify the complaint as a class action and is seeking compensatory damages in an amount to be determined at trial. On April 25, 2022, Kerry Chipman, a putative investor in the Company, filed a putative class action lawsuit against the Company, Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick in the United States District Court for the Central Division of California, asserting substantially the same claims as those made by Matthews in the above-referenced lawsuit. On May 2, 2022, the Court entered an order consolidating the actions filed by Matthews and Chipman under the caption *In re FAT Brands Inc. Securities Litigation*. On June 13, 2022, the Court appointed plaintiff Robert Matthews as lead plaintiff and The Rosen Law Firm, P.A., as lead counsel in the consolidated action. Plaintiffs filed their Consolidated Amended Complaint on June 27, 2022. On July 19, 2022, the parties entered into a stipulation to stay the litigation so that they can engage in voluntary mediation. In August 2022, after mediation the Company reached an agreement in principle to settle this matter for a cash payment by the Company of \$2.5 million and issuance of \$0.5 million in Class

A common stock. The Stipulation of Settlement and other documents pertinent to the settlement, along with a motion for preliminary approval thereof, were filed with the court on September 23, 2022. The hearing on the motion for preliminary approval occurred on October 24, 2022, at 9:00 am PT. The court took the matter under submission. Upon final approved by the court, the settlement will provide a full release of all claims by the settlement class members against all defendants, including the Company and the named officers and directors, will expressly deny any liability, wrongdoing or responsibility by any of the defendants, and will result in the dismissal of the litigation with prejudice.

Concluded Litigation

Commonwealth of Virginia ex rel. State Corporation Commission v Fatburger (May 2023). This matter involves allegations by the Virginia State Corporation Commission’s Division of Securities and Retail Franchising that from December 2020 through August 2021, we offered and sold three Virginia franchises at a time when we were not effectively registered with the state. We reached a settlement in principle in May 2023, without admitting or denying the allegations, and agreed to offer the affected Franchisees an opportunity to rescind their franchises, to pay \$27,000 to the state, and agreed not to violate the Virginia franchise act in the future.

Ieman Shahi vs. Fatburger North America, Inc., Andrew Alan Wiederhorn, Taylor Andrew Wiederhorn, et al, Superior Court for the State of California for the County of Los Angeles, Case No. 19STCV23772 (July 8, 2019). On July 8, 2019, Ieman Shahi (“Shahi”) filed a complaint against FBNA as well as Andrew A. Wiederhorn and Taylor A. Wiederhorn. The Court dismissed Andrew and Taylor Wiederhorn from the lawsuit on January 27, 2021. In his second amended complaint, Shahi seeks rescission of an international multi-unit restaurant agreement entered into by Shahi and FBNA in October 2015 for “Fatburger” restaurants in Malaysia and Iran (subject to lifting of sanctions). Shahi is seeking the return of the \$487,500 he paid as the first installment of the development fees due under the agreement and is also seeking attorneys’ fees. FBNA’s response to the second amended complaint, a demurrer seeking dismissal of the case in its entirety, is due to be filed on May 13, 2021. FBNA also filed a cross complaint on April 13, 2020 asserting that Shahi breached the international multi-unit restaurant agreement. The case was dismissed on October 21, 2021.

P&K Food Market, Inc. vs. Buffalo’s Franchise Concepts, Inc., Fog Cutter Capital Group, Shaun Curtis, Andy Wiederhorn et al., Superior Court of California for the County of Los Angeles, Case No. 18STLC09534 (July 13, 2018). On July 13, 2018, P&K Food Market, Inc. (“P&K”) filed a complaint against Buffalo’s Franchise Concepts, Inc., Fog Cutter Capital Group, Shaun Curtis, and Andy Wiederhorn for Breach of Contract, Fraudulent Misrepresentation and Unlawful Offer and Sale of Franchise By Means of Untrue Statements or Omissions of Material Fact Under Cal. Corp. Code §§31201; 31202; 31300; and 31301. The case was filed in connection with the sale of an affiliate-owned “Buffalo’s Café” restaurant located in Palmdale, California. The lawsuit seeks general damages, special damages, punitive damages, restitution, interest, costs and attorneys’ fees and costs related to the alleged unlawful sale of the Palmdale restaurant. The franchisor and related parties intend to vigorously defend the allegations. The case was dismissed on February 13, 2019 because Plaintiff should have filed for Arbitration first pursuant to the terms of the Franchise Agreement.

Eric Rojany, et al. v. FAT Brands Inc., et al., Superior Court of California for the County of Los Angeles, Case No. BC708539, and *Daniel Alden, et al. v. FAT Brands Inc., et al.*, Superior Court of California for the County of Los Angeles, Case No. BC716017. On June 7, 2018, FAT Brands, Inc., Andrew Wiederhorn, Ron Roe, James Neuhauser, Edward H. Rensi, Marc L. Holtzman, Squire Junger, Silvia Kessel, Jeff Lotman, Fog Cutter Capital Group Inc., and Tripoint Global Equities, LLC

(collectively, the “Original Defendants”) were named as defendants in a putative securities class action lawsuit entitled *Rojany v. FAT Brands, Inc.*, Case No. BC708539 (the “*Rojany Case*”), in the Superior Court of the State of California, County of Los Angeles. On July 31, 2018, the *Rojany Case* was designated as complex, pursuant to Rule 3.400 of the California Rules of Court and assigned the matter to the Complex Litigation Program. On August 2, 2018, the Original Defendants were named defendants in a second putative class action lawsuit, *Alden v. FAT Brands*, Case No. BC716017 (the “*Alden Case*”), filed in the same court. On September 17, 2018, the *Rojany* and *Alden* Cases were consolidated under the *Rojany Case* number. On October 10, 2018, plaintiffs Eric Rojany, Daniel Alden, Christopher Hazelton-Harrington and Byron Marin (“Plaintiffs”) filed a First Amended Consolidated Complaint against FAT Brands, Inc., Andrew Wiederhorn, Ron Roe, James Neuhauser, Edward H. Rensi, Fog Cutter Capital Group Inc., and Tripoint Global Equities, LLC (collectively, “Defendants”), thereby removing Marc L. Holtzman, Squire Junger, Silvia Kessel and Jeff Lotman as defendants. On November 13, 2018, Defendants filed a Demurrer to First Amended Consolidated Complaint. On January 25, 2019, the Court sustained Defendants’ Demurrer to First Amended Consolidated Complaint with Leave to Amend in Part. Plaintiffs filed a Second Amended Consolidated Complaint on February 25, 2019. On March 27, 2019, Defendants filed a Demurrer to the Second Amended Consolidated Complaint. On July 31, 2019, the Court sustained Defendants’ Demurrer to the Second Amended Complaint in Part, narrowing the scope of the case. Defendants filed their Answer to the Second Amended Consolidated Complaint on November 12, 2019. Thereafter, plaintiffs Alden, Hazelton-Harrington and Marin, voluntarily dismissed their claims without prejudice, leaving only plaintiff Rojany as the putative class representative plaintiff (“Plaintiff”). On January 29, 2020, Plaintiff filed a Motion for Class Certification. On October 8, 2020, the Court denied Plaintiff’s Motion for Class Certification. On January 6, 2021, the parties executed a Settlement Agreement and Mutual Release pursuant to which plaintiff agreed to dismiss his individual claims against defendants with prejudice in exchange for a payment by or on behalf of defendants of \$50,000. On January 27, 2021, plaintiff filed a request for dismissal of this action, with prejudice, in its entirety.

Adam Vignola, et al. v. FAT Brands Inc., et al., United States District Court for the Central District of California, Case No. 2:18-cv-07469. On August 24, 2018, the Original Defendants were named as defendants in a putative securities class action lawsuit entitled *Vignola v. FAT Brands, Inc.*, Case No. 2:18-cv-07469-PSG-PLA, in the United States District Court for the Central District of California. On October 23, 2018, Charles Jordan and David Kovacs (collectively, “Lead Plaintiffs”) moved to be appointed lead plaintiffs, and the Court granted Lead Plaintiffs’ motion on November 16, 2018. On January 15, 2019, Lead Plaintiffs filed a First Amended Class Action Complaint against the Original Defendants. The allegations and claims for relief asserted in *Vignola* are substantively identical to those asserted in the *Rojany Case*. Defendants filed a Motion to Dismiss First Amended Class Action Complaint, or, in the Alternative, to Stay the Action In Favor of a Prior Pending Action. On June 14, 2019, the Court denied Defendants’ motion to stay but granted Defendants’ motion to dismiss the First Amended Class Action Complaint, with Leave to Amend. Lead Plaintiffs filed a Second Amended Class Action Complaint on August 5, 2019. On September 9, 2019, Defendants’ filed a Motion to Dismiss the Second Amended Class Action Complaint. On December 17, 2019, the Court granted Defendants’ Motion to Dismiss the Second Amended Class Action Complaint in Part, Without Leave to Amend. The allegations remaining in *Vignola* are substantively identical to those remaining in the *Rojany Case*. Defendants filed their Answer to the Second Amended Class Action Complaint on January 14, 2020. On December 27, 2019, Lead Plaintiffs filed a Motion for Class Certification. By order entered March 16, 2020, the Court denied Lead Plaintiffs’ Motion for Class

Certification. By order entered April 1, 2020, the Court set various deadlines for the case, including a fact discovery cut-off of December 29, 2020, expert discovery cut-off of February 23, 2021 and trial date of March 30, 2021. On September 25, 2020, the parties executed a Settlement Agreement and Mutual Release pursuant to which lead plaintiffs agreed to dismiss their individual claims against defendants with prejudice in exchange for a payment by or on behalf of defendants of \$75,000. On October 13, 2020, the Court ordered the stipulated dismissal of this action, with prejudice, in its entirety.

The Company is obligated to indemnify its officers and directors to the extent permitted by applicable law in connection with the above actions, and has insurance for such individuals, to the extent of the limits of the applicable insurance policies and subject to potential reservations of rights. The Company is also obligated to indemnify Tripoint Global Equities, LLC under certain conditions relating to the *Rojany* and *Vignola* matters. These two proceedings are now concluded.

Texas Family Wings, LLC v. Hurricane AMT, LLC, Case No. 2015CA004376, Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida, filed April 16, 2015. After we sent a notice of termination to Texas Family Wings, LLC, a former area director of ours, for failing to have the required number of Restaurants open and operating, Texas Family Wings filed suit for damages alleging among other things, fraudulent inducement and violation of Florida's Deceptive and Unfair Trade Practices Act. A Joint Stipulation of Dismissal with Prejudice was filed on October 18, 2018 and the court dismissed the action with prejudice on October 22, 2018.

Except for the actions above there is no litigation that must be disclosed in this Item.

ITEM 4 BANKRUPTCY

On April 6, 2009, a former affiliate of FBNA's, Fatburger Restaurants of California, Inc. ("**FB California**") filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code (subsequently converted to Chapter 7 on June 24, 2011) in the Central District of California, Case No. 0913964-KT. FB California conducted an auction of some or all of its Restaurants on or about April 21, 2011. FB California auctioned some or all of its existing, operating Restaurants to the successful bidders including all of the existing furnishings and equipment of those Restaurants and an assignment of its leases or subleases for the Restaurants. As of June 19, 2014, the Chapter 7 Trustee (Amy Goldman) had concluded the administration of the matter and made all distributions as required by the Court and the United States Trustee's Office was reviewing all final accounting before submitting the matter to the Court for case closure. The final decree order closing the case was issued on July 15, 2014.

On April 6, 2009, a former affiliate of FBNA's, Fatburger Restaurants of Nevada, Inc. ("**FB Nevada**") filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code (subsequently converted to Chapter 7 on June 24, 2011) in the Central District of California, Case No. 0913965-KT. FB Nevada conducted an auction of some or all of its Restaurants on or about April 21, 2011. FB Nevada auctioned some or all of its existing, operating Restaurants to the successful bidders including all of the existing furnishings and equipment of those Restaurants and an assignment of its leases or subleases for the Restaurants. As of June 19, 2014, the Chapter 7 Trustee (Amy Goldman) had concluded the administration of the matter and made all distributions as required by the Court and

the United States Trustee's Office was reviewing all final accounting before submitting the matter to the Court for case closure. The final decree order closing the case was issued on July 15, 2014.

Other than these two bankruptcies, no bankruptcies are required to be disclosed in this Item.

ITEM 5 INITIAL FEES

SINGLE RESTAURANT

Initial Franchise Fees. You must pay us an initial fee (currently equal to \$50,000) when you sign the Franchise Agreement (the “**Initial Fee**”):

Adjustments. Under certain circumstances, we will agree to waive or reduce some or all of the Initial Fee and may accept payment in installments, interest free, over a period of from one to 18 months. Also, as described below, if you are signing the Franchise Agreement pursuant to a Multi-Unit Restaurant Agreement, you may be entitled to a credit against the Initial Fee. The Initial Fee is fully earned by us when paid and are not refundable under any circumstances.

Fatburger Co-brand. If you have or are contemporaneously purchasing a “Fatburger” franchise, we also offer franchises for a “Hurricane” co-branded “express” version that can be added within and as part of your “Fatburger” restaurant with FBNA’s consent, in which case you will sign a franchise agreement with HAMT for the “Hurricane” portion of the co-branded restaurant, along with a Fatburger Franchise Agreement (if you have not already done so), and a “Hurricane” Co-brand Addendum to each your HAMT and FBNA franchise agreements (Exhibit B). You will pay additional initial franchise fees in an amount equal to half of the Initial Fee described above (typically, \$25,000) (in addition to any Initial Fee paid to FBNA), although we may waive the Initial Fee for existing Fatburger franchisees adding a “Hurricane” express co-branded unit to an existing Fatburger Restaurant.

Johnny Rockets Co-brand. If you have or are contemporaneously purchasing a “Johnny Rockets” franchise, we also offer franchises for a “Hurricane” co-branded “express” version that can be added within and as part of your “Johnny Rockets” restaurant with JRL’s consent, in which case you will sign a franchise agreement with HAMT for the “Hurricane” portion of the co-branded restaurant, along with a Johnny Rockets Franchise Agreement (if you have not already done so), and a “Hurricane” Co-brand Addendum to each your HAMT and JRL franchise agreements (Exhibit B). You will pay additional initial franchise fees in an amount equal to half of the Initial Fee described above (typically, \$25,000) (in addition to any Initial Fee paid to JRL), although we may waive the Initial Fee for existing Johnny Rockets franchisees adding a “Hurricane” express co-branded unit to an existing Johnny Rockets Restaurant.

Multi-Unit Restaurant

Multi-Unit Restaurant Agreement. If you sign a Multi-Unit Restaurant Agreement, you must pay us a development fee upon execution of the agreement. Currently the development fee is equal to \$50,000, multiplied by the number of Restaurants you must open. When we accept a site for each Restaurant, you will sign a separate Franchise Agreement. The development fee is fully earned by us when paid and is not refundable under any circumstances; provided that, if you pay us a development fee upon signing a Multi-Unit Restaurant Agreement, we will credit a portion of the development fee

against the Initial Fee listed above, typically at the rate of \$50,000 per Franchise Agreement until the entire development fee has been so credited. Under certain circumstances, we will agree to waive or reduce the initial development fee.

Limited Liability Companies. We (or our affiliate) may occasionally invest in individual franchised restaurants by acquiring an interest in the limited liability company formed to acquire the franchise. In those instances in which you purchase an interest in an LLC, you must make a capital contribution to the limited liability company in an amount negotiated between the parties. See Item 10 for more information.

Uniformity

Except as described in this Item 5, the fees we currently charge for all Franchise Agreements and Multi-Unit Development Agreements presently being offered in the state in which you are located are uniform and determined in the manner described above. If you signed an earlier form of Multi-Unit Restaurant or Franchise Agreement which provides for a different initial franchise fee for each Restaurant you open, the initial franchise fee and remaining balance owed by you for your initial franchise fee will be determined in accordance with your earlier agreement. Also, on occasion, in order to resolve a dispute with a franchisee whose Multi-Unit Restaurant Agreement or Franchise Agreement was terminated for failing to meet its development obligation, we may in our discretion offer the franchisee the right to enter into a new Multi-Unit Restaurant Agreement. The new Multi-Unit Restaurant Agreement will permit the franchisee to open Restaurants, but may or may not be exclusive and may or may not require the franchisee to open a particular number of Restaurants, or specify particular development periods or require a development fee.

The range of Initial Fees paid to us upon execution of a Franchise Agreement in 2022 was \$0 to \$50,000. There were no development fees paid upon execution of a Multi-Unit Restaurant Agreement in 2022. We may waive all or a portion of these fees for affiliates, existing franchisees purchasing new Restaurants, or other entities. We may also negotiate the financial and other terms of Franchise Agreements and Multi-Unit Restaurant Agreements but generally only in connection with large transactions. Except as described above, the Initial Fee is fully earned by us when paid and are not refundable under any circumstances.

**ITEM 6
OTHER FEES**

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty (1, 2)	6% of total net sales; interest on any overdue amount of 1.5% per month and late fee of \$25 per week (3)	2 nd Tuesday after each Weekly Accounting Period (i.e., 7 day period ending each Sunday at midnight). (4)	Net sales includes all gross sales from the franchise location, less sales tax and use tax.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
National Advertising Fund (1, 2)	Currently 2% of total net sales	2 nd Tuesday after each Weekly Accounting Period (i.e., 7 day period ending each Sunday at midnight). (4)	Affiliate-owned Restaurants also contribute; we reserve the right to increase your required weekly contribution to 4% of Net Sales.
Local Advertising (5)	2% of net sales during each of the periods January 1 through June 30 and July 1 through December 31 of each year	Report evidencing expenditure is due no later than 30 days after the end of each period for the preceding 6 month period	You must spend funds on your own advertising that we approve
Additional Training (1)	You must reimburse us for our costs of training, up to a maximum of \$1,500 per week for each individual.	Payable Tuesday following each week, Weekly after 1st week	We train up to 5 persons free - See Item 11
Reimbursement for Rescheduled Training Expenses (1)	You must reimburse us for our additional travel expenses and wages resulting from changing the travel arrangements of our representatives scheduled to provide initial training.	Before opening	Payable only if your scheduled opening date is changed from the scheduled opening date previously established by us.
Reimbursement for pre-opening and post-opening assistance	You must reimburse us for travel expenses, including airfare, hotel, rental car and our then current per-diem charge per person (currently \$30 per day per person) for our personnel who provide pre-opening and post-opening assistance. You must also reimburse us for our direct and indirect wages and other labor costs and expenses for our personnel who	On demand	If you are signing your Franchise Agreement for your (or your affiliates') first Restaurant we will bear up to \$25,000 of the direct and indirect wages and other labor costs and expenses of our personnel who provide training and other pre-opening and post-opening supervision and assistance.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	provide pre-opening and post-opening assistance.		
Transfer (1)	\$15,000	Payable when you submit your request for transfer to us.	Payable unless waived or reduced in our discretion, and excluding certain transactions involving transfers of less than a 10% interest in the Franchisee. No charge if you transfer to an entity for convenience of ownership involving no change in the owners
Brand Technology System Support Services (6)	Currently, \$840-\$1,500 per year for mandatory services plus up to \$3,250 per year for optional services.	Annual fee paid in quarterly electronic funds transfer payments 30 days prior to beginning of quarter for annual invoices less than \$500. For invoices above \$500, fees will be due within 15 days from receipt of invoice	Mandatory service includes Help Desk Support, and Commercial Grade Network Hardware, and Firewall. with an IT Approved Supplier. Optional services many include: (1) Premise Security Package; (2) PCI Compliance Management; (3) Additional WAPS; (4) Additional Phone/Seat; (5) Additional Cameras; (6) Secured BOH Desktop/Laptop with maintenance and monitoring. This is to start to remediate security holes in the stores.
Audit (1)	Cost of audit plus interest on unpaid amount of 1.5% interest per month and \$25 per week (2)	30 days after billing	Cost of audit payable only if audit shows an understatement in any payment of at least 2%
Indemnification	Varies	Varies	Limited to certain circumstances - See Item 9

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Reimbursement of Cost of Insurance (1)	Our cost to procure insurance and a reasonable fee to cover our related expenses	On demand	If you fail to secure required insurance coverage, we can obtain it for you
Unapproved Product/Supplier Fee (1)	\$500 per day	On demand	If you sell unapproved items or purchase from unapproved suppliers, we can require you to pay this fee.
Damages, costs and expenses, including attorneys' fees (1)	Amounts we incur	On demand	You must pay us if we incur these as a result of your default, or in order to enforce any provision of the Agreement
Sales or similar taxes (1)	Sales, gross receipts and similar taxes imposed on us because of payments you make	On demand	Payment not required if we are credited against taxes we otherwise owe
Renewal Fee (1)	40% of then-current initial franchise fee	90 days before renewal	
Securities/ Partnership Interests in Franchisee Offering (1)	\$10,000 or our reasonable costs and expenses to review offering documents, whichever is greater	On demand	If you offer securities or interests in your business
Management Fee	In addition to reimbursing us or our affiliate for our or its expenses, including payment of amounts to us, an amount comprised of one or more of the following components, each as negotiated between you and us or our affiliate: (a) a fixed percentage of the Net Sales of your Restaurant. (b) a fixed monthly fee. (c) a fixed percentage of your quarterly Net Income	Varies; percentage of Net Sales is paid weekly, flat fees are paid monthly, the percentage of Net Income is paid quarterly, and fixed percentage of net consideration of a sale is paid upon the sale of the Restaurant (or substantially all of the assets or ownership	You only pay this fee if you and we (or our affiliate) sign a Management Agreement.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	<p>(i.e., earnings before interest, taxes, depreciation and amortization determined in accordance with generally accepted accounting principles).</p> <p>(d) an amount equal to a fixed percentage of the net consideration received or to be received in excess of the restaurant development cost in connection with any sale or other disposition of the Restaurant (or substantially all of the assets of or ownership interests in the Owner), during the term of the Management Agreement or within 2 years thereafter (other than a for cause termination by you in accordance with the Management Agreement)</p>	interests in the Owner).	
Plan and Design Review (1)	Our costs and expenses to review, and have an architect acceptable to us, review the designs and plans for your Restaurant, not to exceed \$3,000	On demand	Payable only if we allow you to use an architect other than our approved architect.
Lease Review Fee (1)	Our costs and expense to review and accept your lease, not to exceed \$2,500	On demand	Reimburse our direct and indirect costs for reviewing a lease. Our review of your lease is for our purposes only and is not an indication that an accepted lease complies with applicable law or represents a lease

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			transaction that is fair or is in your best interest.
Fines (1)	Then-current fines set forth in the Manuals. Our fines vary depending on various factors, including, the nature and severity of the violation.	On demand	Payable if you violate your duties under the Franchise Agreement or Manuals, but it is not an agreement to permit you violate the Franchise Agreement or Manuals nor liquidated damages
Cookie Equipment Lease (only due and payable if we permit you to add cookies as a menu item)	Estimated at \$360 per year. (Estimated total payments due pursuant to the Cookie Equipment Lease \$1,440)	Annually	If we offer the opportunity to you, you must offer and sell cookies as an added menu item. You will have the option to purchase or lease the Cookie Equipment from our affiliate. If you elect to lease the Cookie Equipment, you must sign the designated form of lease agreement (a current copy of which is attached as Exhibit B-3) and make payments to our affiliate(s) in accordance with the terms of the Equipment Lease. Under the terms of the current Equipment Lease, you must purchase a minimum of 24 cases of Cookie Ingredients per year, with a total commitment of 96 cases over the course of the 4 year Equipment Lease term. If you do not satisfy the minimum purchase requirement, for each case you fail to purchase, you must pay to us or our affiliates \$15.

- (1) We impose this fee, and it is payable to us. This fee is non-refundable. Except as described in the table, the fees imposed by us are uniformly imposed for franchises currently being offered in this state, however, (a) we reserve the right to reduce or waive the fees for certain Restaurants, and (b) if you signed an earlier form of Multi-Unit Restaurant or Franchise Agreement which provides for different royalties or other fees for each Restaurant you open, the fees will be determined in accordance with your earlier agreement.

“Net Sales” means and includes all revenue (regardless of collection in the case of credit) from the sale of all food, beverages, merchandise, and services sold or rendered from or at the Restaurant whether for by cash, services, property, barter, or other means of exchange, and whether or not we offers such services or products in our other locations, including: (a) sales and services where orders originate or are accepted by you in the Restaurant but delivery or performance thereof is made from or at any place other than the Restaurant or which are pursuant to telephone or other similar orders received or filled at or in the Restaurant, (b) the proceeds of any business interruption insurance, after the satisfaction of any applicable deductible, and (c) sales from authorized (subject to Section 5.10 of the Franchise Agreement) vending devices including in store music systems, if applicable. Revenue from the sale of gift cards is not recognized as “Net Sales” until redeemed at your Restaurant, but “Net Sales” does not include the amount of bona fide refunds paid to customers, the amount of any state or local sales or use tax actually paid by you and sales of fixtures or other capital items sold by you after use thereof in the operation of the Restaurant. No other deductions apply, for example the fees paid to authorized vendors who deliver food and beverages to your customers who place orders from inside or outside (if permitted) your Protected Territory, as defined in your Franchise Agreement, (“**3rd Party Delivery Services**”) by telephone, or online via authorized web sites or mobile applications, or other authorized electronic means, whether delivery is effected by you directly, or by a third party, including to customers’ homes, offices and other locations are not deductible from Net Sales for purposes of calculating your Royalty and Advertising Fund payments.

- (2) At our request, we may require you to pay Royalty and National Advertising Fund payments due by electronic funds transfer or any similar arrangement, in which case you must sign the documents that are necessary for us to implement the payment system.
- (3) Interest and late fees begin from the date of underpayment.
- (4) We reserve the right to change the time when you must pay the Royalty to us at any time in our absolute discretion.
- (5) We impose this fee but it is payable by you for your own advertising activities that we approve.
- (6) As we require, you must enter into a maintenance and/or support agreement with us, or one of our approved suppliers or vendors, for maintenance of and support for certain items of technology. We currently have a help desk staff that collects and processes your data and provides telephonic Brand Technology System support services pursuant to a Brand Technology System Support Services Agreement, attached to this Disclosure Document.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT
FOR A HURRICANE GRILL & WINGS RESTAURANT**

The following chart describes the estimated initial investment to construct a new single “Hurricane” Restaurant. If you develop a co-branded “express” “Hurricane” as part of a Fatburger or Johnny Rockets restaurant the costs will differ substantially and you should consult the separate chart below. As described in Item 5, if you sign a Multi-Unit Restaurant Agreement, you pay us a development fee equal to \$50,000, multiplied by the number of Restaurants you must open. This amount will be credited towards the Initial Fee described below. However, certain parties to Multi-Unit Restaurant Agreements will not be required to pay a development fee.

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment Is To Be Made
	Low	High			
Initial Fee (1)	\$50,000	\$50,000	Lump Sum	When you sign a Franchise Agreement	Us
Leasehold Improvements; Construction Costs (2)	\$195,000	\$1,250,000	Progress payments from lease execution until completion of construction	According to vendor and/or contractor contract payment schedule	Designer, architect, engineer, suppliers, and/or general contractors
Equipment, Decor & Furnishings (3)	\$150,000	\$650,000	Progress payments from ordering through installation	According to contractor and/or vendor contract payment schedule	Contractor or Vendor
Signage (4)	\$10,000	\$100,000	Progress payments from ordering through installation	According to sign manufacturer payment schedule	Sign manufacturer
Point of Sale Systems (POS)	\$16,100	\$38,000	As required by supplier	As required by supplier	Supplier

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment Is To Be Made
	Low	High			
and related technology (5)					
Restaurant Small Wares	\$10,800	\$30,000	Lump sum	As required by supplier	Wares supplier
Initial Inventory	\$9,600	\$26,000	Lump sum	As required	Various suppliers
Security Deposits (Utilities, etc.) (6)	\$3,600	\$13,000	Lump sum	As required	Lessor of personal property, utilities, insurance broker, etc.
Insurance and Bonds (7)	\$3,600	\$15,600	Lump sum	Monthly	Insurance companies, Landlord and Government Agencies
Rent (2)	\$10,000	\$40,000	Lump sum	Monthly	Landlord
Miscellaneous (legal, accounting, licenses, permits) (8)	\$7,500	\$95,000	Lump sum	As needed	Various
Liquor Licenses and Fees (9)	\$5,000	\$75,000	Lump sum	Before opening	Government Agencies
Grand Opening & Marketing Materials (10)	\$15,000	\$15,000	Lump Sum	Upon execution of lease	Us
Training (11)	\$48,000	\$78,000	As arranged	As arranged	Hotels, airlines, and restaurants; for your employees
Additional Funds - three months (12)	\$30,000	\$60,000	As incurred	As needed	Various

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment Is To Be Made
	Low	High			
Total (13)	\$564,200	\$2,535,600			

All amounts in Item 7 are estimates only. Actual costs will vary for each franchisee and each location depending on a number of factors. Unless otherwise noted, payments to us are not refundable. We are not able to represent whether or not amounts that you may pay to third parties are refundable.

Notes to Table:

^{1/} The initial franchise fee is \$50,000 for the first Restaurant and each subsequent Restaurant. However, the \$50,000 fee is subject to adjustment unless you have signed a Multi Unit Restaurant Agreement or an Area Development Agreement that provides otherwise. In addition to the Initial Fees, if you enter into a Multi-Unit Restaurant Agreement or an Area Development Agreement to open more than one Restaurant, you must pay a development fee equal to \$50,000, multiplied by the number of Restaurants you must open, to be paid at the time the Multi-Unit Restaurant Agreement is signed.

If you are developing a “Hurricane” co-branded restaurant as part of your Fatburger or Johnny Rockets restaurant, you will pay us additional initial franchise fees in an amount equal to half of the fees described in Item 5 (typically, \$25,000) (in addition to any initial franchisee fee paid to FBNA or JRL, as applicable), although we may waive the initial franchise fee for existing Fatburger and/or Johnny Rockets franchisees adding a “Hurricane” express co-branded unit to an existing Restaurant and you will sign separate franchise agreements with us, under which you will make separate payments to us and FBNA and/or Johnny Rockets, as applicable (except for Royalties and National Advertising Fees which are calculated based on your combined “Fatburger” / “Johnny Rockets” and “Hurricane” operations which you will pay to FBNA or JRL, as applicable, who will split these payments with us as we and FBNA/JRL decide, as described in FBNA’s / JRL’s separate disclosure document.

^{2/} We cannot estimate your initial investment for real estate and improvements. However, the following factors will bear on the amount of your investment. If you do not already own adequate restaurant space, you will have to purchase or lease land and a building for the Restaurant. Typical locations for Restaurants are strip shopping centers or freestanding buildings in commercial areas. Restaurants in strip shopping centers typically range in size from 4,500 to 5,000 square feet and require adequate parking adjacent to the Restaurant. Freestanding units will require from 1 to 1 ½ acres of land for the Restaurant and adequate parking facilities and the Restaurant building will be approximately 4,500 to 6,000 square feet. The cost of commercial land or restaurant space, whether you lease or buy, varies considerably depending upon numerous factors, including the location and condition of the property, the site being compliant with the Americans with Disabilities Act, having the requisite utilities available at the site, as well as economic factors affecting the local market for commercial property. We estimate, however, that monthly rent for leased space will range from \$18.00 to \$26.00 per square foot, with an additional \$2 to \$3 for CAM (common area maintenance). Security

deposits should not exceed an average of two months' rent on the property. The costs to lease or purchase land and a freestanding building will vary considerably from location to location, and therefore, we cannot estimate these costs. We estimate that the cost of construction and improvements for a new freestanding building on undeveloped land will range from \$1,000,000 to \$1,400,000, and the cost of improvements for premises in strip-shopping centers and existing freestanding buildings will range from \$390,000 to \$750,000, depending upon the location and the amount of leasehold improvements already in the space, and the prior use of the property.

^{3/} This category also includes your purchase of specified various murals for display at your Restaurant, the cost of which will depend on the size of your Restaurant and the quality of your framing. (See Item 8 for details). If we offer you the opportunity, you must offer and sell cookies as an added menu item and you must: (a) purchase the Cookie Ingredients, and (b) purchase or lease the cookie oven and related equipment (the "Cookie Equipment") from our affiliate, the cost of which is estimated at approximately \$1,440 (the "Cookie Investment"). The estimated range of costs and expenses disclosed in the above table includes the Cookie Investment, approximately \$1,440 for the equipment and the price per case of Cookie Ingredients is \$15.

^{4/} Signage will include the following: exterior neon sign "Hurricane," interior, exterior painted logos, and various banners. We may require pylon signage where permitted for enhanced visibility. You may lease or purchase approved signs from approved suppliers. We will provide a list of approved suppliers. If you wish to have us approve a supplier for your sign, you will need to submit a written request for approval. We will conduct an investigation of the proposed supplier, including (without limitation) an investigation of the supplier's capabilities and experience with regard to the manufacturer, sale, and installation of signs. We will notify you of its approval or disapproval of the proposed supplier.

^{5/} Your cost to purchase software includes the point-of-sale system, including hardware and printers; an online ordering system; as well as a technology stack ranging between \$16,100 and \$38,000. This includes a one-time set up fee of between \$2,000 and \$3,500 payable directly to the vendor. These figures also include the cost of firewalls, branded email accounts, monitoring and maintenance of the stack and cyber security and monitoring.

These figures do not include premium optional services that are offered by FAT Brands to you at additional costs, which include: Premise Security Package costing \$900 annually, PCI Compliance Management costing \$480 annually, Additional WAPS costing \$216 annually, Additional Phone/Seat costing \$240 each annually, Additional Cameras costing \$180 annually and Secured BOH Desktop/Laptop w/ maintenance and monitoring costing \$1,200 annually.

^{6/} You may need to provide deposits for utilities. The amount of these deposits will vary depending upon the location of the Restaurant and the practices of the utility companies. A sewer assessment fee and/or impact fee may be charged by a county, city or municipality. This is normally a one-time charge prior to opening a Restaurant. To date, we have experienced fees ranging from \$0 (where no assessment is made) to \$150,000 (where a fee is charged according to seating capacity). However, higher fees may be charged, and therefore, the applicable amount must be determined for each proposed Restaurant site.

^{7/} This amount represents a down payment of approximately 25% of the total insurance cost with the balance due in nine equal payments. Your cost will vary based on risks associated with your business and your location. The cost of Worker's Compensation insurance will vary based upon an assigned percentage (usually 4.0% to 5.5%) of your total payroll dollars.

^{8/} Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a Restaurant. For example, you may need city and county business and occupational licenses and a city food handlers' license. Such fees are paid to governmental authorities, as incurred, before beginning business. We recommend you research these fees and the timelines associated with obtaining the permits in your area prior to signing a lease. Estimated professional fees include fees for legal, accounting, architectural, engineering, time and project management consulting and other professional and consulting services you will need to assist you in matters relating to the development and operation of the Restaurant.

^{9/} Fees and requirements for liquor licenses will vary between city, county and state. In some states the cost of a liquor license could be as high as \$200,000, or higher. You are urged to investigate the possible cost for your location before executing a Franchise Agreement. The main fee will be a city or county fee, whichever has jurisdiction. The state has a separate licensing fee that is usually a lesser amount. There may be associated costs such as advertising costs and survey fees.

^{10/} Grand opening advertising and promotions may include promotional materials, pictures and photos; media advertisement; flyers and mailers; and promotional and VIP parties. You must spend a minimum of Ten Thousand Dollars (\$10,000) on a Grand Opening promotion for your Restaurant which must take place no earlier than thirty (30) days prior to the initial opening of your Restaurant and no later than thirty (30) days following such initial opening. You must have our prior written approval of the nature, content, timing and placement of all promotional materials.

^{11/} The cost of printing includes: training manuals, charts, training aides, job application forms, schedule forms, business cards, letterheads, envelopes and other forms indicated in the Manual for use in the operation of the Restaurant.

We estimate a pre-opening payroll based on a minimum of (a) 80 service personnel (including servers, hostesses, bartenders, etc.) and 30 cooking personnel for the one week pre-opening training period; and (b) 3 managers for the 5 week training program (1 General Manager and 2 Assistant Manager) beginning approximately eight weeks prior to opening.

We estimate that the range given will be sufficient to cover an initial supply of food, liquor and liquor escrow deposit, paper products, petty cash for drawers at opening and other inventory and supplies required to begin the Restaurant operations.

You will need to pay for transportation, lodging, food and incidental expenses for you (or your designated representative) to attend the Owner Training Program, for your Managers to attend the 5 Week Manager Training Program. Estimated payroll costs for the General Manager and the Assistant Manager during their training periods are included in the estimate for pre-opening payroll.

^{12/} You will need capital to support ongoing expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenues. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the initial phase of the business, which we estimate to be 6 months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary for the initial phase or after. Your costs will depend on various factors, including how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition and the sales level reached during the initial period.

^{13/} Excluding the cost of real estate and improvements, the amount given represents our best estimate of your total investment for one Restaurant. In making this estimate, we relied upon the history of our operations and the many years of experience of our executives identified in Item 2.

Co-branded “Hurricane” Restaurants

The following chart describes the estimated initial investment you will incur to construct a co-branded “express” Hurricane inside a Fatburger or Johnny Rockets Restaurant. The following estimates below cover only for the incremental costs beyond what FBNA/JRL estimates you will incur to build the underlying Fatburger or Johnny Rockets restaurant and those costs are disclosed in FBNA’s/JRL’s separate disclosure document (estimated to range between \$498,100 and \$890,600). For example, we do not anticipate that you will incur incremental costs and expenses in connection with adding a co-branded “Hurricane” restaurant for Real Estate and Improvements, Permits, Licenses and Fees, Sewer Assessment or Impact Fees, Liquor Licenses, Insurance, Utility Deposits, Office Supplies, Printing, Grand Opening Advertising, Pre-Opening Payroll, Opening Supplies or Additional Funds. You should also consult the separate disclosure document to gain a full understand of the total costs you will incur.

Type of Expenditure	Amount		Method of Payment	When Due	Payment To	Refund-ability
	Low	High				
Initial Franchise Fee ^{1/}	\$0	\$25,000	Lump sum	At signing of Agreement	Us	Non-refundable
Signage ^{2/}	\$5,000	\$20,000	Lump sum	As arranged	Vendors	As arranged
Equipment and Furnishing ^{3/}	\$26,500	\$45,000	As arranged	As arranged	Vendors	As arranged
Training ^{4/}	\$0	\$15,000	Lump sum	As incurred	Vendors	As arranged
Professional Fees ^{5/}	\$5,000	\$8,000	Lump sum	As incurred	Third Parties	As arranged
Total:^{18/}	\$36,500 to \$113,000					

All payments made to HAMT are non-refundable. Payments made to third parties may or may not be refundable depending on the terms agreed to by you and the third party

Notes to Table:

^{1/} The initial franchise fee for a co-branded “Hurricane” restaurant within a Fatburger / Johnny Rockets restaurant location is \$25,000 (in addition to any initial fees you pay to FBNA/JRL) though we may waive the initial fee for franchisees adding a “Hurricane” express co-branded unit to an existing Fatburger / Johnny Rockets Restaurant.

^{2/} Co-brand signage will include: exterior neon sign “Hurricane,” interior neons, exterior painted logos, and various banners. We may require pylon signage where permitted for enhanced visibility. You may incur additional costs if your jurisdiction requires the issuance of permits related to the Co-brand signage. You may lease or purchase approved signs from approved suppliers. We will provide a list of approved suppliers. If you wish to have us approve a supplier for your sign, you will need to submit a written request for approval. We will conduct an investigation of the proposed supplier, including (without limitation) an investigation of the supplier’s capabilities and experience with regard to the manufacturer, sale, and installation of signs. We will notify you of its approval or disapproval of the proposed supplier.

^{3/} This amount represents the average estimated costs of certain incremental items you must purchase when adding a co-branded “Hurricane” restaurant, including kitchen equipment (approximately \$12,000 to \$18,000), small wares (approximately \$1500 to \$2000), audio/visual package (approximately \$10,000 to \$20,000, including flat screen monitors and menu boards) and décor package (approximately \$3,000 to \$5,000)

^{4/} We do not anticipate that you will incur incremental costs and expenses for transportation, lodging, food and incidental expenses for you (or your designated representative) to attend training to concurrently acquire a franchise for both a Fatburger / Johnny Rockets and “Hurricane” restaurant but if you are adding a co-branded “Hurricane” restaurant to a pre-existing Fatburger / Johnny Rockets restaurant, we will provide additional training relating to the Hurricane business which we estimate will cost approximately \$5,000 and \$15,000

^{5/} We anticipate that you may incur between \$5,000 and \$8,000 incremental costs and expenses for professional fees in connection with your purchase of a co-branded “Hurricane” restaurant including for legal costs to review the Franchise Agreement and disclosure document, as well as accounting, architectural, engineering, time and project management consulting and other professional and consulting services you will need to assist you in matters relating to the development and operation of the Restaurant.

General

We have compiled the estimated initial investment information based on data obtained from FBNA in connection with the first several Fatburger/ Buffalo’s Cafe co-branded operations. These amounts are the minimum recommended levels to cover your operating expenses for 3 months. However, we cannot guarantee that such an amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

**YOUR ESTIMATED INITIAL INVESTMENT
FOR A HURRICANE BTW RESTAURANT**

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment Is To Be Made
	Low	High			
Initial Fee (1)	\$50,000	\$50,000	Lump Sum	When you sign a Franchise Agreement	Us
Leasehold Improvements; Construction Costs (2)	\$127,669	\$400,000	Progress payments from lease execution until completion of construction	According to vendor and/or contractor contract payment schedule	Designer, architect, engineer, suppliers, and/or general contractors
Equipment, Decor & Furnishings (3)	\$160,000	\$250,000	Progress payments from ordering through installation	According to contractor and/or vendor contract payment schedule	Contractor or Vendor
Signage	\$10,000	\$75,000	Progress payments from ordering through installation	According to sign manufacturer payment schedule	Sign manufacturer
Point of Sale Systems and related technology (POS) (4)	\$16,100	\$38,000	As required by supplier	As required by supplier	Supplier
Restaurant Small Wares	\$9,000	\$12,000	Lump sum	As required by supplier	Wares supplier
Initial Inventory	\$6,000	\$8,000	Lump sum	As required	Various suppliers
Security Deposits (Utilities, Insurance, etc.) (5)	\$7,500	\$25,000	Lump sum	As required	Lessor of personal property, utilities,

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment Is To Be Made
	Low	High			
					insurance broker, etc.
Insurance and Bonds	\$8,000	\$12,000	Lump sum	Monthly	Insurance companies, Landlord and Government Agencies
Rent (6)	\$3,500	\$12,000	Lump sum	Monthly	Landlord
Miscellaneous (legal, accounting, licenses, permits) (7)	\$14,000	\$25,000	Lump sum	As needed	Various
Liquor Licenses and Fees (8)	\$5,000	\$75,000	Lump sum	Before opening	Government Agencies
Grand Opening & Marketing Materials	\$7,500	\$10,000	Lump Sum	Upon execution of lease	Us
Training (9)	\$25,000	\$75,000	As arranged	As arranged	Hotels, airlines, and restaurants; for your employees
Additional Funds - three months (10)	\$15,000	\$18,000	As incurred	As needed	Various
Total (11)	\$465,269	\$1,085,000			

All amounts in Item 7 are estimates only. Actual costs will vary for each franchisee and each location depending on a number of factors. Unless otherwise noted, payments to us are not refundable. We are not able to represent whether or not amounts that you may pay to third parties are refundable.

- (1) As described in Item 5, if you sign a Multi-Unit Restaurant Agreement and pay us a development fee, we will credit the development fee (typically at a rate of \$50,000) against your Initial Fee. On occasion, in order to resolve a dispute with a franchisee whose Multi-Unit Restaurant Agreement or Franchise Agreement was terminated for failing to meet its development obligation, we may in our discretion offer the franchisee the right to enter into a new Multi-Unit Restaurant Agreement. The new Multi-

Unit Restaurant Agreement will permit the franchisee to open Restaurants, but may or may not be exclusive and may or may not require the franchisee to open a particular number of Restaurants, or specify particular development periods or require a development fee. We do not finance any fee.

- (2) Your leasehold improvement and construction costs will depend on many factors, including the size of your Restaurant, its location, economic conditions, local conditions, the condition of the site, the site being compliant with the Americans with Disabilities Act, having the requisite utilities available at the site, and the landlord's contribution to leasehold improvements, if any, local code or other requirements, availability of materials and labor, required use of union labor, prevailing wage requirements, freight and delivery costs, taxes, interest rates and other items. These figures do not take into account any financing charge or other related costs which you may have to pay.
- (3) This category also includes your purchase of specified various murals for display at your Restaurant, the cost of which will depend on the size of your Restaurant and the quality of your framing. (See Item 8 for details). If we offer you the opportunity, you must offer and sell cookies as an added menu item and you must: (a) purchase the Cookie Ingredients, and (b) purchase or lease the cookie oven and related equipment (the "Cookie Equipment") from our affiliate, the cost of which is estimated at approximately \$1,440 (the "Cookie Investment"). The estimated range of costs and expenses disclosed in the above table includes the Cookie Investment, approximately \$1,440 for the equipment and the price per case of Cookie Ingredients is \$15.
- (4) Your cost to purchase software includes the point-of-sale system, including hardware and printers; an online ordering system; as well as a technology stack ranging between \$16,100 and \$38,000. This includes a one-time set up fee of between \$2,000 and \$3,500 payable directly to the vendor. These figures also include the cost of firewalls, branded email accounts, monitoring and maintenance of the stack and cyber security and monitoring.

These figures do not include premium optional services that are offered by FAT Brands to you at additional costs, which include: Premise Security Package costing \$900 annually, PCI Compliance Management costing \$480 annually, Additional WAPS costing \$216 annually, Additional Phone/Seat costing \$240 each annually, Additional Cameras costing \$180 annually and Secured BOH Desktop/Laptop w/ maintenance and monitoring costing \$1,200 annually.

- (5) You will probably have to pay security deposits or prepaid expenses as part of your real and personal property leases, insurance requirements, and utilities arrangements. The actual amount of the security deposits or prepaid expenses that you must pay will be determined by your lessor and your suppliers of utility and insurance services.
- (6) Your actual costs for real property will depend on general market conditions, including, geographic area, location, desirability, improvements and utilities included, size, and the term of your lease. The real estate required for a typical free-standing Restaurant pad ranges from approximately 20,000 to 35,000 square feet. Restaurant buildings are generally 1,600 – 2,000 square feet in size and market rents currently range from \$2.25 to \$4.50 or more per square foot per month. Rental estimates are based upon a 15 year lease from a third party, and may include a percentage rent clause. The estimated figure includes percentage rent payments.
- (7) You must obtain various permits and licenses, including those from health departments, fire departments, building and safety departments, sales tax bureaus and other similar state or local

governmental agencies. The cost of these permits and licenses are determined by the governmental agencies. You will have to pay these fees directly to these agencies. We recommend you research these fees and the timelines associated with obtaining the permits in your area prior to signing a lease.

- (8) Fees and requirements for liquor licenses will vary between city, county and state. In some states the cost of a liquor license could be as high as \$200,000, or higher. You are urged to investigate the possible cost for your location before executing a Franchise Agreement. The main fee will be a city or county fee, whichever has jurisdiction. The state has a separate licensing fee that is usually a lesser amount. There may be associated costs such as advertising costs and survey fees.
- (9) We provide instructors and most instructional materials, but you must purchase additional books which are available from general booksellers. You must arrange for transportation, lodging, food, and wages. Your cost will depend upon the distance that you, your managers and hourly employees must travel, the type of accommodations you choose, the number of hourly employees you train and the duration of their training. (See Item 11 for details)
- (10) This estimates your start-up expenses. These expenses include payroll costs. We are unable to estimate the length of time until, or if, your Restaurant will generate revenues needed to meet expenses. But, we recommend a minimum working capital in the range shown that should meet the reasonably anticipated needs of your Restaurant for a period of 3 months under most circumstances. Our estimates are based on our previous operating experience in the Restaurant business, during which time we or our affiliates operated restaurants similar to the type of Restaurant you will be establishing. Your actual costs will depend on your management skill, experience and business acumen, your sales figures during the 3 month period, your ability to follow our system and local market and economic conditions. We recommend that you review these figures carefully with a business advisor before making any decision to sign a franchise agreement.
- (11) As described in Items 5 and 10, we or an affiliate of ours may occasionally invest in individual franchised restaurants by acquiring an interest in the limited liability company formed to acquire the franchise. In those instances, you must make a capital contribution to the limited liability company in an amount negotiated between the parties.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must use a real estate broker that we designate or otherwise approve to assist you to locate the premises for your Restaurant and assist you to negotiate a lease or purchase of the premises for your Restaurant. We will designate the construction company, contractor, architect, kitchen designer, interior designer, kitchen equipment supplier, small wares provider, furniture supplier and approved signage manufacturer you must use to build or remodel the premises for your Restaurant. At your request, we may, in our sole discretion, allow you to engage an architect and contractor selected by you and acceptable to us, provided that if you engage an architect other than an architect designated by us, you must reimburse us for our costs and expenses incurred to review and have an architect acceptable to us review the designs and plans of your architect (See Item 6). You must provide us with all information necessary for us to evaluate your proposed architect and/or contractor, which may include satisfactory past restaurant construction or design experience, references, adequate financial resources and stability and evidence insurance. The construction company employs contractors and other personnel necessary to construct the Restaurant according to our specifications.

You must purchase or lease and maintain, at your own expense, only those brands, types, makes and/or models of Information Systems (defined in Item 11) that we specify. Our standards and specifications for the Information System may include, without limitation, configurations, programming and support and service processes. We may periodically modify specifications for and components of the Information System. You may not use any hardware or software system or component in connection with the Information System that we have not approved for your use.

As we require, you will enter into a maintenance and/or support agreement with us, one of our affiliates, or one of our approved suppliers or vendors, for the provision of maintaining and supporting the Information System or any part thereof. We may charge you a fee if we provide maintenance and/or support services. We currently have a help desk staff that collects and processes your data and provides certain support services pursuant to a Brand Technology System Support Services Agreement, which is attached to this Disclosure Document. Under the Brand Technology System Support Services Agreement, you must pay us for the support services, subject to change. The fee depends on what services and options you choose for your Restaurant. Currently your fees could range from \$840 to \$1,500 total annually, depending on the services and options you choose.

We may also charge you a fee if we develop or have developed (and, once developed, for supporting, modifying and enhancing) proprietary software that we license to you and for other Information System maintenance and support services that we, or our affiliates, provide to you. If we, or our affiliates, license proprietary software to you, or otherwise allow you to use similar technology we develop or maintain, you agree to sign and adhere to any Software License Agreement or similar document that we, or our affiliates, prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software.

Your purchase of the proprietary parts of the system will represent 3-5% of all of your purchases to establish your Restaurant.

You must purchase all or most parts of the digital and static menu system from an approved vendor that we engaged to design a menu/computer system for our franchisees. Presently, there is only one approved vendor. These parts include, but may not be limited to, software, mounting hardware, video displays, and miscellaneous cables. Your purchase of the proprietary parts of the system will represent 1% of all of your purchases to establish your restaurants.

You must accept MasterCard, Visa and American Express as well as such other credit and debit cards and other non-cash systems, loyalty and gift cards as we specify, and you must obtain, replace and modify all equipment required to implement the same in accordance with our policies and procedures. If we elect to roll out a loyalty or gift card program, there will only be one approved vendor for each program.

You must also purchase certain, and only those, photographs and décor items that we designate for display at your Restaurant from a designated vendor. The number of photographs and décor items that you must purchase will depend on the size and layout of your Restaurant.

We have worked hard to establish and maintain the reputation, good will and public appearance of our trade names, trademarks, service marks and products. So that we can continue to do so in the future, we have the right to determine the quality of the service provided and products sold at our Restaurants. You must purchase all furnishings (including indoor and outdoor furniture),

fixtures, decor, signage, equipment, computer hardware, software, uniforms, merchandise, flat screen television monitors, menu board system, in-store music system and sound system, inventory and other supplies, food products, ingredients, paper products and chemicals, and materials used in the operation of your Restaurant as we may specify in the operations manual from a list of currently approved suppliers. You must also subscribe to a high speed internet connection designated or approved by us, unless we specify a supplier, you may obtain such service from any supplier. Except as described in the Brand Technology System Support Services Agreement, neither we nor any of our affiliates are currently approved sources for any equipment, supplies, fixtures, inventory, real estate or other items that you must purchase to operate your Restaurant. We will provide you with non-proprietary specifications and standards through the Manuals, online communications or otherwise in writing. We provide our suppliers with specifications that include standards for quality, appearance, performance and design which we may modify in our discretion. The cost of items purchased according to specifications represents 100% of your total purchases for establishing your Restaurant and on an ongoing basis.

If you wish to procure any items from a supplier other than ones we have previously approved or designated, you must deliver written notice seeking approval of the supplier. We will use our good faith efforts to notify you of our decision within 45 days after we receive your request for approval and all requested back-up information. You may not use a supplier unless we have notified you of our approval in writing. We may revoke a supplier's approval for failure to comply with our requirements and specifications. We will disapprove or withdraw our approval of any supplier by written notice to you. Our criteria for supplier approval are not currently available to franchisees.

To protect and ensure the consistency of the brand, all marketing materials, including, but not limited to, POP materials, operational signs and menu panels are printed by our approved vendor. All marketing and promotional materials must be ordered through the designated printer. All unauthorized signs are prohibited and subject to disposal. All weathered, faded or outdated signs and marketing materials must be removed and discarded immediately. You must order all marketing materials listed in the New Store Opening Marketing Materials section of the Franchise Marketing Resource Guide and New Store Opening Guide given to you by the Marketing Department.

You must permit us or our agents to inspect your premises and to sample (on-premises) or remove samples of food or non-food items from your Restaurant, at reasonable times, and in amounts reasonably necessary for inspection and/or testing by us or an independent laboratory to decide if the samples meet our then-current standards. You may not charge us for the tested items. You may have to pay for the cost of the testing if we have not previously approved the supplier or the item or if the sample does not meet our specifications. If you use ingredients or offer to sell products that we have not approved, or buy from suppliers we have not approved, we can impose a \$500 per day fee on you.

We do have certain buying arrangements with approved suppliers who will make certain items available to you at discounted prices due to certain volume discounts, and we have retained a purchasing consultant to assist us in reviewing and negotiating our various supply arrangements. In general, except as discussed below, we do not currently derive any income from the sale of any designated items to our franchisees, although we reserve the right to do so in the future. There may be suppliers and/or equipment manufacturers who may give us marketing considerations for your purchases.

Since July 2017, we have entered an agreement with a major payroll services company to promote and make its payroll processing systems and services available to our franchisees who have fewer than 50 employees at a significant discount. Your use of this supplier is optional and we will receive a referral fee equal to 15% of the first year's processing fees received from franchisees who choose to use its services. During our fiscal year ending December 25, 2022, HAMA received \$0 revenue pursuant to this agreement. Except as described above, we will not provide you any material benefit for using a particular supplier.

We may designate other merchandise and food items that you must sell at your Restaurant (e.g., hats, t-shirts, food products, etc.). You may not sell any other merchandise. You may not sell merchandise on the Internet or at any location other than at your Restaurant without our approval. We have entered into arrangements with certain suppliers who will provide merchandise to you on flexible terms. We may require that you purchase certain advertising and promotional merchandise from suppliers whom we have approved and who have signed a license agreement with us, and the license agreement may provide for the payment of royalties to us.

We may derive revenue from required purchases and leases of product and services by franchisees. Except as noted, these funds are used for a number of purposes, including defraying the fees of our supply chain purchasing consultant, franchise conferences, marketing and promotional purposes, our employee development and retention and for other purposes. During our fiscal year ended December 25, 2022, we received \$32,941 pursuant to this arrangement, representing 0.006% of our total revenue of \$5,045,087. Our affiliates' do not derive revenue from the sale or lease of products or services to franchisees.

You must participate in the designated in-store music system program, if and when one is established. You must coordinate your purchase of your in-store music system through our construction department. You must install and operate your own in-store music system. The music for your in-store music system must be provided by our approved supplier. Your music selection must be approved by BFCI.

We currently have approved or designated suppliers for the Cookie Ingredients and Cookie Equipment. If we offer you the opportunity, you must offer and sell cookies as an added menu item and are required to: (a) purchase or lease the Cookie Equipment oven from our affiliate, GFG Management; (b) purchase Cookie Ingredients from our affiliate, GAC Supply; and (c) commit to offer and sell cookies for a minimum four-year period. We and/or our affiliates will derive revenue (to include rebates and other material consideration) on account of these purchases and leases and may impose mark-ups on products and equipment sold to and/or leased by franchisees. As of the issuance date of this Disclosure Document, the total amount you are required to pay to us and/or our affiliates for the Cookie Equipment is \$1,440 and the price per case of Cookie Ingredients is \$15.

Your lease for the premises must contain certain provisions that we specify in the Multi-Unit Restaurant Agreement, in the case of your development of multiple Restaurants, and Franchise Agreement, in the case of a single Restaurant development.

Other than as described above, neither we nor our affiliates derive revenue or other material consideration as a result of these required purchases or leases. Some of our vendors contribute to a marketing fund or fund programs and some may contribute sponsorship funds to defray the costs of conducting our franchisee summits that benefit the entire franchise system. We will not provide you

any material benefit for using a particular supplier. None of our officers owns any interest in any required suppliers.

Finally, you must obtain and maintain insurance policies protecting you and us (and our affiliates) for personal injury, death or property damage, or any loss related to your operation of a Restaurant. The types and minimum amounts of coverage are in our manuals or provided to you in other written materials. You must name us and our affiliates as additional insureds on all insurance.

At a minimum, you must carry:

TYPE	MINIMUM AMOUNT
General Liability Insurance	\$1,000,000 (\$2,000,000 annual aggregate)
Liquor Liability Insurance (if applicable)*	\$1,000,000 (\$2,000,000 annual aggregate)
Automobile Insurance	\$1,000,000
All-Risk Property Insurance	Equal to replacement costs
Business Interruption Insurance	\$1,000,000 or actual loss sustained
Umbrella Liability	\$1,000,000
Workers' Compensation	Statutory
Employer's Liability	\$500,000
Employment Practices Liability	\$1,000,000
Insurance Required by Law	As required by state or federal law

* Liquor license insurance differs from jurisdiction to jurisdiction. Please check with your state and local liquor authorities on the mandatory minimum liquor license insurance requirements.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 4.9 of Franchise Agreement; Section 6.1 of Multi-Unit Restaurant Agreement	Item 11
b.	Pre-opening purchases/leases	Sections 5, 9.1 and 11.1 of Franchise Agreement	Items 8 and 11

	Obligation	Section in Agreement	Disclosure Document Item
c.	Site development and other preopening requirements	Section 5 of Franchise Agreement; Section 6 of Multi-Unit Restaurant Agreement	Item 11
d.	Initial and ongoing training	Sections 5.8, 5.9 and 5.11 of Franchise Agreement	Item 11
e.	Opening	Sections 5.7 and 5.9 of Franchise Agreement	Not Applicable
f.	Fees	Sections 2.2, 4, 5.8, 5.9.4, 5.18, 5.19, 9.7, 10, 11.4, 12.2.3, 12.3, 14.6, 14.7, 16.1, 17.3, 21.6, and 24.1 of Franchise Agreement; Sections 4 and 5 of Management Agreement; Articles 3 and 10 of Operating Agreement; Section 5 of Multi-Unit Restaurant Agreement	Items 5 and 6
g.	Compliance with standards and policies/operating manual	Sections 5 and 7 of Franchise Agreement	Items 8 and 11
h.	Trademarks and proprietary information	Sections 6 and 8 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Section 5 of Franchise Agreement	Items 8 and 16
j.	Warranty and customer service requirements	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Section 1.2 of Franchise Agreement; Section 3 of Multi-Unit Restaurant Agreement	Item 12
l.	Ongoing product/service purchases	Section 5 of Franchise Agreement; Section 2 of Cookie Equipment Lease (if applicable)	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Section 5 of Franchise Agreement; Section 2.3 of Management Agreement;	Item 11(see note (1) below)

	Obligation	Section in Agreement	Disclosure Document Item
		Section 5 of Cookie Equipment Lease (if applicable)	
n.	Insurance	Section 11 of Franchise Agreement; Section 2.3 of Management Agreement	Items 6 and 8
o.	Advertising	Section 10 of Franchise Agreement	Items 6 and 11
p.	Indemnification	Sections 12.3 and 17.3 of Franchise Agreement; Section 10.2 of Multi-Unit Restaurant Agreement; Section 4 of Management Agreement; Article 10 of Operating Agreement; Section 11 of Cookie Equipment Lease (if applicable)	Item 6
q.	Owner's participation/management/staffing	Section 5 of Franchise Agreement	Items 11 and 15
r.	Accounting/reports	Section 9 of Franchise Agreement; Article 6 of Operating Agreement; Section 2.2 of Management Agreement	Item 6
s.	Inspection/audits	Sections 5.7, 5.14.6, and 9.6 of Franchise Agreement; Section 5.2 of Management Agreement	Items 6 and 11
t.	Transfer	Section 12 of Franchise Agreement; Section 8.2 of Management Agreement; Section 7 of Multi-Unit Restaurant Agreement, Section 3.2 and Article 9 of Operating Agreement	Items 6 and 17
u.	Renewal	Section 2.2 of Franchise Agreement; Section 4.2 of Multi-Unit Restaurant	Item 17

	Obligation	Section in Agreement	Disclosure Document Item
		Agreement, Section 6.1 of Management Agreement	
v.	Post-Termination obligations	Sections 14 and 15 of Franchise Agreement; Section 6.4 of Management Agreement; Section 4.3 of Multi-Unit Restaurant Agreement, Article 10 of Operating Agreement	Item 17
w.	Non-competition covenants	Section 15 of Franchise Agreement; Section 9.2 of Multi-Unit Restaurant Agreement	Item 17
x.	Dispute resolution	Section 21 of Franchise Agreement; Section 8.16 of Management Agreement; Section 10.9 of Multi-Unit Restaurant Agreement, Section 11.2 of Operating Agreement	Item 17

ITEM 10 FINANCING

You may not borrow more than 75% of the cost of constructing, equipping, supplying and operating the Restaurant. If you are a corporation or other entity, you or your owners must contribute to you as equity at least 25% of the cost of constructing, equipping, supplying and operating the Restaurant. We may waive this requirement if you own more than one Restaurant.

We are listed on the SBA Franchise Directory located at: <https://www.sba.gov/document/support--sba-franchise-directory>. If you obtain financing through the SBA, you must sign the SBA Addendum to Franchise Agreement, attached as Exhibit B-2.

We do not offer direct or indirect financing. However, there are external financing sources, however, that have financed up to 70% of the cost of equipment, fixtures and real estate for franchisees who meet their criteria. Our criteria for approving franchisees who finance the cost of establishing and operating their restaurants are that they must be creditworthy as determined by financing sources' internal credit policies. We cannot estimate if you will be able to obtain financing for all or any part of your investment, or what the terms of this financing would be. We do not receive payment from any person or persons for obtaining or placing financing. We do not guarantee your note or obligation. Although we have done so in the past and reserve the right to do so in the future, we do not guarantee your lease.

Limited Liability Companies. We or an affiliate of ours may occasionally invest in individual franchised Restaurants by acquiring an interest in the limited liability company (“LLC”) formed to acquire the franchise. In those instances, the LLC will be operated pursuant to a form of LLC Operating Agreement substantially similar to the form attached as Exhibit G. See Item 17 for additional details.

We or an affiliate of ours will contribute capital to the LLC in proportion to our (or affiliate’s) percentage interest in the LLC, along with the other investors. Our (or our affiliate’s) percentage interest in the LLCs will vary and be determined on a case by case basis by negotiation between the parties, but we (and our affiliate) plan always to be the majority owner. Generally, we or our affiliate will control the business and affairs of the LLC, subject to our affiliate’s right to delegate certain responsibilities to others. The LLC Operating Agreement permits the manager of the LLC to request each member to make additional capital contributions to the LLC. The members are not required to make additional capital contributions, but if a member does not contribute additional capital the other member(s) will have the right to do so and the non-contributing member’s interest in the LLC will be diluted.

We or our affiliate’s capital contribution will provide a portion of the capital required by the LLC to establish the franchised business, including initial franchise fees; site acquisition costs; construction or remodeling costs; equipment and fixtures; and the opening inventory and supplies required to operate the Restaurant.

No member will have a priority over any other member as to any distribution. LLC net profits and losses generally will be allocated to the members in accordance with their percentage interest in the LLC, except in certain cases. These cases are covered by special rules under the LLC Operating Agreement. The tax effect and allocations of profits and losses involve complicated matters and we urge you to review and discuss the LLC Operating Agreement in detail with your accountant and other financial advisors.

The LLC agreement does not otherwise contain terms that require you to waive notice, confess judgment, or waive defenses or legal rights, or which bar you from asserting a defense against us or our assignee. Neither we nor our affiliate have assigned, and do not presently intend to assign, any interest we may acquire in any LLC, although we may do so with the consent of a supermajority of the members and otherwise in accordance with the LLC Operating Agreement.

If we offer you the opportunity, you must offer and sell cookies as an added menu item. However, you will have the option to purchase or lease the Cookie Equipment from our affiliate. If you elect to lease the Cookie Equipment, you must sign the designated form of lease agreement (a current copy of which is attached as Exhibit B-3) and make payments to our affiliate(s) in accordance with the terms of the Equipment Lease. Under the terms of the current Equipment Lease, you must purchase a minimum of 24 cases of Cookie Ingredients per year at a price of \$15 per case, with a total commitment of 96 cases over the course of the 4 year Equipment Lease term for a grand total of \$1,440. If you do not satisfy the minimum purchase requirement, for each case you fail to purchase, you must pay to us or our affiliates \$15 on or before the date the Equipment Lease terminates or expires. As of the issuance date of this Disclosure Document, you are not obligated to pay any interest or late fees under the Equipment Lease.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening obligations include the following assistance:

1. Multi-Unit Restaurant Agreement. If you sign a Multi-Unit Restaurant Agreement, we will specify the development area in which you must develop multiple Restaurants, either on a “Non-Exclusive” or “Protected Rights” basis (See Item 12). We may continue to sell franchises in your non-exclusive development area. (Multi-Unit Restaurant Agreement – Section 2). You must use a real estate broker that we designate or otherwise approve to assist you to locate the premises for your Restaurant and assist you to negotiate a lease or purchase of the premises for your Restaurant. You must locate a sufficient number of proposed sites for Restaurants within your Development Area and submit them to us for acceptance. Once you have located a potential site, you must submit to us for our review a real estate site evaluation package, including demographic and other information regarding the proposed site and neighboring areas. You must also obtain a Site Analysis from a vendor designated or approved by us covering the proposed location, which must be in a form and must contain the information we specify. After receiving the Site Analysis and real estate site evaluation package, we will review the information to determine whether the proposed site is acceptable. If we have not notified you within 30 days of receiving the information (or 10 days if we request additional information) that the site is accepted, then such site will be deemed rejected. If we accept the site, we will notify you of our acceptance, which will be conditioned on you entering into a final lease or purchase agreement (and any other conditions we may impose). We will, at no additional charge, make two trips to your Development Area to evaluate proposed locations for sites for which you submitted real estate site evaluation packages. You must reimburse us for our reasonable expenses incurred in evaluating any proposed sites which we evaluate during subsequent trips. (Multi-Unit Restaurant Agreement – Section 6.1). Promptly following our acceptance of a site, you must negotiate a lease or purchase agreement for the site and submit a copy to us for our acceptance. (Multi-Unit Restaurant Agreement – Section 6.2) Provided that you have satisfied all of the conditions specified in the Multi-Unit Restaurant Agreement and following our acceptance of a site, we will provide you 2 copies of our then-current Franchise Agreement, along with our franchise disclosure document, if required under applicable law. Promptly after receiving the signed Franchise Agreement from you, we will sign and return to you one copy of the Franchise Agreement. (Multi-Unit Restaurant Agreement – Section 6.2).

2. Franchise Agreement

(a) You must use a real estate broker that we designate or otherwise approve to assist you to locate the premises for your Restaurant and assist you to negotiate a lease or purchase of the premises for your Restaurant. We will review your proposed lease or real estate purchase agreement, as applicable, to determine whether it meets our minimum standards and specifications at the time of acceptance. You must reimburse us for our direct and indirect costs incurred in connection with our review of your proposed lease or real estate purchase agreement, up to a maximum of \$2,500. Our review and acceptance of your lease should not be construed as any express or implied representation or warranty that an accepted lease or purchase agreement complies with applicable law or represents a transaction that is fair or is in your best interest.

(b) We will specify your protected territory in your Franchise Agreement (Franchise Agreement – Section 1.3)

(c) We anticipate that no later than 12 weeks before your opening, we will train your restaurant manager (which may be you) and 3 additional persons who have been designated as assistant managers or shift leaders in the day to day management of your Restaurant. In total, 3 managers must attend and successfully complete the training program to become certified managers in order for you to be approved for store openings.

The training program is 4 to 5 weeks in duration (4 weeks for Assistant Managers/Kitchen Managers and 5 weeks for General Managers). In addition, you, or your owner if the franchisee is a business entity, must attend an executive training program (1 week @ 50 hours/week). The length of the training program is approximate and is dependent on the experience and progress made by trainees during training. Breaks can be arranged as part of the initial training program. Training will be provided as follows.

When you renew your franchise agreement, you must comply with the then-current training requirements, which may be different from our current requirements described below. If you are signing your franchise agreement in connection with the renewal of your franchise at this time, you must comply with our training requirements described below.

CO-BRAND TRAINING

If you purchase a franchise for a co-branded “Hurricane” at the same time as you purchase a franchise for a new Fatburger or Johnny Rockets Restaurant, the training our affiliate FBNA or JRL provides to you under your franchise agreement will include training in operating the Hurricane portion of the business as well and we will not provide additional training. However, if you add a co-branded “Buffalo’s Cafe” to an existing Fatburger or Johnny Rockets Restaurant after you have already received Fatburger training, we will provide approximately two (2) weeks of training pursuant to your “Hurricane” Franchise Agreement and “Hurricane” Co-brand Addendum as follows:

**TRAINING PROGRAM
FOR HURRICANE GRILL & WINGS AND BTW RESTAURANTS**

Our initial training programs are summarized below:

General Manager Training (5 Weeks)			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Online via The Eye (before training starts) Welcome to Hurricane Section (2 modules/2 hours) FOH Section (18 modules/19 hours)	40	0	Online before arriving for Training

General Manager Training (5 Weeks)			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
BOH Section (8 modules/10 hours) Compliance Section (7 modules/9 hours)			
Management Shifts Orientation Program overview, Accounting & Reporting procedures, Safety Training, POS Training , Restaurant Opening and Closing Procedures, Scheduling, Hospitality with Staff and Guests, Pre Shift Meeting, Managing Labor, Bar Management & Inventory, Restaurant Administration, Restaurant Management, P&L Knowledge and other Reports, Interviewing, Hiring, Training, Cash Handling & Accounting Procedures, HR Information.	10	40	Certified Training Restaurant West Palm Beach, Florida area
Kitchen Management Shifts Food Ordering, Inventory, Receiving, Food Safety, Cross Contamination, Kitchen Opening and Closing Procedures, Menu Knowledge, Spec Management and Enforcement, Culinary Administration, Labor Management, Scheduling, Expediting, Food Cost Management, Prep Sheets, Kitchen Organization, POS Functions, POS Reports for the Kitchen, Kitchen Forms and Documentation.	10	40	Certified Training Restaurant West Palm Beach, Florida area
Hourly FOH Training Time Spent in all Positions (Host, Togo, Server, Bar), Steps of Service, POS Operation, Restaurant Opening & Closing Procedures, Hospitality, Selling Techniques, Menu Knowledge.	10	65	Certified Training Restaurant West Palm Beach, Florida area

General Manager Training (5 Weeks)			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
BOH Hourly Training Time in Each of the Positions (Grill, Fry, Wheel and Expo), Specs & Standards, Kitchen Cleanliness, Ticket Times, Kitchen Opening and Closing Procedures, Prep Standards, Coordinating Checks.	10	65	Certified Training Restaurant West Palm Beach, Florida area
Total Hours	80	210	

Assistant Manager/Kitchen Manager Training (4 Weeks)			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Online via The Eye (before training starts) Welcome to Hurricane Section (2 modules/2 hours) FOH Section (18 modules/10 hours) BOH Section (8 modules/10 hours) Compliance Section (7 modules/9 hours)	40	0	Online before arriving for Training
Management & Kitchen Management Shifts Orientation Program Overview, Accounting & Reporting Procedures, Safety Training, POS Training, Restaurant Opening and Closing Procedures, Scheduling, Hospitality with Staff and Guests, Pre Shift Meeting, Managing Labor, Bar Management, Restaurant Administration, Restaurant Management, Interviewing, Hiring, Training, Cash Handling & Accounting Procedures, HR Information, Food Ordering, Inventory, Receiving, Food Safety, Cross Contamination, Kitchen Opening and	10	40	Certified Training Restaurant West Palm Beach, Florida area

Assistant Manager/Kitchen Manager Training (4 Weeks)			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Closing Procedures, Menu Knowledge, Spec Management and Enforcement, Culinary Administration, Labor Management, Scheduling, Expediting, Food Cost Management, Prep Sheets, Kitchen Organization, POS Functions, POS Reports for the Kitchen, Kitchen Forms and Documentation.			
Hourly FOH Training Time Spent in all Positions (Host, Togo, Server, Bar), Steps of Service, POS Operation, Restaurant Opening & Closing Procedures, Hospitality, Selling Techniques, Menu Knowledge.	10	65	Certified Training Restaurant West Palm Beach, Florida area
BOH Hourly Training Time in Each of the Positions (Grill, Fry, Wheel and Expo), Specs & Standards, Kitchen Cleanliness, Ticket Times, Kitchen Opening and Closing Procedures, Prep Standards, Coordinating Checks.	10	65	Certified Training Restaurant West Palm Beach, Florida area
Total Hours	70	170	

You or the owner, if the franchisee is a business entity, must complete to our satisfaction the executive training program. The general manager and 2 additional management team members (assistant managers and kitchen managers) must attend and complete, to our satisfaction, the initial training program. The initial training program is supervised by FAT's Franchise Operations Executive, Mike Elrod, who has 2 years' experience with the franchise system. Information about Mr. Elrod's experience is provided in Item 2 above. The training materials include topical training handbooks that are separate from our operating manuals. We provide instructors and instructional materials, but you must arrange and pay for transportation, lodging, food, and wages, including expenses for any days off for breaks during training. Your cost will depend upon the distance that you and your managers must travel and the type of accommodations you choose. Before you and/or your personnel start the initial training program, you must procure statutory worker's compensation

insurance covering all participants in the training program. Other locations in the system may become certified for training and may be made available to you as business conditions allow. All trainees must adhere to the corporate code of conduct while in training. We reserve the right to discontinue training for any trainees who violate our code of conduct or fail to pass weekly certification tests or otherwise demonstrate an inability to meet the requirements of their job title. (Franchise Agreement - Sections 5.8 and 11.1)

(d) We will provide you with an approved opening date for your Restaurant, after you have provided evidence to us that you have met all of the requirements necessary to be certified to open. (Franchise Agreement - Section 5.9)

(e) We will provide you with pre-opening and post-opening supervision and assistance as we deem advisable based on your opening plan, subject (as to timing) to scheduling needs and availability of personnel. If you are signing your Franchise Agreement for your (or your affiliates') first Restaurant we will bear up to \$25,000 of the direct and indirect wages and other labor costs and expenses of our personnel who provide training and other pre-opening and post-opening supervision and assistance. You must reimburse us within 21 days of demand, the amount of all wages, labor costs and expenses in excess of \$25,000. If you are signing your Franchise Agreement for your (or your affiliates') second or subsequent Restaurant opened, you must reimburse us for all direct and indirect wages and other labor costs and expenses of our personnel who provide training or other pre-opening and post-opening supervision. (Franchise Agreement – Section 5.9)

(f) You must purchase one copy (currently for \$21) of the operating manuals which you must download in electronic form, by means of the internet, electronic file or program or as we otherwise specify, unless you purchased your Restaurant from an existing franchisee or you are entering into a renewal Franchise Agreement and have already been provided a copy of the manuals. (Franchise Agreement – Section 7)

During the operation of the Restaurant, we (or our designee) will:

1. Provide you, as we deem appropriate, with advice and written materials concerning techniques of managing and operating the Restaurant, including new developments and improvements in equipment, food products, packaging, and preparation. (Franchise Agreement - Section 3.4)

2. Provide, as we deem appropriate, additional training for you or your manager, operating partner, assistant managers, shift leaders or other employees and quarterly training and status meetings. You or your employees must attend any additional training programs we believe are necessary. You will reimburse us for our costs of training any new manager or new assistant manager or shift leader employed by you up to a maximum of \$500 per week for each individual. We provide instructors and most instructional materials, but you or your employees must arrange for and pay all costs associated with transportation, lodging, food, and wages. (Franchise Agreement - Section 5.8 and 5.11)

3. Conduct, as we deem advisable, inspections of the Restaurant and evaluations of the products sold and services rendered in and from the Restaurant. (Franchise Agreement - Section 5.14.6 and 5.18)

4. Approve or disapprove all advertising and promotional merchandise in advance and in writing after you submit it to us for consideration, including but not limited to yellow page advertisements, print ads, posters, billboards, and electronic media materials. (Franchise Agreement - Section 10.1.4)

5. Administer the national advertising Fund described below.

6. If you sign the Management Agreement, provide you with additional advice regarding the operation and management of your Restaurant, and if agreed upon by the parties, supervise and manage the operation of your Restaurant. (Management Agreement, Section 1.1 and Exhibit J)

We estimate that the length of time between signing of the franchise agreement and opening of the Restaurant will range from 4 to 10 months. Factors that may affect the length of time it takes for your Restaurant to include your ability to obtain a lease, financing, obtaining permits, zoning or local ordinances and factors bearing on construction.

Advertising Programs

We will conduct promotional/advertising activities, developed by us, an advertising agency and/or a public relations firm, to enhance our corporate name and image through a national advertising fund (the "Fund"). You must make a weekly contribution to the Fund in an amount equal to 2% of your weekly net sales. This requirement is in addition to the 2% of net sales which you must spend on local advertising under Section 10.1 of the Franchise Agreement. We reserve the right to increase the amount of your weekly Fund contribution to up to 4% of your weekly net sales. Except as described below, for each Restaurant owned by us or our affiliates, we, or our affiliates, will contribute the amount that would be required to be contributed to the Fund if it were a franchised Restaurant.

During our fiscal year ended December 25, 2022, the following percentages of advertising expenditures were made in the areas described below:

<u>Category</u>	<u>Expenditure</u>
Media Placement	19%
Production (includes 0% shared and 35% allocated; see below description)	0%
Public Relations	3%
Administrative	0%
Website & Loyalty	9%
Printing (menus, collateral, POP)	10%
Agency fees	0%

Overhead (includes payroll processing, rent, property tax/CAM charges, insurance, licenses, fees & permits, hardware, software, telephone, cellular, office supplies, print & stationery, photocopier, accounting/tax fees, product testing, subscription & dues, bank charges, depreciating computer & equipment)	38%
Other expenses (includes In-store music licensing if applicable, gift card processing, franchise conference, franchise development advertising, Restaurant365, Email marketing, food photography, media monitoring service, transportation, parking, mileage, airfare, meals, food)	21%
Total	100.0%

Currently, FAT utilizes a variety of shared (e.g., Public Relations personnel, Graphic Designers, Social Media Manager, Advertising Agencies, etc.) and non-shared or “dedicated” (e.g., brand specific marketing personnel) marketing resources to support marketing and advertising initiatives across all of its brands. Regardless of whether the resource is shared or non-shared, the Fund and advertising funds of other FAT-owned franchising companies bear an equitably allocated share of expenses related to these resources based on metrics determine by FAT in its good faith discretion (e.g., per project basis, per location fees, time, flat-fee per brand, etc.). For service providers that charge recurring fees based on the number of locations they are servicing, those expenses are allocated across the respective brand advertising funds on a pro-rata basis. For brand-specific marketing personnel, their salaries, wages, benefits and health insurance expenses are directly charged to the respective brand advertising fund(s) as an expense. For shared marketing personnel (e.g., Creative Director, Graphic Designers, Marketing Coordinators, Social Media Managers, Marketing Directors, Marketing Administrators, etc.), their salaries, wages, benefits, and health insurance expenses are allocated across the respective brand advertising funds based on the amount of time/work that they spend on each brand. FAT does not charge any expenses for its Chief Marketing Officer to any brand funds.

We spend the Fund’s monies on costs of preparing and administering marketing activities for Restaurants on a local, regional or national basis (including television, radio, magazine, digital, podcast, newspaper and other forms of advertising campaigns; direct mail and outdoor billboard advertising; marketing surveys; public relations activities; sponsorship of athletic and other events and activities; guest-service monitoring; location listings; email and other forms of consumer facing marketing; cost of online ordering; cost of marketing personnel; mobile marketing vehicles, promotional brochures and other marketing materials, including those used for soliciting franchise sales). At our option, we may use up to 15% of the Fund for advertising or promotion that is principally a solicitation for the sale of franchises. We are not obligated to spend any money on advertising any particular Restaurant or on advertising in your area or territory.

We plan to use all contributions to and earnings of the Fund on advertising/promotion during the same fiscal year that we receive the contributions and earnings. If excess amounts are in the Fund at the end of a fiscal year, we will spend the remaining funds in the following fiscal year(s), first out of accumulated earnings from previous years, next out of earnings in the current year, and then from contributions. We may spend in any year an amount greater than the aggregate contributions to the

Fund, and may cause the Fund to borrow funds to cover deficits. If we or an affiliate advances money to the Fund, it will be entitled to be reimbursed for its advances plus interest.

Although the Fund is intended to exist as long as we offer franchises, we do have the right to terminate it. We will not terminate the Fund until all monies in the Fund have been spent on advertising/promotion, applied towards any funds that we may have decided to advance at a time when there were not sufficient amounts in the Fund for appropriate advertising activities, or returned to contributors on the basis of their respective contributions. (Franchise Agreement -Section 10.2)

Our affiliate-owned Restaurants will also contribute to the Fund.

You may develop your own advertisements, including print, radio, television, coupons and internet ads, as well as direct mail for your own use, at your own cost. However, there are specific guidelines, including branding, creative direction, font type, logo design and redemption restrictions that must be adhered to. We may decline any advertisement that does not meet these guidelines. We must approve the advertising materials in advance and in writing. All marketing materials must be ordered through the designated printer. If we do not disapprove of the advertising materials within 2 weeks after we receive them, you may consider the advertising materials approved by us. To save time and resources, you should contact our Marketing Department during your planning stages so the Marketing Department can authorize your creative direction before your monetary investment in selected media.

In addition to contributing to the Fund, you must also spend 2% of net sales during each calendar quarter on local advertising and promotion of your Restaurant. You must furnish us with a marketing report of your local advertising expenditures, together with copies of invoices and other proof of expenditures on or before January 31 and July 31 of each year for the preceding 6 month period.

Advertising Council

There is presently no advertising council composed of franchisees that advises us on advertising policies.

We have one Franchise Marketing Committee, comprised of 15 franchisees who are elected by the franchisees. The Franchise Marketing Committee does not have a formal office and it meets at our headquarters. Please contact us if you want the names of the current members. We are not aware of any franchisee association regardless of whether they use our marks.

Advertising Cooperatives

Presently, franchisees are not required to participate in local or regional advertising cooperatives.

In Store Music System

You must participate in the designated in-store music system program, if and when one is established. You must coordinate your purchase of your in-store music system through our construction department. You must install and operate your own in-store music system. The music

for your in-store music system must be provided by our approved supplier. Your music selection must be approved by Fatburger.

Computer and Other Systems

You must purchase or lease and maintain, at your own expense, only those brands, types, makes and/or models of Information Systems computer hardware and software, communications hardware and software, point of sale hardware and software, kitchen display systems, kiosk(s), data and/or databases and any other items that, collectively or independently, provide for administering, tracking, measuring, managing or reporting business information including, sales, food cost and other operating cost management (collectively, the “Information System”) that we specify.

Our standards and specifications for the Information System may include, without limitation, configurations, programming and support and service processes. We may periodically modify specifications for and components of the Information System. Certain modifications or other technological developments or events may require you to purchase, lease or license new or modified computer hardware and software and to obtain service and support for the Information System. Although we cannot estimate the future costs of the new or modified Information System, you must incur the costs of obtaining the computer hardware and software comprising the Information System (or additions or modifications) and required service or support. There are no contractual limitations on the frequency or cost of required upgrades or updates to the Information System. We have no obligation to reimburse you for any Information System costs. Within 60 days after you receive notice from us, you agree to obtain the components of the Information System that we designate and ensure that your Information System, as modified, is functioning properly. You may not use any hardware or software system or component in connection with the Information System that we have not approved for your use.

Your cost to purchase Information Systems ranges from \$16,100 and \$38,000. This includes a one-time set up fee of between \$2,000 and \$3,500 payable directly to the vendor. These figures also include the cost of firewalls, branded email accounts, monitoring and maintenance of the stack and cyber security and monitoring. These figures do not include premium optional services that are offered by FAT to you at additional costs, which include: Premise Security Package costing \$900 annually, PCI Compliance Management costing \$480 annually, Additional WAPS costing \$216 annually, Additional Phone/Seat costing \$240 each annually, Additional Cameras costing \$180 annually and Secured BOH Desktop/Laptop w/ maintenance and monitoring costing \$1,200 annually.

As we require, you will enter into a maintenance and/or support agreement with us, one of our affiliates, or one of our approved suppliers or vendors, for the provision of maintaining and supporting the Information System or any part thereof. We may charge you a fee if we provide maintenance and/or support services. We currently have a help desk staff that collects and processes your data and provides certain support services pursuant to a Brand Technology System Support Services Agreement, which is attached to this Disclosure Document. Under the Brand Technology System Support Services Agreement, you must pay us for the support services, subject to change. The fee depends on what services and options you choose for your Restaurant. Currently your fees could range from \$840 to \$1,500 total annually, depending on the services and options you choose.

We and our affiliates do have independent access to the information generated and stored in your Information System. We and our affiliates may, from time to time, and at any time, retrieve such data and information from your Information System as we (or such affiliate), in its sole discretion, deems appropriate, with the cost of such retrieval to be borne by us. There are no contractual limits on our access to your Information System.

We may also charge you a fee if we develop or have developed (and, once developed, for supporting, modifying and enhancing) proprietary software that we license to you and for other Information System maintenance and support services that we, or our affiliates, provide to you. If we, or our affiliates, license proprietary software to you, or otherwise allow you to use similar technology we develop or maintain, you agree to sign and adhere to any Software License Agreement or similar document that we, or our affiliates, prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software.

Notwithstanding the fact that you must buy, use and maintain the Information System under our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance and upgrading of the Information System; (2) the manner in which your Information System interfaces with our information system and those of other third parties; and (3) any and all consequences that may arise if the Information System is not properly operated, maintained and upgraded.

You must accept MasterCard, Visa and American Express and other credit and debit cards and other non-cash systems, Fatburger loyalty cards and gift cards that we specify.

You must also purchase, install and upgrade specified security digital still and security video cameras and all software and hardware necessary to enable you to send and receive e-mail and digital photos and streaming video and audio or other multimedia signals and information to and from your Restaurant, or proposed locations in the case of a Multi-Unit Developer, and provide and allow us access to video, photos, audio and multimedia signals and information.

Internet

We have registered the Internet domain names: "hurricaneafc.com," "HURRICANEAMT.COM," "hurricanebtw.biz," "hurricanebtw.co," "hurricanebtw.com," "hurricanebtw.info," "hurricanebtw.net," "HURRICANEDOCKSIDEGRILL.COM," "HURRICANEFTP.COM," "HURRICANEGRILLNWINGS.COM," "HURRICANEGRILLWINGS.COM," "hurricaneonlineordering.com," "hurricanesportsgrill.com," "HURRICANEWINGS.COM," "ilovehurricanegrill.com," "LIVewithFLAVOR.COM," "THEHURRICANEGRILLANDWINGS.COM," and "THEHURRICANEGRILLANDWINGS.NET" and have established sites using these domain names. You acknowledge that the domain names are our sole property. You may not use in any manner any computer medium or electronic medium (for example, any Internet home page, e-mail address, website, domain name, URL, bulletin board, newsgroup or other Internet related medium or activity) that contains our Marks, or any other words, symbols or terms confusingly similar to our Marks without our express prior written consent. We may include on our Internet web site interior pages that identify all restaurants, including your Restaurant. (Exhibit "B" Section 10.3)

Operating Manuals

We have attached the table of contents of our current operating manuals as Schedule 1 to this franchise disclosure document. Our current manual consists of one volume and is approximately 37 pages. The table of contents is attached as Schedule 1 to this disclosure document.

ITEM 12 TERRITORY

Multi-Unit Restaurant Agreement

Under the Multi-Unit Restaurant Agreement, we grant you the right to develop and operate a specified number of Restaurants at venues in a specified Development Area, either on a “Non-exclusive” basis, or on a “Protected Rights” basis. You will sign a separate Franchise Agreement for each Restaurant that you open pursuant to the Multi-Unit Restaurant Agreement, each of which will provide a “Protected Territory” (described below under the “Franchise Agreement” heading).

If your Multi-Unit Restaurant Agreement provides for development on a non-exclusive basis, you will not receive an exclusive territory and we reserve all rights, including the right to own or operate and to franchise or license others to own or operate restaurants under the names “Hurricane Grill & Wings” and/or “Hurricane BTW,” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs at any location whatsoever whether within or outside the Development Area (subject to the rights granted to you within the “Protected Territory” assigned by each unit Franchise Agreement you execute). You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If we grant you the right to develop on a “Protected Rights” basis, we will not operate, or license to anyone else the right to operate, a “Hurricane Grill & Wings” or “Hurricane BTW,” “Traditional Restaurant” (defined below) at any venue other than a “Non-Traditional Venue/Excluded Venue” (defined below) in the Protected Territory during the term of your Franchise Agreement. A “Traditional Restaurant” is a business premises that exists primarily as a “Hurricane Grill & Wings” or “Hurricane BTW,” restaurant, excluding any “Hurricane Grill & Wings” or “Hurricane BTW,” restaurant at a Non-Traditional Venue/Excluded Venue, however, which Traditional Restaurant may also have other types of Franchisor-approved co-branded businesses located in it, but in such case the Fatburger restaurant is the primary business. A “Non-Traditional Venue/Excluded Venue” means a site, venue or location within another primary business or in conjunction with other businesses or at institutional settings, including, toll roads, highway travel plazas, hotels and motels, casinos and casino adjacent locations, airports, sports arena, stadiums, bus stations, train stations, theme parks, amusement facilities, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campuses, piers, gyms, offices or in-plant food service facilities, shopping mall food courts operated by a master concessionaire, and any site for which the lessor, owner or operator has indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

However, we also expressly reserve certain rights (the “**Reserved Rights**”) to operate and/or license others (which may include our affiliates) to own or operate (i) restaurants under the names

“Hurricane Grill & Wings” and/or “Hurricane BTW,” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs at any location outside the Development Area (and the “Protected Territory” granted with respect to any individual Franchise Agreement), (ii) restaurants and other facilities under the names “Hurricane Grill & Wings” and/or “Hurricane BTW,” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs at Non-Traditional Venues at any location, and of any type whatsoever, within or outside the Development Area (and the “Protected Territory” granted with respect to any individual Franchise Agreement), and regardless of proximity to your Restaurants; (iii) facilities offering catering services and mobile units designed to service special events within and outside your Development Area (and the “Protected Territory” granted with respect to any individual Franchise Agreement), and (iv) restaurants and other systems operating under names other than “FATBURGER®” or the other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs (including without limitation “Fatburger,” “Buffalo’s Cafe,” “PONDEROSA STEAKHOUSE®,” “BONANZA STEAKHOUSE®,” “Yalla Mediterranean®” “Elevation Burger,” “Johnny Rockets,” “Round Table Pizza,” “Hot Dog On A Stick,” “Pretzelmaker,” “Great American Cookies,” and “Marble Slab” restaurants), at any location, and of any type whatsoever, within or outside the Development Area (and the “Protected Territory” granted with respect to any individual Franchise Agreement) and regardless of their proximity to your Restaurants.

Except to the extent described above, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If during any development period, as provided in your Multi-Unit Restaurant Agreement, you fail to open the cumulative number of Restaurants that you are required to open for that development period, you will forfeit the right to develop that number of Restaurants which you failed to open. Therefore, your total development obligation will be reduced by the number of Restaurants that you failed to open. In addition, the portion of the development fee that is attributable to the Restaurant(s) which you failed to open will be forfeited and the remaining balance that is available to be credited against the initial franchise fee (see Item 5) will be reduced accordingly. If you fail to meet your development obligation for two consecutive development periods, we may terminate your Multi-Unit Restaurant Agreement.

On occasion, in order to resolve a dispute with a franchisee whose Multi-Unit Restaurant Agreement or Franchise Agreement was terminated for failing to meet its development obligation, we may in our discretion offer the franchisee the right to enter into a new Multi-Unit Restaurant Agreement. The new Multi-Unit Restaurant Agreement will permit the franchisee to open Restaurants, but may or may not be exclusive and may or may not require the franchisee to open a particular number of Restaurants, or specify particular development periods or require a development fee.

Franchise Agreement

You will be permitted to operate your Restaurant at location which we accept. Your protected territory (the “Protected Territory”) will be described in an attachment to your Franchise Agreement. The size of the Protected Territory will vary depending on many factors, such as population density and residential versus commercial properties in your area. The Protected Area is typically within a one-mile radius of the Restaurant but may vary. Your Protected Area will not be modified during the

term of your Franchise Agreement and you will not have the right to open additional Restaurants unless you have also signed a Multi-Unit Restaurant Agreement. You may not relocate your Restaurant without first obtaining our consent. We will not operate, or license to anyone else the right to operate, a “Hurricane Grill & Wings” and/or “Hurricane BTW,” Traditional Restaurant at any venue other than a Non-Traditional Venue/Excluded Venue in the Protected Territory during the term of your Franchise Agreement; provided, however, that for the avoidance of doubt the delivery of any goods, products or services by us, any of our affiliates or any other licensee, directly or indirectly, including through delivery services, shall not violate or be a breach. Your rights within the Protected Territory will be subject to the Reserved Rights described above with respect to the Multi-Unit Restaurant Agreement.

Unless we specifically approve, 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 Protected Territory. Otherwise, and except for our guidelines regarding advertising in general, which can be found in our Franchise Agreement, we place no specific limits on your ability to advertise or solicit or accept orders from outside of your Protected Territory to be filled at your Restaurant and you may not provide delivery services or catering services (directly or through a first party or any third party, including Uber Eats, Postmates, GrubHub, DoorDash and other providers) without first obtaining our prior written consent, which we may grant or deny in our sole discretion, and which if granted, may be subject to any conditions and restrictions we may impose, including your strict adherence to our system standards and restrictions regarding the types of products and services you may offer and the geographic area in which you may provide such delivery and/or catering services. The exclusivity of your Protected Territory will not depend on the achievement of a certain sales volume, market penetration or other contingency.

You do not have the right to operate a website or use our trademarks in any other manner on the Internet or in other electronic means of communication. In particular, you may not use our trademarks as part of an Internet domain name, URL or email address.

Although we have agreed to provide you with certain protections in your Protected Territory, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We and our affiliates may also produce, license, distribute and market products and services under the name “FATBURGER®” (and/or any other brand or trademark that we or our affiliates own, have a right to use or may acquire the right to use in the future), including food and beverage products, gift cards, books, clothing, souvenirs and novelty items, through any outlet (regardless of its proximity to your Restaurants), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising and other distribution methods, and to advertise and promote the System through any means, including the Internet. We do not pay you any compensation for soliciting or accepting orders from inside your Protected Territory.



As described in Item 1, our affiliates own and operate Restaurants using our trademarks and also operate “Fatburger,” “Buffalo’s Café,” “PONDEROSA STEAKHOUSE®,” “BONANZA STEAKHOUSE®,” Hurricane Grill & Wings®, “Hurricane Sports Grill®,” “Hurricane Dockside Grill ®,” “Hurricane BTW Burgers + Tacos + Wings,” “Yalla Mediterranean®,” and “Elevation Burger,” “Johnny Rockets,” and “Round Table Pizza” restaurants. We and our affiliates own and


operate mobile units under our trademarks to service special events which may occur in your protected or exclusive area. Other than “Buffalo’s Café” “PONDEROSA STEAKHOUSE®,” “BONANZA STEAKHOUSE®,” Hurricane Grill & Wings®,” “Hurricane Sports Grill®,” “Hurricane Dockside Grill ®,” “Hurricane BTW,” “Yalla Mediterranean®,” “Elevation Burger,” “Johnny Rockets,” “Round Table Pizza,” “Hot Dog On A Stick,” “Pretzelmaker,” “Great American Cookies,” and “Marble Slab” neither we nor our affiliates have established, nor as of the date of this disclosure document intend to establish, other franchises or company-owned restaurants providing similar food products or services under a different trademark. The goods and services and trademarks of each are described in Item 1. However, our Parent has acquired other restaurant chains and we and our affiliates reserve the right to do so in the future. An affiliate of ours or a franchisee or licensee may own food outlets under those trademarks. Our affiliates and their franchisees and licensees may solicit or accept orders within your territory or market area. We do not anticipate conflicts between outlets that our affiliates operate or franchise because each offer a distinct experience and differing menus. If conflicts do arise, we and our affiliates will resolve them as we deem appropriate. The principal business addresses of our affiliates is in Item 1. We do not currently plan to maintain physically separate offices or training facilities.

ITEM 13 TRADEMARKS

We grant our franchisees the right to operate Restaurants under the name “Hurricane Grill & Wings” and “Hurricane BTW,” which are the principal Marks used to identify our System. You may also use any other current or future Mark to operate your Restaurant that we designate in writing, including the logo on the front of this Franchise Disclosure Document and the principal trademarks listed below. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify the Restaurants.

We registered the following Marks with the U.S. Patent and Trademark Office (the “USPTO”) on the Principal Register:

Mark	Registration Number	Registration Date
HURRICANE	4521735	April 29, 2014
	4798859	August 25, 2015
HURRICANE BURGERS. TACOS. WINGS.	5312075	October 17, 2017
HURRICANE DOCKSIDE GRILL	5406345	February 20, 2018
	4529675	May 13, 2014

Mark	Registration Number	Registration Date
	3910184	January 25, 2011 Renewed: May 1, 2021
HURRICANE SPORTS GRILL	5241960	July 11, 2017
HURRICANE WINGS	4965610	May 24, 2016

We have filed with the USPTO all required affidavits of use and renewal applications.

If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. All franchisees are expected to immediately and fully comply with any request to stop use of any of our marks, regardless of the status of a registration or any expense or inconvenience this may cause.

To the best of our knowledge, there is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceeding; or any pending material federal or state court litigation involving the registered marks. There are no agreements currently in effect that significantly limit our rights, to use, or license the use, of the above mentioned Marks in any manner material to the franchise.

We are not aware of any superior rights or infringing uses that could materially affect your use of our trademarks in the State of California or in the state in which your Restaurant will be located.

You must notify us immediately when you learn of an infringement of or challenge to your use or our use of our trademarks. We and/or our Parent have the right to control any administrative proceeding, litigation or other action involving our trademarks, including any settlement. While we are not required to, we may take affirmative action against uses by others that may constitute infringement of our trademarks. We will defend you against any third-party claim against your use of our trademarks. If we determine that you have used our trademarks as we require, we will reimburse you for your liability and reasonable costs incurred in defending our trademark. If we determine that you have not used our trademarks in accordance with our rules, you will have to pay for the cost of this defense, including the cost of any judgment or settlement. If any litigation relates to your use of our trademarks, you must sign all documents and do those acts as we may determine are necessary to carry out this defense or prosecution, including, becoming a nominal party to any legal action.

We have the right to modify or substitute different trademarks for use in identifying our system and Restaurants operating under it and you must comply with any modification or substitution, at your expense, within 60 days after notice to you.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents or registered copyrights are material to your franchise and there are no pending patent applications that are material to your franchise.

Confidential Operations Manuals

You may use the proprietary material in our operating Manuals. Our Manuals are confidential information as described in Item 11. Although we have not filed a copyright registration for the Manuals, we claim common law copyrights in the Manuals and the information is proprietary. Our operating Manuals may consist of one or more volumes of books, manuals, or other materials relating to operation under our System, including additions that we may publish periodically. Our right to use or license this copyrighted material is not materially limited by an agreement or known infringing use.

You must always keep the Manuals in a secure place at your Restaurant. You must always treat the Manuals and the information contained in them as confidential, and must use all reasonable efforts to keep this information secret and confidential. You may never copy or reproduce any part of the materials, nor make them available in any manner to any unauthorized person. You may only divulge the confidential information to your employees that must have access to it in order to operate your Restaurant. All information, knowledge, know how, and techniques which we designate as confidential will be deemed confidential for purposes of the franchise agreement.

You must have your personnel sign confidentiality agreements that they will keep confidential the information that they receive because of their employment by you at the Restaurant. You must use the agreement provided by us which provides that we are a third party beneficiary of the agreement with an independent right to enforce its provisions.

You must tell us if you learn about unauthorized use of our Manuals. We are not required to take any affirmative action in response to the unauthorized use, but we will respond as we think appropriate.

Our Manuals will at all times be our sole property.

We may change the contents of the Manuals, but such changes will not alter your fundamental rights under the Franchise Agreement. You must comply with each new or changed standard. You must at all times make sure that your copy of the Manuals is kept current and up to date; and, if there is a dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters will be controlling.

Photographs of Restaurant

We may enter your Restaurant premises at any time upon reasonable notice to you for the purpose of photographing the interior and/or exterior of your Restaurant for promotional purposes. You must cooperate with our representatives for these purposes and in obtaining photo releases from employees and other individuals, if necessary. Photographs of the interior or exterior of your

Restaurant may be included in any promotional materials we develop or distribute, without your consent or any payment to you.

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

You do not have to personally supervise your Restaurant, however, if you (or your principal approved by us) do not personally supervise your Restaurant, a manager or one of your assistant managers or shift leaders who has successfully completed our training program must directly supervise your Restaurant “on premises.” Your manager must assume responsibility for the day-to-day operation of the Restaurant, oversight of the preparation of food products, and supervision of personnel and accounting and must spend at least 40 hours per week overseeing the operation of the Restaurant. You may replace your manager or any assistant manager any time as long as you immediately notify us of any changes. Any new manager or assistant manager or shift leader must complete our initial training program.

If we sign (or our affiliate signs) a Management Agreement (Exhibit J) with you, we will provide you with additional advice regarding the management of your Restaurant. The precise level of advice and service, and, if agreed upon, our obligation to manage your Restaurant and supervise your management and supervisory personnel and other employees will be identified in the Management Agreement.

Your Operating Partner, if any, manager, assistant managers and any other personnel having access to our confidential information must sign the Confidentiality and Non-Competition Agreement attached as Exhibit F. At our request, you must also require that your officers, directors, general partners, limited partners and each person who owns a 5% or greater interest in you to sign Exhibit F. We may require your spouse or your owners and their spouses to sign the Guarantee and Indemnification attached as Exhibit C. If you sign the Management Agreement, and you are an entity, we may require all of your equity owners to sign the guaranty attached as Exhibit C. If you sign the Multi-Unit Restaurant Agreement, we may require your spouse or your owners and their spouses to sign the Guarantee, Indemnification and Acknowledgement attached as Exhibit C to the Multi-Unit Restaurant Agreement (Exhibit E to this disclosure document).

If you or your affiliates operate more than one Restaurant, you must designate an “Operating Partner” acceptable to us who will be responsible for supervising the overall operations of your Restaurants. If you or your affiliates operate multiple Restaurants which are remote from one another, we may require that your Operating Partners have up to a 25% equity interest in you (if Franchisee is a legal entity) or the Restaurant. You must notify us of any change in the Operating Partner, subject to our acceptance.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only those menu items and approved sizes, products, and services that we have approved and you must use, in the preparation of food products, only the seasonings and food products that we require that you use (see Item 8), based on whether your Restaurant is a Hurricane Grill & Wings Restaurant or a BTW Restaurant. You must also sell merchandise that we

designate. There are no limits on our right to make changes in the type of authorized goods and services that you must sell in your Restaurant. You must also immediately discontinue selling any menu items, products, merchandise or services which we disapprove in writing at any time. You must use certain uniforms approved by us. You must use and show only menus approved by us, except for prices. If and when we establish an in store music system, you must purchase and install a free-play in store music system on the Restaurant premises, and play only music that we have approved. You may not install or allow to be installed on the Restaurant premises any other vending, ATM or amusement machine without our consent.

You may not use, or permit use of, your Restaurant for any other purpose or activity at any time, or provide catering or other services outside of the Restaurant, without first obtaining our consent. You may not sell any alcoholic beverages without our consent. Our consent may be conditioned upon those factors as we think are necessary for the protection of our trademarks, including the requirement that you comply with all laws and regulations applicable to the sale and consumption of alcoholic beverages at your Restaurant.

We do not restrict the type of customer you may service.

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

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Term of the franchise	Section 2.1	15 years
b.	Renewal or extension of the term	Section 2.2	2 ten year renewals if you are in good standing. The weekly royalty fee and advertising fund contributions for each renewal will be at the rates then applicable to new franchisees.
c.	Requirements for you to renew or extend	Sections 2.2 and 2.3	Although we use the term “renewal” to refer to extending our franchise relationship at the end of your initial term (and any other renewal or extension of the initial term), you must at our option sign a new Franchise Agreement or Area Development Agreement with materially different terms and conditions than your original contract, as described in more detail below.

	Provision	Section in Franchise Agreement	Summary
			You must continue to be in good standing; sign our then-current franchise agreement and pay a renewal fee equal to 40% of the then-current initial franchise fee; sign a general release (Exhibit K); give required notice; renovate Restaurant premises; have timely met monetary obligations during term of franchise agreement; have right to remain in premises or have obtained our approval of a new location and lease for the Restaurant; comply with qualification and training requirements current at time of renewal.
d.	Termination by you	Section 13.6	You may terminate only if we do not cure a material default within 60 days after written notice from you
e.	Termination by HMT without cause	Not Applicable	Not Applicable.
f.	Termination by HMT with cause	Section 13.1, 13.2 and 13.5	We can terminate if you materially default under your Franchise Agreement, any other individual Franchise Agreement, or any Area Development Agreement or Multi-Unit Restaurant Agreement (other than solely for your failure to meet your development obligation), or any other agreement between you and us or our affiliate.
g.	“Cause” defined – defaults which can be cured	Section 13.3	You have 5 days to pay any monies due; you have 10 days to cure your failure to comply with requirements of the franchise agreement
h.	“Cause” defined – defaults which cannot be cured	Sections 13.1 and 13.2	Termination is immediate for insolvency, filing for bankruptcy, receiver or custodian is appointed, final judgment is unsatisfied, you are dissolved, if execution is levied against your property, if suit is filed to foreclose on lien against premises or equipment or if the real or personal property of the Restaurant will be sold after levy. Immediate termination upon receipt of notice for: failure to open Restaurant within 180 days after date of franchise agreement; you

	Provision	Section in Franchise Agreement	Summary
			abandon the Restaurant; you (or your principal) is convicted of a felony, crime involving moral turpitude or offense we think will have an adverse impact on us; there is not an approved transfer within a reasonable time after your death or mental incapacity; you divulge contents of the manuals or other confidential information; operation of the Restaurant poses a threat to public safety; unapproved transfer; unauthorized use of our trademarks; use of a confusingly similar name; your failure to comply with non-compete provisions; you fail to have your personnel sign an agreement containing covenants not to compete and not to harm our business; you maintain false books and records or submit false reports; you do not perform your obligations under the lease; you or any of your managers or assistant managers fail to satisfactorily complete training; you fail to correct any unsatisfactory conditions at the Restaurant immediately after we advise you of them and repeated failure to comply with franchise agreement and manuals provisions, whether or not cured after notice.
i.	Your obligations on termination/non-renewal	Section 14	Obligations include de-identification, payment of amounts due, assignment of lease, cease operating the franchise business, cease using confidential methods and procedures and cease using our trademarks, cancel any assumed name registration, refrain from using any similar trademark, pay all amounts due to us, pay us all damages and costs (including attorney's fees) we incur to enforce the provisions of the franchise agreement, deliver all manuals and similar materials to us, assign to us all of your business telephone numbers. Also see (o) and I.

	Provision	Section in Franchise Agreement	Summary
j.	Assignment of contract by HAMT	Section 12.1	We may assign the agreement in whole or in part to any other party
k.	“Transfer” by you – definition	Section 12.2	Includes transfer of any interest in franchise agreement, or interests in you or in the restaurant
l.	HAMT’s approval of transfer by franchisee	Section 12.2	Subject to our approval which will not be unreasonably withheld
m.	Conditions for HAMT approval of transfer	Section 12.2.3	<p>Transferee qualifies and signs new agreement, you pay transfer fee, sign release (Exhibit K), upgrade Restaurant, if necessary, you pay all amounts due, you are not in default, your right to receive payment from transferee is subordinate to our rights, the assignee meets our qualifications, you (and your owners) and the transferee (and their owners) sign a guaranty, you agree to remain liable for obligations before the transfer and the transferee, its operating partner, if any, and manager successfully complete our training program.</p> <p>If the Franchise Agreement has been executed pursuant to an Area Development Agreement, you must concurrently assign all other existing Franchise Agreements executed pursuant thereto to the same assignee</p>
n.	HAMT’s right of first refusal to acquire your business	Section 12.4	We can match any offer
o.	HAMT’s option to purchase your business	Section 14.9	We have the option to purchase your furnishings, equipment, fixtures, supplies or inventory for 30 days after termination or expiration
p.	Your death or disability	Section 12.5	Must assign by estate to approved buyer within 6 months

	Provision	Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Sections 15.1 and 15.2	No solicitation of our customers or employees; no competitive business at any location whether within or outside your protected area
r.	Non-Competition covenants after the franchise is terminated or expires	Section 15.3	Neither you nor your immediate family, shareholder (other owner), officer, director or partner and affiliates may engage in competitive business for 2 years within 5 miles of the location of your Restaurant or any other Hurricane restaurant operated or intended to be operated under the Marks.
s.	Modification of the agreement	Section 20	Except for changes we can make, no amendment without mutual written consent
t.	Integration/merger clause	Section 25	Only terms of Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 21	Subject to state law, except for certain claims, all disputes must be arbitrated in county in which our headquarters are located (currently Los Angeles, California)
v.	Choice of forum	Section 21	Subject to state law, arbitration in the county in which our headquarters is located (currently Los Angeles, California)
w.	Choice of law	Section 21	California; if a provision is unenforceable under California law, then laws of the state in which the Restaurant is located apply to that provision. Any dispute between the parties must be brought or instituted within 1 year from the date of discovery of the conduct or event that is the basis of the legal action or proceeding.

Multi-Unit Restaurant Agreement

This table lists important provisions of the Multi-Unit Restaurant Agreement. You should read these provisions in the agreement attached to this disclosure document.

	Provision	Section in Multi-Unit Restaurant Agreement	Summary
a.	Term of the franchise	Section 4.1	Typically 5 years or when you sign a Franchise Agreement for your last Restaurant necessary to satisfy your Development Obligations on Exhibit B, whichever is earlier.
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable
d.	Termination by you	Not Applicable	Not Applicable
e.	Termination by HAMT without cause	Not Applicable	Not Applicable
f.	Termination by HAMT with cause	Section 8	We may terminate if you default under the Multi-Unit Restaurant Agreement, any Franchise Agreement or any other agreement between you and HAMT.
g.	“Cause” defined – defaults which can be cured	Section 8.1	You have 5 days to cure a failure to pay fees. You have 20 days to cure other defaults (except as described in paragraph h below, and provided that in the case of a breach or default in the performance of your obligations under any Franchise or other agreement between you and HAMT, the notice and cure provisions of the Franchise Agreement or other Agreement will prevail).
h.	“Cause” defined – defaults which cannot be cured	Section 8.1(b)	The following events of default are not curable: any sub-franchising by you, any unapproved assignment or attempted assignment by you, your failure to satisfy the Development Obligation for two consecutive Development Periods, your failure to pay any fee in a timely manner as required by the agreement, your opening of a Restaurant not in accordance with the procedures detailed in the agreement, your default under any other agreement with

	Provision	Section in Multi-Unit Restaurant Agreement	Summary
			HAMT, subject to notice and cure provisions in the other agreement.
i.	Your obligations on termination/non-renewal	Section 4.3	You will have no further right to develop or operate additional Restaurants which are not, at the time of termination, the subject of a then-existing Franchise Agreement between you and HAMT. You may continue to own and operate all Restaurants pursuant to then-existing Franchise Agreements,
j.	Assignment of contract by HAMT	Section 7.1	No restriction on our right to assign.
k.	“Transfer” by you – definition	Section 7.3	Includes transfer of the agreement, changes in ownership of the entity which owns it.
l.	HAMT’s approval of transfer by you	Section 7.3	Transfers require our express written consent, which may be withheld for any reason whatsoever, in our sole and absolute discretion.
m.	Conditions for HAMT approval of transfer	Not Applicable	Not Applicable
n.	HAMT’s right of first refusal to acquire the business	Not Applicable	Not Applicable
o.	HAMT’s option to purchase the business	Not Applicable	Not Applicable
p.	Your death or disability	Section 7.3	Same as (l) above.
q.	Non-competition covenants during the term of the agreement	Section 9.2	You may not conduct any business other than the business of the Multi-Unit Restaurant Agreement and any Franchise Agreement between you and HAMT
r.	Non-competition covenants after the agreement is terminated or expires	Section 9.2	2 years. You may not open, operate, advise, or have a financial interest in any restaurant that is the same or is similar to a Restaurant, without our express written consent.
s.	Modification of the agreement	Section 10.10	Modifications must be in writing and signed by you and HAMT.

	Provision	Section in Multi-Unit Restaurant Agreement	Summary
t.	Integration/merger clause	Section 10.10	The Agreement and its exhibits contain the entire agreement of the parties (subject to state law). Any representations or promises outside of the disclosure document and multi-unit restaurant agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 10.9	Subject to state law, except for certain specific claims, all disputes are subject to arbitration in location of HAMT's headquarters (presently Los Angeles, California).
v.	Choice of forum	Section 10.9	Subject to state law, arbitration in the county in which our headquarters is located (currently Los Angeles, California)
w.	Choice of law	Section 10.8	California law governs, except with respect to Non-Competition Covenants.

Management Agreement

This table lists important provisions of the Management Agreement. You should read these provisions in the agreement attached to this disclosure document.

	Provision	Section in Management Agreement	Summary
a.	Term of the franchise	Section 6.1	One year
b.	Renewal or extension of the term	Section 6.1	Automatic renewal for each subsequent 12 months
c.	Requirements for you to renew or extend	Section 6.1	None
d.	Termination by you	Sections 6.1 and 6.2	After the first year, you can terminate by giving at least 90 days' notice; you can also terminate upon our (or our affiliate's) material default (if we (or our affiliate) do not cure after 30 days' notice), if we (or our affiliate) make a general assignment for the benefit of creditors, if we (or our affiliate) are in bankruptcy or if we (or our affiliate) become insolvent or legally incapacitated.

	Provision	Section in Management Agreement	Summary
e.	Termination by HAMT (or its affiliate) without cause	Section 6.1	After the first year, we (or our affiliate) can terminate the Management Agreement at any time on at least 90 days' notice.
f.	Termination by HAMT (or its affiliate) with cause	Section 6.3	We (or our affiliate) may terminate you if you are in default of the Management Agreement or upon the occurrence of certain events.
g.	“Cause” defined – defaults which can be cured	Section 6.3(a)	You have 10 days to pay any money due; you have 30 days to cure your material default.
h.	“Cause” defined – defaults which cannot be cured	Sections 6.3(b)-6.3(g)	We (or our affiliate) can terminate immediately if you make a general assignment for the benefit of creditors, if you are in bankruptcy, if you become insolvent or legally incapacitated, if we terminate the Franchise Agreement, if you transfer or engage in an assignment of the restaurant or the franchise agreement, or upon the sale or other transfer or all or substantially all of your assets.
i.	Your obligations on termination/non-renewal	Section 6.4	If the Franchise Agreement is still in effect, you must continue to comply with it including your obligation to employ a trained manager to operate the Restaurant.
j.	Assignment of contract by HAMT (or our affiliate)	Sections 1.2 and 7.2	We (or our affiliate) may delegate our obligations to others; no restriction on our right to assign
k.	“Transfer” by you-definition	Section 7.2	Assignment of Agreement or rights, benefits or obligations under Agreement.
l.	HAMT’s (or our affiliate’s) approval of transfer by franchise	Section 7.2	Requires our (or our affiliate’s) express written consent.
m.	Conditions for HAMT (or our affiliate) approval of transfer	Not Applicable	If you transfer, we (or our affiliate) may terminate this Agreement.
n.	HAMT’s (or our affiliate’s) right of first refusal to acquire your business	Not Applicable	Not Applicable

	Provision	Section in Management Agreement	Summary
o.	HAMT's option to purchase your business	Not Applicable	Not Applicable
p.	Your death or disability	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s.	Modification of the Agreement	Section 7.12	No amendment unless signed by us (or our affiliate).
t.	Integration/Merger clause	Section 7.11	Only terms of Management Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and management agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 7.16	Subject to state law, all disputes must be arbitrated in Los Angeles County, California.
v.	Choice of Forum	Section 7.16	Subject to state law, arbitration in Los Angeles County, California.
w.	Choice of law	Section 7.10	California law applies.

LLC Operating Agreement

This table lists important provisions of the LLC Operating Agreement. You should read these provisions in the agreement attached to this disclosure document. This section only applies if you are entering into an LLC Operating Agreement with HAMT or an affiliate of HAMT.

	Provision	Section in LLC Operating Agreement	Summary
a.	Term of the franchise	Section 1.5, Article 8	Perpetual, unless earlier dissolved.

	Provision	Section in LLC Operating Agreement	Summary
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable
d.	Termination by you	Article 8	The LLC Operating Agreement can only be terminated by the affirmative vote or consent of the manager and all of the members.
e.	Termination by HAMI (or its affiliate) without cause	Not Applicable	Not Applicable
f.	Termination by HAMI (or Parent) with cause	Section 8.1	The LLC Operating Agreement can be terminated on the sale, transfer or other disposition of all or substantially all of the LLC's assets.
g.	"Cause" defined – defaults which can be cured	Not Applicable	Not Applicable
h.	"Cause" defined – defaults which cannot be cured	Section 10.1	The LLC Operating Agreement can be terminated on the sale, transfer or other disposition of all or substantially all of the LLC's assets.
i.	Your obligations on termination/non-renewal	Sections 8.2 and 8.3	The manager shall wind up the affairs of the LLC (pay all debts and distribute or liquidate remaining assets to the members)
j.	Assignment of contract by HAMI (or its affiliate)	Section 3.2; Article 9	We (or our affiliate) may sell, assign, pledge, encumber, award, confirm or otherwise transfer an interest in the LLC only with the approval of the manager of the LLC and more than 75% of the percentage interests
k.	"Transfer" by you- definition	Section 3.2; Article 9	You may sell, assign, pledge, encumber, award, confirm or otherwise transfer an interest in the LLC only with the approval of the manager of the LLC and more than 75% of the percentage interests
l.	HAMI's (or its affiliate's) approval of transfer by franchise	Section 3.2; Article 9	Requires the express written consent of the manager of the LLC and more than 75% of the percentage interests

	Provision	Section in LLC Operating Agreement	Summary
m.	Conditions for HAMI (or its affiliate's) approval of transfer	Section 3.2; Article 9	If you transfer without consent and approval of the manager of the LLC the transfer will be invalid.
n.	HAMI's (or its affiliate's) right of first refusal to acquire your business	Section 9.3	If a member of the LLC desires to sell, assign or otherwise transfer any of their "units" in the LLC, they must first offer them to the other members.
o.	HAMI's (or our affiliate's) option to purchase your business	Not Applicable	Not Applicable
p.	Your death or disability	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s.	Modification of the Agreement	Section 11.3	No amendment unless signed by all members (but additional members may be admitted with the consent of more than 75% of the percentage interests).
t.	Integration/Merger clause	Section 11.11	Only terms of LLC Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and LLC agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 11.2	Subject to state law, all disputes must be arbitrated in Los Angeles County California.
v.	Choice of Forum	Section 11.2	Subject to state law, arbitration in Los Angeles County, California.
w.	Choice of law	Section 11.2	Delaware law applies.

Please refer to the State Specific addenda in Schedule 2 for any changes or additional provisions that apply in your state.

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise 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 also be given, but only if: (1) a franchisor provide 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.

The first set of tables below list selected historical and unaudited financial and operating data for 40 (out of 41) U.S. Restaurants for January 1, 2022 to December 31, 2022. The following Restaurants are not included in the data: (1) 0 Restaurants which were not open for the entire 12 month period (other than temporary closures); (2) 0 international locations, including Canada, and (3) 1 franchised Restaurants that did not report their sales and cost information.

The second set of tables below list selected historical and unaudited financial and operating data for 33 (out of 41) U.S. Restaurants for January 1, 2022 to December 31, 2022. The following Restaurants are not included in the data: (1) 0 Restaurants which were not open for the entire 12 month period (other than temporary closures); (2) 0 international locations, including Canada, and (3) 7 franchised Restaurants that did not report their sales and cost information.

HGW Item 19 FY 2022
PART I - ALL RESTAURANTS

Description	Units	# >= avg	% >= avg	Amount
Total Net Sales	40			\$ 75,854,559
Average Net Sales	40	16	40.00%	\$ 1,896,364
Median Net Sales	40			\$ 1,851,868
Average Net Sales - Free-Standing	6	2	33.33%	\$ 2,546,723
Median Net Sales - Free-Standing	6			\$ 2,085,525
Average Net Sales - In-Line	11	5	45.45%	\$ 1,630,632
Median Net Sales - In-Line	11			\$ 1,606,462
Average Net Sales - End-Cap	23	14	60.87%	\$ 1,853,794
Median Net Sales - End-Cap	23			\$ 1,872,821
Average Net Sales - In-Line & End-Cap	34	18	52.94%	\$ 1,781,595
Median Net Sales - In-Line & End-Cap	34			\$ 1,829,134

Description	Units	Min	Max
Total	40	\$ 503,063	\$ 4,365,082
Free Standing	6	\$ 1,508,374	\$ 4,365,082
In-Line	11	\$ 1,109,677	\$ 2,437,420
End-Cap	23	\$ 503,063	\$ 2,792,150
In-Line & End-Cap	34	\$ 503,063	\$ 2,792,150

Range of Net Sales	Units	Min	Max
Under \$500,000	0	\$ -	\$ -
\$500,000 to \$999,999	2	\$ 503,063	\$ 665,361
3. \$1,000,000 to \$1,499,999	8	\$ 1,071,258	\$ 1,480,801
4. \$1,500,000 to \$1,999,999	15	\$ 1,508,374	\$ 1,934,213
5. \$2,000,000 to \$2,499,999	11	\$ 2,081,813	\$ 2,491,580
6. Over \$2,500,000	4	\$ 2,694,135	\$ 4,365,082

Description	Units	# <= avg	%<= avg	%
Average Food Cost % (including beverage & paper)	40	20	50.00%	24.57%
Median Food Cost % (including beverage & paper)	40	20	50.00%	24.56%
Average Labor Cost % (including salaries, wages, insurance, workers compensation and employee meals)	40	19	47.50%	29.36%
Median Labor Cost % (including salaries, wages, insurance, workers compensation and employee meals)	40	20	50.00%	29.87%

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PART II - ALL RESTAURANTS (with Alcohol Sales)

Description	Units	Net Sales (Food, Beer, Wine & Liquor)	# >= avg	% >= avg	Food & Non- Alcoholic Beverage Sales	# >= avg	% >= avg	Alcohol Sales (Beer, Wine & Liquor)	# >= avg	% >= avg	Liquor Only Sales	# >= avg	% >= avg
Total Net Sales	33	\$61,238,520			\$45,923,035			\$15,315,485			\$7,662,833		
Average Net Sales	33	\$ 1,855,713	15	45.45%	\$ 1,391,607	17	51.52%	\$464,106	13	39.39%	\$232,207	15	45.45%
Median Net Sales	33	\$ 1,855,159			\$ 1,397,960			\$394,791			\$199,809		
Average Net Sales - Free-Standing	5	\$ 2,317,090	1	20.00%	\$ 1,695,354	2	40.00%	\$621,736	1	20.00%	\$372,730	1	20.00%
Median Net Sales - Free-Standing	5	\$ 1,855,600			\$ 1,434,149			\$421,451			\$275,553		
Average Net Sales - In-Line & End-Cap	28	\$ 1,773,324	16	57.14%	\$ 1,337,367	16	57.14%	\$435,957	12	42.86%	\$207,114	12	42.86%
Median Net Sales - In-Line & End-Cap	28	\$ 1,851,868			\$ 1,377,615			\$394,182			\$171,806		

Description	Units	Net Sales	Min	Max	Food & Non-Alcoholic Beverage Sales	Min	Max
Total	33	\$61,238,520	\$503,063	\$4,365,082	\$45,923,035	\$429,705	\$2,871,757
Free Standing	5	\$11,585,449	\$1,508,374	\$4,365,082	\$8,476,771	\$1,128,453	\$2,871,757
In-Line & End-Cap	28	\$49,653,071	\$503,063	\$2,792,150	\$37,446,264	\$429,705	\$2,004,948

Description	Units	Net Sales	Min	Max	Alcohol Sales (Beer, Wine & Liquor)	Min	Max	Liquor Only Sales	Min	Max
Total	33	\$61,238,520	\$503,063	\$4,365,082	\$15,315,485	\$39,210	\$1,493,325	\$7,662,833	\$-	\$875,859
Free Standing	5	\$11,585,449	\$1,508,374	\$4,365,082	\$3,108,678	\$311,328	\$1,493,325	\$1,863,649	\$199,809	\$875,859
In-Line & End-Cap	28	\$49,653,071	\$503,063	\$2,792,150	\$12,206,807	\$39,210	\$1,001,987	\$5,799,184	\$-	\$571,666

Range of Net Sales	Units	Min	Max
Under \$500,000	0	\$ -	\$ -
\$500,000 to \$999,999	2	\$ 503,063	\$ 665,361
\$1,000,000 to \$1,499,999	6	\$ 1,071,258	\$ 1,480,801
\$1,500,000 to \$1,999,999	13	\$ 1,508,374	\$ 1,934,213
\$2,000,000 to \$2,499,999	10	\$ 2,118,906	\$ 2,491,580
Over \$2,500,000	2	\$ 2,792,150	\$ 4,365,082

Description	Units	Avg %	# <= avg	%<= avg	Median %
Cost of Goods (Food, Beer/Wine, Liquor) - All	33	31.68%	18	54.55%	31.52%
Cost of Goods (Food, Beer/Wine, Liquor) - Free-Standing	5	31.99%	3	60.00%	30.43%
Cost of Goods (Food, Beer/Wine, Liquor) - In-line & End-Cap	28	31.62%	15	53.57%	31.54%
Food-Only Costs (Including Beverage & Paper) - All	33	24.60%	16	48.48%	24.74%
Food-Only Costs (Including Beverage & Paper) - Free-Standing	5	25.63%	3	60.00%	25.11%
Food-Only Costs (Including Beverage & Paper) - In-Line & End-Cap	28	24.41%	13	46.43%	24.62%
Alcohol Costs (Beer/Wine/Liquor) - All	33	7.08%	20	60.61%	6.74%
Alcohol Costs (Beer/Wine/Liquor) - Free-Standing	5	6.36%	3	60.00%	5.19%
Alcohol Costs (Beer/Wine/Liquor) - In-Line & End-Cap	28	7.21%	17	60.71%	6.78%
Labor Cost (including salaries, wages, insurance, workers compensation and employee meals) - All	33	29.44%	17	51.52%	31.52%
Labor Cost (including salaries, wages, insurance, workers compensation and employee meals) - Free-Standing	5	32.10%	3	60.00%	30.43%
Labor Cost (including salaries, wages, insurance, workers compensation and employee meals) - In-Line & End-Cap	28	28.97%	14	50.00%	31.54%

The information presented regarding past operating results for restaurants is not a full profit and loss or income statement (or statement of cash flows), omits all operating costs and expenses related to operation of a restaurant except food, beverage, paper and store level labor, and has not been audited and does not meet standards generally applicable to audited financial statements. In addition, historical costs may not apply to your operations. The costs (including transportation) of food, beverage and paper goods are likely to be higher in more remote markets where there are fewer or no pre-existing Hurricane restaurants. Further, sales in markets in which we have no prior brand recognition are likely to be lower than markets in which we are well known. Also, it's possible that future requirements by us (e.g. upgrading of a restaurant, new operational standards and requirements, etc.) or market-driven, competitive or other changes may affect your revenues and/or increase your costs over those which applied in the past.

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

The information presented is based on unaudited internal financial statements prepared by franchisees and by us for corporate restaurants using a cash basis of accounting. With respect to information presented for franchised restaurants, we are relying upon information included in royalty reports and other unaudited financial reports provided to us by our franchisees. We have not audited this information nor have we otherwise verified its accuracy.

Some factors that can affect results (and may be reasons why your results may differ from those reported above), include the location or market in which a Restaurant operates, the Restaurant's size, product or service mix, labor and other costs, as well as existing and potential competition. Your background, skills and qualifications may be different from those of our existing Franchisees. You should consider all of these (and other) factors and determine if the Restaurants whose results are reported are really comparable to the Restaurant that may be operated by you.

For many Restaurants, location can be an important factor affecting results, particularly with respect to demographics, competition and general economic conditions. It is possible that the character of existing Restaurant locations may be different than where you plan to do business. Location, competition and other factors may change over time and this could have an effect (positive or negative) on your results in the future. You should, before making any investment decision, carefully examine any location you might choose, together with the surrounding area, including an analysis of existing and potential competition, research the need in the proposed area of operation for a fast casual restaurant, as well as other characteristics of the area.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Warren Christiansen at 9720 Wilshire Boulevard Suite 500 Beverly Hills, California 90212, (310) 319-1850, the Federal Trade Commission, and the appropriate state regulatory agencies.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
System-Wide Outlet Summary
For Years 2020-2022**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	51	48	-3
	2021	48	41	-7
	2022	41	41	0
Affiliate-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	51	48	-3
	2021	48	41	-7
	2022	41	41	0

* These figures include Hurricane Grill & Wings Restaurants and BTW Restaurants. As of the date of this disclosure document, there is 1 franchised BTW Restaurant.

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Company)
For Years 2020-2022**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets*
For Years 2020-2022

Column 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termi- nations	Col. 6 Non- Renewal s	Col. 7 Reacquire d by Company	Col. 8 Ceased Opera- tions – Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	36	0	0	0	0	5	31
	2021	31	0	0	0	0	5	26
	2022	26	0	0	0	0	0	26
Kansas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
New York	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	2	7
	2022	7	0	0	0	0	0	7
Texas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	51	1	0	0	0	2	48
	2021	48	0	0	0	0	7	41
	2022	41	0	0	0	0	0	41

* If multiple events occurred affecting any Restaurant, the table shows the event that occurred last in time.

Table No. 4
Status of Affiliate-Owned Outlets
For Years 2020-2022

Column 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Total	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Table No. 5
Projected Openings for the Period Ending December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened as of 12/30/22	Column 3 Projected New Franchise Outlet in Fiscal Year Ending 12/31/23	Column 4 Projected New Affiliate-Owned Outlet in Fiscal Year Ending 12/31/23
Grand Total	0	0	0

- (1) These numbers include projected Restaurants owned 100% by our affiliates, and by joint ventures in which an affiliate of Hurricane Grill and Wings is a member.

Exhibit D lists the name of all current franchisees and the addresses and telephone numbers of their Restaurants, as of the date of this franchise disclosure document.

Exhibit D also lists the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of each franchisee whose Hurricane Grill & Wings Restaurant franchise was terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during 2022, or who has not communicated with us during the past ten weeks. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have entered into agreements with franchisees containing confidentiality clauses within the last 3 fiscal years. The term “confidentiality clauses,” in this item, refers to any contract, order or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with a prospective franchisee.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements for the fiscal years ended December 27, 2020, December 26, 2021 and December 25, 2022.

**ITEM 22
CONTRACTS**

The following agreements are attached as exhibits to this franchise disclosure document:

<u>Exhibit</u>	<u>Description</u>
B	Franchise Agreement and Addenda
B-1	Co-brand Addendum to Franchise Agreement
B-2	SBA Addendum
B-3	Cookie Equipment Lease
C	Guaranty, Indemnification and Acknowledgment
E	Multi-Unit Restaurant Agreement
F	Confidentiality and Non-Competition Agreement
G	Limited Liability Company Operating Agreement
H	Lease Assignment
J	Management Agreement
K	General Release
L	Brand Technology System Support Services Agreement

**ITEM 23
RECEIPT**

The last two pages of this franchise disclosure document (following the exhibits and attachments) are documents acknowledging your receipt of this franchise disclosure document (one copy for your records and one to be signed by you and returned to us).

EXHIBIT A
Financial Statements

Hurricane AMT, LLC and Subsidiary

Financial Report

For the Years Ended December 25, 2022, December 26, 2021 and December 27, 2020

Independent Auditors' Report

To the Board of Directors and Member of
Hurricane AMT, LLC and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hurricane AMT, LLC and Subsidiary (the “Company”), which comprise the consolidated balance sheets as of December 25, 2022 and December 26, 2021, and the related consolidated statements of operations, changes in member’s equity and cash flows for the years ended December 25, 2022; December 26, 2021; and December 27, 2020; and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 25, 2022 and December 26, 2021, and the results of its operations and its cash flows for the years ended December 25, 2022; December 26, 2021; and December 27, 2020 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BAKER TILLY US, LLP

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
April 3, 2023

HURRICANE AMT, LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	December 25, 2022	December 26, 2021
Assets		
Current assets		
Cash	\$ —	\$ 101,272
Accounts receivable, net	359,126	379,456
Prepaid expenses and other current assets	434,518	487,963
Total current assets	793,644	968,691
Due from affiliates	769,731	2,291,180
Intangible assets, net	9,573,077	9,894,615
Goodwill	2,772,299	2,772,299
Total assets	\$ 13,908,751	\$ 15,926,785
Liabilities and Member's Equity		
Current liabilities		
Accounts payable	\$ 305,870	\$ 481,178
Accrued expenses	36,548	23,101
Accrued advertising	824,629	1,152,313
Deferred income, current portion	38,203	43,076
Total current liabilities	1,205,250	1,699,668
Deferred income, net of current portion	427,268	494,777
Total liabilities	1,632,518	2,194,445
Commitments and contingencies (Note 6)		
Member's equity	12,276,233	13,732,340
Total liabilities and member's equity	\$ 13,908,751	\$ 15,926,785

The accompanying notes are an integral part of these audited consolidated financial statements.

HURRICANE AMT, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Years Ended		
	December 25, 2022	December 26, 2021	December 27, 2020
Revenues			
Royalties	\$ 3,435,462	\$ 3,766,489	\$ 3,042,958
Franchise fees	98,782	138,363	196,886
Advertising fees	1,469,578	1,679,998	1,492,745
Other revenue	41,265	—	—
Total revenues	<u>5,045,087</u>	<u>5,584,850</u>	<u>4,732,589</u>
Expenses			
General and administrative	5,025,379	3,965,131	3,220,772
Advertising expense	1,475,815	1,679,998	1,492,745
Total expenses	<u>6,501,194</u>	<u>5,645,129</u>	<u>4,713,517</u>
(Loss) income from operations	<u>(1,456,107)</u>	<u>(60,279)</u>	<u>19,072</u>
Income tax benefit	<u>—</u>	<u>—</u>	<u>(95,189)</u>
Net (loss) income	<u>\$ (1,456,107)</u>	<u>\$ (60,279)</u>	<u>\$ 114,261</u>

The accompanying notes are an integral part of these audited consolidated financial statements.

HURRICANE AMT, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY

	Total
Balance at December 27, 2020	13,792,619
Net loss	(60,279)
Balance at December 26, 2021	13,732,340
Net loss	(1,456,107)
Balance at December 25, 2022	<u>\$ 12,276,233</u>

The accompanying notes are an integral part of these audited consolidated financial statements.

HURRICANE AMT, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Years Ended		
	December 25, 2022	December 26, 2021	December 27, 2020
Cash Flows From Operating Activities			
Net (loss) income	\$ (1,456,107)	\$ (60,279)	\$ 114,261
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	361,340	348,239	340,190
Deferred income taxes	—	—	12,422
Provision for bad debt expense	50,447	29,426	95,346
Changes in operating assets and liabilities:			
Accounts receivable	(30,117)	385,515	(41,303)
Other receivables	—	—	(130,285)
Prepaid expenses and other current assets	53,445	274,232	(228,371)
Accounts payable	(175,307)	(58,987)	(166,977)
Accrued expenses	13,447	(15,914)	(329,365)
Accrued advertising	(327,684)	(105,030)	638,410
Deferred income	(72,383)	(398,598)	(241,394)
Total adjustments	(126,812)	458,883	(51,327)
Net cash (used in) provided by operating activities	(1,582,919)	398,604	62,934
Cash Flows From Investing Activities			
Change in due from affiliates	1,481,647	(321,924)	(38,342)
Net cash provided by (used in) investing activities	1,481,647	(321,924)	(38,342)
Net (decrease) increase in cash	(101,272)	76,680	24,592
Cash, beginning of period	101,272	24,592	—
Cash, end of period	\$ —	\$ 101,272	\$ 24,592

The accompanying notes are an integral part of these audited consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND RELATIONSHIPS

NATURE OF BUSINESS

Hurricane AMT, LLC, a Delaware corporation (the “Company”), is a wholly-owned subsidiary of FAT Brands Royalty I, LLC (“FB Royalty”), a subsidiary of FAT Brands Inc. (FAT). FAT is a multi-brand restaurant franchising company that develops, markets, and acquires predominantly fast casual restaurant concepts around the world.

The Company franchises restaurants under the name “Hurricane Grill and Wings”, which is a beach-themed casual restaurant that serves fresh chicken wings prepared in a variety of flavors, as well as a selection of burgers, salads and seafood, and “Hurricane Burgers Tacos Wings” (“BTW”), which offers a limited menu featuring the most popular items from “Hurricane Grill and Wings”.

As of both December 25, 2022 and December 26, 2021, the Company was the franchisor of 41 restaurants.

COVID-19

The outbreak of the COVID-19 pandemic in March 2020 had a number of adverse effects on our business and that of our franchisees, including temporary and permanent closures of restaurant locations, reduced or modified store operating hours, difficulties in staffing restaurants and supply chain disruptions. While the disruptions to our business from the COVID-19 pandemic have mostly subsided, the resurgence of COVID-19 or its variants, as well as an outbreak of other widespread health epidemics or pandemics, could cause a closure of restaurants and disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Company operates on a 52-week calendar and its fiscal year ends on the last Sunday of the calendar year. Consistent with industry practice, the Company measures its stores’ performance based upon 7-day work weeks. Using the 52-week cycle ensures consistent weekly reporting for operations and ensures that each week has the same days, since certain days are more profitable than others. The use of this fiscal year means a 53rd week is added to the fiscal year every 5 or 6 years, as will be the case in fiscal year 2023. In a 52-week year, all four quarters are comprised of 13 weeks. In a 53-week year, one extra week is added to the fourth quarter. Fiscal years 2022, 2021 and 2020 were 52-week years.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany accounts have been eliminated in consolidation.

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

Accounts Receivable: Accounts receivable are primarily comprised of amounts due from franchisees. The Company reports accounts receivable at net recoverable value. The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as general, and administrative expenses in the consolidated statements of operations. The Company had an allowance of \$165,616 and \$115,169 as of December 25, 2022 and December 26, 2021, respectively.

Credit and Depository Risks: Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. The Company places its temporary cash investments with financial institutions, and during 2022 and 2021, it did not have amounts on deposit in excess of federal insurance limits.

The Company is receiving substantially all of its revenues from a limited number of franchisees, resulting in a significant concentration of revenue sources. As of December 25, 2022, December 26, 2021, and December 27, 2020, approximately 73%, 71%, and 69%, respectively, of net restaurant sales from which the Company's royalties are derived were generated by stores located in Florida and approximately 15%, 17%, and 20%, respectively, of net restaurant sales from which the Company's royalties are derived were generated by stores located in the state of New York. Consequently, the operations of the Company are affected by fluctuations in the Florida and New York economies and by state and federal regulatory environments.

No single franchisee accounted for more than 10% of royalty revenue during 2022, 2021 or 2020.

Goodwill and Other Intangible Assets: Goodwill and other intangible assets with indefinite lives, such as trademarks, are not amortized but are reviewed for impairment annually, or more frequently if indicators arise. The intangible assets subject to amortization are amortized on a straight-line basis over their estimated useful lives, which range from 5 to 20 years.

Revenue Recognition: Franchise Fees - The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which includes the transfer of the franchise license. The services provided by the Company are highly interrelated with the franchise license and are considered a single performance obligation. Franchise fee revenue from the sale of individual franchises is recognized over the term of the individual franchise agreement on a straight-line basis. Unamortized non-refundable deposits collected in relation to the sale of franchises are recorded as deferred franchise fees.

The franchise fee may be adjusted from time to time at management's discretion. Deposits are non-refundable upon acceptance of the franchise application. In the event a franchisee does not comply with their development timeline for opening franchise stores, the franchise rights may be terminated, at which point the franchise fee revenue is recognized for non-refundable deposits.

Royalties – In addition to franchise fee revenue, the Company collects a royalty calculated as a percentage of net sales from our franchisees. Royalties are recognized as revenue when the related sales are made by the franchisees. Royalties collected in advance of sales are classified as deferred income until earned.

Area Development Fees – The Company has entered into several area development agreements. These agreements, among other provisions, require the Company to pay up to 50% of the franchise fee received, when a franchise is sold in a territory covered by an area development agreement and up to 2% of certain franchise and other fees collected from the franchisees to the area developer. The expense of the franchise fee paid to the area developer is deferred and recognized when the related franchise fees are recognized.

Advertising – The Company requires advertising fee payments from franchisees based on a percent of net sales. The Company also receives, from time to time, payments from vendors that are to be used for advertising. Advertising funds collected are required to be spent for specific advertising purposes. Advertising revenue and the associated expense are recorded gross on the Company's consolidated statement of operations. Assets and liabilities associated with the related advertising fees are reflected in the Company's consolidated balance sheet.

Income Taxes: Prior to December 24, 2020, FAT was a party to a Tax Sharing Agreement with its then parent company, Fog Cutter Capital Group Inc. ("FCCG"), which provided that FCCG would, to the extent permitted by applicable law, file consolidated federal, California and Oregon (and possibly other jurisdictions where revenue is generated, at FCCG's election) income tax returns with FAT and its subsidiaries. Under the terms of the Tax Sharing Agreement, the Company paid FCCG the amount that its tax liability would have been had it filed a separate return. The Tax Sharing Agreement was cancelled on December 24, 2020 in connection with the completion of a merger (the "Merger") in which FCCG, together with certain of its subsidiaries, merged into a

wholly-owned subsidiary of FAT, resulting in FAT becoming the indirect parent of FCCG. As a result, FCCG no longer owns a controlling interest in the outstanding common stock of FAT and there is no commitment by the Company to fund any tax liability of the parent with its earnings.

While under the Tax Sharing Agreement, the Company accounted for income taxes as if it filed on a stand-alone basis using the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between financial reporting and tax reporting bases of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Realization of deferred tax assets is dependent upon future earnings, the timing and amount of which are uncertain.

Recently Issued Accounting Standards: In June 2016, the Financial Accounting Standards Board (the "FASB") issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326)-Measurement of Credit Losses on Financial Instruments*, and later amended the ASU in 2019, as described below. This guidance replaces the current incurred loss impairment methodology. Under the new guidance, on initial recognition and at each reporting period, an entity is required to recognize an allowance that reflects its current estimate of credit losses expected to be incurred over the life of the financial instrument based on historical experience, current conditions and reasonable and supportable forecasts.

In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates ("ASU 2019-10")*. The purpose of this amendment is to create a two-tier rollout of major updates, staggering the effective dates between larger public companies and all other entities. This granted certain classes of companies, including Smaller Reporting Companies ("SRCs"), additional time to implement major FASB standards, including ASU 2016-13. Larger public companies will have an effective date for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities are permitted to defer adoption of ASU 2016-13, and its related amendments, until fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Under the current SEC definitions, our Parent meets the definition of an SRC and is adopting the deferral period for ASU 2016-13. The guidance requires a modified retrospective transition approach through a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption. The Company does not expect the adoption of this standard will have a material impact on its condensed consolidated financial statements.

In March 2022, the FASB issued ASU No. 2022-02, *Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. The purpose of this amendment is to enhance disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. It requires that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases. The amendments should be applied prospectively and are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption of the amendments is permitted if an entity has adopted the amendments in ASU 2016-13 described above, including adoption in an interim period. The Company will evaluate ASC No. 2022-02 and does not expect the adoption of this standard will have a material impact on its condensed consolidated financial statements.

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Intangible assets consisted of the following as of December 25, 2022 and December 26, 2021:

	2022	2021
Franchise agreements	\$ 4.2	\$ 4.2
Less: accumulated amortization	(1.4)	(1.1)
	2.8	3.1
Trademarks	6.8	6.8
Total	\$ 9.6	\$ 9.9

Amortization expense was \$0.4 million for the fiscal years ended December 25, 2022, and \$0.3 million for both December 26, 2021 and December 27, 2020.

Estimated amortization expense of intangible assets with definite lives for each of the five years subsequent to December 25, 2022 and thereafter is as follows:

2023	\$	0.3
2024		0.3
2025		0.3
2026		0.3
2027		0.3
Thereafter		1.3
Total	\$	<u>2.8</u>

Goodwill was \$2.8 million as of both December 25, 2022 and December 26, 2021.

NOTE 4. INCOME TAXES

The Company is a single member limited liability company and is considered a disregarded entity for federal and state income tax purposes. In lieu of paying taxes at the Company level, the earnings and losses are included in the tax returns of the parent company. As a result, no provision or liability for federal or state income taxes has been included in the consolidated financial statements for the years ended December 25, 2022 and December 26, 2021.

A two-step approach was used to recognize and measure uncertain tax positions. The first step was to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon tax authority examination, including resolution of related appeals or litigation processes, if any. The second step was to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon the ultimate settlement.

Components of the income tax benefit are as follows for the fiscal years ended:

	December 25, 2022	December 26, 2021	December 27, 2020
Current			
Federal	\$ —	\$ —	—
State	—	—	(107,611)
	—	—	(107,611)
Deferred			
Federal	—	—	12,528
State	—	—	(106)
	—	—	12,422
Total income tax benefit	<u>\$ —</u>	<u>\$ —</u>	<u>(95,189)</u>

As of December 25, 2022, the Company's annual tax filings for the prior three years are open for audit for Federal and for the prior four years for state tax agencies.

NOTE 5. RELATED PARTY TRANSACTIONS

FAT's operations were structured in such a way that significant direct and indirect administrative functions were provided to the Company by FAT. These services include operational personnel to sell franchise rights, assist with training franchisees and assisting franchises with opening restaurants. FAT also provides executive administration and accounting services for the Company.

Management reviewed the expenses recorded at the parent companies and identified the common expenses that should be allocated to the subsidiaries. These expenses were allocated based on an estimate of management's time spent on the activities of the subsidiaries, and further allocated among the subsidiaries pro rata based on each subsidiary's respective revenues as a percentage of overall revenues of the subsidiaries.

The expenses are included in selling, general and administrative expenses on the consolidated statements of operations.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Securitization

On March 6, 2020, FAT completed a whole business securitization (the "Securitization") through the creation of a bankruptcy-remote issuing entity, FB Royalty, in which FB Royalty issued new notes pursuant to an asset-backed securitization (the "Securitization Notes") and indenture (the "Indenture"). Full ownership of the Company was transferred to FB Royalty to facilitate the Securitization.

On April 26, 2021 (the "Closing Date"), FB Royalty completed the issuance and sale in a private offering of three tranches of fixed rate senior secured notes (collectively, the "2021 Notes"). The 2021 Notes were issued in a securitization transaction pursuant to which substantially all of the assets held by FAT and its subsidiaries, including the Company, were pledged as collateral to secure the 2021 Notes. On the Closing Date, FAT used a portion of the net proceeds of the offering to repay in full the Securitization Notes. The 2021 Notes were issued under the Indenture, dated as of March 6, 2020, and amended and restated as of April 26, 2021.

The restrictions placed on the Company and other FB Royalty subsidiaries require that the 2021 Notes principal and interest obligations have first priority and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly principal and interest amounts due. The amount of weekly cash flow that exceeds the required weekly interest reserve is generally remitted to the FAT.

Litigation

The Company is periodically involved in litigation in the normal course of business. The Company believes that the result of any potential litigation will not have a material adverse effect on the Company's financial condition.

NOTE 7. SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred from December 25, 2022 through the date of issuance of these audited consolidated financial statements. During this period, the Company did not have any material subsequent events.

EXHIBIT B

Franchise Agreement and Addenda

HURRICANE AMT, LLC
FRANCHISE AGREEMENT

HURRICANE AMT, LLC
FRANCHISE AGREEMENT
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HURRICANE AMT, LLC

FRANCHISE AGREEMENT

THIS **FRANCHISE AGREEMENT** (“**Agreement**”) is made and entered into this ___ day of _____, 20___, between HURRICANE AMT, LLC, a Delaware limited liability company (“**Franchisor**”) and Franchisee named below, with reference to the following facts:

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a distinctive system (the “**System**”) relating to the establishment and operation of restaurants for the sale of hamburgers and related products;

WHEREAS, the distinguishing characteristics of the System include, without limitation, special recipes, ingredients, and menu items; distinctive design, decor, color scheme, and furnishings; uniform standards, specifications, and procedures for operations; defined product and service offerings; procedures for quality control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems, trade dress, and indicia of origin, including but not limited to the marks “HURRICANE” “Hurricane Grill & Wings” and “Hurricane Burgers Tacos Wings” and such additional and replacement trade names, service marks, and trademarks as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System (the “**Proprietary Marks**”);

WHEREAS, Franchisee desires to enter into the business of operating a Hurricane restaurant under the System and wishes to obtain the right to operate a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards and specifications.

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

1. CERTAIN TERMS AND GRANT

1.1 Capitalized terms used in this Agreement shall have the meanings (such meanings to be applicable to the both the singular and plural forms of the term defined) set forth below or elsewhere in this Agreement and in **Schedule A** attached hereto and incorporated herein, unless the context otherwise requires:

1.1.1 “**Franchisee**”: _____

1.1.2 “**Accepted Location**”: _____

1.1.3 “**Initial Fee**”: \$50,000.

1.1.4 “**Royalty Rate**”: 6%

1.2 Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right and license, and Franchisee undertakes the obligation, to operate a Hurricane restaurant (the “**Restaurant**”) and to use solely in connection therewith the Proprietary Marks and the System, as they may be changed, improved, and further developed from time to time, only at the Accepted Location. Franchisee will not relocate the Restaurant without the express prior written consent of Franchisor.

1.3 Except as specifically permitted in writing by Franchisor, Franchisee shall not sublicense, sublease, subcontract or enter any management agreement providing for, the right to operate the Restaurant at the Accepted Location or to use the System licensed pursuant to this Agreement.

1.4 During the Term, neither Franchisor nor any Affiliate of Franchisor shall open or operate any Traditional Restaurant, nor license others to do so, within the geographic area described on the Attachment hereto (the “**Protected Territory**”); provided, however, that for the avoidance of doubt the delivery of any goods, products or services by Franchisor, any Affiliate of Franchisor or any other licensee directly or indirectly, including through delivery services, shall not violate or be a breach of this Section.

1.5 Except to the limited extent expressly provided in **Section 1.4**, the license granted to the Franchisee under this Agreement is nonexclusive and Franchisor expressly reserves all other rights including, the exclusive, unrestricted right, in its discretion, directly and indirectly, itself and through its employees, Affiliates, representatives, franchisees, licensees, assigns, agents and others:

1.5.1 to own or operate, and to license others (which may include its Affiliates) to own or operate (i) restaurants under the Proprietary Marks (or any of them) at any location outside the Protected Territory, (ii) restaurants and other facilities under the Proprietary Marks (or any of them) at Non-Traditional Venues at any location, and of any type whatsoever, within or outside the Protected Territory, and regardless of proximity to the Restaurant developed pursuant hereto; (iii) facilities offering catering services and mobile units designed to service special events within and outside the Protected Territory, and (iv) restaurants and other systems operating under names other than “HURRICANE” or the other Proprietary Marks, at any location, and of any type whatsoever, within or outside the Protected Territory and regardless of their proximity to the Restaurant developed pursuant hereto; and

1.5.2 to produce, license, distribute and market products and services under the Proprietary Marks, including food and beverage products; books; clothing; souvenirs and novelty items; through any outlet (regardless of its proximity to the Restaurant opened pursuant hereto), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising and other distribution methods; and to advertise and promote the System through any means, including the Internet.

2. TERM AND RENEWAL

2.1 Except as otherwise provided herein and subject to **Section 13**, the term (“**Term**”) of this Agreement will commence on the date hereof and expire 15 years from such date.

2.2 Subject to the conditions contained in **Section 2.3**, at the expiration of the Term, Franchisee shall have the right (the “**Renewal Right**”) to enter into a new franchise agreement in the form then generally being offered to prospective “HURRICANE” franchisees (the “**Renewal Franchise Agreement**”) for a 10 year period (the “**First Renewal Term**”), which Renewal Franchise Agreement shall likewise grant Franchisee the right to enter into one additional Renewal Franchise Agreement for a 10 year period (the “**Second Renewal Term**”). Franchisee acknowledges that the weekly royalty fee and advertising fund contributions payable thereunder shall be at the rates then applicable to new franchisees. The term of each Renewal Franchise Agreement shall commence upon the date of expiration of the Term hereof or the First Renewal Term, as applicable; *provided, however*, that each Renewal Franchise Agreement shall (i) be modified to conform to the Renewal Rights granted above; (ii) provide that Franchisee must pay, in lieu of the Initial Fee, a renewal fee in an amount equal to forty percent (40%) of the then-current Initial Fee charged to new Hurricane franchisees, and (iii) provide that the Protected Territory provided for herein will remain the same.

2.3 Franchisee’s Renewal Right is conditioned upon Franchisee’s fulfillment of each and all of the following conditions precedent:

2.3.1 Franchisee will give Franchisor written notice (the “**Renewal Notice**”) of Franchisee’s election to renew not less than 6 months nor more than 12 months before the end of the initial term or any subsequent renewal term;

2.3.2 Franchisee will make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Restaurant premises as Franchisor may reasonably require, including, without limitation, renovation of signs, furnishings, fixtures, and decor, to reflect the then-current standards and image of the System; but that such renovation and modernization will not be required if Franchisee has refurbished the Restaurant, in accordance with the provisions of **Section 5.18**, within the 5 years immediately preceding the end of the applicable renewal term;

2.3.3 Franchisee will not be in material 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 will have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.3.4 Franchisee will have satisfied all monetary obligations owed by Franchisee to Franchisor and its Affiliates and will have timely met those obligations throughout the term of this Agreement;

2.3.5 Franchisee will present satisfactory evidence that Franchisee has the right to remain in possession of the Accepted Location for the duration of the renewal term or, in the alternative, has prior to the expiration of the Term obtained Franchisor’s approval of a new location and lease for the Restaurant which approval Franchisor may grant or withhold in its sole discretion;

2.3.6 Franchisee will execute a general release, in a form prescribed by Franchisor, of any and all known and unknown claims against Franchisor and its Affiliates, and their respective officers, directors, shareholders, agents, and employees in their corporate and individual capacities; and

2.3.7 Franchisee will comply with Franchisor's then-current qualification and training requirements.

2.4 If Applicable Law requires that Franchisor give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a week to week basis until Franchisor has given the notice required by such Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or franchise disclosure document, or is not lawfully able to offer Franchisee its then-current form of franchise agreement, at the time Franchisee delivers its Renewal Notice, Franchisor may, in its discretion, (i) offer to renew this Agreement upon the same terms set forth herein for a renewal term determined in accordance with **Section 2.3**, or (ii) offer to extend the Term hereof on a week to week basis following the expiration of the Term hereof for as long as it deems necessary or appropriate so that it may lawfully offer its then-current form of franchise agreement.

3. DUTIES OF FRANCHISOR

3.1 Franchisor will provide training to Franchisee as more fully described in **Section 5.8** of this Agreement.

3.2 Franchisor will provide pre-opening and post-opening supervision and assistance as more fully described in **Section 5.9** of this Agreement.

3.3 Franchisor will provide Franchisee, on loan, one copy of the Manual, as more fully described in **Section 7**, unless Franchisee purchased the Restaurant from an existing franchisee or Franchisee has entered into this Agreement as a Renewal Franchise Agreement. Franchisee must pay Franchisor its then-current replacement cost for any lost Manual.

3.4 Franchisor will provide to Franchisee, from time to time as Franchisor deems appropriate, advice and written materials concerning techniques of managing and operating the Restaurant including new developments and improvements in restaurant equipment, food products, packaging, and preparation.

4. FEES

4.1 Franchisor acknowledges having received from Franchisee an initial franchise fee in the amount of the Initial Fee. The Initial Fee will be deemed fully earned and non-refundable upon execution of this Agreement in consideration for, among other things, the administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others. Under no circumstances will the Initial Fee be refundable.

4.2 For each Weekly Accounting Period during the term of this Agreement, Franchisee will pay to Franchisor a continuing royalty fee in an amount equal to the Royalty Rate multiplied by the Net Sales of the Restaurant.

4.3 For each Weekly Accounting Period during the term of this Agreement, Franchisee will contribute to the advertising fund the amounts specified in **Section 10** of this Agreement.

4.4 All payments required by this **Section 4** for each Weekly Accounting Period will be paid on or before the second Tuesday following such Weekly Accounting Period and will be submitted to Franchisor together with any reports or statements required under **Section 9**. **“Weekly Accounting Periods”** shall consist of the seven (7) day period ending each Sunday at midnight. Notwithstanding the above, Franchisor reserves the right to change the time when the weekly payments required by this **Section 4** must be paid by Franchisee.

4.5 In addition to all other payments provided herein, Franchisee shall pay to Franchisor, its Affiliates and designees, as applicable, promptly when due:

4.5.1 All amounts advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee for any reason whatsoever.

4.5.2 The amount of all sales taxes, use taxes, personal property taxes and similar taxes, which shall be imposed upon Franchisee if, and to the extent, required to be collected or paid by Franchisor (a) on account of Franchisee’s Net Sales, or (b) on account of royalties, advertising fund contributions, or any Initial Fee collected by Franchisor from Franchisee (but excluding Franchisor’s ordinary income taxes). Franchisor, in its discretion, may collect the taxes in the same manner as royalties are collected herein and promptly pay the tax collections to the appropriate Governmental Authority; *provided, however*, that unless Franchisor so elects, it shall be Franchisee’s responsibility to pay all sales, use or other taxes now or hereinafter imposed by any Governmental Authorities on royalties, any Initial Fee, or advertising fund contributions.

4.5.3 Any amounts due on account of purchases of goods, supplies or services relating to the Restaurant.

4.6 At Franchisor’s request, Franchisee, at Franchisee’s sole cost and expense, shall instruct its bank to pay the amount of all funds required to be paid directly to Franchisor (or in the case of advertising fund contributions, to the Fund) from Franchisee’s account, by electronic funds transfer or such other automatic payment mechanism which Franchisor may designate (“**EFT**”) and upon the terms and conditions set forth in the Manuals, and promptly upon Franchisor’s request, Franchisee shall execute or re-execute and deliver to Franchisor such pre-authorized check forms and other instruments or drafts required by Franchisor’s bank, payable against Franchisee’s bank account, to enable Franchisor (or the Fund) to draw sums payable under the terms of this Agreement. If Franchisor shall designate EFT, then Franchisee shall, in addition to those terms and conditions set forth in the Manuals, maintain a single bank account for such payments and shall maintain such minimum balance in such account as Franchisor may reasonably specify from time to time. Franchisee shall not alter or close such account except upon Franchisor’s prior written approval. Any failure by Franchisee to implement such EFT system in strict accordance with Franchisor’s instructions shall constitute a material default of this Agreement. If Franchisee is delinquent more than 2 times in any continuous 12 month period during the Term in the payment of fees hereunder, or of other sums due to Franchisor, its Affiliates or to the Fund, including on account of the purchase of goods or services, or fails to report its sales on a timely basis, Franchisor may require Franchisee to implement a system prescribed by Franchisor (or the Fund) which shall permit Franchisor (or the Fund) unilaterally to estimate and draw down the amounts owed by Franchisee, which system may include EFT systems,

automatic debits, use of Franchisee pre-authorized checks, other instruments or authority or any other arrangement Franchisor may prescribe. Franchisor may base its estimates of payments which are calculated based on Net Sales, on Franchisee's historically reported Net Sales. Franchisee shall promptly implement such system in strict accordance with Franchisor's instructions and failure to do so shall constitute a material default of this Agreement.

4.7 Any payment or report not actually received by Franchisor on or before the due date will be deemed overdue. If any payment is overdue, Franchisee will pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by Applicable Law, whichever is less, calculated on a daily basis, and a late charge of \$125 per week for each week during which such payment is not received by Franchisor. Entitlement to such interest and late charge will be in addition to any other remedies Franchisor may have.

4.8 Upon Franchisor's demand, Franchisee shall reimburse Franchisor for its direct and indirect costs (including the reasonable value of Franchisor's employees and its Affiliates employees) incurred in connection with Franchisor's review of Franchisee's proposed lease or real estate purchase agreement, up to a maximum of \$2,500, unless Franchisee has previously reimbursed Franchisor for its review of such lease or real estate purchase agreement. If Franchisor has reviewed and accepted Franchisee's lease or purchase agreement, such review and acceptance is solely for Franchisor's benefit and, is solely an indication that the lease or purchase agreement, as applicable, meets Franchisor's minimum standards and specifications at the time of acceptance. Such review and acceptance shall not be construed as any express or implied representation or warranty that an accepted lease or purchase agreement complies with applicable law or represents a transaction that is fair or is in Franchisee's best interest.

5. DUTIES OF FRANCHISEE

Franchisee understands and acknowledges that every detail of the Restaurant is important to Franchisee and Franchisor in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all Hurricane franchisees, and to protect Franchisor's reputation and goodwill.

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

5.1.1 Franchisee will furnish Franchisor with its Articles of Incorporation, By-laws, other governing documents, any other documents Franchisor may reasonably request, and any amendments thereto.

5.1.2 Franchisee will confine its activities exclusively to operating the Restaurant and any other "HURRICANE" restaurants owned and operated by Franchisee pursuant to a validly existing franchise agreement.

5.1.3 Franchisee will maintain stop transfer instructions against the transfer on its records of any Equity securities; and will issue no securities upon the face of which does not legibly and conspicuously appear a printed legend in the form reasonably prescribed by Franchisor stating that the transfer of such stock is subject to the terms and conditions of this Agreement.

5.1.4 Franchisee will 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 will furnish the list to Franchisor upon request.

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

5.2.1 Franchisee will furnish Franchisor with its Articles of Organization, Certificate of Formation, Operating Agreement, Limited Liability Company Agreement, other governing documents, any other documents Franchisor may reasonably request, and any amendments thereto.

5.2.2 Franchisee will confine its activities exclusively to operating the Restaurant and any other "HURRICANE" restaurants owned and operated by Franchisee pursuant to a validly existing franchise agreement.

5.2.3 Franchisee will maintain stop transfer instructions against the transfer on its records of any Equity securities; and will issue no securities upon the face of which does not legibly and conspicuously appear a printed legend in the form reasonably prescribed by Franchisor stating that the transfer of such stock is subject to the terms and conditions of this Agreement.

5.2.4 Franchisee will 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 will furnish the list to Franchisor upon request.

5.3 A Franchisee which is a Partnership will comply, except as otherwise approved in writing by Franchisor, with the following requirements throughout the term of this Agreement:

5.3.1 Franchisee will furnish Franchisor with its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

5.3.2 Franchisee will confine its activities exclusively to operating the Restaurant.

5.3.3 Franchisee will prepare and furnish to Franchisor a list of all general and limited partners in Franchisee, and Franchisee shall furnish to Franchisor an updated list from time to time to reflect any changes thereto.

5.4 Franchisee must use a real estate broker that Franchisor designates or otherwise approves to assist Franchisee to negotiate a lease or purchase of the premises for your Restaurant. Franchisee (or if Franchisee is a corporation, limited liability company or Partnership, its Owner(s) accepted by Franchisor in writing) will be responsible for financing the entire cost of constructing, equipping, supplying and operating the Restaurant (the "**Required Funds**"). Franchisee acknowledges and agrees that at all times during the term of this Agreement twenty-five percent (25%) of the Required Funds will consist of Equity from Franchisee or its Owner(s) and will not be borrowed from, or financed by, any third party. Franchisor reserves the right to waive this requirement for Franchisees with more than one Restaurant.

5.5 Subject to Force Majeure, within 180 days after the date hereof, Franchisee will, at its sole expense, construct or remodel, furnish, and equip the Restaurant, utilizing the construction

company, architect, kitchen designer, interior designer, and signage company designated by Franchisor and all in accordance with Franchisor's current requirements and specifications as provided in this Agreement and as otherwise specified by Franchisor in writing, and, subject to Franchisor's prior written approval, commence operation of the Restaurant. The time periods for the commencement and completion of construction as referred to in this Section are of the essence in this Agreement. If Franchisee fails to perform its obligations contained in this Section, Franchisor may deem the Franchisee's failure to so perform its obligations as aforesaid to constitute a material breach of this Agreement.

5.6 Franchisee will, at its sole expense, employ the construction company, architect, kitchen designer, interior designer and signage company designated by Franchisor as may be necessary to complete, adapt, or modify the sample plans and specifications for the Restaurant. Upon Franchisee's written request, and subject to Franchisor's approval in its sole discretion, (a) Franchisor may allow Franchisee to engage an architect selected by Franchisee, in which case Franchisee must reimburse Franchisor, on demand, for all costs and expenses incurred by Franchisor to review and have an architect acceptable to Franchisor review the designs and plans of Franchisee's selected architect, which reimbursement shall not exceed \$2,500, and (b) Franchisor may allow Franchisee to engage a contractor selected by Franchisee. In the case of either (a) or (b), Franchisee shall provide Franchisor with such information as Franchisor may require to evaluate such proposed architect or contractor, and which may include without limitation, evidence of satisfactory prior restaurant construction/design experience, references, adequate financial resources and stability and evidence of insurance. Franchisee will submit to Franchisor a complete set of final plans and specifications before commencing construction of the Restaurant. Franchisor will promptly review such plans and specifications. Franchisee will not commence construction of the Restaurant until Franchisor accepts in writing the final plans and specifications to be used in constructing the Restaurant. Franchisor will consult with Franchisee on the design, construction, and equipping of the Restaurant, but it will be and remain the sole responsibility of Franchisee to diligently construct, equip, and otherwise ready and open the Restaurant. Franchisee must obtain Franchisor's written acceptance of any and all changes in Restaurant plans before construction of the Restaurant or the implementation of such changes. Franchisor shall have access to the Restaurant site while work is in progress and may require such reasonable alterations or modification of the construction of the Restaurant as it deems necessary to comply with accepted plans and specifications. In the event the Restaurant is, at any time, to be altered or remodeled, or additional decorations, fixtures, furniture, signs, or equipment are to be installed or substituted, all such work will be subject to the prior written approval of Franchisor and shall only be performed by contractors and architects, kitchen designers, interior designers and signage companies designated by Franchisor, and, when completed, will conform to plans and specifications accepted by Franchisor.

5.7 Although it is not obligated to do so, Franchisor may inspect such work at any time to determine whether the work is being done in accordance with the plans and specifications previously approved by Franchisor. No Franchisor review, approval, consultation, designation or inspection provided pursuant to this **Section 5.7** will constitute or be deemed to constitute a warranty, guarantee, or assurance by Franchisor. Without limiting the generality of the foregoing, Franchisor's acceptance of Franchisee's plans and specifications for the Accepted Location, Franchisor's guidance with the development of the Accepted Location, and Franchisor's authorization to open the Restaurant are to assure that Franchisee complies with Franchisor's standards and specifications, and shall not be construed as any express or implied representation or warranty that the Accepted Location complies with any Applicable Laws, codes or regulations or that the construction is sound or free from defects.

Franchisor's criteria for acceptance or rejection do not encompass technical, architectural or engineering considerations. Franchisor will have no liability with respect to construction of the Accepted Location, nor shall Franchisor be responsible in any way for delays or losses occurring during the design, construction or other preparation of the Restaurant, whether caused by the condition of the Accepted Location, the design, engineering, construction, equipping, decorating, or stocking of the Restaurant, or any other reason. Franchisee expressly acknowledges and agrees that Franchisor does not, directly or indirectly, warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvements of the Restaurant will guaranty Franchisee's success.

5.8 Franchisor shall provide the following training to Franchisee:

5.8.1 Before the opening of the Restaurant, the person designated by Franchisee and accepted by Franchisor as Manager of the Restaurant (which may be Franchisee, if Franchisee is an individual), and 4 additional persons designated by Franchisee as assistant managers or shift leaders of the Restaurant will attend and complete, to Franchisor's satisfaction, the initial training program offered by Franchisor at Franchisor's certified training center. In total, 5 managers must attend and successfully complete the initial training program to become certified managers in order for Franchisee to be approved for store openings. Additionally, one or more Owners of Franchisee acceptable to Franchisor will attend and complete, to Franchisor's satisfaction, the executive training program offered by Franchisor at Franchisor's certified training center. Franchisor will provide instructors and the majority of the training materials for the training programs; and Franchisee or its employees will be responsible for any and all other expenses incurred by them in connection with any training programs, including, the costs of transportation, lodging, meals, and any wages. Franchisee must procure, before the commencement of the initial training program offered by Franchisor, statutory worker's compensation insurance covering all participants in the training program.

5.8.2 At Franchisor's option, any persons subsequently employed by Franchisee in the positions of Operating Partner, Manager and/or assistant manager will also attend Franchisor's initial training program, and Franchisee will reimburse Franchisor for its costs of such training up to a maximum of \$1,500 per week for each individual.

5.8.3 At Franchisor's option, Franchisee, the Operating Partner and/or Franchisee's Manager will attend Franchisor's quarterly training and status meetings, and the Operating Partner, Franchisee's Manager, assistant managers, and other employees will attend such additional training programs and seminars as Franchisor may require from time to time. For all such programs and seminars, Franchisor will provide instructors and training material, and Franchisee or its employees will be responsible for any and all other expenses incurred by them in connection with such programs and seminars, including, without limitation, the costs of transportation, lodging, meals, and any wages.

5.9 Franchisee shall notify Franchisor, at least 60 days in advance, of the projected date by which all construction or remodeling shall be completed in accordance with Franchisor's specifications and all final health, fire, occupancy and other permits required for the occupancy and operation of the Restaurant shall have been obtained and Franchisee shall have fully prepared the Restaurant for pre-opening training in accordance with Franchisor's policies and specifications. Franchisor will then contact Franchisee to establish a scheduled opening date (the "**Scheduled Opening Date**"), which shall be subject to Franchisor's scheduling needs and availability of personnel, and which will be set at least 30 days in advance (unless otherwise mutually agreed).

5.9.1 During the period between 60 and 30 days preceding the Scheduled Opening Date, Franchisee shall prepare and submit a proposed store opening and staffing plan in the form and manner required in the Manuals (“**Opening Plan**”), and shall complete by not later than 30 days prior to the Scheduled Opening Date such final modifications to such plan as Franchisor may require after consultation with Franchisee. Not later than 15 days prior to the Scheduled Opening Date, Franchisee shall have hired and payroll shall have commenced for the Operating Partner, Manager and all assistant managers and shift leaders of the Restaurant as contemplated by the final Opening Plan.

5.9.2 Following establishment of, and at least 7 days prior to, the Scheduled Opening Date, the Operating Partner, Manager and assistant managers or shift leaders of the Restaurant shall attend and complete, to Franchisor’s satisfaction, the training of hourly employees of the Restaurant pursuant to Franchisor’s pre-opening training program. Except as described below, Franchisor will provide, as Franchisor deems advisable, pre-opening supervision and assistance as described in **Section 3.2**, at no charge to Franchisee.

5.9.3 If, following establishment of the Scheduled Opening Date, the Scheduled Opening Date must be changed, for any reason, Franchisee shall promptly notify Franchisor of said change, and Franchisee shall reimburse Franchisor for all of its additional travel expenses and wages resulting from changing the travel arrangements of Franchisor’s representatives scheduled to provide training to Franchisee, the estimated amount of which shall be payable in advance, before Franchisor’s representatives travel to Franchisee’s Accepted Location and before the Restaurant opens to the public. Franchisee or its employees will be responsible for any and all other expenses incurred by them in connection with the training program, including, without limitation, the costs of meals and any wages.

5.9.4 Franchisor or its representative, will provide such pre-opening and post-opening supervision and assistance to Franchisee, as Franchisor deems advisable based on Franchisee’s Opening Plan, subject (as to timing) to scheduling needs and availability of personnel. If this is the first Restaurant opened by Franchisee (or any of its Affiliates), Franchisor shall bear up to \$20,000 of the direct and indirect wages and other labor costs and expenses of its personnel who provide such training and other pre-opening and post-opening supervision and assistance, and Franchisee shall reimburse Franchisor, within 21 days of demand, the amount of all said wages, labor costs and expenses in excess of \$20,000. If this is the second or subsequent Restaurant opened by Franchisee (or by any of its Affiliates), Franchisee shall be responsible for and shall bear all direct and indirect wages and other labor costs and expenses of Franchisor’s personnel who provide such training or other pre-opening and post-opening supervision and assistance, and Franchisee shall reimburse Franchisor within 10 days of demand, or at Franchisor’s option advance, the entire amount all said wages, labor costs and expenses (as estimated by Franchisor in the case of an advance). Whether this is the first or any subsequent Restaurant opened by Franchisee, Franchisee shall reimburse, or advance, at Franchisor’s option, all reasonable travel expenses, including airfare, hotel and Franchisor’s then current per diem charge, of its personnel.

5.10 Franchisee will use the Restaurant premises solely for the operation of the business franchised hereunder; will keep the business open and in normal operation for such hours and days as Franchisor may from time to time specify in the Manual or as Franchisor may otherwise approve in writing; and will 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. Franchisee will not knowingly permit the Restaurant to be filmed or used in any visual media (including movies and other

product placement arrangements) without Franchisor's prior written consent. Franchisee will not provide catering or other services outside of the Restaurant without the prior written consent of the Franchisor. Franchisee will install an in store music system on the Restaurant premises, but will not install or allow to be installed on the Restaurant premises any other vending, ATM or amusement machines, except as otherwise approved in writing by Franchisor. Franchisee shall operate each in store music system located at the Restaurant premises without charge to Franchisee's customers and otherwise in accordance with the Manual.

5.11 Franchisee shall, at all times, maintain a competent, conscientious, trained staff, as required by Franchisor in the Manual or otherwise in writing. Franchisee will take such steps as are necessary to ensure that all employees of the Restaurant keep a neat and clean personal appearance, preserve good customer relations, and comply with such dress codes as Franchisor may prescribe. Franchisee acknowledges and agrees that Franchisee will be solely responsible for all employment decisions and functions, including, without limitation, those related to hiring, firing, establishing wage and hour requirements, disciplining, supervising, and record keeping.

5.12 Franchisee, or a person designated by Franchisee (and accepted by Franchisor) before the opening of the Restaurant and approved of in writing by Franchisor, will assume responsibility for the day-to-day management and operation of the Restaurant, oversight of the preparation of food products, and supervision of personnel and accounting (the "**Manager**"). Also, Franchisee will designate 1 assistant manager and 3 shift leaders. The Manager must spend at least 40 hours per week overseeing the operation of the Restaurant; but that at all times during open and operating hours of the Restaurant, either Franchisee (or, in the case where Franchisee is an Entity, an Owner thereof accepted by Franchisor), the Manager, assistant manager, or shift leader will be physically present at and actively supervising the operation of the Restaurant. Franchisee may replace the Manager or any assistant manager at any time provided that Franchisee immediately notifies Franchisor of any such changes. Franchisor may require any new Manager or assistant manager to complete Franchisor's initial training program as described in **Section 5.8**.

5.13 Franchisee will meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. Franchisee will furnish to Franchisor, within 5 days after receipt thereof, a copy of any violation, citation, notice or correspondence which relates in any way to local health or safety standards in the operation of the Restaurant. Franchisee will take all reasonable steps necessary or desirable to cure and/or avoid any health or safety standards violation, including, without limitation, causing a re-inspection of the Restaurant by health officials for the purpose of obtaining a higher health rating.

5.14 Franchisee will 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. Without limiting the foregoing, Franchisee agrees:

5.14.1 Franchisee shall purchase and install and use in and about the Restaurant such items and only such items of equipment (including, but not limited to, food and beverage preparation equipment, fixtures, furnishings, interior and exterior signage, air and exhaust handling equipment, order taking system, Information Systems (defined below)) and other personal property as are designated by Franchisor from time to time in writing, or which otherwise have been approved by Franchisor in writing, and which strictly conform to the appearance, standards and specifications of Franchisor and the System as established from time to time.

5.14.2 To maintain in sufficient supply (as Franchisor may prescribe in the Manual or otherwise in writing), and to use at all times, only such fixtures, furnishings, equipment, signage, menu items, ingredients, products, materials, supplies, and paper goods 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.

5.14.3 To sell or offer for sale only such menu items and sizes, products, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of menu items, 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 menu items, products, or services which Franchisor may, in its discretion, disapprove in writing at any time.

5.14.4 To use, in the preparation of food products, only such seasonings and ingredients as prescribed by Franchisor. Franchisee acknowledges that the seasonings and ingredients used in the preparation of food products are unique and their formulae and manufacturing processes constitute trade secrets essential to the success of the System. Franchisee will purchase the seasonings and ingredients exclusively from Franchisor or its Affiliates or from supplier(s) designated by Franchisor from time to time.

5.14.5 To use and display only the standard format menu provided by Franchisor, as the same may be revised by Franchisor from time-to-time. Any changes in the menu format must be approved in writing by Franchisor before use. Franchisee will have sole discretion as to the prices to be charged to customers.

5.14.6 To permit Franchisor or its agents, at any reasonable time, to remove from the Restaurant premises, or sample on-premises, food or non-food items without payment therefor, in amounts reasonably necessary for inspection or testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not been approved by Franchisor (or, with respect to the seasonings and ingredients, designated by Franchisor) or if the sample fails to conform to Franchisor's specifications.

5.14.7 To purchase and/or install, at Franchisee's expense, all fixtures, furnishings, equipment, and signage as Franchisor may direct from time to time in the Manual or otherwise in writing, including specified flat screen television monitors, an in store music system, a related sound system and sound recordings designated by Franchisor; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, signage, or other items not previously approved as meeting Franchisor's standards and specifications.

5.14.8 To purchase and display at the Restaurant certain photographs and decor items designated by Franchisor, and no others.

5.14.9 To refrain from selling, or offering for sale, any alcoholic beverages without the prior written approval of Franchisor, which approval may be conditioned upon such requirements as Franchisor deems necessary for the protection of the Proprietary Marks and the System, including,

without limitation, the requirement that Franchisee complies with all laws and regulations applicable to the sale of alcoholic beverages.

5.14.10 To refrain from selling, or offering for sale, any merchandise without first obtaining the prior written approval of Franchisor. Franchisee will purchase and offer for sale such merchandise as Franchisor designates from suppliers designated by Franchisor.

5.14.11 To obtain and install, and upgrade, enhance and/or replace from time to time, equipment, software and hardware, including digital still and video cameras, as Franchisor may specify to enable Franchisee to send and receive, and Franchisor to access, e-mail and digital photos and streaming video or other multimedia signals and information to and from the Restaurant and premises, and, to transmit digital photos, video and audio signals of the Restaurant and premises to, and in the form and manner prescribed by, Franchisor.

5.15 Franchisee will purchase all fixtures, furnishings, Information Systems, equipment, signage, ingredients (other than seasonings or ingredients which will be purchased pursuant to **Section 5.14.4**), products, materials (including promotional materials), supplies, and paper goods solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter been disapproved. Franchisor reserves the right, at its option, to inspect from time to time the facilities and products of any approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria.

5.16 Franchisor and/or its Affiliates may derive revenue and profit based on Franchisee's purchases and leases, including from charging Franchisee for products and services that Franchisor or its Affiliates provide to Franchisee. Franchisor and/or its Affiliates may derive revenue and other material consideration, from promotional allowances, volume discounts and other payments by suppliers that Franchisor designates, approves or recommends for some or all of Franchisor's franchises. Franchisor and its Affiliates may collect or receive rebates, allowances, credits or other consideration in the form of cash or services or otherwise from suppliers based on purchases or sales by Franchisee. Franchisor and its Affiliates may retain for itself or themselves, or use as it or they deem appropriate, any or all such cash or non-cash rebates, allowances, credits or other consideration.

5.17 Franchisee will maintain the Restaurant in the highest degree of sanitation, repair, and condition as Franchisor may require, and in connection therewith will 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 repairs to or repainting or replacement of obsolete signs, furnishings, equipment, Information Systems, and decor as Franchisor may reasonably direct.

5.18 At Franchisor's request, which will not be more often than once every 5 years, Franchisee will refurbish the Restaurant at its expense to conform to the building design, trade dress, color schemes, signage and presentation of trademarks and service marks consistent with the image then in effect for new restaurants under the System, including, without limitation, such structural changes, remodeling, redecoration, and such modifications to existing improvements as may be necessary.

5.19 Franchisee will grant Franchisor and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections; will cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, will take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection, including, without limitation, immediately desisting from the further use of any equipment, advertising materials, products, ingredients, supplies, or other items that do not conform to Franchisor's then-current specifications, standards, or requirements. The parties agree and acknowledge that Franchisor's damages for Franchisee's violation of certain provisions of this Section are difficult to assess. Therefore, if Franchisee utilizes an ingredient or sells or offers to sell any item, product or service that has not been approved by Franchisor, or if Franchisee purchases or otherwise acquires any item from a supplier that has not been approved by Franchisor, Franchisor may require Franchisee to pay \$500 per day. Franchisor's right to require Franchisee to make this payment is in addition to, and not in limitation of, any and all of Franchisor's other rights and remedies.

5.20 Franchisor may establish and impose fines for violating Franchisee's duties under this Agreement or the Manuals. The fact that fines may be imposed will neither be construed as a waiver of Franchisor's right to require strict compliance with this Agreement and the Manuals, nor as liquidated damages. Franchisor may require you to pay such fines upon demand or may utilize EFT to collect such fines.

5.21 If Franchisee, individually or together with its Affiliates, at any time operates Multiple Restaurants, then at all times thereafter, Franchisee shall employ and retain an individual (the "**Operating Partner**"), accepted by Franchisor (and subject to subsequent rejection by Franchisor) who shall be vested with the authority and responsibility for supervising the overall operations of such Multiple Restaurants; if Franchisee (or its Affiliates) operate Multiple Restaurants some of which are geographically remote from one another, Franchisor reserves the right to require Franchisee to appoint a separate Operating Partner for each such geographic area). The Operating Partner (and each of them if more than one) shall, during the entire period that he or she serves as such, meet the following qualifications: (a) devote full time and best efforts solely to operation of the Multiple Restaurants and to no other business activities; (b) meet Franchisor's educational, experience, financial and such other reasonable criteria for such individual, as set forth in the Manual or otherwise in writing by Franchisor, including satisfactory completion of Franchisor's initial training program; (c) be an individual acceptable to Franchisor, (d) at Franchisor's request, at all times following such request, own such percentage of the Equity and voting rights in Franchisee (and such of its Affiliates as own Restaurants over which the Operating Partner has supervisory responsibilities) as may be required by Franchisor (not to exceed 25% of the issued and outstanding Equity and voting rights of Franchisee, and/or the applicable Affiliate); and (e) reside in the same geographical area as the Multiple Restaurants as to which the Operating Partner has supervisory responsibilities. The Operating Partner shall be responsible for all actions necessary to ensure that each of the Multiple Restaurants are operated in compliance with this Agreement, all applicable franchise agreements and the Manuals. If, during the Term, the Operating Partner is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section (including Franchisor's subsequent rejection of such person), Franchisee shall promptly notify Franchisor and designate a replacement as soon as practicable, but not more than 30 days after the Operating Partner ceases to serve, such replacement being subject to Franchisor's acceptance. Franchisor's acceptance of the Operating Partner or any Manager, shall not constitute Franchisor's endorsement of such individual or a guarantee by Franchisor that such individual will perform adequately for Franchisee, nor shall Franchisor be

estopped from subsequently rejecting or otherwise challenging such person's qualifications or performance.

5.22 Franchisee hereby grants Franchisor and its agents the right to enter the Restaurant premises at any time upon reasonable prior notice for the purpose of photographing the interior and/or exterior of the Restaurant for promotional purposes, and shall cooperate with Franchisor's representatives for such purposes and in obtaining photo releases from employees and other individuals, if required. Photographs of the interior or exterior of the Restaurant may be included in any promotional materials developed or distributed by Franchisor without remuneration to or prior consent by Franchisee.

6. PROPRIETARY MARKS

6.1 With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

6.1.1 Franchisee will use only the Proprietary Marks designated by Franchisor, and will use them only in the manner authorized under this Agreement and permitted by Franchisor.

6.1.2 Franchisee will use the Proprietary Marks only for the operation of the Restaurant and only at the Accepted Location or in advertising for the business conducted at or from the Accepted Location. Unless otherwise authorized or required by Franchisor, Franchisee will not use the Proprietary Marks in connection with the operation of an Internet website or in connection with any advertising on an Internet website.

6.1.3 Unless otherwise authorized or required by Franchisor, Franchisee will operate and advertise the Restaurant only under the name "HURRICANE," without prefix or suffix, and will require all advertising and promotional materials, signs, decorations, paper goods (including disposable food containers and napkins), and other items which may be designated by Franchisor to bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

6.1.4 During the term of this Agreement and any renewal hereof, Franchisee will identify itself as the franchisee of the Restaurant in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, business cards, stationery, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises of the Restaurant as Franchisor may designate in writing.

6.1.5 Franchisee will not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor.

6.1.6 Franchisee will not use the Proprietary Marks as part of an Internet domain name (or URL), e-mail address, or as part of Franchisee's corporate or other legal name.

6.1.7 Franchisee will execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

6.1.8 Franchisee will promptly notify Franchisor of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Property Marks, or any challenge to the ownership by Hurricane of, or Franchisor's right to use and to license others to use, or Franchisee's

right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor and/or Hurricane have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor (or Hurricane) has the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor will 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, will 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, will be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee will 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.

6.2 Franchisee expressly understands and acknowledges that:

6.2.1 Hurricane is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.

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

6.2.3 Franchisee will not directly or indirectly contest the validity of or Hurricane's ownership of the Proprietary Marks.

6.2.4 Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

6.2.5 Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System will inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

6.3 From time to time, in the Manual or in directives or bulletins supplemental thereto, Franchisor may add to, delete or modify any or all of the Proprietary Marks. Franchisee shall, at its cost and expense, use, or cease using, as may be applicable, the Proprietary Marks, including, any such modified or additional trade names, trademarks, service marks, logotypes and commercial symbols, in strict accordance with the procedures, policies, rules and regulations contained in the Manual or in written directives issued by Franchisor to Franchisee, as though they were specifically set forth in this Agreement. Except as Franchisor may otherwise direct, Franchisee shall implement any such change within 60 days after notice thereof by Franchisor, at Franchisee's expense.

7. CONFIDENTIAL OPERATIONS MANUAL

7.1 Franchisee shall participate in the System and operate the Restaurant at the Location in strict compliance with the standard procedures, policies, rules and regulations established by

Franchisor and incorporated in Franchisor's Manual. Franchisee acknowledges having received one copy of the Manual, on loan, from Franchisor for the Term.

7.2 The subject matter of the Manual may include, matters such as: forms, information relating to product and menu specifications, purchase orders, general operations, labor management, Net Sales reports, training and accounting; sanitation; design specifications and uniforms; display of signs and notices; authorized and required equipment and fixtures, including specifications therefor; Proprietary Mark usage; insurance requirements; lease requirements; ownership requirements, décor; standards for management and personnel, hours of operation; online and local advertising formats; standards of maintenance and appearance of the Restaurant; procedures upon the occurrence of a Crisis Management Event; and required posting of notices to customers as to how to contact the Franchisor to submit complaints; and such other matters and policies as Franchisor may reasonably elect to include which relate to the System or the franchise relationship under the System. In the event of the occurrence of a Crisis Management Event, Franchisor may also establish emergency procedures pursuant to which Franchisor may require Franchisee to, among other things, temporarily close the Restaurant to the public, in which event Franchisor shall not be liable to Franchisee for any losses or costs, including consequential damages or loss profits occasioned thereby. In the event of any dispute as to the contents of the Manual, the terms and contents of the master copy maintained by Franchisor shall be controlling.

7.3 The Manuals and all amendments to the Manuals (and copies thereof) are copyrighted and remain Franchisor's sole property. Franchisee will at all times keep the Manual in a secure place on the Restaurant premises. Franchisee will at all times treat the Manual and the information contained therein as confidential, and will use all reasonable efforts to maintain such information as secret and confidential. Franchisee will not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.4 Franchisor shall have the right to modify the Manual at any time and from time to time; *provided*, that no such modification shall alter Franchisee's fundamental status and rights under this Agreement. Modifications to the Manual shall become effective upon delivery of written notice thereof to Franchisee unless a longer period is specified in such written notice and Franchisee shall comply with each modification as provided in the Manual. The Manual, as modified from time to time, shall be an integral part of this Agreement and reference made in this Agreement, or in any amendments, exhibits or schedules hereto, to the Manuals shall be deemed to mean the Manual kept current by amendments from time to time.

7.5 In lieu of, or in addition to, loaning a paper copy of the Manual to Franchisee, Franchisor may make the Manual available to Franchisee in electronic form, by means of the internet, electronic file or program or otherwise.

8. CONFIDENTIAL INFORMATION

8.1 Franchisee will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, or know-how 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 will divulge such confidential information only to such of its employees as

must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential will be deemed confidential for purposes of this Agreement.

8.2 Franchisee will require the Operating Partner, Manager, assistant managers, and any personnel having access to any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Restaurant. Such covenants will be in a form designated by Franchisor and will include, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

9. INFORMATION SYSTEMS, ACCOUNTING AND RECORDS

9.1 Franchisee will record all sales and other information Franchisor requires Franchisee to maintain on the designated aspects of the Information Systems as designated by Franchisor for use in the Restaurant, and on any forms and equipment as prescribed by Franchisor in the Manual or otherwise in writing. Franchisee may, at its own risk and option, obtain software programs that, from time to time, Franchisor designates as optional. Franchisee must enter into a maintenance and/or support agreement with Franchisor, an Affiliate of Franchisor, and/or one or more suppliers approved by Franchisor for the provision of maintaining and supporting the Information System or parts thereof. Franchisor or its Affiliate may charge you a fee it or its Affiliate provides Franchisee with maintenance and/or support services. Presently, Franchisee must enter into the then-current Brand Technology System Support Services Agreement (or replacement thereof) (the “**Support Agreement**”) with the Franchisor or its Affiliate pursuant to which Franchisee will be provided certain help-desk support services. Franchisee must timely perform all of its obligations under the Support Agreement. If Franchisor shall designate certain computer software or hardware which is owned or licensed by Franchisor or its Affiliates (“**Proprietary Systems**”), Franchisee shall at Franchisor’s request license or sublicense such hardware or software from Franchisor or its designee and enter into a (sub)license agreement on Franchisor’s or such designee’s then-current form. From time to time, Franchisee shall purchase any upgrades, enhancements or replacements to the Proprietary Systems. Franchisor and its Affiliates may charge Franchisee up-front and reasonable ongoing fees for any Proprietary Systems that Franchisor or its Affiliates license to Franchisee. Franchisor or its Affiliate or designee may provide to Franchisee, for a fee, such support services relating to the Proprietary Systems as Franchisor deems advisable.

9.2 Franchisor will have the right to access, the information entered by Franchisee in the Information Systems relating to the operations of the Restaurant. Franchisee agrees and acknowledges that Franchisor may from time to time specify additional or replacement Information Systems. Franchisee must purchase upgrades and updates to the software and hardware components of the system as Franchisor may deem necessary from time to time. Franchisee shall accept MasterCard, Visa and American Express as well as such other credit and debit cards and other non-cash systems, Fatburger loyalty cards and gift cards as Franchisor may specify, and shall obtain, replace and modify such equipment as required to implement the same, all in accordance with the policies and procedures Franchisor may establish and modify from time to time. Franchisee shall adhere to all PCI (Payment Card Industry), CISP (Cardholder Information Security Program) and SDP (Site Data Protection) compliance specifications, as amended, and similar standards and specifications.

9.3 Franchisee's Information Systems shall be electronically linked to Franchisor or its designee, and Franchisee shall allow Franchisor and/or its designee, to poll such system on a daily or other basis at such times and in such manner as established by the Franchisor or its designee, with or without notice, and to retrieve such transaction information including sales, sales mix, food usage, paper usage, inventory, labor hours, labor rates, labor distribution, cost information, and other operations data as Franchisor and/or its designee deems appropriate.

9.4 Franchisee will maintain during the term of this Agreement, and will preserve for at least 5 years from the dates of their preparation, full, complete, and accurate books, records, and accounts, including cash register or point-of-sales tapes, in accordance with generally accepted accounting principles and based on period accounting or any other form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

9.5 Franchisee will submit to Franchisor no later than 10:00 a.m. PST each Monday during the term of this Agreement after the opening of the Restaurant, Net Sales information for the seven day period ending on and including the immediately preceding Sunday, in the form prescribed by Franchisor, and such other data or information as Franchisor may require.

9.6 Franchisee will submit to Franchisor, no later than 30 days following the end of each calendar month, "compilation" financial statements including a statement of profit and loss. Franchisee will also submit to Franchisor within 30 days following the end of each semi-annual (which will mean 6 months) calendar period, or in the case of a corporation or partnership, within 30 days following the end of each semi-annual fiscal period, "review" financial statements including a balance sheet and a statement of profit and loss for each such semi-annual period, prepared by Franchisee's certified public accountant.

9.7 Franchisee will also submit to Franchisor, for review or auditing, Franchisee's tax returns (including, without limitation, both income and sales tax returns) pertaining to the Restaurant and such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

9.8 Franchisor or its designated agents will have the right at all reasonable times to examine and copy, at Franchisor's expense, the books and records of the Restaurant. Franchisor will also have the right, at any time, to have an independent audit made of the books of the Restaurant. If an inspection should reveal that any payments have been understated in any report to Franchisor during the current year or during the preceding 5 calendar years, then Franchisee will immediately pay to Franchisor upon demand the amount understated in such reports, in addition to interest on such amount from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by Applicable Law, whichever is less, calculated on a daily basis, and a late charge of \$25 per week for each week during which such payment was not received by Franchisor. If an inspection discloses an understatement in any payment of two percent (2%) or more, Franchisee will, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs). The foregoing remedies will be in addition to any other remedies Franchisor may have.

9.9 Franchisee acknowledges and agrees that Franchisor may include financial performance information concerning Franchisee's Restaurant in its franchise disclosure document (including providing prospective franchisees with such backup documentation as may be required by Applicable Law), in related media claims, to existing franchisees, and as otherwise required or permitted by Applicable Law.

10. ADVERTISING

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

10.1 Local Advertising

10.1.1 Franchisee will expend an amount equal to two percent (2%) of its Net Sales on local advertising and promotion of the Restaurant during each of the following periods: January 1 through June 30, and July 1 through December 31 of each year during the Term. Not later than 30 days after the end of each period, Franchisee will furnish to Franchisor a marketing report for the immediately preceding concluded period in form and substance specified by Franchisor, including evidence to verify such expenditure during such period. The local store marketing report template can be found on the Marketing Extranet along with deadline requirements. Incomplete reports will not be accepted.

10.1.2 Franchisee will obtain a listing in the telephone and online directories serving the location of the Restaurant. The expenditure by Franchisee in obtaining such listing will qualify for purposes of **Section 10.1.1**.

10.1.3 Franchisee will obtain and maintain at appropriate locations on the Restaurant premises an adequate supply of Marketing Materials and special promotion materials of the kinds and sizes specified by Franchisor in the Manual, Franchise Marketing Resource Guide and New Store Opening Guide, Marketing Extranet, or otherwise in writing. Unapproved marketing materials and advertising communication that is submitted with local store marketing reports will not receive credit.

10.1.4 All advertising and promotion by Franchisee in any manner or medium will be conducted in a dignified manner and will conform to such standards and requirements as are specified by Franchisor. Franchisee will submit to Franchisor (through the mail, return receipt requested), for its prior approval at least 2 weeks before its intended use (except with respect to prices to be charged), samples of all advertising and promotional plans and materials that Franchisee desires to use and which have not been prepared or previously approved by Franchisor, including, without limitation, business cards, stationery, T-shirts, buttons, caps, watches, and similar items. If written disapproval thereof is not received by Franchisee from Franchisor within 2 weeks after the date of receipt by Franchisor of such samples or materials, Franchisor will be deemed to have given the required approval, subject to Franchisor's subsequent disapproval of said advertising materials. Franchisor may require, at its option, that Franchisee purchase certain advertising and promotional merchandise from suppliers who have been approved by Franchisor and who have entered into Franchisor's standard license agreement which shall provide, among other things, for the payment of royalties to Franchisor. Franchisee may not, without Franchisor's express prior written consent, distribute, display, market or promote, at the Restaurant or in connection with any advertising, promotion or

marketing of the Restaurant, any third party's goods or services, including any unauthorized co-promotions (e.g., drop boxes promoting fitness clubs).

10.2 National Advertising

Franchisee will make a weekly contribution to a fund for national/regional advertising of the System (the "**Fund**") in an amount equal to 2% of total net sales. Franchisor reserves the right in its absolute discretion to increase said dollar amount and percentage rate at any time throughout the term of this agreement to four percent (4%), respectively. Franchisor reserves the right, in its sole discretion, to authorize some but not all franchisees, which may or may not include Franchisee, to withhold all or a portion of its or their required contribution to the Fund, as Franchisor may determine in its sole discretion. Upon receipt of Franchisor's prior written approval, which Franchisor may subsequently modify or withdraw at any time upon 30 days written notice, Franchisee may withhold from its Fund contribution a dollar amount or percentage specified by Franchisor, in its sole discretion, provided that Franchisee must spend the dollar amount or percentage withheld on local advertising in accordance in Section 10.1.4. Such local advertising may, at Franchisor's option, be in lieu of or in addition to the local advertising required pursuant to Section 10.1.1. If Franchisor subsequently withdraws its approval of such withholding program, at the end of the 30 day notice period, Franchisee must immediately cease withholding any amounts from the Fund and must remit the full 2% of weekly Net Sales to the Fund. The Fund will be maintained and administered by Franchisor or its designee, as follows:

10.2.1 Franchisor or its designee will direct all marketing programs with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof, including on a national, regional or local basis, as Franchisor may determine in its sole discretion. Franchisee and Franchisor agree and acknowledge that the Fund is intended to increase the general public recognition, acceptance, the use of the Proprietary Marks for the System, and for other purposes permitted hereunder. Franchisor or its designee undertake no obligation in administering the Fund to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution or to insure that any particular Franchisee benefits directly or pro rata from expenditures by the Fund.

10.2.2 Franchisor will, for each of its company-owned Hurricane restaurants, if any, make contributions to the Fund on the same basis as assessments required of comparable franchisees within the System.

10.2.3 The Fund, all contributions thereto, and any earnings thereon will be used exclusively to reimburse Franchisor for advances relating to, and/or to meet any and all future costs of maintaining, administering, directing, and preparing advertising and/or promotional activities (including, among other things, the cost of preparing and conducting television, radio, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; sponsorship of athletic and other events and activities; soliciting franchisee sales; use of advertising agencies to assist therein; and promotional brochures and other marketing materials for restaurants operated under the System). Without limiting the foregoing, Franchisor may, at its option, use up to 15% of the contributions to the Fund for soliciting franchise sales.

10.2.4 Franchisee will contribute to the Fund by separate check (or EFT payment) made payable to the Fund, or in the manners provided in **Section 4.6**. All sums paid by Franchisee to the Fund will be maintained in an account separate from the other monies of Franchisor and will not be used to defray any of Franchisor's expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees and the System. The Fund and its earnings will not otherwise inure to the benefit of Franchisor. Franchisor or its designee will maintain separate bookkeeping accounts for the Fund, and will provide Franchisee, at its request, with an accounting of receipts and disbursements of the Fund.

10.2.5 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 and earnings are received. However, (a) if less than the total of all contributions to the Fund are expended during any year, such excess may be accumulated for use during subsequent years, in which case 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; and (b) Franchisor may spend in any year an amount greater than the aggregate contributions to the Fund in that year and may cause the Fund to borrow funds to cover deficits, and if Franchisor (or an Affiliate) advances money to the Fund, it will be entitled to be reimbursed for such advances plus interest.

10.2.6 Although the Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate the Fund. The Fund will not be terminated, however, until all monies in the Fund have been expended for advertising and/or promotional purposes, applied to reimburse Franchisor for funds otherwise advanced by Franchisor for advertising activities, or returned to contributors on the basis of their respective contributions.

10.3 **Internet**

10.3.1 Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Proprietary Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's express prior written consent, and then only in such manner and in accordance with such procedures, policies, standards and specifications as Franchisor may establish from time to time.

10.3.2 Franchisor has established one or more Internet web sites. Franchisor shall have discretion over the design, content and functionality of such web sites. Franchisor may, from time to time, include one or more interior pages that identifies restaurants operated under the Proprietary Marks, including the Restaurant, by among other things, geographic region, address, telephone number(s), and menu items. Franchisor may permit Franchisee to customize or post certain information to the an interior page, subject to Franchisee's execution of Franchisor's then-current participation agreement, as in effect from time to time, and Franchisee's compliance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Franchisor may disable or terminate such website(s) without Franchisor having any liability to Franchisee.

10.3.3 Franchisee acknowledges and agrees that Franchisor (or its Affiliate) is the owner of, and will retain all right, title and interest in and to (i) the domain names “hurricaneafc.com,” “HURRICANEAMT.COM,” “hurricanebtw.biz,” “hurricanebtw.co,” “hurricanebtw.com,” “hurricanebtw.info,” “hurricanebtw.net,” “HURRICANEDOCKSIDEGRILL.COM,” “HURRICANEFTP.COM,” “HURRICANEGRILLNWINGS.COM,” “HURRICANEGRILLWINGS.COM,” “hurricaneonlineordering.com,” “hurricanesportsgrill.com,” “HURRICANEWINGS.COM,” “ilovehurricanegrill.com,” “LIVEWITHFLAVOR.COM,” “THEHURRICANEGRILLANDWINGS.COM,” and “THEHURRICANEGRILLANDWINGS.NET” (iii) means all computer programs and computer code (*e.g.*, HTML, XML DHTML, Java) used for or on the Franchisor’s web site(s), excluding any software owned by third parties; (iv) all text, images, sounds, files, video, designs, animations, layout, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through Franchisor’s web site(s); and (v) all intellectual property rights in or to any of the foregoing. Franchisor’s web-site(s) may include one or more interior pages that identifies restaurants operated under the Proprietary Marks, including the Restaurant developed and operated hereunder, by among other things, geographic region, address, telephone number(s), and menu items. Such web-site(s) may also include one or more interior pages dedicated to the sale of franchises by Franchisor and/or relations with Franchisor’s or its Affiliate’s investors.

11. INSURANCE

11.1 Franchisee will procure, before the commencement of any operations under this Agreement, and will 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 and 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 Restaurant, including, but not limited to, comprehensive general liability insurance, property and casualty insurance, statutory worker’s compensation insurance, and business interruption insurance. Notwithstanding the foregoing, Franchisee must procure, before the commencement of the initial training program offered by Franchisor, statutory worker’s compensation insurance covering all participants in the training program. Such policy or policies will be written by an insurance company acceptable to Franchisor, will name Franchisor and its Affiliates as an additional insureds, and will provide, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by Franchisor from time to time), the types and minimum amounts of coverage specified in the Manual or otherwise in writing. Franchisee must, before the commencement of any construction of the Restaurant, and will maintain in full force and effect at all times during construction, at Franchisee’s expense, builders risk insurance in the minimum amounts of coverage specified in the Manual or otherwise in writing. Franchisor will have the right to obtain, directly from Franchisee’s insurance carriers, any and all information relating to the foregoing policy or policies and any claims thereunder. Upon the request of Franchisor, Franchisee will execute, acknowledge, and deliver such instruments, and do such further acts, as may be required by Franchisor to enable Franchisor to obtain such information.

11.2 Franchisee’s obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor will Franchisee’s performance of that obligation relieve it of liability under the indemnity provisions set forth in **Section 17.3** of this Agreement.

11.3 At least 30 days before the commencement of operations under this Agreement and thereafter on an annual basis and at least 30 days prior to the expiration of any such policy, Franchisee will deliver to Franchisor Certificates of Insurance evidencing the proper coverage with limits not less than those required hereunder. All Certificates will expressly provide that no less than 30 days' before written notice will be given Franchisor in the event of material alteration to, or cancellation of, the coverages evidenced by such Certificates.

11.4 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 will have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, will be payable by Franchisee immediately upon notice. The foregoing remedies will be in addition to any other remedies Franchisor may have.

12. TRANSFER OF INTEREST

12.1 Transfer by Franchisor

Franchisor will 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, upon such transfer or assignment, any designated assignee of Franchisor will become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

12.2 Transfer by Franchisee

12.2.1 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. This Agreement has been entered into by Franchisor in reliance upon and in consideration of the singular individual or collective character, reputation, skill attitude, business ability, and financial capacity of Franchisee, or if applicable, its Owners. Accordingly, neither Franchisee nor any Owner (other than Franchisor, if applicable) shall effect an Assignment without Franchisor's prior written consent.

12.2.2 Any purported Assignment, transfer or encumbrance, by operation of law or otherwise, not having the written consent of Franchisor required by this **Section 12.2.1** will be null and void and will constitute a material breach of this Agreement, for which Franchisor may terminate without opportunity to cure pursuant to **Section 13.2** of this Agreement. Except in the instance of Franchisee advertising to sell the Restaurant and assign this Agreement in accordance with the terms hereof, Franchisee shall not, without Franchisor's prior written consent, offer for sale or transfer at public or private auction or advertise publicly for sale or transfer, the furnishings, interior and exterior decor items, supplies, fixtures, equipment, Franchisee's lease or the real or personal property used in connection with the Restaurant. Franchisee may not make any Assignment to a public Entity, or to any Entity whose direct or indirect parent's securities are publicly traded and no shares of Franchisee or any Owner of Franchisee may be offered for sale through the public offering of securities. Franchisee shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Franchisee, notwithstanding that the same may not constitute an "Assignment."

12.2.3 Franchisee will notify Franchisor in writing of any proposed Assignment at least 90 days before such Assignment is proposed to take place. Franchisee may not disclose any confidential information to any proposed transferee unless it shall first have obtained, and provided Franchisor with an executed original copy of, a confidentiality agreement in form prescribed or approved by Franchisor, naming Franchisor as an express intended third party beneficiary thereto. Franchisor will not unreasonably withhold its consent to any transfer subject to Franchisor's rights under **Section 12.4**; but Franchisor may impose reasonable conditions to its assignment including, in its sole discretion, any or all of the following as conditions, each of which shall be deemed to be reasonable:

12.2.3.1 All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates will have been satisfied;

12.2.3.2 Franchisee is not in material default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its Affiliates;

12.2.3.3 Franchisee's right to receive compensation pursuant to any agreement for the purchase of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Restaurant will be subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from Franchisee pursuant to this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee, whether arising before or after such transfer;

12.2.3.4 Franchisee will have executed a general release, in a form satisfactory to Franchisor, of any and all known and unknown claims against Franchisor and its Affiliates, and their respective officers, directors, shareholders, agents, and employees, in their corporate and individual capacities;

12.2.3.5 The transferee (and, if the transferee is other than an individual, such Owners of a beneficial interest in the transferee as Franchisor may request) will enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement;

12.2.3.6 The transferee (and, if the transferee is other than an individual, such Owners of a beneficial interest in the transfer as Franchisor may request) will demonstrate to Franchisor's satisfaction that it, he or she 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 Restaurant (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Restaurant;

12.2.3.7 The transferee will execute, for a term ending on the expiration date of this Agreement and with such renewal term as may be provided by this Agreement, the standard form franchise agreement then being offered to new franchisees of Franchisor and such other ancillary agreements as Franchisor may require for the Restaurant, which agreements will supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, a higher percentage royalty rate and advertising contribution; but that

the transferee will not be required to pay any Initial Fee and the Protected Territory provided for in this Agreement will remain the same;

12.2.3.8 At Franchisor's request, Franchisee and/or its Owners, the transferor and the transferee's Owners shall have executed a continuing guaranty in favor of Franchisor of the performance and payment by the transferee of all obligations and debts to Franchisor and its Affiliates under this Agreement and, if applicable, the replacement franchise agreement.

12.2.3.9 The transferee, at its expense, will upgrade the Restaurant to conform to the then-current standards and specifications of "HURRICANE" restaurants, and will complete the upgrading and other requirements within the time specified by Franchisor; but that the transferee franchisee will not be required to upgrade the Restaurant if Franchisee has refurbished the Restaurant, in accordance with the provisions of **Section 5.18**, within the 5 year period immediately preceding the date on which Franchisee notifies Franchisor of the proposed transfer;

12.2.3.10 Franchisee will remain liable for all of the obligations to Franchisor in connection with the Restaurant before the effective date of the transfer and will execute any and all instruments reasonably requested by Franchisor to evidence such liability;

12.2.3.11 At the transferee's expense, the transferee's operating partner, manager and/or such additional persons as may be reasonably designated by Franchisor will complete any training programs then in effect for Hurricane franchisees upon such terms and conditions as Franchisor may reasonably require, including that such training be completed before the effective date of the transfer;

12.2.3.12 If this Agreement has been executed pursuant to an Area Development Agreement (whether or not such agreement remains in effect) or a Multi-Unit Restaurant Agreement or similar agreement, that this Agreement and all other franchise agreements executed pursuant to such agreement shall be concurrently transferred/assigned to the same assignee; and

12.2.3.13 Except in the case of a transfer to a corporation, limited liability company or Partnership formed by Franchisee (that is one or more individuals) for the convenience of ownership (for which no fee will be required but with respect to which Franchisor may impose other conditions, including, the requirements that operation of the Restaurant be the sole business of the Entity and that the original Franchisee remain the same beneficial ownership of the Entity as the original Franchisee had prior to the Assignment), Franchisee shall, pay to Franchisor a transfer fee of \$15,000, payable concurrently with Franchisee's notification to Franchisor of the proposed Assignment, unless waived in writing by Franchisor in its sole discretion; *provided, however*, that Franchisor may, in its sole discretion, condition its approval of the transaction and proposed transferee on the proposed transferee attending training prior to closing, in which event Franchisee must pay the transfer fee prior to commencement of such training and each trainee must execute a confidentiality agreement in form prescribed by Franchisor.

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

12.3 Offerings by Franchisee:

Securities, partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Securities or partnership interests in Franchisee may be sold, by private offering or otherwise, only pursuant to the requirements of **Section 12.2**. All materials required for such offering by federal or state law will be submitted to Franchisor for limited review before their being filed with any Governmental Authority; and any materials to be used in any exempt offering will be submitted to Franchisor for limited review before their use. No Franchisee offering will imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating as an underwriter, issuer, or offeror of Franchisee's or Franchisor's securities; and Franchisor's limited review of any offering will be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee will pay to Franchisor a non-refundable fee of \$10,000, or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering. Franchisee will give Franchisor written notice at least 30 days before the date of commencement of any offering or other transaction covered by this Section.

12.4 Right of First Refusal:

12.4.1 If Franchisee, any of Franchisee's Owners or any person holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Restaurant desires to accept any bona fide offer from a third party to purchase such interest, Franchisee will notify Franchisor in writing of each such offer, and will provide such information and documentation relating to the offer as Franchisor may require.

12.4.2 Franchisor will have the right and option, exercisable within 45 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 must occur within 45 days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not elect to purchase the seller's interest, closing on the purchase must occur within 45 days from the date Franchisor notifies seller that it does not want to purchase the interest or the expiration of the initial notice period, whichever first occurs. Any material change in the terms of any offer before closing will constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section will not constitute a waiver of any other provision of this Agreement, including all of the requirements of this **Section 12** with respect to a proposed transfer.

12.4.3 If the consideration, terms, or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, each party will designate an independent appraiser, and the two so chosen will designate a third, and the determination of the majority will be binding.

12.5 Transfer Upon Death or Mental Incapacity:

Upon the death or mental incapacity of Franchisee, any of Franchisee's Owners or any person any person with an interest in this Agreement or in all or substantially all of the assets of the Restaurant, the executor, administrator, or personal representative of such person will transfer within 6 months after such death or mental capacity the interest of such person to a third party approved by Franchisor. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same conditions as any *inter vivos* transfer. However, 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, the personal representative of the decedent will transfer the decedent's interest to another party approved by Franchisor within such six-month period, which disposition will be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within such six-month period, Franchisor may terminate this Agreement.

12.6 Security Interest:

Without limiting the broad prohibition set forth in **Section 12.2.1**, any security interest granted by Franchisee in the Restaurant or in any of the assets of the Restaurant with Franchisor's consent, Franchisor may require that the secured party agree that in the event of any default by Franchisee under any documents related to the security interest, Franchisor will 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 will be void. To the extent that any prohibition on the pledge, hypothecation, encumbrance or granting of a security interest in this Agreement or the assets of the Restaurant may be ineffective under Applicable Law, Franchisee shall provide not less than 10 days prior written notice (which notice shall contain the name and address of the secured party and the terms of such pledge, hypothecation, encumbrance or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement or the assets of the Restaurant.

12.7 Non-Waiver of Claims

Franchisor's consent to a transfer hereunder will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

13. DEFAULT AND TERMINATION

13.1 Franchisee will be deemed to be in default under this Agreement, and all rights granted herein will automatically terminate without notice to Franchisee, if Franchisee will become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or 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; or 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; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved and not reformed within 30 days thereafter; or

if execution is levied against Franchisee's business or property so that Franchisee loses its right to such business or property; or if the real or personal property of the Restaurant will be sold after levy thereupon by any sheriff, marshal, constable or other government official.

13.2 Franchisee will be deemed to be in default and 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 receipt of notice by Franchisee, upon the occurrence of any of the following events:

13.2.1 If Franchisee fails to open the Restaurant in accordance with **Sections 5.5 through 5.9**.

13.2.2 If Franchisee shall abandon the Restaurant. For purposes of this Agreement, "abandon" shall refer to (i) Franchisee's failure, at any time during the Term, to keep the Restaurant open and operating for business for a period of 5 consecutive days, except as provided in the Manual, (ii) Franchisee's failure to keep the Restaurant open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Restaurant at the Location, unless such failure to operate is due to Force Majeure (subject to Franchisee's continuing compliance with this Agreement), (iii) failure to actively and continuously maintain and answer the telephone listed by Franchisee for the Restaurant solely with the "HURRICANE" name; (iv) the loss of possession of the Accepted Location; or (v) closing of the Restaurant required by Applicable Law if such closing was not the result of a violation of this Agreement by Franchisor. Notwithstanding the foregoing, if any "abandonment" results from a Governmental Authority's exercise of the power of eminent domain, or if, through no fault of Franchisee, the premises are damaged or destroyed, then Franchisee will have 30 days after either such event in which to apply for Franchisor's approval to relocate or reconstruct the premises, which approval will not be unreasonably withheld.

13.2.3 If Franchisee (or, if Franchisee is other than an individual, any of Franchisee's Owners) is 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.

13.2.4 If an approved transfer is not effected within a reasonable time, as required by **Section 12.5**, following Franchisee's death or mental incapacity.

13.2.5 If, contrary to the terms of **Sections 7 or 8**, Franchisee makes any disclosure or divulgence of the contents of the Manual or other confidential information provided to Franchisee by Franchisor which Franchisor reasonably believes is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein.

13.2.6 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant.

13.2.7 If Franchisee fails, refuses, or neglects to seek Franchisor's prior written approval or consent, including consent to an Assignment, as required by this Agreement.

13.2.8 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein.

13.2.9 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.

13.2.10 If Franchisee fails to comply with the covenants applicable during the term of this Agreement in **Section 15.2**.

13.2.11 If Franchisee fails to obtain execution of the covenants required under **Section 15.6**.

13.2.12 If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor.

13.2.13 If Franchisee fails to perform or observe any provision of the lease of the Restaurant premises, including failure timely to pay rent.

13.2.14 If Franchisee, the Operating Partner, or any of its managers or assistant managers fail to complete to Franchisor's satisfaction the initial training program in accordance with the provisions of **Section 5.8**.

13.2.15 If Franchisee fails to correct or repair any defects, deficiencies, or unsatisfactory conditions at the Restaurant immediately after being advised of same by Franchisor.

13.2.16 If Franchisee repeatedly is in default under **Section 13.3** for failure substantially to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

13.3 Except as provided in **Sections 13.1** and **13.2**, and as otherwise expressly provided elsewhere in this Agreement, Franchisee shall have 10 days (5 days in the case of any default in the timely payment of sums due to Franchisor or its Affiliates or to Franchisee's suppliers or vendors) after Franchisor's written notice of default within which to remedy any default under this Agreement, and to provide evidence of such remedy to Franchisor. Franchisor may specify in such notice of default that this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure if any such default is not cured within that time period, or such longer time period as Applicable Law may require or as Franchisor may specify in the notice of default. Such defaults will include, without limitation, the Franchisee's failure to maintain any of the standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing.

13.4 Notwithstanding anything to the contrary contained in this Article, in the event any valid, Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

13.5 Except for a default or termination of any Area Development Agreement or Multi-Unit Restaurant Agreement, or similar agreement, consisting solely of Franchisee's failure to meet the development schedule thereunder, any default by Franchisee under the terms and conditions of this

Agreement, or any other agreement between Franchisor (or its Affiliate), and Franchisee (or any Affiliate of Franchisee), shall be deemed to be a default of each and every said agreement. Furthermore, in the event of termination, for any cause, of this Agreement or any other agreement between the parties hereto, Franchisor may, at its option, terminate any or all said agreements.

13.6 Franchisee may terminate this Agreement due to a material default by Franchisor of its obligations hereunder, which default is not cured by Franchisor within 60 days after Franchisor's receipt of prompt written notice by Franchisee to Franchisor detailing the alleged default with specificity; *provided*, that if the default is such that it cannot be reasonably cured within such 60 day period, Franchisor shall not be deemed in default for so long as it commences to cure such default within 60 days and diligently continues to prosecute such cure to completion. If Franchisee terminates this Agreement pursuant to this Section, Franchisee shall comply with all of the terms and conditions of **Section 14**.

14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

14.1 Franchisee will immediately cease to operate the business franchised under this Agreement, and will not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

14.2 Franchisee will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Mark "HURRICANE"; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System; provided that the foregoing will not apply to with respect to the continued operation by Franchisee of any other "HURRICANE" Restaurant pursuant to another validly subsisting franchise agreement with Franchisor. In particular, Franchisee will cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, menu items and any other articles which display the Proprietary Marks, and Franchisee hereby appoints Franchisor as Franchisee's attorney in fact to do so in the event that Franchisee fails or refuses to do so for any reason; this power of attorney granted by Franchisee to Franchisor and such designee is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Franchisee. In addition, Franchisor will have the right to enter upon the premises where the Restaurant was conducted, without being guilty of trespass or any other tort, for the purpose of removing any or all signs, advertising materials, displays, menus and any other articles which bear the Proprietary Marks.

14.3 Franchisee will take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "HURRICANE" or any other service mark or trademark of Franchisor, and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement.

14.4 Franchisee will, at Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the premises of the Restaurant. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the premises of the Restaurant,

Franchisee will make such modifications or alterations to the premises operated hereunder immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Hurricane restaurants, and will 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 14.4**, Franchisor will have the right to enter upon the premises where the Restaurant was conducted, 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.

14.5 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 is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

14.6 Franchisee will promptly pay all sums owing to Franchisor and its Affiliates. In the event of termination for any default of Franchisee, such sums will include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default.

14.7 Franchisee will pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this **Section 14**.

14.8 Franchisee will immediately deliver to Franchisor all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the Restaurant, including, without limitation, brochures, signs, menus, displays, advertising materials, agreements, invoices, and any and all other materials relating to the operation of the Restaurant in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and will retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of Applicable Law.

14.9 Franchisor will have the option, to be exercised within 30 days after termination or expiration, to purchase from Franchisee any or all of the furnishings, equipment, fixtures, supplies, or inventory of Franchisee related to the operation of the Restaurant, at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on a fair market value within a reasonable time, each party will designate an independent appraiser, and the two so chosen will designate a third, and the determination of the majority will be binding. If Franchisor elects to exercise any option to purchase herein provided, it will have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

14.10 Franchisee will assign to Franchisor all telephone numbers utilized by Franchisee in the operation of the Restaurant.

14.11 Franchisee will comply with the covenants contained in **Section 15**.

15. COVENANTS

15.1 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 will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

15.1.1 Divert or attempt to divert any business or customer of the 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.

15.1.2 Employ or seek to employ any employee of Franchisor or of any Hurricane franchisee or Franchisee for a period of at least one (1) year following the non-employment of such employee, or otherwise directly or indirectly induce any employee of Franchisor or of any franchisee or developer of Franchisor to leave his or her employment.

15.2 During the Term, no Restricted Person shall in any capacity, either directly or indirectly, through one or more Affiliates or otherwise, engage in any Competitive Activities at any location, whether within or outside the Protected Territory, unless Franchisor shall consent thereto in writing.

15.3 To the extent permitted by Applicable Law, upon (i) the expiration or termination of this Agreement, (ii) the occurrence of any Assignment, or (iii) the cession of any Restricted Person's relationship with Franchisee, each person who was a Restricted Person before such event shall not for a period of 2 years thereafter, either directly or indirectly, through one or more Affiliates, engage in any Competitive Activities within a radius of 5 miles of the Accepted Location or of the location of any other restaurant operated, or intended to be operated, under the Proprietary Marks.

15.4 The parties have attempted in **Section 15** to limit Franchisee's right to compete only to the extent necessary to protect the Franchisor from unfair competition. The parties hereby expressly agree that if the scope or enforceability of **Section 15** (or any subsection thereof) is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify either or both of such provisions to the extent that it deems necessary to make such provision(s) enforceable under Applicable Law. In addition, Franchisor reserves the right to reduce the scope of said provisions without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee.

15.5 In view of the importance of the Franchisor's trademarks, trade names, service marks, logotypes, insignias, trade dress and designs and the incalculable and irreparable harm that would result to the parties in the event of a default or breach under this **Section 15**, the parties agree that each party may seek specific performance and/or injunctive relief to enforce the covenants and agreements in this Agreement, in addition to any other relief to which such party may be entitled at law or in equity. Each party submits to the exclusive jurisdiction of the courts of the State of California and the U.S. federal courts sitting in Los Angeles, California for purposes thereof. The parties agree that venue for any such proceeding shall be the state and federal courts located in Los Angeles, California.

15.6 At Franchisor's request, Franchisee will obtain and furnish to Franchisor covenants similar in substance to those set forth in this **Section 15** (including covenants applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (1) the Manager and assistant managers of the Restaurant; and (2) any or all Restricted Persons. Every covenant required by this **Section 15.6** will be in a form satisfactory to Franchisor, including, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

16. TAXES, PERMITS, INDEBTEDNESS; COMPLIANCE WITH LAW

16.1 Franchisee will 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 conduct of the Restaurant. Franchisee will 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.

16.2 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; however, in no event will Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Restaurant or any improvements thereon.

16.3 Franchisee will comply with all federal, state, and local laws, rules, and regulations, and will timely obtain any and all permits, certificates, or franchises necessary for the full and proper conduct of the Restaurant, including, licenses to do business, fictitious name registrations, sales tax permits, health and sanitation permits and ratings, and fire clearances.

16.4 Franchisee will notify Franchisor in writing within 5 days after the receipt of notice by Franchisee 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 Restaurant. Notwithstanding the foregoing, upon the occurrence of a Crisis Management Event, Franchisee shall immediately inform Franchisor's President, Chief Operating Officer, Vice President-Operations and Vice President - Marketing (and as otherwise instructed in the Manual) by telephone and Email. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

17. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

17.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee will 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, employer, joint employer, enterprise, or servant of the other for any purpose whatsoever.

17.2 During the Term and any extensions hereof, Franchisee will hold itself out to the public as an independent contractor operating the Restaurant pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, exhibiting a notice of

that fact in a conspicuous place in the Restaurant premises, the content and form of which Franchisor reserves the right to specify.

17.3 It is understood and agreed that 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 that Franchisor will in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor will Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Restaurant or for any claim or judgment arising therefrom against Franchisee or Franchisor. Franchisee will indemnify and hold Franchisor, and Franchisor's officers, directors, agents, and employees, harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Restaurant, as well as the costs, including attorneys' fees, of defending against them.

18. APPROVALS AND WAIVERS

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

18.2 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.

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

19. NOTICES

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one business day after transmission by facsimile with copy also sent by Email or other electronic system expressly approved in the Manuals as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Notices to Franchisor:

HURRICANE AMT, LLC
9720 Wilshire Boulevard Suite 500

Beverly Hills, California 90212
Attn: Legal Counsel, CEO and CFO
email: Legal@fatbrands.com; CEO@fatbrands.com;
CFO@fatbrands.com

Notices to Franchisee:

Any party may change his or its address by giving 10 days prior written notice of such change to all other parties.

20. BUSINESS PRACTICES

20.1 Neither Franchisee nor any of its Owners conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act, as amended, and any amendments or successors thereto.

20.2 Neither Franchisee, any of its Owners nor any employee of either of them is named as a “Specially Designated Nationals” or “Blocked Persons” as designated by the U.S. Department of the Treasury’s Office of Foreign Assets Control. Currently, this list is published under the internet website address “www.treas.gov/offices/enforcement/ofac/sdn/”. Franchisee is neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor does Franchisee or its Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. Franchisee agrees that Franchisee will notify Franchisor in writing immediately of the occurrence of any event, which renders the foregoing representations and warranties of this paragraph incorrect.

20.3 Franchisee represents that it understands and has been advised by legal counsel on the requirements of the Applicable Laws referred to above, including the United States Foreign Corrupt Practices Act (currently located at www.usdoj.gov/criminal/fraud/fcpa.html), as amended, any local foreign corrupt practices laws, and the USA Patriot Act of 2001, as amended, and hereby acknowledges the importance to Franchisor and the parties’ relationship of Franchisee’s compliance with any applicable auditing requirements and any requirement to report or provide access to information to Franchisor or any government, that is made part of any Applicable Law. Franchisee must take all reasonable steps to require its consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

21. APPLICABLE LAW; DISPUTE RESOLUTION

21.1 The parties acknowledge that a substantial portion of performance under this Agreement will take place in California. Therefore, the parties agree that the laws of California (without giving effect to any conflict of laws) shall govern enforcement of this Agreement, excepting, however, the provisions of **Sections 15.2 and 15.3** (and to the extent applicable, **Section 15.4**)

respecting Non-Competition Covenants which shall be governed in accordance with the laws of the State where the Accepted Location is located.

21.2 Except for a claim with respect to: (a) ownership or use of the Proprietary Marks, (b) enforcement of **Section 15** hereof, or (c) monies owed by Franchisee to Franchisor, any claim or controversy arising out of or related to this Agreement or the making, performance, or interpretation thereof will be conducted before and in accordance with (a) the then prevailing commercial rules of the American Arbitration Association (“**AAA**”), or at Franchisor’s option, (b) the Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc. (“**JAMS**”) (AAA and JAMS, as applicable are referred to below as the “**Arbitration Association**”). Franchisee and Franchisor will each appoint one arbitrator from a list of arbitrators provided by the Arbitration Association, and those two arbitrators will appoint a third arbitrator from such list. The three arbitrators will determine facts, apply the Applicable Law, and award compensatory damages, but not punitive damages, which are hereby waived by Franchisee and Franchisor. All arbitration proceedings will take place in the county in which Franchisor's headquarters is located. Each party to the arbitration will bear such party’s own legal fees and expenses, and the fees and expenses of the Arbitration Association and the arbitrators will be paid by such party or parties as the arbitrators determine. The award made by the arbitrators will be binding and final on the parties to such proceedings, and will not be subject to review by a court of law; but that judgment upon the award may be entered in a court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award or an order of enforcement. All arbitration proceedings and claims shall be filed and prosecuted separately and individually in the name of Franchisee and Franchisor, and not in any representative capacity, and shall not be joined or consolidated with claims asserted by or against any other licensee, franchisee or area developer. The arbitration and the parties’ agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear. The arbitral decision shall be binding and conclusive on the parties. All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.), notwithstanding any provision of this Agreement specifying the state law under which this Agreement shall be governed and construed.

21.3 Unless prohibited by Applicable Law, any legal action or proceeding (including mediation or arbitration) brought or instituted by Franchisee with respect to any dispute arising from or related to this Agreement, any breach of the terms of this Agreement, or the relationship between the parties hereto must be brought or instituted within a period of one (1) year from the date of discovery of the conduct or event that is the basis of the legal action or proceeding. Franchisee agrees to be bound by the provisions of the limitation on the period of time in which claims must be brought under Applicable Law or this Agreement, whichever expires earlier. Franchisee further agrees that, in connection with any arbitration proceeding conducted hereunder, Franchisee must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the federal rules of civil procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed as described above shall be forever barred.

21.4 No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor will be, deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

21.5 Nothing herein contained will bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

21.6 Franchisee will pay to Franchisor all damages, costs, and expenses, including attorneys' fees, incurred by Franchisor in enforcing any provision of this Agreement, including without limitation the obtaining of injunctive relief.

22. FORCE MAJEURE

In the event of the occurrence of an event which Franchisee claims to constitute Force Majeure, Franchisee shall provide written notice to Franchisor in writing within 5 days following commencement of the alleged Force Majeure which notice shall include the words "Force Majeure" and explicitly describe the specific nature and extent of the Force Majeure, and how it has impacted Franchisee's performance hereunder. Franchisee shall provide Franchisor with continuous updates (no less frequently than once each week) on Franchisee's progress and diligence in responding to and overcoming the Force Majeure, and shall notify Franchisor immediately upon cessation of such Force Majeure, and provide all other information as may be requested by Franchisor. If Franchisee shall fail to notify Franchisor of any alleged Force Majeure within said 5 days, or shall fail to provide any such updates during the continuance of the alleged Force Majeure, Franchisee shall be deemed to have waived the right to claim such Force Majeure.

23. SEVERABILITY AND CONSTRUCTION

23.1 Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term, and/or provision 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 will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part of this Agreement.

23.2 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by **Section 12**, any rights or remedies under or by reason of this Agreement.

23.3 Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by Applicable 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 may hold to be unreasonable and unenforceable in a 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 order.

23.4 All captions in this Agreement are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision hereof.

23.5 The terms of all Exhibits hereto are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full herein. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or Section hereof may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization of Franchisor which Franchisee may be required to obtain hereunder may be given or withheld by Franchisor in its sole discretion, and on any occasion where Franchisor is required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor’s standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

23.6 Any references to a Section, Article, Schedule or Exhibit are to sections, articles, schedules and exhibits to this Agreement, unless otherwise specifically stated.

24. MISCELLANEOUS

24.1 Franchisor’s Right To Cure Defaults

In addition to all other remedies herein granted if Franchisee shall default in the performance of any of its obligations or breach any term or condition of this Agreement or any related agreement, Franchisor may, at its election, immediately or at any time thereafter, without waiving any claim for default or breach hereunder and without notice to Franchisee, cure such default or breach for the account and on behalf of Franchisee, and the cost to Franchisor thereof shall be due and payable on demand and shall be deemed to be additional compensation due to Franchisor hereunder and shall be added to the amount of compensation next accruing hereunder, at the election of Franchisor.

24.2 Survival

The covenants contained in this Agreement which, by their nature or terms, require performance by the parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

24.3 Joint and Several Liability

If Franchisee consists of more than one person or Entity, or a combination thereof, the obligations and liabilities of each such person or entity to Franchisor are joint and several, and such person(s) and/or Entities shall be deemed to be a general partnership.

24.4 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

24.5 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Franchisee and Franchisor.

24.6 Guaranty

All present and future Owners of a 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights in Franchisee, will execute a written guaranty in a form prescribed by Franchisor, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of Franchisee's obligations to Franchisor and to Franchisor's Affiliates. For purposes of determining whether said 10% threshold is satisfied, holdings of spouses (and family members who live in the same household) and Affiliates shall be aggregated. Upon each transfer or assignment of an interest in Franchisee, or other change in ownership interests in Franchisee, and at any other time upon Franchisor's request, said holders shall re-execute a written guaranty in a form prescribed by Franchisor.

24.7 Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

25. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the Attachments hereto constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof. No other agreements oral or otherwise shall be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations are merged herein and superseded hereby. Except as set forth in the Franchise Disclosure Document, Franchisee represents that there are no contemporaneous agreements or understandings relating to the subject matter hereof between the parties that are not contained herein. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement or in any Franchise Disclosure Document for prospective franchisees required by applicable law, and Franchisee agrees that it has executed this Agreement without reliance upon any such representation or promise. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this or any related Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

26. REPRESENTATIONS AND ACKNOWLEDGMENTS

26.1 If Franchisee is an Entity, Franchisee represents and warrants that the information set forth in **Schedule B**, which is attached hereto and incorporated herein, is accurate and complete in all material respects. Franchisee shall notify Franchisor in writing within 10 days of any change in the information set forth in **Schedule B**, and shall submit to Franchisor a revised Schedule, which shall

be certified by Franchisee as true, correct and complete and upon acceptance thereof by Franchisor shall be annexed to this Agreement as **Schedule B**. Franchisee promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee, including providing copies of all amendments to Franchisee's "Entity Documents" as defined in **Schedule B**. Franchisee shall conduct no business other than the business contemplated hereunder and under any currently effective Multi-Unit Restaurant Agreement between Franchisor and Franchisee. The Entity Documents of Franchisee shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in this Agreement.

26.2 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 as an independent businessperson. Except as set forth in the Franchise Disclosure Document, if any such representation was made, 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.

26.3 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.

26.4 Franchisee acknowledges that it received a copy of the complete HURRICANE AMT, LLC Franchise Agreement, the Attachments thereto, and agreements relating thereto, if any, at least 5 business days before the date on which this Agreement was executed. Franchisee further acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least 10 business days before the date on which this Agreement was executed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement on the day and year first above written.

“FRANCHISEE”

By: _____

Its: _____

“FRANCHISOR”

HURRICANE AMT, LLC,
a Delaware Limited Liability Company

By: _____

Its: _____

**SCHEDULE A
HURRICANE AMT, LLC
FRANCHISE AGREEMENT**

DEFINITIONS - In this Agreement the following capitalized terms shall have the meanings set forth below, unless the context otherwise requires:

“**AAA**” shall have the meaning set forth in **Section 21.2**.

“**Arbitration Association**” shall have the meaning set forth in **Section 21.2**.

“**Accepted Location**” shall have the meaning set forth in **Section 1.1**.

“**Affiliate**” when used herein in connection with Franchisor or Franchisee, includes each person or Entity which directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Franchisor or Franchisee, as applicable. Without limiting the foregoing, the term “Affiliate” when used herein in connection with Franchisee includes any Entity 10% or more of whose Equity or voting control, is held by person(s) or Entities who, jointly or severally, hold 10% or more of the Equity or voting control of Franchisee. For purposes of this definition, control of a person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or Entity whether by contract or otherwise. Notwithstanding the foregoing definition, if Franchisor or its Affiliate has any ownership interest in Franchisee, the term “Affiliate” shall not include or refer to the Franchisor or that Affiliate, and no obligation or restriction upon an “Affiliate” of Franchisee, shall bind Franchisor, or said Affiliate or their respective direct and indirect parents or subsidiaries, or their respective officers, directors, or managers.

“**Assignment**” means:

(i) the direct or indirect, voluntary or involuntary, sale, assignment, transfer, conveyance, gift, pledge, mortgage, hypothecation, or encumbrance, in whole or in part, of:

(A) this Agreement, or

(B) all or any substantial portion of the assets of the Restaurant, or

(ii) the direct or indirect, voluntary or involuntary, sale, assignment, transfer, conveyance, gift, pledge, mortgage, or encumbrance of 10% or more, in the aggregate, whether in one or more transactions, of the Equity or voting power of Franchisee, by operation of law or otherwise, or any other event(s) or transaction(s) which, directly or indirectly, effectively changes control of Franchisee;

(iii) the issuance of any securities by Franchisee which by itself or in combination with any other transaction(s) results in its Owners, as constituted on the date of this Agreement, owning, on an as-converted or as-exercised basis, less than 90% of the outstanding Equity or voting power of Franchisee;

(iv) if Franchisee is a Partnership, the resignation, removal, withdrawal, death or legal incapacity of a general partner or of any limited partner owning 10% or more, in the aggregate, whether

in one or more transactions, of the Partnership Rights of the Partnership, or the admission of any additional general partner, or the transfer by any general partner of any of its Partnership Rights in the Partnership, or any change in the ownership or control of any general partner;

(v) the death or legal incapacity of any Owner of Franchisee owning 10% or more of the Equity or voting power of Franchisee;

(vi) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of Franchisee, however effected; or

(vii) incurring any indebtedness (including principal, interest, fees and charges) for borrowed money or for the deferred purchase price of goods or services, except indebtedness (including principal, interest, fees and charges) owed to Permitted Lenders, and except indebtedness owed in connection with the purchase of goods or services, in the ordinary course of Franchisee's business, for use in or by the Restaurant and due and payable in full within 90 days of the date incurred.

“Applicable Law” means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, including all labor, immigration, food and drug laws and regulations, as in effect on the date of this Agreement, and as may be amended, supplemented or enacted from time to time.

“Competitive Activities” means to, own, operate, lend to, advise, be employed by, or have any financial interest in any restaurant that is the same as or similar to the Restaurant, other than a restaurant operated under the Proprietary Marks pursuant to a validly subsisting franchise agreement with Franchisor. Notwithstanding the foregoing, “Competitive Activities” shall not include the direct or indirect ownership solely as an investment, of securities of any Entity which are traded on any national securities exchange if applicable owner thereof (i) is not a controlling person of, or a member of a group which controls, such Entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

“Crisis Management Event” means any event that occurs at or about the Restaurant that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, Proprietary Marks, or image or reputation of Restaurants or Franchisor or its Affiliates.

“Entity” means any limited liability company, Partnership, trust, association, corporation or other entity which is not an individual.

“Equity” means (i) capital stock, membership interests, Partnership Rights or other equity ownership interests of an Entity, and/or (ii) phantom equity, stock appreciation rights and similar rights.

“First Renewal Term” shall have the meaning set forth in **Section 2.2**.

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act

by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, or other person shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, Franchisee's financial inability to perform or Franchisee's insolvency shall not be an event of Force Majeure hereunder.

“Governmental Authority” means and includes all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“Information Systems” means and includes computer hardware and software, Proprietary Systems (defined above), communications hardware and software, point of sale hardware and software, kitchen display systems, data and/or databases and any other items that, collectively or independently, provide for administering, tracking, measuring, managing or reporting business information including, without limitation, food cost and labor management. Franchisor's standards and specifications for Information Systems may include, configurations, programming and support and service processes.

“Manager” shall have the meaning set forth in **Section 5.12**.

“Manual” means Franchisor's confidential operations and training manuals, and any other written directive related to the System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

“Multiple Restaurants” means 3 or more Restaurants within reasonable geographic proximity of each other.

“Net Sales” means and includes all revenue (regardless of collection in the case of credit) from the sale of all food, beverages, merchandise, and services sold or rendered from or at the Restaurant whether for by cash, services, property, barter, or other means of exchange, and whether or not Franchisor offers such services or products in its other locations, including: (a) sales and services where orders originate or are accepted by Franchisee in the Restaurant but delivery or performance thereof is made from or at any place other than the Restaurant or which are pursuant to telephone or other similar orders received or filled at or in the Restaurant, (b) the proceeds of any business interruption insurance, after the satisfaction of any applicable deductible, and (c) sales from authorized (subject to **Section 5.10**) vending devices including in store music systems and pay telephones. Notwithstanding the foregoing, “Net Sales” shall exclude the amount of bona fide refunds paid to customers determined in accordance with the requirements of the Manual, the amount of any state or local sales or use tax actually paid by Franchisee and sales of fixtures or other capital items sold by Franchisee after use thereof in the operation of the Restaurant.

“Non-Traditional Venue” means a site, venue or location within another primary business or in conjunction with other businesses or at institutional settings, including, toll roads, highway travel plazas, hotels and motels, casinos and casino adjacent locations, airports, sports arena, stadiums, bus stations, train stations, theme parks, amusement facilities, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campus, piers, gyms, offices or in-plant food service facilities, shopping mall food courts

operated by a master concessionaire, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

“**Opening Plan**” shall have the meaning set forth in **Section 5.9**.

“**Owner**” means any direct or indirect shareholder, member, general or limited partner, trustee, or other Equity owner of an Entity, except, that if Franchisor or any Affiliate of Franchisor has any ownership interest in Franchisee, the term “Owner” shall not include or refer to the Franchisor or that Affiliate or their respective direct and indirect parents and subsidiaries, and no obligation or restriction upon the “Franchisee”, or its Owners shall bind Franchisor, or said Affiliate or their respective direct and indirect parents and subsidiaries or their respective officers, directors, or managers.

“**Partnership**” means any general partnership, limited partnership, or limited liability partnership.

“**Partnership Rights**” means voting power, property, profits or losses, or partnership interests of a Partnership.

“**Permitted Lender**” means a (i) bank, savings institution, trust company, insurance company, or other licensed financial institution; or (ii) an Owner of Franchisee as of the date of this Agreement for so long as such Owner remains an Owner of Franchisee.

“**Proprietary Marks**” shall have the meaning set forth in the Recitals.

“**Protected Territory**” shall have the meaning set forth in **Section 1.4**.

“**Renewal Franchise Agreement**” shall have the meaning set forth in **Section 2.2**.

“**Renewal Right**” shall have the meaning set forth in **Section 2.2**.

“**Restaurant**” shall have the meaning set forth in **Section 1.1**.

“**Required Funds**” shall have the meaning set forth in **Section 5.4**.

“**Restricted Person**” means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers, and Affiliates of each of them, and the spouse and family members who live in the same household of each of the foregoing who are individuals.

“**Scheduled Opening Date**” shall have the meaning set forth in **Section 5.9**.

“**Second Renewal Term**” shall have the meaning set forth in **Section 2.2**.

“**System**” shall have the meaning set forth in the Recitals.

“**Term**” shall have the meaning set forth in **Section 2.1**.

“Traditional Restaurant” is a business premises that exists primarily as a “HURRICANE” restaurant, excluding any “HURRICANE” restaurant at a Non-Traditional Venue, however, which Traditional Restaurant may also have other types of Franchisor-approved co-branded businesses located in it, but in such case the “HURRICANE” restaurant is the primary business.

“Weekly Accounting Periods” shall have the meaning set forth in **Section 4.4**.

SCHEDULE B
to
HURRICANE AMT, LLC
FRANCHISE AGREEMENT

Entity Information

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

- (i) Franchisee is a (check as applicable):
 - corporation
 - limited liability company
 - general partnership
 - limited partnership
 - Other (specify): _____

(ii) Franchisee shall provide to Franchisor concurrently with the execution hereof true and accurate copies of its charter documents including Articles of Incorporation, Bylaws, Operating Agreement, Regulations Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing (“**Entity Documents**”).

(iii) Franchisee promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

(iv) The name and address of each of Franchisee’s owners, members, or general and limited partner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(v) There is set forth below the names, and addresses and titles of Franchisee’s principal officers or partners who will be devoting their full time to the Business:

NAME	ADDRESS
_____	_____
_____	_____
_____	_____

(vi) The address where Franchisee’s Financial Records, and Entity Documents are maintained is:

ATTACHMENT
to
HURRICANE AMT, LLC
FRANCHISE AGREEMENT

Protected Territory

The Protected Territory referred to in **Section 1.4** of the Agreement is as follows:

“FRANCHISEE”

By: _____

Its: _____

“FRANCHISOR”

HURRICANE AMT, LLC,
a Delaware Limited Liability Company

By: _____

Its: _____

GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to HURRICANE AMT, LLC (“**Franchisor**”) to execute the Franchise Agreement between Franchisor and _____ (“**Franchisee**”) dated _____, 20__ (the “**Agreement**”), the undersigned, jointly and severally, hereby unconditionally and irrevocably guarantee to Franchisor and its successors and assigns, the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to Franchisor or its affiliates, including, but not limited to, all obligations arising out of the Franchise Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Franchise Agreement was signed between Franchisor or its affiliate. and the undersigned directly, as Franchisee.

Upon demand by Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under the Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Franchisee or any other guarantor for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee or any other guarantor; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee or any other guarantor. Without affecting the obligations of the undersigned under this Guaranty, 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 expressly waive notice of the acceptance by Franchisor to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Franchisor, and any other notices and demands. This Guaranty will not be affected by the modification, extension, or renewal of any agreement between Franchisor and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Franchisee’s obligations or liability to Franchisor, or any other circumstances whether or not referred to in this Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has

been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

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.

This is a Guaranty of payment and performance and not of collection.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants contained in **Section 15** of the Agreement.

The undersigned agree that any current or future indebtedness by the Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Franchisor. The undersigned will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of the undersigned. The undersigned further agree that as long as the Franchisee owes any money to Franchisor (other than royalty and advertising fund payments that are not past due) the Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Franchisor.

This Guaranty will 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 will 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 will remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty, 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 Guaranty will have the same meaning as in the Agreement, and will be interpreted and construed in accordance with **Section 21** of the Agreement. This Guaranty will be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the laws of California will prevail, without regard to, and without giving effect to, the application of the State of California conflict of law rules.

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one business day after transmission by facsimile with copy also sent by Email or other electronic system expressly approved in the Manuals as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or 3 business days after placement in

the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Notices to Franchisor:

HURRICANE AMT, LLC
9720 Wilshire Boulevard Suite 500
Beverly Hills, California 90212
email: Legal@fatbrands.com; CEO@fatbrands.com;
CFO@fatbrands.com

Notices to Guarantors:

Any party may change his or its address by giving 10 days prior written notice of such change to all other parties.

[SIGNATURE PAGE FOLLOWS]

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

“GUARANTORS”

Print Name: _____

Print Name: _____

EXHIBIT B-1

Co-brand Addendum

CO-BRANDING ADDENDUM TO HURRICANE FRANCHISE AGREEMENT

This CO-BRANDING ADDENDUM TO FRANCHISE AGREEMENT (“**Addendum**”) is entered into as of _____, 20__ by and between _____, a _____ (“**Franchisee**,”) and Hurricane AMT, LLC, a Delaware limited liability company (“**Franchisor**”) with reference to the following facts. This Agreement is also joined in by [Fatburger North America, Inc., a Delaware corporation (“**FBNA**”)] [Johnny Rockets Licensing, LLC, a Delaware limited liability company (“**JRL**”)], for the purpose of acknowledging [FBNA’s][JRL’s] consent to the terms and conditions set forth herein.

A. Franchisee has concurrently herewith entered into a franchise agreement with Franchisor for the operation of a franchised “Hurricane” restaurant to be located at _____ (the “**Restaurant**”), pursuant to that certain franchise agreement with Franchisor dated _____, 20[___] (the “**Franchise Agreement**” or “**HAMT Franchise Agreement**”). Except as expressly otherwise provided herein, all Section references are to the Franchise Agreement and all capitalized terms shall have the meaning ascribed to them in the Franchise Agreement.

B. **[Prior hereto][Concurrently herewith]**, Franchisee and Franchisor’s affiliate, [FBNA][JRL], have entered into a franchise agreement (the “**[Fatburger][Johnny Rockets] Franchise Agreement**”) pursuant to which Franchisee has been granted a non-exclusive license by [FBNA][JRL] to use certain of [FBNA’s][JRL’s] trademarks and other intellectual property in connection with Franchisee’s operation a co-branded “Fatburger”/“Johnny Rockets” restaurant in conjunction with a “Hurricane” restaurant.

C. Franchisor and Franchisee therefore desire to amend the Franchise Agreement to permit Franchisee to operate the Restaurant as a co-branded “Hurricane” and “Fatburger”/“Johnny Rockets” restaurant, subject to the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained below, the parties hereto agree as follows:

1. Grant of Permission.

(a) By executing this Addendum, Franchisor consents, notwithstanding Sections 6.1.3, or otherwise in the Franchise Agreement, but subject to the terms and conditions set forth herein, to Franchisee: (i) operating the Restaurant as a co-branded “Hurricane” and “Fatburger”/“Johnny Rockets” restaurant, pursuant to and in accordance with the Franchise Agreement (as amended hereby) and the [Fatburger][Johnny Rockets] Franchise Agreement; (ii) offering and selling “Hurricane” and “Fatburger”/“Johnny Rockets” products from the Restaurant as further provided in Paragraph 2 below; (iii) using and displaying the “Fatburger”/“Johnny Rockets” trademarks (the “**[FBNA][JRL] Marks**”) at the Restaurant in accordance with [FBNA’s][JRL’s] specifications and requirements as may be provided to Franchisee from time to time, and the terms and conditions of the “Fatburger”/“Johnny Rockets” Franchise Agreement; and (iii) remodeling certain portions of the Restaurant to incorporate both Franchisor’s Marks and [FBNA’s][JRL’s] Marks, signs, trade dress, equipment, furnishings and fixtures in accordance with Franchisor’s specifications and guidelines, as may be provided to Franchisee from time to time, and subject to the rights and

permissions granted to Franchisee pursuant to the “Fatburger”/“Johnny Rockets” Franchise Agreement.

(b) Franchisee acknowledges that this Addendum and Franchisor’s permission granted herein apply only to the Restaurant, and shall not be understood or taken to be permission to offer any “Hurricane” menu items or other products or use or display any of the HAMA Marks at any other “Fatburger”/“Johnny Rockets” restaurant operated by Franchisee.

2. “Fatburger”/“Johnny Rockets” Menu Items and Merchandise. Notwithstanding anything to the contrary in the Franchise Agreement, Franchisor agrees and consents to Franchisee offering and selling from the Restaurant such “Fatburger”/“Johnny Rockets” menu items, merchandise and other products as [FBNA][JRL] designates in writing to Franchisee; and provided that, [FBNA][JRL] (subject to Franchisor’s consent) reserves the right to modify, supplement or change the “Fatburger”/“Johnny Rockets” menu items, merchandise and/or other products it authorizes to be offered and sold from the Restaurant.

3. “Fatburger”/“Johnny Rockets” Addendum to Manual. Franchisee acknowledges and agrees that Franchisor has authorized [FBNA][JRL] to act on Franchisor’s behalf to supervise and assist Franchisee’s operation of the “Hurricane” and “Fatburger”/“Johnny Rockets” co-branded restaurant. Following the execution of this Addendum, [FBNA][JRL]and/or Franchisor will provide Franchisee, on loan, HAMA’s operations manual (the “**HAMA Manual**”), or an addendum to [FBNA’s][JRL’s] Manual (the “[**FBNA][JRL] Manual**”) describing Franchisee’s obligations pertaining to the operation of the “Hurricane” (the HAMA Manual and [FBNA][JRL] Manual, are together referred to as the “**HAMA /[FBNA][JRL] Manuals**”) and “Hurricane” product and menu specifications, purchase orders, design specifications and uniforms; display of signs and notices; authorized and required equipment and fixtures, including specifications therefor; usage of the HAMA Marks; décor; local advertising formats; and such other matters and policies as Franchisor may reasonably elect to include which relate to the operation of the Restaurant as a co-branded “Hurricane” and “Fatburger”/“Johnny Rockets” restaurant. Further, [FBNA][JRL] (on Franchisor’s behalf) may provide to Franchisee, from time to time as Franchisor and [FBNA][JRL]deem appropriate, further advice and/or written materials concerning the operation of the Restaurant as a co-branded restaurant, including new developments and improvements in restaurant equipment, food products, packaging, and preparation. Franchisee hereby re-affirms its obligation to operate the Restaurant in strict compliance with the BFCI/[FBNA][JRL]Manuals, as amended from time to time.

4. Restaurant Net Sales.

(a) Franchisee and Franchisor acknowledge and agree that the defined term “Net Sales” in Schedule A to the Franchise Agreement shall be deemed to include any and all revenue from the sale of “Hurricane” and “Fatburger”/“Johnny Rockets” food, merchandise and/or services sold or rendered by Franchisee from or at the co-branded Restaurant. Franchisor and [FBNA][JRL] shall be responsible for allocating amongst each other, the respective portions of Franchisee’s Net Sales that they jointly deem to be attributable to the sale of Franchisor’s and/or [FBNA’s][JRL’s] food, merchandise and/or services sold or rendered by Franchisee from or at the co-branded Restaurant.

(b) Franchisor and [FBNA][JRL] agree that Franchisee’s payment to [FBNA][JRL] under the [Fatburger][Johnny Rockets] Franchise Agreement of Royalties and National Advertising Fees based on the total combined Net Sales of both the “Hurricane” and “Fatburger”/“Johnny Rockets” portions of the co-branded restaurant shall satisfy Franchisee’s Royalty and National Advertising Fee

obligations under both the HMT Franchise Agreement and the [Fatburger][Johnny Rockets] Franchise Agreement.

5. Accounting and Reporting. At Franchisor's or [FBNA's][JRL's] request, Franchisee shall implement such requirements and procedures as Franchisor or [FBNA][JRL] may reasonably require from time to time to record, account for and report to Franchisor the amount of Net Sales of the Restaurant (and other data or information) derived from the "Hurricane" menu items, apart from revenues derived from the sale of "Fatburger"/"Johnny Rockets" menu items at the Restaurant.

6. Cross-Default. Franchisee acknowledges and agrees that it is essential to the name, brand and reputation of both Franchisor and [FBNA][JRL] that the co-branded restaurants be operated strictly in accordance with Franchisor's and [FBNA's][JRL's] standards and specifications. Accordingly, (a) any violation or breach by Franchisee of the [Fatburger][Johnny Rockets] Franchise Agreement or [FBNA][JRL] Manual shall constitute a default under the HMT Franchise Agreement and HMT Manual, and (b) any violation or breach by Franchisee of the HMT Franchise Agreement or HMT Manual shall constitute a default by Franchisee under the [Fatburger][Johnny Rockets] Franchise Agreement and [FBNA][JRL] Manual.

7. Effect of Addendum. Except as expressly modified by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict or inconsistency between the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

8. Entire Agreement. This Addendum, together with the Franchise Agreement and [Fatburger][Johnny Rockets] Franchise Agreement, set forth the entire agreement between the parties hereto, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter hereof.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum as of the day and date first above written.

“FRANCHISEE”

a _____

By: _____

Name: _____

Its: _____

“FRANCHISOR”

HURRICANE AMT, LLC

By: _____

Name: _____

Its: _____

ACKNOWLEDGED AND CONSENTED TO:

FATBURGER NORTH AMERICA, INC.,

By: _____

Name: _____

Its: _____

JOHNNY ROCKET'S LICENSING, LLC

By: _____

Name: _____

Its: _____

EXHIBIT B-2
SBA Addendum



ADDENDUM TO _____¹ AGREEMENT

THIS ADDENDUM (“Addendum”) is made and entered into on _____, 20____, by and between _____ (“_____”), located at _____, and _____ (“_____”), located at _____.

_____ and _____ entered into a _____ Agreement on _____, 20____, (such Agreement, together with any amendments, the “_____ Agreement”). _____ is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the _____ Agreement or any other document _____ requires _____ to sign:

CHANGE OF OWNERSHIP

- If _____ is proposing to transfer a partial interest in _____ and _____ has an option to purchase or a right of first refusal with respect to that partial interest, _____ may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of _____. If the _____’s consent is required for any transfer (full or partial), _____ will not unreasonably withhold such consent. In the event of an approved transfer of the _____ interest or any portion thereof, the transferor will not be liable for the actions of the transferee _____.

FORCED SALE OF ASSETS

- If _____ has the option to purchase the business personal assets upon default or termination of the _____ Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the _____ owns the real estate where the _____ location is operating, _____ will not be required to sell the real estate upon default or termination, but _____ may be required to lease the real estate for the remainder of the _____ term (excluding additional renewals) for fair market value.

¹ While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the _____ owns the real estate where the _____ location is operating, _____ has not and will not during the term of the _____ Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the _____'s real estate, they must be removed in order for the _____ to obtain SBA-assisted financing.

EMPLOYMENT

- _____ will not directly control (hire, fire or schedule) _____'s employees. For temporary personnel franchises, the temporary employees will be employed by the _____ not the _____.

As to the referenced _____ Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the _____.

Except as amended by this Addendum, the _____ Agreement remains in full force and effect according to its terms.

_____ and _____ acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of _____:

By: _____

Print Name: _____

Title: _____

Authorized Representative of _____:

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the _____ and _____. Additionally, the applicant _____ and the _____ system must meet all SBA eligibility requirements.

EXHIBIT B-3

Cookie Equipment Lease

EXHIBIT B-3
COOKIE EQUIPMENT LEASE

THIS AGREEMENT, made this _____ day of 20__, by and between _____ hereafter called the *Lessee*, and **GFG Management LLC**, hereafter called the *Lessor*.

Lessee and Lessor, for the consideration hereafter named, agree as follows:

Under the General Conditions of Lease, Lessor hereby leases to Lessee all equipment named and identified in the following "List of Equipment," for use at such location and at such rental rate for approximately such time as is therein stated. Lessor shall furnish such equipment, in operative, like new or new condition.

List of Equipment*

***Lessor reserves the right at its own discretion to any substitution to the equipment package.**

	Item Description	Distributor & Item Number	Manufacturer
1	Oven, Cadco Model OV-013	Edward Don #1202193	Cadco OV-O13 w/Warranty
2	Sheet Pans, 1/2	Edward Don #1060717	IMCO Pan-12
3	8" Baking Pans - Pop Out Bottom	Edward Don #1176622	Fat Daddios #PCC-83
4	Thumb/Disher Scoop, #16 Blue	Edward Don #1202195	Hamilton Beach #80-16
5	Ladle 12", 1 oz	Edward Don #K7101	IMCO #K7101
6	Cookie Spatula, large	Edward Don #1110300	Mercer #M17513
7	Impulse Heat Sealer - 12"	Edward Don #1199685	Eurodib UDA Model #KS-300
8	Teflon Pan Liner - 10ct precut	Edward Don #1165686	Saint-Gobain #25339M
9	18qt Cambro Container (translucent)	Edward Don #K3652	Cambro #18SFSP190
10	18qt Cambro Lid	Edward Don #K4647	Cambro #SFC12453
11	Merchandiser, Black Display Crate	Edward Don #1152621	Tablecraft #CRATE114BK

GENERAL CONDITIONS OF EQUIPMENT LEASE

The conditions of lease here below stated, together with the Agreement above of this sheet, constitute a contract between the parties therein named which contract is hereafter referred to as "this Agreement".

- 1 **TERM.**This Agreement shall be for a term of _____ years and begin on the above date. Termination of this Agreement will only occur upon full execution of all commitments at which point after years the lease equipment and title of ownership will be transferred to lessee for one-dollar consideration.
- 2 **RENT.**Lessee agrees to a minimum commitment of _____ cases of batter ordered per year.

- 3 **DEFAULT.** If Lessee fails to perform or fulfill any obligation under this Agreement, Lessee shall be in default of this Agreement. Lessee shall have ten (10) days from the date of notice of default given by lessor to cure the default. In the event Lessee does not cure the default, Lessor may at Lessor's option (a) cure such default and the cost of such action may be added to Lessee's financial obligations under this Agreement; or (b) declare Lessee in default of this Agreement. In the event of default, Lessor may, as permitted by law, re-take possession of the Equipment. Lessor may, at its option, hold Lessee liable for any difference between the Rent that would have been payable under this Agreement during the balance of the unexpired term. Lessee shall pay \$15.00 per case of batter outstanding the Term at the time of default and any fees and cost a product of default.
- 4 **RISK OF LOSS OR DAMAGE.** The Lessee assumes all risk of loss or damage to the equipment from any cause, and agrees to return it to the Lessor in the condition received from the Lessor, with the exception of normal wear and tear. The Lessor or their appointed agent will determine normal wear and tear. If the equipment is not returned to the Lessor for any reason, Lessee shall pay to the Lessor the Replacement Cost of the equipment or its equivalent at the time of its return. If no Replacement Cost is designated herein, Lessee shall pay the actual cost of replacing the equipment at the time of replacement.
- 5 **MAINTENANCE AND OPERATION.** Lessee shall see that the equipment is not subjected to careless, unusually or needlessly rough usage; and Lessee shall at Lessee's own expense maintain the equipment and its appurtenances in good repair and operative condition, and return it in such to Lessor in the same condition as received, ordinary and reasonable wear and tear resulting from proper use thereof excepted.
- 6 **REPAIRS.** The expense of all repairs made during the Rental Period, including labor, material, parts and other items shall be paid by Lessee. The manufacturer limited warranty will be supplied by the distributor Edward Don: 2 year limited warranty (1 year carry-in service, 2nd year parts only, contact factory for details), standard; 1 year warranty on oven motors & fan, contact factory for details, standard; 90 day warranty on light bulbs & gaskets, 30 day warranty on glass, contact factory for details, standard
- 7 **CARE AND OPERATION OF EQUIPMENT.** The equipment may only be used and operated in a careful and proper manner and at the location set forth herein. Its use must comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the equipment, including registration and/or licensing requirements, if any.
- 8 **DISCLAIMER OF WARRANTIES. NO WARRANTIES; CONSEQUENTIAL DAMAGES EXCLUDED**
- a. Disclaimer of Warranties. Lessee acknowledges that: Lessor is not the manufacturer of the Equipment nor the manufacturer's agent or representative nor a dealer therein; the Equipment is of a size, design, capacity, description and manufacture selected by the Lessee; Lessee is satisfied that the Equipment is suitable and fit for its purposes; and **LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR**

OPERATION OF THE EQUIPMENT, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT, LESSOR'S TITLE TO THE EQUIPMENT, NOR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER; Lessor shall not be liable to Lessee for any loss, damage, or expense of any kind or nature caused, directly or indirectly, by the Equipment or the use or maintenance thereof or the failure or operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused. No defect or unfitness of the Equipment shall relieve Lessee of the obligation to pay any installment of rent or any other obligation under this Lease.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES, IS INTENDED BY THE PARTIES TO BE SEVERABLE FROM ANY OTHER PROVISION AND IS A SEPARABLE AND INDEPENDENT ELEMENT OF RISK ALLOCATION AND IS INTENDED TO BE ENFORCED AS SUCH. THE PARTIES ALSO AGREE THAT, REGARDLESS OF THE FAILURE OF ANY SOLE OR EXCLUSIVE REMEDY APPLICABLE TO THE EQUIPMENT, LESSEE WILL NOT BE ENTITLED TO ANY CONSEQUENTIAL DAMAGES OF WHATSOEVER KIND OR NATURE. THE PARTIES INTEND THE EXCLUSION OF CONSEQUENTIAL DAMAGES AS AN INDEPENDENT AGREEMENT APART FROM ANY SOLE AND EXCLUSIVE REMEDY APPLICABLE TO THE AGREEMENT.

- 9 **INDEMNITY.** Lessee shall indemnify Lessor, and its agents and employees against, and hold Lessor and its agents and employees harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with, or resulting from the equipment or the Lease, including without limitation, the manufacture, selection, delivery, leasing, renting, control, possession, use, operation, maintenance or return of the equipment. Lessee shall further indemnify Lessor, and hold Lessor harmless from all loss and damage to the equipment during the rental period. Lessee recognizes and agrees that included in this indemnity clause, but not by way of limitation, is Lessee's assumption of any and all liability for injury: disability and death of workmen and other persons caused by the operation, use, control, handling, or transportation of the equipment during the Rental Period.

10 **LOSS OR DAMAGE TO EQUIPMENT; INSURANCE**

- a. Risk of Loss. From the date the Supplier ships the Equipment to Lessee or the date Lessor confirms Lessee's purchase order or contract to Supplier, whichever occurs first, Lessee hereby assumes and shall bear the entire risk of loss for theft, damage, destruction or other injury to the Equipment from any and every cause whatsoever. **NO SUCH LOSS OR DAMAGE SHALL IMPAIR ANY OBLIGATION OF LESSEE UNDER THIS LEASE WHICH SHALL CONTINUE IN FULL**

FORCE AND EFFECT. In the event of damage or loss to the Equipment (or any part thereof) and irrespective of payment from any insurances coverage maintained by Lessee, but applying full credit therefor, Lessee shall at the option of Lessor, (a) place the Equipment in good repair, condition and working order; or (b) replace the Equipment (or any part thereof) with like equipment in good repair, condition and working order and transfer clear title to such replacement equipment to Lessor, whereupon such replacement equipment shall be deemed the Equipment for all purposes.

- b. Insurance. Lessee shall obtain and maintain for the entire term of this Lease, at its own expense (as primary insurance for Lessor and Lessee), property damage and liability insurance and insurance against loss or damage to the Equipment including, without limitation, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on the type of Equipment leased hereunder and by businesses in which Lessee is engaged, in such amounts, in such form and with such insurers as shall be reasonably satisfactory to Lessor provided, however, that the amount of insurance against loss or damage to the Equipment shall be the greater of (i) the replacement value of the Equipment or (ii) the Stipulated Loss Value of such item of Equipment as specified in the Stipulated Loss Value Rider attached to the Lease Schedule relating to the Equipment.

- 11 **ASSIGNMENT.** The Lessee shall not assign or sublet any interest in this Rental or the equipment or permit the equipment to be used by anyone other than the Lessee or Lessee's employees, without Lessor's prior written consent.
- 12 **INDEMNITY.** Lessee shall indemnify and hold Lessor harmless from and against all claims, losses, liabilities (including, but not limited to, negligence, tort, breaches of statutory duties, and strict liability), damages, judgments, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out of or in any manner related to the manufacture, purchase, financing, ownership, delivery, rejection, non- delivery, possession, use, transportation, storage, operation, maintenance, repair, return or other disposition of the Equipment or with this Lease, including, without limitation, (a) claims for injury to or death of persons and for damage to property, (b) claims relating to patent, copyright, or trademark infringement, and (c) claims relating to defects in the equipment whether or not discoverable by Lessor. Lessee agrees to give Lessor prompt notice of any such claim or liability.
- 13 **NOTICE.** Any notices or demands required to be given herein shall be given to the parties in writing and by regular mail email, of facsimile to the addresses, or email addresses herein set forth, or to such other addresses, email addresses, or telecopier numbers as the parties may hereafter substitute by written notice given in the manner prescribed in this Paragraph.
- 14 **CANCELLATION.** The Lease can be cancelled or terminated if: (1) Lessee is in good standing and current with all obligations to Lessor and (2) Lessee shall pay \$15.00 per case of batter outstanding the Term at the time of cancellation.

- 15 **GOVERNING LAW.** This Agreement is governed by and must be construed in accordance with the law of the State of Delaware without reference to its conflict of laws principles. Consent to jurisdiction and venue. In the event that lessee should ever assert a claim or counterclaim against lessor for any reason related to this document or its amendments if any, lessor and lessee unconditionally agree to assert such a claim in the form of a lawsuit to be commenced in state court in Georgia, or a county and state designated by lessor in a written notice to lessee with lessor hereby consenting to the jurisdiction and venue of the courts of those counties and states for such purposes.
- 16 **DISPUTE RESOLUTION.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Atlanta, Georgia before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules or pursuant to JAMS' Streamlined Arbitration Rules and Procedures . Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.
- 17 **NEGATIVE COVENANTS OF LESSEE.**
- a. No Liens
- Lessee shall not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Equipment or this Lease or any of Lessor's interests thereunder.
- b. No Alterations to Equipment; Accessions
- Lessee shall not make any changes or alterations in or to the Equipment except as necessary for compliance with any maintenance contract required by this Lease. All repairs, parts, supplies, accessories, equipment, and devices furnished, affixed, or installed to or on the Equipment or any part or unit thereof, shall become the property of Lessor.
- c. Location of Equipment
- Lessee shall not part with possession or control of or suffer or allow to pass out of its possession or control, items of Equipment or change the location of the Equipment or any part thereof from the address shown above without the prior written consent of Lessor.
- d. Lessee's Identity, Structure, Name and Address
- Lessee shall not change its name or address from that set forth above, unless it shall have given Lessor or its assigns no less than 30 days' prior written notice; Lessee, if an organization, shall not merge or consolidate with any other person or entity or change its identity.

LESSEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. ANY ATTEMPTED ASSIGNMENT IN BREACH OF THIS PROVISION SHALL BE NULL AND VOID.

18 **ENTIRE AGREEMENT.** This Lease constitutes the entire, final, complete, and fully integrated understanding or agreement between Lessor and Lessee and there is no understanding or agreement, oral or written, which is not set forth herein. This Lease may not be supplement, explained, or interpreted by any evidence of trade usage or course of dealing.

BY EXECUTION HEREOF, THE SIGNER CERTIFIES (S)HE HAS READ THIS ENTIRE LEASE, THAT LESSOR OR ITS REPRESENTATIVES HAVE MADE NO AGREEMENTS OR REPRESENTATIONS EXCEPT AS SET FORTH HEREIN AND THAT (S)HE IS DULY AUTHORIZED TO EXECUTE THIS LEASE ON BEHALF OF LESSEE.

LESSOR:

GFG Management, LLC a Delaware Corporation

By: _____
Name: [_____]
Title: [_____]

LESSEE [ENTITY NAME]

By: _____
Name: [_____]
Title: [_____]

EXHIBIT C

Guaranty, Indemnification and Acknowledgment

GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to HURRICANE AMT, LLC (“**Franchisor**”) to execute the Franchise Agreement between Franchisor and _____ (“**Franchisee**”) dated _____, 20__ (the “**Agreement**”), the undersigned, jointly and severally, hereby unconditionally and irrevocably guarantee to Franchisor and its successors and assigns, the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to Franchisor or its affiliates, including, but not limited to, all obligations arising out of the Franchise Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Franchise Agreement was signed between Franchisor or its affiliate. and the undersigned directly, as Franchisee.

Upon demand by Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under the Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Franchisee or any other guarantor for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee or any other guarantor; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee or any other guarantor. Without affecting the obligations of the undersigned under this Guaranty, 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 expressly waive notice of the acceptance by Franchisor to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Franchisor, and any other notices and demands. This Guaranty will not be affected by the modification, extension, or renewal of any agreement between Franchisor and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Franchisee’s obligations or liability to Franchisor, or any other circumstances whether or not referred to in this Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all

successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

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.

This is a Guaranty of payment and performance and not of collection.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants contained in **Section 15** of the Agreement.

The undersigned agree that any current or future indebtedness by the Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Franchisor. The undersigned will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of the undersigned. The undersigned further agree that as long as the Franchisee owes any money to Franchisor (other than royalty and advertising fund payments that are not past due) the Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Franchisor.

This Guaranty will 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 will 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 will remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty, 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 Guaranty will have the same meaning as in the Agreement, and will be interpreted and construed in accordance with **Section 21** of the Agreement. This Guaranty will be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the laws of California will

prevail, without regard to, and without giving effect to, the application of the State of California conflict of law rules.

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one business day after transmission by facsimile with copy also sent by Email or other electronic system expressly approved in the Manuals as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Notices to Franchisor:

HURRICANE AMT, LLC
9720 Wilshire Blvd. Suite 500
Beverly Hills, California 90212
Attn: Chief Executive Officer and Chief Financial Officer
email: CEO@fatbrands.com and CFO@fatbrands.com

Notices to Guarantors:

Any party may change his or its address by giving 10 days prior written notice of such change to all other parties.

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

“GUARANTORS”

Print Name:_____

Print Name:_____

EXHIBIT D

List of Franchisees and Certain Former Franchisees

FRANCHISEES AS OF DECEMBER 25, 2022

Franchisee Name	Franchised Location	Telephone Number
Alabama		
HGW of Orange Beach, LLC/Bill Luebbert	25755 Perdido Beach Blvd., Orange Beach, AL 36561	251-981-3041
Arizona		
Franchise Partners, LLC/ Jacee Carosella	11340 West Bell Road, Ste 104, Surprise, AZ 85374	623-583-7300
California		
Nowrouz Group Ihc. / Abu Syad	2040 Birch Road, M101, Chula Vista, CA 91915	619-421-7888
Florida		
Naples Wings, Inc. / Michael Joseph	2209A East Semoran Blvd, Apopka, FL 32703	407-703-3271
Casual Dining Ventures, Inc. / John Metz	1500 Gateway Blvd Suite 110, Boynton Beach, FL 33436	561-877-4562
Cape Wings, Inc./Dave Witker	756 SW Pine Island Road, Cape Coral, FL 33991	239-800-3141
Central Florida Wings, LLC/Bassel Maali	1203 Sunrise Plaza Drive, Clermont, FL 34714	352-242-0567
Miami Hurricane Grill, Inc. / Hanif Merali	6240-116 Coral Ridge Drive, Coral Springs, FL 33076	954-346-3535
Camcor Restaurant Group, LLC/ Mike Dravo	1810-1 Towne Center Blvd., Fleming Island, FL 32003	904-694-7315
Wingin It With Wing Slingers, LLC / Jeff Arrigoni	2017 Seaway Drive, Ft. Pierce, FL 34949	772-467-9464
June Wing Guys LLC / Jack Gandolfo	8181 NW 39 th Ave., Gainesville, FL 32606	352-240-6564
Kathy Walls/Brett Hayden	3055 DR 210, Suite 101, Jacksonville, FL 32259	904-230-6445
Wings Slingers, Inc/ Kristi Kluba	12795 San Jose Blvd, Ste 16, Jacksonville, FL 32223	904-280-8338
HGW San Marco, LLC/Ken Geisse	1615 Hendricks Avenue, Jacksonville, FL 32207	904-393-7933
Premier Restaurants, LLC / William King	12547 Bartram Park Blvd., Jacksonville, FL 32258	904-503-3311
JB Grill & Wings, LLC / Dave Brennan	995 NE Jensen Beach Blvd., Jensen Beach, FL 34957	772-334-0001
Fireside, LLC/ Michael Huska	2401 W State Road 434, Longwood, FL 32779	407-772-5504
Hatem Brothers, Inc. / Fouad and Issa Hatem	15500 SW 88th Street, Miami, FL 33196	305-383-5601
Hgw Neptune Beach, LLC/ Arvi Soltani	628-6 Atlantic, Blvd., Neptune Beach, FL 32266	904-247-3031
HGW Of Niceville, LLC/Bill Luebbert	4579 Highway 20 E, Suite 2, Niceville, FL 32578	850-689-0277
Wingin It In Juno 2, LLC / John Luther	7100 Fairway Drive, Palm Beach Gardens, FL 33418	561-775-2522
Hurricane Wings Of Palm City, LLC/ Spiro Laskaris	2355 SW Martin Downs Blvd, Palm City, FL 34990	772-781-4295
HW Of Promenade, LLC / Dave Brennan	2202 SE Veterans Memorial Pkwy, Port St. Lucie, FL 34952	772-335-9036
Kitterman Grill & Wings, LLC / Dave Brennan	6641 S. US 1, Port St. Lucie, FL 34952	772-341-0813
Russo Family Tradition, LLC / Dave Brennan	10440 SW Village Center Dr, Port St Lucie, FL 34987	772-345-9464
Beachside Endeavors, LLC/ Abe Vanjaria	4255 S. A1A, St. Augustine Beach, FL 32080	904-707-8777
Stuart Wings, LLC/ Michael J. Matakactis, Jr.	1729 SE Indian Street, Stuart, FL 34997	772-283-7013
HGW Of Tallahassee, LLC/Bill Luebbert	6800 Thomasville Road, Tallahassee, FL 32312	(850) 597-9129
Hurricane Wings Management Of Tavares, LLC / John Metz	3351 W. Burleigh Blvd, Tavares, FL 32778	352-508-5137
I.R. One Hurricane Holdings, LLC/ Nadja Ricci	943 15 th Place, Vero Beach, FL 32960	772-562-2226
John Metz	4075 State Road 7, Wellington, FL 33449	561-318-6107
Hurricane Wings Of Winterhaven, LLC / John Metz	6370 Cypress Gardens Blvd., Winter Haven, FL 33884	863-324-5157

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.
601131082.5

Franchisee Name	Franchised Location	Telephone Number
Kansas		
Crave Grill Tyler, LLC / Jim Petrich	8641 West 13th Street N. Ste 111, Wichita, KS 67212	316-260-9686
New York		
Crit 3, LLC/Steve Critelli	694 Motor Parkway Ste. 7, Hauppauge, NY 11788	631-434-9464
Crit 3 Corp./Steve Critelli	127 East Montauk Highway, Lindenhurst, NY 11757	631-225-9464
Manorville Wings, Inc./Vinny Greco	496 County Road 111, Ste 2, Manorville, NY 11949	631-872-0638
Hurricane of Newburgh, LLC / Anthony Balbo / Angelo Balbo	829 Broadway, Newburgh, NY 12550	845-562-8200
Selden Wings, LLC/ Vinny Greco	1037 Route 112, Port Jefferson Station, NY 11776	631-509-1288
Hurricane of Poughkeepsie, LLC/Anthony Balbo / Angelo Balbo	9 Raymond Avenue, Poughkeepsie, NY 12603	914-475-3200
267 Hurricane Group, LLC/ Robert Engel / Dean George	275 Jericho Turnpike Syosset, NY 11791	516-921-9464
Texas		
AOSEFEA, LLC/Mike Boselah	2701 Parker Road Suite D 100 Round Rock, TX 78681	512-906-0272

Franchise Agreements Signed for Units Not Open

None

Former Franchisees as of December 25, 2022

None

* Indicates has currently open and operating unit(s).

EXHIBIT E

Multi-Unit Restaurant Agreement and Addendum

MULTI-UNIT RESTAURANT AGREEMENT

BY AND BETWEEN

HURRICANE AMT, LLC

AND

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**HURRICANE AMT, LLC
MULTI-UNIT RESTAURANT AGREEMENT**

THIS **MULTI-UNIT RESTAURANT AGREEMENT** (“**Agreement**”) is made and entered into this ___ day of _____, 20____, (the “**Effective Date**”) by and between Hurricane AMT, LLC, a Delaware limited liability company (“**Franchisor**”) and _____, a(n) _____ (“**Applicant**”) with reference to the following facts:

A. Franchisor’s Affiliate has granted Franchisor the right to sublicense the HURRICANE® name and such other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs used in connection with the development, operation and maintenance of restaurants featuring hamburgers, related products and such other menu items as Franchisor may authorize from time to time (the “**Restaurants**”).

B. Franchisor desires to expand and develop the Restaurants in the Development Area, and Applicant wishes to develop HURRICANE® Restaurants in the Development Area, upon the terms and conditions as set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

**1.
DEFINITIONS**

In this Agreement, capitalized terms shall have the meanings set forth in Exhibit E, unless the context otherwise requires.

**2.
GRANT OF AREA DEVELOPMENT RIGHTS**

2.1 Grant of Area Development Rights

(a) Upon the terms and subject to the conditions of this Agreement, Franchisor hereby grants to Applicant, and Applicant hereby accepts, the right and obligation, during the Term, to develop Restaurants solely at Venues in the geographic area defined in **Exhibit A**, which is attached hereto and by this reference made a part hereof (the “**Development Area**”). An increase or decrease in the size of the zip codes, cities, counties or political subdivisions, if any, included within these boundaries shall have no effect on the Development Area as it is described in **Exhibit A**. If the Development Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Development Area shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary

(b) Applicant acknowledges that Franchisor has offered Applicant the option of developing Restaurants in the Development Area on a “Non-exclusive” basis, or on a “Protected Rights” basis (See **Section 2.2**). (Check applicable box– if not checked, Non-exclusive basis will be deemed selected):

- (i) “Non-exclusive” basis, or
- (ii) “Protected Rights” basis

(c) No right or license is granted to Applicant hereunder to use any trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned by Franchisor, such right and license being granted solely pursuant to Franchise Agreements executed pursuant hereto. Without limiting the generality of the foregoing, nothing in this Agreement shall permit Applicant to own or operate a Restaurant, except pursuant to duly executed and subsisting Franchise Agreement. Applicant shall not use such trademarks, trade names, service marks, logotypes, insignias, trade dress, signs in any manner or for any purpose, including in connection with any offering of securities or any request for credit, without the prior express written approval of Franchisor.

2.2 Protection within Development Area

(a) *Non-Exclusive.* If Applicant has selected or is deemed to have selected the “Non-exclusive” box in **Section 2.1(b)(i)**, no exclusivity or territorial protection is granted to Applicant pursuant to this Agreement. The Development Area and the rights granted to Applicant under this Agreement are non-exclusive (subject only to any territorial rights granted to Applicant pursuant to any unit Franchise Agreement(s) between the parties) and without limiting the generality of the foregoing, Franchisor reserves all other rights including the exclusive, unrestricted right, in Franchisor’s sole discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others to (i) own or operate and to franchise or license others to own or operate restaurants under the name “HURRICANE®” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs at any location whatsoever whether within or outside the Development Area, including at Excluded Venues, and regardless of their proximity to any Restaurant developed or under development or consideration by Applicant; (ii) own or operate facilities offering catering services and mobile units designed to service special events within and outside the Development Area and (iii) produce, license, distribute and market “HURRICANE®” brand named products, and products bearing other marks, including food and beverage products, clothing, souvenirs and novelty items, at or through any location or outlet, including grocery stores and convenience stores (including those which may be located within the Development Area), and through any distribution channel, at wholesale or retail, including by means of mail order catalogs, direct mail advertising, Internet marketing and other distribution methods.

(b) *Protected Rights.* If Applicant has selected the “Protected Rights” box in **Section 2.1(b)(ii)**, then subject to the Reserved Rights, during the Term, Franchisor shall not open or operate, nor license any other person or Entity to own or operate, any HURRICANE® Restaurant at any Venue within the Development Area. The term “**Reserved Rights**” means and includes the exclusive, unrestricted right, in Franchisor’s sole discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others to own or operate, and to license others (which may include its Affiliates) to own or operate (i) restaurants under the name “HURRICANE®” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs at any location outside the Development Area, (ii) restaurants and other facilities under the name “HURRICANE®” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs at Excluded Venues at any location, and of any type whatsoever, within or outside the Development Area, and regardless of proximity to any Restaurant developed pursuant hereto; (iii) facilities offering catering services and mobile units designed to service special events within and outside the Development Area, (iv) restaurants and other systems operating under names other than “HURRICANE®” and under any other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs, at any location, and of any type whatsoever, within or outside the Development Area and regardless of their proximity to any

Restaurant developed pursuant hereto; and (v) to produce, license, distribute and market “HURRICANE®” brand named products, and products bearing other marks, including food and beverage products, clothing, souvenirs and novelty items, at or through any location or outlet, including grocery stores and convenience stores (including those which may be located within the Development Area), and through any distribution channel, at wholesale or retail, including by means of mail order catalogs, direct mail advertising, Internet marketing and other distribution methods.

3.

OPERATOR'S DEVELOPMENT OBLIGATION

3.1 Development Obligation

(a) Subject to **Section 3.1(c)**, within each Development Period specified in **Exhibit B**, Applicant shall construct, equip, open and thereafter continue to operate at, and only at, Venues within the Development Area, not less than the cumulative number of Restaurants required by the Development Obligation for that Development Period.

(b) Applicant acknowledges and agrees that it is Applicant's sole responsibility to locate a sufficient number of proposed sites within the Development Area and to submit to Franchisor for acceptance sufficiently in advance of the end of each Development Period to insure that the Development Obligation is met for the applicable Development Period. Without limiting the foregoing, Applicant acknowledges that this will likely require Applicant to locate a number of possible sites substantially in excess of the Development Obligation for the applicable Development Period. Franchisor may not accept, or may reject, certain of such sites, and Applicant may not be able to acquire or lease particular sites or negotiate acceptable lease terms. Applicant agrees that time is of the essence.

(c) To the extent that at the end of any Development Period, Applicant shall have failed to construct, equip, open and commence operation of the cumulative number of Restaurants required by the end of that Development Period, then Applicant shall forfeit the right to develop that number of Restaurants which Applicant failed to construct, equip, and open (the “**Unopened Restaurants**”), and (i) **Exhibit B** shall automatically be deemed revised, without any action on the part of either party hereto, to reduce, by a number equal to the number of Unopened Restaurants, the cumulative number of Restaurants required at the end of each ensuing Development Period, as well as the total Development Obligation, and (ii) the portion of Applicant's Development Fee which is attributable to such Unopened Restaurant(s) shall be forfeited and the amount of the Development Fee remaining available as a credit pursuant to **Section 5** shall be correspondingly adjusted and reduced. No portion of the Development Fee shall be refunded in connection with any rights to develop Restaurants which are forfeited pursuant hereto and no such portion of the Development Fee pertaining to such forfeited rights shall be credited against any initial franchise fee payable pursuant to any subsequent Franchise Agreements executed pursuant to this Agreement, such credit being limited to the amount set forth in **Section 5**, as so adjusted and reduced.

3.2 Force Majeure

(a) Subject to Applicant's continuing compliance with **Section 3.2(b)**, should Applicant be unable to meet the Development Obligation for any Development Period solely as the result of Force Majeure or any legal disability of Franchisor to deliver a Franchise Disclosure

Document if required by law pursuant to **Section 6.2** of this Agreement, which results in the inability of Applicant to construct or operate Restaurants in all or substantially all of the Development Area pursuant to the terms of this Agreement, the particular Development Period during which the event of Force Majeure (or Franchisor's legal disability to deliver a Franchise Disclosure Document) occurs shall be extended by an amount of time equal to the time period during which the Force Majeure (or Franchisor's legal disability to deliver a Franchise Disclosure Document) shall have existed and persisted during that Development Period. Development Periods during which no such Force Majeure (or legal disability) existed shall not be extended. Other than as a result of Force Majeure, any delay in Franchisor's issuance of acceptance of any site under **Article 6**, or Applicant's failure to satisfy the conditions set forth in **Section 6.3** of this Agreement, shall not extend any Development Period.

(b) In the event of the occurrence of an event constituting Force Majeure, Applicant shall notify Franchisor in writing within 5 days following commencement of the alleged Force Majeure including the specific nature and extent of the Force Majeure, with sufficient details to enable Franchisor to evaluate such claimed Force Majeure, and how it has impacted Applicant's performance hereunder. Applicant shall continue to provide Franchisor with regular updates (no less frequently than weekly) for so long as Applicant claims such Force Majeure to persist, and promptly provide all additional information as may be requested by Franchisor, including Applicant's progress and diligence in responding to and overcoming the Force Majeure.

3.3 Applicant May Not Exceed The Development Obligation

Applicant may not construct, equip, open and operate more than the total number of Restaurants comprising the Development Obligation.

4. TERM OF THE AGREEMENT

4.1 Term

The term of this Agreement shall commence on the Effective Date and, unless otherwise negotiated, terminated or extended as provided herein, shall continue until the earlier of (i) the _____ anniversary of the Effective Date, or (ii) the date of execution of the Franchise Agreement granting Applicant the right to open the last Restaurant necessary for Applicant to fully satisfy the Development Obligation (the "**Term**").

4.2 No Renewal or Extension of Term

Applicant shall have no right to renew this Agreement or extend the Term of this Agreement.

4.3 Effect of Expiration

Following the expiration of the Term, or the sooner termination of this Agreement, (a) Applicant shall have no further right to construct, equip, own, open or operate additional Restaurants which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between Applicant (or an Affiliate of Applicant) and Franchisor which is then in full force and effect, and (b) without limiting any of Franchisor's rights hereunder, Franchisor or its Affiliates may thereafter itself construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Restaurants at any location(s) (within

or outside of the Development Area), without any restriction, subject only to any territorial rights granted for any then existing Restaurant pursuant to a validly subsisting Franchise Agreement executed for such Restaurant.

5.
DEVELOPMENT FEE

Concurrently with the execution of this Agreement, Applicant shall pay to Franchisor, in cash or by certified check, the sum of \$_____ (the “**Development Fee**”). The Development Fee represents, 100% of the aggregate initial franchise fees required to be paid by Applicant pursuant to the current form of Franchise Agreement if Applicant executes Franchise Agreements for the total number of Restaurants required to be developed hereunder. The Development Fee shall be deemed fully earned upon the execution hereof and shall not be refundable under any circumstances; provided that Franchisor shall credit the Development Fee against the Initial Fee payable upon execution of each Franchise Agreement executed pursuant hereto at the rate of \$_____ per Franchise Agreement until the entire Development Fee has been so credited.

6.
EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS

6.1 Site Review

(a) When Applicant has located a proposed site for construction of a Restaurant, Applicant shall submit to Franchisor such real estate, economic, demographic and other information regarding the proposed site and neighboring areas as Franchisor shall require, in the form prescribed by Franchisor (“**Real Estate Site Evaluation Package**”).

(i) Together with each Real Estate Site Evaluation Package, Applicant shall obtain from Franchisor’s designated vendor, or another vendor which has been approved in writing by Franchisor, a customer analysis and location report (the “**Site Analysis**”) covering the proposed site, which report must be on a form prescribed by Franchisor and must contain the data specified by Franchisor. If Applicant obtained the Site Analysis prior to the Effective Date, Franchisor will accept such Site Analysis in satisfaction of Applicant’s obligation, provided the Site Analysis was prepared as of a date reasonably acceptable to Franchisor and by a vendor designated or approved by Franchisor. Applicant will provide a copy of the Site Analysis and all updates and amendments thereto promptly to Franchisor after Applicant’s receipt of the same. If Applicant wishes to utilize the services of any person or Entity other than Franchisor’s designated vendor for the Site Analysis, then Applicant shall advance, or at Franchisor’s election reimburse Franchisor for, any and all costs and expenses incurred by Franchisor to assist Applicant or Applicant’s vendor in preparing the Site Analysis. In unusual cases, if Franchisor, in its sole discretion, determines that the type of site being proposed by Applicant is of a type which Franchisor’s designated vendor’s Site Analysis tools are not designed to evaluate effectively, Franchisor may waive the required Site Analysis or may otherwise modify the requirements or specifications of the Site Analysis.

(ii) Applicant understands the reliability and/or accuracy of the Site Analysis has not been validated and Franchisor (and its Affiliates) shall have no liability or responsibility to Applicant by reason of Applicant’s use or reliance upon the Site Analysis, and

Applicant shall not assert any claim or demand against Franchisor (or its Affiliates) and shall hold them harmless on account of Applicant's use of the Site Analysis (regardless of any subsequent approval or disapproval by Franchisor of any site proposed by Applicant after having used the Site Analysis).

(iii) Although Franchisor believes it has taken prudent and reasonable steps to evaluate its designated vendor's theories and approach to site evaluation and the reliability and/or accuracy of the Site Analysis, there are no assurances now or in the future that the program is or will be accurate and/or will provide a reliable methodology for gauging the potential success or failure of any particular site or restaurant.

(iv) Further, it is Franchisor's belief that no site evaluation tool, including the Site Analysis, can replace the human judgment of Applicant or their real estate professional. Franchisor strongly recommends that all sites be reviewed by Applicant and an appropriate real estate professional prior to the execution of a lease or purchase of a real estate location.

(v) ALL USE BY APPLICANT OF THE SITE ANALYSIS IS PROVIDED "AS IS" AND FRANCHISOR (AND ITS AFFILIATES) AND THEIR PROVIDERS MAKE NO WARRANTY (1) AS TO ITS ACCURACY OR COMPLETENESS, (2) AS TO APPLICANT'S RESULTS, OR (3) THAT THE SITE ANALYSIS WILL BE ERROR FREE, OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY AS TO PERFORMANCE, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

(b) Franchisor may seek such additional information as it deems necessary. Applicant shall respond promptly to such request for additional information. If Franchisor shall not deliver written notice to Applicant that Franchisor accepts a proposed site, within 30 days of receipt of Applicant's Real Estate Site Evaluation Package, or within 10 days after receipt of such additional requested information, whichever is later, the site shall be deemed rejected. If Franchisor accepts a proposed site it shall notify Applicant in writing of its acceptance of the site ("**Acceptance**"), which Acceptance shall be subject to Applicant entering into a final lease or purchase agreement, and such other conditions as Franchisor may impose. Franchisor's rejection of any site(s) shall not effect, reduce or otherwise alter Applicant's obligation to satisfy the Development Obligation.

(c) Franchisor will make up to two trips to the Development Area, at no additional charge, to evaluate proposed locations for which Real Estate Site Evaluation Packages have been submitted. Thereafter, if any additional trip to the Development Area is deemed necessary or appropriate by Franchisor, in its discretion, to conduct an on-site evaluation, Applicant shall on demand reimburse, and at Franchisor's option advance, all reasonable expenses incurred by Franchisor, or which Franchisor estimates will be incurred, in connection with such on-site evaluation, including, the costs of travel, lodging and meals.

(d) Applicant must use a real estate broker that designate or otherwise approve in writing by Franchisor to assist Applicant to locate the premises and negotiate a lease or purchase agreement for each of Applicant's proposed sites. Promptly following Applicant's receipt of Acceptance, Applicant shall proceed to negotiate a lease or purchase agreement for the site to which the Acceptance relates. Applicant's entering into any lease or purchase agreement for a site that

Franchisor has not issued its Acceptance is at Applicant's sole discretion and at Applicant's sole risk. Applicant shall submit the proposed lease or real estate purchase agreement to Franchisor within 60 days after Acceptance. Franchisor shall provide notice to Applicant of its acceptance or rejection of the proposed lease or real estate purchase agreement within fifteen (15) business days after receipt thereof. A proposed lease shall include, among other items, the following terms and conditions:

(i) The initial term of the lease, or the initial term together with any renewal terms, shall be for not less than fifteen (15) years;

(ii) The premises shall be used solely for the operation of a Restaurant;

(iii) The landlord's consent to Applicant's use of such proprietary marks and signage as Franchisor may prescribe for a Restaurant;

(iv) The landlord shall furnish Franchisor with copies of any and all letters and notices sent to Applicant pertaining to the lease and the premises, at the same time that such letters and notices are sent to Applicant;

(v) Applicant shall not sublease or assign all or any part of Applicant's rights under the lease, or extend the terms of or renew the lease, without Franchisor's prior written consent;

(vi) Franchisor shall have the right to enter the premises to make any modification necessary to protect Franchisor's proprietary marks or to cure any default under the lease or under a Franchise Agreement; and

(vii) Franchisor shall have the option to assume all of Applicant's rights under the lease, including the right to assign or sublease, for all or any span of the remaining term of the lease, upon Applicant's default or termination under such lease or under the Franchise Agreement. Concurrently with the execution of the lease, Applicant shall execute a conditional assignment, in a form designated by Franchisor, assigning all Applicant's rights under the lease to Franchisor upon such termination of the lease or the applicable Franchise Agreement.

(e) Upon Franchisor's demand, Applicant shall reimburse Franchisor for its direct and indirect costs (including the reasonable value of Franchisor's employees and its Affiliates employees) incurred in connection with Franchisor's review and acceptance of Applicant's proposed lease or real estate purchase agreement, up to a maximum of \$2,500 per lease or purchase agreement reviewed. Franchisor's review and acceptance of a lease or purchase agreement, as the case may be, is solely for Franchisor's benefit and, acceptance thereof is solely an indication that the lease or purchase agreement, as the case may be, meets Franchisor's minimum standards and specifications at the time of acceptance of the lease or purchase agreement, as the case may be (which may be different than the requirements of this Agreement). Such review and acceptance shall not be construed as any express or implied representation or warranty that an accepted lease or purchase agreement, as the case may be, complies with applicable law or represents a transaction that is fair or is in Applicant's best interest.

(f) Although Franchisor may voluntarily (without obligation) assist Applicant in locating an acceptable site for a Restaurant, neither Franchisor's said assistance, if any, nor its

acceptance of any proposed site, whether initially proposed by Applicant or by Franchisor, shall be construed to insure or guarantee the profitable or successful operation of the Restaurant at that site by Applicant, and Franchisor hereby expressly disclaims any responsibility for the profitability or success of the Restaurant. Applicant acknowledges that it is its sole responsibility to find each site for the Restaurants it develops pursuant to this Agreement.

6.2 Delivery of Franchise Disclosure Document, Execution of Lease and Franchise Agreement

(a) Subject to **Section 6.3**, after Acceptance of each proposed site, Franchisor shall deliver to Applicant a copy of Franchisor's Then-current Franchise Disclosure Document if and as may be required by Applicable Law (the "**Franchise Disclosure Document**") and two copies of the Then-current Franchise Agreement. Immediately upon receipt of the Franchise Disclosure Document, Applicant shall return to Franchisor a signed copy of the Acknowledgment of Receipt of the Franchise Disclosure Document and Acknowledgment of Receipt of the Franchise Agreements. Applicant acknowledges that the new Franchise Agreement may vary substantially from the current Franchise Agreement. If Franchisor is not legally able to deliver a Franchise Disclosure Document to Applicant by reason of any lapse or expiration of its franchise registration, or because Franchisor is in the process of amending any such registration, or for any reason beyond Franchisor's reasonable control, Franchisor may delay Acceptance of the site for Applicant's proposed Restaurant, or delivery of a Franchise Agreement, until such time as Franchisor is legally able to deliver a Franchise Disclosure Document.

(b) Within 30 days after Applicant's receipt of the Franchise Disclosure Document and the Then-current Franchise Agreement, but no sooner than immediately after any applicable waiting periods prescribed by Applicable Law have passed, Applicant shall (1) execute a lease or real estate purchase agreement in the form accepted by Franchisor, and (2) after execution of the lease or purchase agreement, execute two copies of the Franchise Agreement described in the Franchise Disclosure Document and return them to Franchisor together with the applicable fees. If Applicant has so executed and returned the copies and initial franchise fee and has satisfied the conditions set forth in **Section 6.3** and Franchisor has issued the Acceptance, Franchisor shall execute the copies and return one fully executed copy of such Franchise Agreement to Applicant.

(c) Applicant acknowledges that under Applicable Law Applicant may not pay any consideration or execute any binding agreement in anticipation of signing a Franchise Agreement unless Applicant shall have received a copy of Franchisor's most recent franchise disclosure document at least 10 business days (14 calendar days in Illinois), and a copy of the execution-ready Franchise Agreement at least 5 business days, prior thereto. In addition, until Acceptance of a proposed site Franchisor's delivery of a Franchise Agreement for the accepted site, fully executed by all parties, Applicant should not sign any lease, purchase agreement or other binding agreement for the site unless Applicant independently determines that leasing or purchasing the site is in Applicant's best interest regardless whether Franchisor issues its Acceptance or executes a Franchise Agreement for the site, and not in reliance upon any prospective approval of Franchisor, and Applicant's doing so is at Applicant's sole discretion and at Applicant's sole risk.

6.3 Condition Precedent to Franchisor's Obligations

It shall be a condition precedent to Franchisor's obligations pursuant to **Sections 6.1 and 6.2**, and to Applicant's right to develop each and every Restaurant, that Applicant shall have satisfied all of the following conditions precedent prior to Franchisor's acceptance of the proposed Restaurant and the site and lease or purchase agreement therefor, and the Franchisor's execution of the Franchise Agreement therefor:

(a) Applicant shall have fully performed all of its obligations under this Agreement and all Franchise Agreements and other written agreements between Franchisor and Applicant, and must not at any time following Applicant's submission of its Real Estate Site Evaluation Package, and until Franchisor grants its acceptance of the proposed site, be in default of any of its contractual or other legal obligations to Franchisor or any of its Affiliates, or any approved vendor or supplier, or to any federal, state, county or municipal agency.

(b) Applicant shall have demonstrated to Franchisor, in Franchisor's discretion, Applicant's financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement. In determining if Applicant is financially or otherwise capable, Franchisor shall apply the same criteria to Applicant as it applies to prospective Applicants at that time.

(c) Unless Franchisor shall have consented in writing, Applicant shall not have ceased to operate any Restaurant previously opened to the public in the Development Area.

(d) Applicant, and each of its Affiliates who then has a currently effective franchise agreement or multi-unit restaurant agreement with Franchisor, must sign a general release of any claims they may have against Franchisor and its Affiliates which may be lawfully released, on a form prescribed by Franchisor.

7.

ASSIGNMENT AND SUBFRANCHISING

7.1 Assignment by Franchisor

This Agreement is fully transferable by Franchisor, in whole or in part, without the consent of Applicant and shall inure to the benefit of any transferee or their legal successor to Franchisor's interests herein; provided, however, that such transferee and successor shall expressly agree to assume Franchisor's obligations under this Agreement. Without limiting the foregoing, Franchisor may (i) assign any or all of its rights and obligations under this Agreement to an Affiliate; (ii) sell its assets, its marks, or its System outright to a third party; (iii) engage in a public offering of its securities; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire other corporations, or be acquired by another corporation; or (vi) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. Franchisor shall be permitted to perform such actions without liability or obligation to Applicant who expressly and specifically waives any claims, demands or damages arising from or related to any or all of the above actions (or variations thereof).

7.2 No Subfranchising by Applicant

Applicant shall not offer, sell, or negotiate the sale of "HURRICANE®" franchises to any third party, either in Applicant's own name or in the name and/or on behalf of Franchisor, or

otherwise subfranchise, subcontract, sublicense, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting Applicant the right to do so. Applicant shall not execute any Franchise Agreement with Franchisor, or construct or equip any Restaurant with a view to offering or assigning such Franchise Agreement or Restaurant to any third party.

7.3 Assignment by Applicant

(a) Applicant understands and acknowledges that the rights and duties set forth in this Agreement are personal to Applicant. This Agreement has been entered into by Franchisor in reliance upon and in consideration of the singular individual or collective character, reputation, skill attitude, business ability, and financial capacity of Applicant, or if applicable, its Owners. Accordingly, neither Applicant nor any Owner (other than Franchisor, if applicable) shall effect an Assignment without Franchisor's prior written consent, which consent may be withheld for any reason whatsoever in Franchisor's judgment. Any purported Assignment, transfer or encumbrance, by operation of law or otherwise, not having the written consent of Franchisor required by this Section will be null and void and will constitute a material breach of this Agreement. Applicant acknowledges and agrees that it will not be permitted to make an Assignment of this Agreement or sell, gift, convey, assign or transfer the assets used in any of the Restaurants developed hereunder or any Franchise Agreement executed pursuant to this Agreement except in conjunction with a concurrent assignment to the same approved assignee of all of the assets used in all of said Restaurants, including Applicant's lease or fee interest in the real estate underlying the Restaurant and all of the Franchise Agreements (and assets used in those Restaurants) executed pursuant to this Agreement, or at Franchisor's election the execution by the assignee of new Franchise Agreements and, on Franchisor's Then-current forms for each of the Restaurants then developed or under development by Applicant, and otherwise in accordance with the terms and conditions of Applicant's Franchise Agreement(s). Applicant shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Applicant, notwithstanding that the same may not constitute an "Assignment."

(b) Applicant shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever without the prior express written consent of Franchisor. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Applicant shall provide not less than 10 days prior written notice (which notice shall contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

8. TERMINATION

8.1 Termination Pursuant to a Default of this Agreement

(a) Subject to Applicable Law to the contrary, this Agreement may be terminated by Franchisor in the event of any Default by Applicant of this Agreement, unless such Default is cured by Applicant within 5 days following written notice of the Default (in the case of a failure to pay money), or 20 days following written notice of the Default (in the case of any other Default); provided that in the case of a Default by Applicant (or its Affiliate) under any Franchise Agreement or other written agreement, the notice and cure provisions of the Franchise Agreement or other agreement shall control, and provided, further, however, that any Default described in **Sections 8.1(b)(i), (ii), (iii) or (vi)** below shall be deemed incurable.

(b) The term “default”, as used herein, includes the following:

(i) Any breach or violation of **Section 7.2** of this Agreement.

(ii) Any Assignment or attempted Assignment in violation of the terms of **Section 7.3** of this Agreement, or without the written consents required pursuant to this Agreement.

(iii) Subject to **Section 3.2** of this Agreement, failure of Applicant to satisfy the original Development Obligation hereunder (without regard to the provisions of **Section 3.1(c)**) for 2 consecutive Development Periods.

(iv) Failure of Applicant to pay any fee in a timely manner as required by this Agreement or any Franchise Agreement signed by Applicant.

(v) Applicant’s opening of any Restaurant in the Development Area except in strict accordance with the procedures set forth in **Sections 6.1** through **6.3** of this Agreement.

(vi) Any Default of any other agreement between Applicant (or any Affiliate of Applicant) and Franchisor (or any Affiliate of Franchisor), including any Franchise Agreement executed pursuant hereto.

9. CONFIDENTIALITY; NON-COMPETITION

9.1 Confidentiality

Franchisor may disclose certain of its Trade Secrets to Applicant and, as applicable, its officers, directors, managers, and employees with a need to know such Trade Secrets. Each such person shall acquire no interest in the Trade Secrets other than the right to use them in developing Restaurants pursuant to this Agreement during the Term. The duplication or use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition. Applicant and, as applicable, its officers, directors, managers, and employees shall: (i) not use the Trade Secrets in any business or other endeavor other than in connection with developing Restaurants pursuant to this Agreement; (ii)

maintain absolute confidentiality of the Trade Secrets during and after the Term of this Agreement; and (iii) make no unauthorized copy of any portion of the Trade Secrets, whether written or oral. Applicant shall implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, including, implementing restrictions and limitations as Franchisor may prescribe on disclosure to employees. Nothing in this Agreement or any other agreement between Franchisor and Applicant shall limit Applicant's ability to consult with any tax advisor regarding tax issues pertaining to the operation of the Restaurant.

9.2 Non-Competition

(a) During the Term, no Restricted Person shall in any capacity, either directly or indirectly, through one or more Affiliates or otherwise, engage in any Competitive Activities at any location, whether within or outside the Development Area, unless Franchisor shall consent thereto in writing.

(b) To the extent permitted by Applicable Law, upon (i) the expiration or termination of this Agreement, (ii) the occurrence of any Assignment, or (iii) the cession of any Restricted Person's relationship with Applicant, each person who was a Restricted Person before such event shall not for a period of 2 years thereafter, either directly or indirectly, through one or more Affiliates, engage in any Competitive Activities within the Development Area, without the Franchisor's prior written consent. In applying for such consent, Applicant will have the burden of establishing that any such activity by it will not involve the use of benefits provided under this Agreement or constitute unfair competition with Franchisor or other franchisees or Applicants of the Franchisor.

(c) (i) The parties have attempted in **Sections 9.2(a)** and **(b)** above to limit Applicant's right to compete only to the extent necessary to protect the Franchisor from unfair competition. The parties hereby expressly agree that if the scope or enforceability of **Sections 9.2(a)** and **(b)** is disputed at any time by Applicant, a court or arbitrator, as the case may be, may modify either or both of such provisions to the extent that it deems necessary to make such provision(s) enforceable under Applicable Law. In addition, Franchisor reserves the right to reduce the scope of either, or both, of said provisions without Applicant's consent, at any time or times, effective immediately upon notice to Applicant.

(ii) In view of the importance of the Franchisor's trademarks, trade names, service marks, logotypes, insignias, trade dress and designs and the incalculable and irreparable harm that would result to the parties in the event of a Default under this **Section 9.2**, the parties agree that each party may seek specific performance and/or injunctive relief to enforce the covenants and agreements in this Agreement, in addition to any other relief to which such party may be entitled at law or in equity. Each party submits to the exclusive jurisdiction of the courts of the State of California and the U.S. federal courts sitting in Los Angeles, California for purposes thereof. The parties agree that venue for any such proceeding shall be the state and federal courts located in Los Angeles, California.

10. GENERAL CONDITIONS AND PROVISIONS

10.1 Relationship of Applicant to Franchisor

It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Applicant the relationship of franchisor and Applicant. It is further agreed that Applicant has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Applicant is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. Applicant agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees hired by or working for Applicant shall be the employees of Applicant and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

10.2 Indemnity by Applicant

Applicant hereby agrees to protect, defend and indemnify Franchisor, and all of its past, present and future Owners, Affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or in connection with Applicant's construction, development or operation of Restaurants, except to the extent caused by intentional acts of the Franchisor in breach of this Agreement. The terms of this **Section 10.2** shall survive the termination, expiration or cancellation of this Agreement.

10.3 No Consequential Damages For Legal Incapacity

Franchisor shall not be liable to Applicant for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Applicant by reason of any delay in the delivery of Franchisor's Franchise Disclosure Document caused by legal incapacity during the Term, or other conduct not due to the gross negligence or intentional misfeasance of Franchisor.

10.4 Waiver and Delay

No waiver by Franchisor of any Default or Defaults, or series of Defaults in performance by Applicant, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it hereunder or under any Franchise Agreement or other agreement between Franchisor and Applicant, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Restaurants), or to insist upon strict compliance with or performance of Applicant's obligations under this Agreement or any Franchise Agreement or other agreement between Franchisor and Applicant, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Restaurants), shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

10.5 Survival of Covenants

The covenants contained in this Agreement which, by their nature or terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

10.6 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Applicant and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained herein.

10.7 Joint and Several Liability

If Applicant consists of more than one person or Entity, or a combination thereof, the obligations and liabilities of each of such person or Entity to Franchisor are joint and several, and such person(s) or Entities shall be deemed to be general partnership

10.8 Governing Law

The parties acknowledge that a substantial portion of performance under this Agreement will take place in California. Therefore, the parties agree that the laws of California (without giving effect to any conflict of laws) shall govern enforcement of this Agreement, excepting, however, the provisions of **Sections 9.2(a)** and **(b)** (and to the extent applicable, **Section 9.2(c)**) respecting Non-Competition Covenants which shall be governed in accordance with the laws of the State where the Default of said section occurs.

10.9 Dispute Resolution

(a) Except for a claim with respect to: (a) ownership or use of Franchisor's trademarks, service marks, trade names, logos, symbols and other proprietary symbols, (b) enforcement of **Section 9** hereof, or (c) monies owed by Applicant to Franchisor, any claim or controversy arising out of or related to this Agreement or the making, performance, or interpretation thereof will be conducted before and in accordance with (a) the then prevailing commercial rules of the American Arbitration Association ("**AAA**"), or at Franchisor's option, (b) the Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc. ("**JAMS**") (AAA and JAMS, as applicable are referred to below as the "**Arbitration Association**"). Applicant and Franchisor will each appoint one arbitrator from a list of arbitrators provided by the Arbitration Association, and those two arbitrators will appoint a third arbitrator from such list. The three arbitrators will determine facts, apply the Applicable Law, and award compensatory damages, but not punitive damages, which are hereby waived by Applicant and Franchisor. All arbitration proceedings will take place in the county in which Franchisor's headquarters is located. Each party to the arbitration will bear such party's own legal fees and expenses, and the fees and expenses of the Arbitration Association and the arbitrators will be paid by such party or parties as the arbitrators determine. The award made by the arbitrators will be binding and final on the parties to such proceedings, and will not be subject to review by a court of law; but that judgment upon the award may be entered in a court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award or an order of enforcement. All arbitration proceedings and claims shall be filed and prosecuted

separately and individually in the name of Applicant and Franchisor, and not in any representative capacity, and shall not be joined or consolidated with claims asserted by or against any other licensee, Applicant or area developer. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear. The arbitral decision shall be binding and conclusive on the parties. All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.), notwithstanding any provision of this Agreement specifying the state law under which this Agreement shall be governed and construed.

(b) Unless prohibited by Applicable Law, any legal action or proceeding (including mediation or arbitration) brought or instituted by Applicant with respect to any dispute arising from or related to this Agreement, any breach of the terms of this Agreement, or the relationship between the parties hereto must be brought or instituted within a period of one (1) year from the date of discovery of the conduct or event that is the basis of the legal action or proceeding. Applicant agrees to be bound by the provisions of the limitation on the period of time in which claims must be brought under Applicable Law or this Agreement, whichever expires earlier. Applicant further agrees that, in connection with any arbitration proceeding conducted hereunder, Applicant must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the federal rules of civil procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed as described above shall be forever barred.

(c) No right or remedy conferred upon or reserved to Franchisor or Applicant by this Agreement is intended to be, nor will be, deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

(d) Nothing herein contained will bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

(e) Applicant will pay to Franchisor all damages, costs, and expenses, including attorneys' fees, incurred by Franchisor in enforcing any provision of this Agreement, including without limitation the obtaining of injunctive relief.

10.10 Entire Agreement

This Agreement and the Exhibits incorporated herein contain all of the terms and conditions agreed upon by the parties hereto concerning the subject matter hereof. No other agreements concerning the subject matter hereof, written or oral, shall be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations, are merged herein and superseded hereby. Except as set forth in the Franchise Disclosure Document, Applicant represents that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained herein. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement or any Franchise Disclosure Document for prospective franchisees required by Applicable Law, and Applicant agrees that it has executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto. Notwithstanding the foregoing, nothing in this or any related Agreement is

intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

10.11 Titles for Convenience

Article and paragraph titles used this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

10.12 Gender and Construction

The terms of all Exhibits hereto are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full herein. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or Section hereof may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval, acceptance or authorization of Franchisor which Applicant may be required to obtain hereunder may be given or withheld by Franchisor in its sole discretion, and on any occasion where Franchisor is required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor’s standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. Franchisor and Applicant intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

10.13 Severability, Modification

Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

10.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

10.15 Fees and Expenses

Should any party hereto commence any action or proceeding for the purpose of enforcing, or preventing the Default of, any provision hereof, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged Default of any provision hereof, or for a declaration of such party’s rights or obligations hereunder, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including reasonable attorneys’ fees for the services rendered to such prevailing party.

10.16 Notices

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one business day after transmission by facsimile with copy also sent by Email or other electronic system expressly approved in the Manuals as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Notices to Franchisor:

Hurricane AMT, LLC
9720 Wilshire Boulevard Suite 500
Beverly Hills, California 90212
Attn: Chief Executive Officer and Chief Financial Officer
email: CEO@fatbrands.com and CFO@fatbrands.com

Notices to Applicant:

Any notice sent or delivered as aforesaid will be deemed to have been given at the date and time of receipt or attempted delivery.

**11.
SUBMISSION OF AGREEMENT**

11.1 General

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Franchisor and Applicant.

**12.
APPLICANT**

12.1 Entity Applicant Information

If Applicant is an Entity, Applicant represents and warrants that the information set forth in **Exhibit C** which is annexed hereto and by this reference made a part hereof, is accurate and complete in all material respects. Applicant shall notify Franchisor in writing within 10 days of any change in the information set forth in **Exhibit C**, and shall submit to Franchisor a revised **Exhibit C**, which shall be certified by Applicant as true, correct and complete and upon acceptance thereof by Franchisor shall be annexed to this Agreement as **Exhibit C**. Applicant promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Applicant, including providing copies of all amendments to Applicant “Entity Documents” as defined in **Exhibit C**. Applicant shall conduct no business other than the business contemplated hereunder and under any currently effective Franchise Agreement between Franchisor and Applicant. The Entity Documents of Applicant shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in the Agreement and any Franchise Agreement executed pursuant thereto.

12.2 Business Practices

(a) Neither Applicant nor any of its Owners conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act, as amended, and any amendments or successors thereto.

(b) Neither Applicant, any of its Owners nor any employee of either of them is named as a “Specially Designated Nationals” or “Blocked Persons” as designated by the U.S. Department of the Treasury’s Office of Foreign Assets Control. Currently, this list is published under the internet website address “www.treas.gov/offices/enforcement/ofac/sdn/”. Applicant is neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor does Applicant or its Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. Applicant agrees that Applicant will notify Franchisor in writing immediately of the occurrence of any event, which renders the foregoing representations and warranties of this paragraph incorrect.

(c) Applicant represents that it understands and has been advised by legal counsel on the requirements of the applicable laws referred to above, including the United States Foreign Corrupt Practices Act (currently located at www.usdoj.gov/criminal/fraud/fcpa.html), as amended, any local foreign corrupt practices laws, and the USA Patriot Act of 2001, as amended, and hereby acknowledges the importance to Franchisor and the parties’ relationship of Applicant’s compliance with any applicable auditing requirements and any requirement to report or provide access to information to Franchisor or any government, that is made part of any Applicable Law. Applicant must take all reasonable steps to require its consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

12.3 Guaranty

All present and future Owners of a 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights in Applicant, will execute a written guaranty substantially in the form attached hereto as **Exhibit D**, personally, irrevocably and unconditionally guaranteeing, jointly and

severally, with all other guarantors, the full payment and performance of Applicant's obligations to Franchisor and to Franchisor's Affiliates. For purposes of determining whether said 10% threshold is satisfied, holdings of spouses (and family members who live in the same household) and Affiliates shall be aggregated. Upon each transfer or assignment of an interest in Applicant, or other change in ownership interests in Applicant, and at any other time upon Franchisor's request, said holders shall re-execute a written guaranty substantially in the form attached hereto as **Exhibit D**, or in such other form prescribed by Franchisor.

13.
ACKNOWLEDGMENT

13.1 General

(a) Applicant acknowledges that it has carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that it has obtained the advice of counsel in connection with entering into this Agreement, that it understands the nature of this Agreement, and that it intends to comply herewith and be bound hereby. Except as set forth in the Franchise Disclosure Document, if any such representation was made, Franchisor expressly disclaims making, and Applicant acknowledges that it or they have not received or relied on any warranty or guarantee, express or implied, as to the potential volume, profits, expenses, or success of the business venture contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

ACCEPTED on this _____ day of _____ 20_____.

HURRICANE AMT, LLC
a Delaware limited liability company

By: _____
Its: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT A
DEVELOPMENT AREA**

The Development Area* is defined as the territory within the boundaries described below:

* If the Development Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Development Area shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.

**EXHIBIT B
DEVELOPMENT OBLIGATIONS**

DEVELOPMENT PERIOD ENDING	CUMULATIVE NO. OF RESTAURANTS TO BE IN OPERATION
1	
2	
3	
4	
5	

Total Development Obligation: _____ (subject to reduction and forfeiture in accordance with **Section 3.1**).

HURRICANE AMT, LLC
a Delaware limited liability company

By: _____
Its: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT C
ENTITY INFORMATION**

Applicant represents and warrants that the following information is accurate and complete in all material respects:

- (i) Applicant is a (check as applicable):
 - corporation
 - limited liability company
 - general partnership
 - limited partnership
 - Other (specify): _____

(ii) Applicant shall provide to Franchisor concurrently with the execution hereof true and accurate copies of its charter documents including Articles of Incorporation, Bylaws, Operating Agreement, Regulations Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing (“**Entity Documents**”).

(iii) Applicant promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Applicant.

(iv) The name and address of each of Applicant’s owners, members, or general and limited partner:

		NUMBER OF SHARES OR
PERCENTAGE	ADDRESS	INTEREST
NAME		
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	

(v) There is set forth below the names, and addresses and titles of Applicant’s principal officers or partners who will be devoting their full time to the Business:

NAME	ADDRESS
_____	_____
_____	_____
_____	_____

(vi) The address where Applicant’s Financial Records, and Entity Documents are maintained is:

EXHIBIT D
GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Hurricane AMT, LLC (“**Franchisor**”) to execute the Multi-Unit Restaurant Agreement between Franchisor and _____ (“**Applicant**”) dated _____, 20__ (the “**Agreement**”), the undersigned, jointly and severally, hereby unconditionally and irrevocably guarantee to Franchisor and its successors and assigns, the prompt full payment and performance of all obligations of Applicant that are or may become due and owing to Franchisor or its affiliates, including, but not limited to, all obligations arising out of the Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Agreement was signed between Franchisor or its affiliate and the undersigned directly, as Applicant.

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

The undersigned expressly waive notice of the acceptance by Franchisor to or for the benefit of Applicant, of the purchase of inventory and goods by Applicant, the maturing of bills and the failure to pay the same, the incurring by Applicant of any additional future obligations and liability to Franchisor, and any other notices and demands. This Guaranty will not be affected by the modification, extension, or renewal of any agreement between Franchisor and Applicant, the taking of a note or other obligation from Applicant or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Applicant of bankruptcy, insolvency, reorganization or other debtor relief afforded Applicant under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Applicant’s obligations or liability to Franchisor, or any other circumstances whether or not referred to in this Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands

the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

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 Applicant to perform any obligation of Applicant under the Agreement, any amendment thereto, or any other agreement executed by Applicant referred to therein.

This is a Guaranty of payment and performance and not of collection.

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

The undersigned agree that any current or future indebtedness by the Applicant to the undersigned will always be subordinate to any indebtedness owed by Applicant to Franchisor. The undersigned will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of the undersigned. The undersigned further agree that as long as the Applicant owes any money to Franchisor (other than royalty and advertising fund payments that are not past due) the Applicant will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Applicant to any of the undersigned, either directly or indirectly, without the consent of Franchisor.

This Guaranty will 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 will 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 will remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty, 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 Guaranty will have the same meaning as in the Agreement, and will be interpreted and construed in accordance with **Sections 10.8** and **10.9** of the Agreement. This Guaranty will be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the laws of California will prevail, without regard to, and without giving effect to, the application of the State of California conflict of law rules.

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one business day after transmission by facsimile with copy also sent by Email or other electronic system expressly approved in the Manuals as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Notices to Franchisor:

Hurricane AMT, LLC
9720 Wilshire Boulevard Suite 500
Beverly Hills, California 90212
Attn: Chief Executive Officer and Chief Financial Officer
email: CEO@fatbrands.com and CFO@fatbrands.com

Notices to Guarantors:

Any party may change his or its address by giving 10 days prior written notice of such change to all other parties.

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

“GUARANTORS”

Print Name: _____

Print Name: _____

EXHIBIT E DEFINITIONS

In this Agreement, the following capitalized terms shall have the meanings set forth below, unless the context otherwise requires:

“**Acceptance**” shall have the meaning set forth in **Section 6.1(b)** of this Agreement.

“**Affiliate**” when used herein in connection with Franchisor or Applicant, includes each person or Entity which directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Franchisor or Applicant, as applicable, except, that if Franchisor or any Affiliate of Franchisor has any ownership interest in Applicant, an Affiliate of Applicant (or a similar phrase) shall not include or refer to Franchisor and no obligation or restriction upon “Applicant” or its Affiliates shall bind Franchisor or its officers, directors, or managers. Without limiting the foregoing, the term “Affiliate” when used herein in connection with Applicant includes any Entity 10% or more of whose Equity or voting control, is held by person(s) or Entities who, jointly or severally, hold 10% or more of the Equity or voting control of Applicant. For purposes of this definition, control of a person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or Entity whether by contract or otherwise.

“**Applicable Law**” means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority and , governing the operation of a Restaurant, including all labor, immigration, disability, food and drug laws and regulations, as in effect on the Effective Date hereof, and as may be amended, supplemented or enacted from time to time.

“**Assignment**” means:

(i) the direct or indirect, voluntary or involuntary, sale, assignment, transfer, conveyance, gift, pledge, mortgage, hypothecation, or encumbrance, in whole or in part, of:

(A) this Agreement, or

(B) all or any substantial portion of the assets of the Restaurant. or

(ii) the direct or indirect, voluntary or involuntary, sale, assignment, transfer, conveyance, gift, pledge, mortgage, or encumbrance of 10% or more, in the aggregate, whether in one or more transactions, of the Equity or voting power of Applicant, by operation of law or otherwise, or any other event(s) or transaction(s) which, directly or indirectly, effectively changes control of Applicant;

(iii) the issuance of any securities by Applicant which by itself or in combination with any other transaction(s) results in its Owners, as constituted on the Effective Date, owning, on an as-converted or as-exercised basis, less than 90% of the outstanding Equity or voting power of Applicant;

(iv) if Applicant is a Partnership, the resignation, removal, withdrawal, death or legal incapacity of a general partner or of any limited partner owning 10% or more, in the aggregate, whether in one or more transactions, of the Partnership Rights of the Partnership, or the admission of any additional general partner, or the transfer by any general partner of any of its Partnership Rights in the Partnership, or any change in the ownership or control of any general partner;

(v) the death or legal incapacity of any Owner of Applicant owning 10% or more of the Equity or voting power of Applicant;

(vi) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of Applicant, however effected; or

(vii) incurring any indebtedness (including principal, interest, fees and charges) for borrowed money or for the deferred purchase price of goods or services, except indebtedness (including principal, interest, fees and charges) owed to Permitted Lenders, and except indebtedness owed in connection with the purchase of goods or services, in the ordinary course of Applicant's business, for use in or by the Restaurant and due and payable in full within 90 days of the date incurred.

“Competitive Activities” means to, own, operate, lend to, advise, be employed by, or have any financial interest in any restaurant that is the same as or similar to a Restaurant, other than a Restaurant operated pursuant to a validly subsisting franchise agreement with Franchisor. Notwithstanding the foregoing, “Competitive Activities” shall not include the direct or indirect ownership solely as an investment, of securities of any Entity which are traded on any national securities exchange if applicable owner thereof (i) is not a controlling person of, or a member of a group which controls, such Entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

“Default” or **“default”** means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

“Development Area” shall have the meaning set forth in **Section 2.1** of this Agreement.

“Development Period” means each of the time periods indicated on **Exhibit B** during which Applicant shall have the right and obligation to construct, equip, open and thereafter continue to operate Restaurants in accordance with the Development Obligation.

“Development Obligation” shall mean Applicant's right and obligation to construct, equip, open and thereafter continue to operate at sites within the Development Area the cumulative number of Restaurants set forth in **Exhibit B** hereto within each Development Period and, if applicable, within the geographic areas specified therein.

“Entity” means any limited liability company, Partnership, trust, association, corporation or other entity which is not an individual.

“Equity” means (i) capital stock, membership interests, Partnership Rights or other equity ownership interests of an Entity, and/or (ii) phantom equity, stock appreciation rights and similar rights.

“Excluded Venue” means a site, venue or location within another primary business or in conjunction with other businesses or at institutional settings, including, toll roads, highway travel plazas, hotels and motels, casinos and casino adjacent locations, airports, sports arena, stadiums, bus stations, train stations, theme parks, amusement facilities, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campus, piers, gyms, offices or in-plant food service facilities, shopping mall food courts operated by a master concessionaire, and any site for which the lessor, owner or operator thereof shall

have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

“**Franchise Agreement**” means the form of agreement prescribed by Franchisor and used to grant to Applicant the right to own and operate a single Restaurant in the Development Area, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“**Franchise Disclosure Document**” shall have the meaning set forth in **Section 6.2(a)**.

“**Force Majeure**” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Applicant could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority (including any failure, refusal or delay in issuing permits, licenses, certificates or other operating authority), nor the performance, non-performance or exercise of rights under any agreement with Applicant by any lender, landlord (including failure, delay or interruption in delivering the Restaurant premises or related common areas, or ingress, egress or access thereto), or other person shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, Applicant’s financial inability to perform or Applicant’s insolvency shall not be an event of Force Majeure hereunder.

“**Governmental Authority**” means and include all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“**Owner**” means any direct or indirect shareholder, member, general or limited partner, trustee, or other equity owner of an Entity, except, that if Franchisor or any Affiliate of Franchisor has any ownership interest in Applicant, the term “Owner” shall not include or refer to Franchisor or that Affiliate or their respective direct and indirect parents and subsidiaries, and no obligation or restriction upon “Applicant”, or its Owners shall bind Franchisor, said Affiliate or their respective direct and indirect parents and subsidiaries or their respective officers, directors, or managers.

“**Partnership Rights**” means voting power, property, profits or losses, or partnership interests of a Partnership.

“**Partnership**” means any general partnership, limited partnership or limited liability partnership.

“**Permitted Lender**” means a (i) bank, savings institution, trust company, insurance company, or other licensed financial institution; or (ii) an Owner of Applicant as of the Effective Date for so long as such Owner remains an Owner of Applicant.

“**Restricted Person**” means Applicant, and each of its Owners and Affiliates, and the respective officers, directors, managers, and Affiliates of each of them, and the spouse and family members who live in the same household of each of the foregoing who are individuals.

“**System**” means Franchisor’s operating methods and business practices related to a Restaurant, and the relationship between Franchisor and its franchisees, including interior and exterior Restaurant design; other items of trade dress; specifications of equipment, fixtures, and uniforms; defined product offerings and preparation methods; standard operating and administrative

procedures; restrictions on ownership; management and technical training programs; and marketing and public relations programs; all as Franchisor may modify the same from time to time.

“**Term**” shall have the meaning set forth in **Section 4.1** of this Agreement.

“**Trade Secrets**” means proprietary and confidential information of Franchisor, including, recipes, ingredients, specifications, procedures, policies, concepts, systems, know-how, plans, software, strategies, and methods and techniques of developing and operating a Restaurant.

“**Then-current**” as used in this Agreement and applied to the Franchise Disclosure Document, a multi-unit restaurant agreement, or Franchise Agreement shall mean the form then currently provided by Franchisor to similarly situated prospective franchisees and applicants, or if not then being so provided, then such form selected by Franchisor in its discretion which previously has been delivered to and executed by a licensee or franchisee of Franchisor.

“**Venue**” means any site other than an Excluded Venue.

EXHIBIT F

Confidentiality and Non-Competition Agreement

HURRICANE AMT, LLC

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (for persons holding positions with franchisees)

In consideration of my position as _____ of _____ (the "Franchisee"), and One Dollar, receipt of which is acknowledged, I hereby acknowledge and agree that:

1. Hurricane AMT, LLC (the "Franchisor"), has developed a distinctive system relating to the establishment and operation of restaurants for the sale of hamburgers and related products, which are established and operated by others under Franchise Agreements with the Franchisor.

2. As _____ 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 promotion and advertising, pricing, sales, office and personnel policies and procedures; training programs; operation procedures related to site selection, accounting, suppliers, staffing, and operations. 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, and I will disclose and/or use the confidential information only in connection with my duties as required by my position with 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 actual or prospective customers to a competitor business selling competitive services; (b) employ or seek to employ anyone employed by the Franchisee, the Franchisor or other franchisees of the Franchisor; or (c) cause or encourage any employee of the Franchisee, the Franchisor or other franchisees of the Franchisor to leave his or her employment, other than in the normal course of my duties with the Franchisee.

5. While in my position with the Franchisee, and for two (2) years after I cease to be in that position, I will not own, operate, engage in, or have any interest in a restaurant similar to a Hurricane restaurant and which is located, or intended to be located, within a five mile radius of Franchisee's restaurant or any other Hurricane restaurant. This restriction does not apply to my ownership of less than a five percent (5%) beneficial interest in the outstanding securities of any publicly-held corporation.

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, 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, 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.

7. This Agreement shall be construed under the laws of the State in which the Franchisee's restaurant is located. The only way this Agreement can be changed is in a writing signed by both the Franchisee and me.

Signature: _____

Name: _____

Address: _____

Position: _____

Date: _____

ACKNOWLEDGED BY FRANCHISEE:

By:

Name: _____

Title: _____

EXHIBIT G

Limited Liability Company Operating Agreement

OPERATING AGREEMENT

OF

[_____]

(a Delaware Limited Liability Company)

Dated and Effective

as of

[_____]

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OPERATING AGREEMENT

of

[_____]

(a Delaware Limited Liability Company)

THIS OPERATING AGREEMENT, dated [_____] is made by and between Hurricane AMT, LLC, a Delaware Limited Liability Company (“Hurricane”) and [_____] (“_____”), each a “Member” and together, the “Members”).

ARTICLE 1. -- FORMATION

1.1 Certificate of Formation. A Certificate of Formation was filed on [_____].

1.2 Name. The name of the limited liability company is [“_____”].

1.3 Purpose. The principal business activities of the Company are to purchase, hold, develop and operate one or more Hurricane franchise restaurants (each, a “Restaurant”) and to engage in any activities directly or indirectly related or incidental thereto. However, the business and purposes of the Company shall not be limited to its principal business activities and the Company shall have authority to engage in any other lawful business, trade, purpose or activity permitted by the Act and shall possess and may exercise all of the powers and privileges granted by the Act together with any powers incidental thereto, so far as such powers or privileges are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

1.4 Exercise and/or Transfer of Development Rights. In connection with the exercise of any development rights with respect to any Restaurant, (other than the initial Restaurant), Hurricane and [_____] shall form a separate limited liability company into which the development rights for such Restaurant shall be transferred for exercise. Hurricane and [_____] agree to enter into an operating agreement with respect to such limited liability company with terms substantially identical to this Agreement.

1.5 Term. The Company shall have perpetual existence unless it is earlier dissolved in accordance with Article 8.

1.6 Principal Place of Business. The principal place of business of the Company shall be [_____]. The Manager may relocate the principal place of business or establish additional offices from time to time.

1.7 Registered Office and Registered Agent. The name of the registered agent and address of the registered office of the Company is as set forth in the Certificate. The Manager may cause the Company to change, from time to time, its resident agent for service of process, or the location of its registered office in Delaware.

ARTICLE 2. -- DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

“Act” means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.), as amended.

“Agreement” means this limited liability company agreement, as originally executed and as amended from time to time.

“Capital Account” has the meaning defined in Section 3.5.

“Code” means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

“Company” means the limited liability company governed by this Agreement.

“Deficit Capital Account” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amount that such Member is obligated to restore to the Company under Regulation Section 1.704-1(b)(2)(ii)(c), as well as any addition thereto pursuant to the next to last sentences of Regulation Sections 1.704-2(g)(1) and (i)(5); and

(ii) debit to such Capital Account the items described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

his definition is intended to comply with the provisions of Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and shall be interpreted consistently with those provisions.

“Distributable Cash” means the amount of cash or other liquid assets of the Company determined by the Manager as not required for the proper conduct of the Company’s business.

“Manager” means Hurricane, or such other person that is appointed a Manager in accordance with Section 5.6.

“Member” means each person who executes a counterpart of this Agreement as a Member and each person who may hereafter be admitted to the Company as an additional or substituted Member and who executes a counterpart of this Agreement.

“Percentage Interest” means with respect to each Member at any time, the ratio (expressed as a fraction) of the Units held by such Member at such time to the total Units then outstanding. The Percentage Interest of each Member shall be set forth on attached Schedule 1, which shall amended from time to time to reflect any change in the number of Units held by a Member.

“Reference Rate” means on any day the publicly announced reference rate of interest of Bank of America, N.A, or if Bank of America shall not be publicly announcing such rate, a comparable base lending rate publicly announced by a commercial bank, selected by the Manager.

“Regulation” includes temporary and final Treasury regulations promulgated under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

“Supermajority Percentage Interest” means the vote, approval, consent or other action of Members entitled to act holding more than seventy-five percent (75%) of the Percentage Interests held by such Members as of the date on which the event triggering the vote, approval, consent or other action of Members occurs.

“Unit” represents an ownership interest in the Company. Such interest shall include the right to share in the profits and losses of the Company, the right to receive distributions from the Company and, to the extent that the Unit is held by a Member entitled to vote, the right to vote on any matter submitted for approval by the Members in accordance with this Agreement. Units may be issued or transferred only in accordance with the terms of this Agreement.

ARTICLE 3. -- MEMBERS, CONTRIBUTIONS AND INTERESTS

3.1 Members Names, Addresses and Percentages. The names and addresses of the Members, the number of Units held by each and their Percentage Interests as set forth on Schedule 1, which shall be amended from time to time to reflect any change in the information reflected thereon. The interest in the Company held by each Member will not be reflected in a certificate of membership interest or Unit holdings. Each Member agrees to return to the Company any such certificate outstanding on the date of this Agreement.

3.2 Additional and Substituted Members. Additional Members shall be admitted only upon (a) the consent of Members holding a Supermajority Percentage Interest; and (b) the execution of a counterpart signature page of this Agreement. An assignee of all or a part of a Member’s Units who is not already a Member shall be admitted as a substitute Member with respect to such interest only upon the consent of the Manager and in accordance with Article 9.

3.3 Capital Accounts. A capital account (“Capital Account”) shall be determined and maintained for each Member in accordance with the principles of Regulation Section 1.704-1(b) at all times throughout the full term of the Company. In the event of a permitted sale or assignment of all or any part of a Member’s interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Company interest.

The book value of all Company properties shall be adjusted to equal their respective gross fair market values, as determined by the Manager as of the following times: (1) in connection with the acquisition of an interest in the Company by a new or existing Member for more than a de minimis capital contribution; (2) in connection with the liquidation of the Company as defined in Regulation Section 1.704-(1)(b)(2)(ii)(g); or (3) in connection with a more than de minimis distribution to a retiring or a continuing Member as consideration for all or a portion of his or its interest in the Company. In the event of a revaluation of any Company assets hereunder, the Capital Accounts of the Members shall be adjusted, including continuing adjustments for depreciation, to the extent provided in Regulation Section 1.704-(1)(b)(2)(iv)(f). The Capital Account of each Member as of the date of Schedule 1 is set forth on Schedule 1.

3.4 Contributions. If the Manager determines that an additional capital contribution from the Members is necessary and appropriate for the proper conduct of the business of the Company, it shall provide each Member with written notice of the amount of such additional capital contribution, the date on which such capital contribution is required and the number of Units to be issued for such additional capital contribution. Each Member shall have the right, but not the obligation, to contribute his or its Percentage Interest of the required additional capital contribution in exchange for a proportionate share of the Units specified by the Manager as to be issued in exchange therefor. If any Member does not contribute the full amount which he or it is entitled to contribute under the preceding sentence, the other Member shall have the right, but not the obligation, to contribute the amount not so contributed by the first Member and to receive the Units such number of additional Units as is proportionate to such contribution.

3.5 No Withdrawal or Transfer of Member's Interest. No Member shall voluntarily withdraw from the Company without the consent of the Manager. A withdrawal in violation of this Section 3.5 shall constitute a breach of this Agreement for which the Company and other Members shall have the remedies provided under applicable law.

Without the consent of the Manager, no Member shall assign, encumber, sell or otherwise transfer all or any portion of the Member's interest in the Company, or enter into any agreement or transaction as a result of which any person shall acquire an economic or beneficial interest in the Company or the Member's interest in the Company except as is otherwise permitted in Article 9.

ARTICLE 4. -- MEETINGS OF MEMBERS

4.1 Meetings. Meetings of Members are not required, but may be called by Members holding at least ten percent (10%) of the Percentage Interests held by Members or the Manager. No business shall be transacted at any meeting of Members except as is specified in the notice calling such meeting.

4.2 Place of Meetings. The Members or the Manager may designate any place as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal office of the Company specified in Section 1.5.

4.3 Notice of Meetings. Written notice stating the place, day and time of the meeting and the purpose for which the meeting is called shall be delivered, in accordance with Section

10.1, not less than ten (10) nor more than fifty (50) days before the date of the meeting by or at the direction of the Members or the Manager calling the meeting, to each Member entitled to vote at such meeting.

4.4 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to any distribution, the date on which notice of the meeting is first delivered or mailed, or the date on which a resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 4.4, such determination shall apply to any adjournment thereof.

4.5 Manner of Acting. The affirmative vote of Members holding a Supermajority Percentage Interest shall be the act of the Members, except as otherwise provided in this Agreement.

4.6 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by the Member's attorney-in-fact or agent appointed in writing. Such proxy or appointment shall be filed with the Company before or at the time of the meeting. No proxy or appointment shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy or appointment.

4.7 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. Attendance at a meeting shall constitute waiver of notice of the meeting unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

4.8 Action Without Meeting. Any action required or permitted to be taken by the Members at a meeting may be taken without a meeting if a consent in writing, describing the action taken, is signed by all of the Members. Such action shall be included in the minutes of the Company's meetings.

4.9 Meetings by Telephone, Etc. Meetings of the Members may be held by conference telephone or by any other means of communication by which all participants can hear each other simultaneously during the meeting, and such participation shall constitute presence in person at the meeting.

ARTICLE 5. -- MANAGEMENT

5.1 General. The business and affairs of the Company shall be managed by the Manager. Except as set forth in Section 5.2, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, and to perform any and all other acts or activities customary or incident to the management of the Company. Without limiting the generality of the foregoing, the Manager shall have power and authority, unless otherwise provided in this Agreement or by law, on behalf of the Company:

(a) to borrow money on such terms as the Manager deems appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums and including, without limitation, to take all action deemed necessary or advisable by the Manager in connection with the financing of the property to be acquired by the Company;

(b) to purchase liability and other insurance to protect the Company's property and business;

(c) to acquire, improve, manage, charter, lease, operate, sell, transfer, exchange, encumber, pledge or dispose of any real or personal property of the Company;

(d) to invest Company funds temporarily in time deposits, short-term governmental obligations, commercial paper or other short-term investments;

(e) to execute instruments and documents, including without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, limited liability company agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company;

(f) to employ or retain a manager for any Restaurant and confer upon such Restaurant manager such authority to manage the business

(g) to cease operations at any Restaurant;

(h) to employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(i) to enter into any and all other agreements with any other person for any purpose, in such form as the Manager may approve;

(j) to, from time to time, open bank accounts in the name of the Company, and the Manager shall be the sole signatory thereon, unless the Manager determines otherwise;

(k) to issue additional Units pursuant to Section 3.4;

(l) to implement duly adopted decisions of the Members; and

(m) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

5.2 Limit on Manager's Authority. The Manager shall not have authority, without the approval of the Members, to take any of the following extraordinary actions:

(a) admitting or removing any person as a Member in the Company;

- (b) dissolving the Company in accordance with Section 8.1;
- (c) selling all or substantially all of the assets of the Company; and
- (d) admitting additional or successor Managers.

5.3 Compensation of the Manager. The Manager shall receive no compensation for management services rendered to the Company. However, the Manager shall be reimbursed by the Company for reasonable out-of-pocket expenses incurred by the Manager in connection with the Company's business.

5.4 Agents. The Manager may authorize one or more agents to enter into any contract or to otherwise act on behalf of the Company to the extent that the Manager could take such action. Such authority may be general or be confined to specific instances. Unless authorized to do so by this Agreement or by the Manager, no Member, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

5.5 Right to Rely on Manager. Any person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Manager as to the identity and authority of the Manager or other person to act on behalf of the Company.

5.6 Removal and Replacement of Manager. The Manager may be removed by a Supermajority Percentage Interest of the Members. If the Manager ceases to act as manager of the Company, Members holding a Supermajority Percentage Interest may designate a successor Manager.

ARTICLE 6. -- ACCOUNTING AND RECORDS

6.1 Books of Account. The Company shall maintain records and accounts of all of its operations and expenditures. At a minimum the Company shall keep at its principal place of business the following records:

- (a) A list setting forth the full name and last known mailing address of each current and previous Member and Manager;
- (b) A copy of the Certificate of Formation and all amendments thereto;
- (c) Copies of this Agreement and all amendments hereto, and a copy of any prior limited liability company agreements no longer in effect;
- (d) Copies of the Company's federal, state, and local tax returns and reports, if any, for the three (3) most recent years;
- (e) Minutes of every meeting of the Members and any written consents obtained from Members for actions taken by Members without a meeting; and

(f) Copies of the Company's financial statements for the three (3) most recent years.

6.2 Fiscal Year. The fiscal year of the Company shall end on the last Sunday in December each year.

6.3 Accounting Reports. As soon as practical after the close of each fiscal year, the Company shall furnish to each Member an unaudited financial report of the activities of the Company for the preceding fiscal year, including the balance sheet of the Company as of the end of such year and a statement of income or loss for such year. Within forty-five (45) days of the end of each calendar month, the Company shall furnish to each Member an unaudited income statement of the Company for such month and a balance sheet of the Company as of the end of such month.

6.4 Tax Returns. The Company shall prepare and timely file all required federal and state income tax returns. As soon as practical after the end of each fiscal year, the Company shall furnish to each Member a statement suitable for use in the preparation of the Member's income tax return.

ARTICLE 7. -- ALLOCATIONS AND DISTRIBUTIONS

7.1 Allocation of Net Profit and Loss - In General.

7.1.1 Allocation of Net Profit. After giving effect to the special allocations set forth in Sections 7.2 and 7.3, the net profit for any fiscal year of the Company shall be allocated among the Members in the following order of priority:

(a) first, to the Members in the reverse chronological order in which net losses were allocated to the Members pursuant to Sections 7.1.2(d), 7.1.2(c), and 7.1.2(b), respectively, until each Member has received aggregate allocations of net profit under this Section 7.1.1(a) in an amount equal to, but not in excess of, the aggregate allocations of net loss to such Member pursuant to Sections 7.1.2(b) through 7.1.2(d) for all prior fiscal years; and

(b) thereafter, to the Members in proportion to their respective Percentage Interests.

7.1.2 Allocation of Net Loss. After giving effect to the special allocations set forth in Sections 7.2 and 7.3, the net loss for any fiscal year of the Company shall be allocated among the Members in the following order of priority:

(a) first, in proportion to the amounts allocated to the Members pursuant to Section 7.1.1(b) in an amount equal to the excess, if any, of (i) the cumulative net profits allocated to the Members pursuant to Section 7.1.1(b) for all prior fiscal years, over (ii) the cumulative net losses allocated to the Members pursuant to this Section 7.1.2(a) for all prior fiscal years;

(b) second, to the Members in proportion to their respective Percentage Interests; provided, however, that net losses shall not be allocated to any Member pursuant to this Section 7.1.2(b) to the extent such allocation would cause such Member to have a Deficit Capital Account at the end of any fiscal year. Such excess net loss shall, instead, be allocated in accordance with Section 7.1.2(c); and

(c) third, the remaining net loss, if any, shall be allocated among those Members who do not have Deficit Capital Accounts in proportion to their respective Percentage Interests; provided, however, that no allocation under this Section 7.1.2(c) shall cause any Member to have a Deficit Capital Account; and

(d) thereafter, any remaining net loss shall be allocated among the Members in proportion to their respective Percentage Interests.

7.2 Special Allocations. The following special allocations shall be made for any fiscal year of the Company in the following order:

7.2.1 Minimum Gain Chargeback. If there is a decrease in the Company's "partnership minimum gain," as defined in and determined under Regulation Sections 1.704-2(b)(2) and 1.704-2(d), the minimum gain chargeback provisions of Regulation Section 1.704-2(f), which are hereby incorporated into this Agreement by this reference, shall be applied.

7.2.2 Member Minimum Gain Chargeback. If there is a decrease in any Member's share of "partner nonrecourse debt minimum gain," as defined in and determined under Regulation Section 1.704-2(i), the partner nonrecourse debt minimum gain chargeback provisions of Regulation Section 1.704-2(i)(4), which are hereby incorporated into this Agreement by this reference, shall be applied.

7.2.3 Qualified Income Offset. In the event that any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in accordance with Regulation Section 1.704-(1)(b)(2)(ii)(d).

7.2.4 Nonrecourse Deductions. "Nonrecourse deductions," as defined in and determined under Regulation Sections 1.704-2(b)(1) and (c), shall be allocated among the Members in accordance with their respective Percentage Interests.

7.2.5 Member Nonrecourse Deductions. "Partner nonrecourse deductions," as defined in and determined under Regulation Sections 1.704-2(i)(1) and (2), shall be specially allocated among the Members in accordance with Regulation Section 1.704-2(i).

7.3 Corrective Allocations. The allocations set forth in Section 7.2 are intended to comply with certain regulatory requirements under Code Section 704(b). The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 7.2 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 7.3. Accordingly, the Manager is hereby authorized and directed to make offsetting

allocations of Company income, gain, loss or deduction under this Section 7.3 in whatever manner the Manager determines is appropriate so that, after such offsetting special allocations are made (and taking into account the reasonably anticipated future allocations of income and gain pursuant to Sections 7.2.1 and 7.2.2), the Capital Accounts of the Members are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 7.2 were not contained in this Agreement and all income, gain, loss and deduction of the Company were instead allocated pursuant to Section 7.1.

7.4 Other Allocation Rules.

7.4.1 General. Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, credit, and any other allocations not otherwise provided for shall be divided among the Members in accordance with their Percentage Interests, or as otherwise may be required under the Code and the Regulations thereunder.

7.4.2 Allocation of Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulation Section 1.752-3(a)(3), the Members' interests in the Company's profits shall be their respective Percentage Interests.

7.4.3 Allocations in Connection with Varying Interests. If, during a Company fiscal year, there is (i) a permitted transfer of all or a part of a Member's interest in the Company, or (ii) the admission or withdrawal of a Member, net profit, net loss, each item thereof, and all other tax items of the Company for such fiscal year shall be divided and allocated among the Members by taking into account their varying interests during such fiscal year in accordance with Code Section 706(d) and using any conventions permitted by law and selected by the Manager.

7.5 Determination of Net Profit or Loss. Determination of Net Profit or Loss. The net profit or net loss of the Company, for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a), with the following adjustments:

(a) all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss;

(b) expenditures described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing net profit or loss shall be subtracted from such taxable income or loss;

(c) any adjustment to the book value of the assets of the Company pursuant to Section 3.5 shall be treated as an item of gain or loss, as the case may be;

(d) for purposes of computing taxable income or loss on the disposition of an item of Company property or for purposes of determining the cost recovery, depreciation, or

amortization deduction with respect to such property, the Company shall use such property's book value determined in accordance with Regulation Section 1.704-1(b); and

(e) any items that are specially allocated pursuant to Section 7.2 or Section 7.3 shall not be taken into account in computing the Company's net profit or loss., including income and gain exempt from federal income tax, shall be included in taxable income or loss.

7.6 Mandatory Tax Allocations Under Code Section 704(c). In accordance with Code Section 704(c) and Regulation Section 1.704-3, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial book value computed in accordance with Section 7.5.2. Prior to the contribution of any property to the Company that has a fair market value that differs from its adjusted tax basis in the hands of the contributing Member on the date of contribution, the Manager shall agree upon the allocation method to be applied with respect to that property under Regulation Section 1.704-3, which allocation method shall be set forth on attached Schedule 2, as amended from time to time. The same procedure shall apply to any revaluation of Company property as permitted under Regulation Section 1.704-1(b)(2)(iv)(f).

Allocations pursuant to this Section 7.6 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of net profit, net loss, or other items as computed for book purposes, or distributions pursuant to any provision of this Agreement.

7.7 Distributions. The Company may make distributions of Distributable Cash to the Members at such times and amounts as the Manager determines to be appropriate, taking into account the operating cash flow needs of the business. Each distribution shall be made to all Members, and divided among the Members in proportion to their Percentage Interests.

ARTICLE 8.-- DISSOLUTION AND LIQUIDATION

8.1 Events of Dissolution. Except as otherwise provided in this Agreement, the Company shall dissolve upon the earlier of:

- (a) the written agreement of all of the Members and the Manager; or
- (b) the sale, transfer or other disposition of all or substantially all of the Company's assets as permitted by this Agreement.

8.2 Liquidation Upon Dissolution and Winding Up. Upon the dissolution of the Company, the Manager shall wind up the affairs of the Company. A full account of the assets and liabilities of the Company shall be taken. The assets shall be promptly liquidated and the proceeds thereof applied as required by the Act. Upon discharging all debts and liabilities, all remaining assets shall be distributed to the Members or their representatives by the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation) in proportion to the positive balances of their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during

which the liquidation occurs (other than those made pursuant to this Section 8.2). With the approval of the Manager, the Company may, in the process of winding up the Company, distribute property in kind, in which case the Members' Capital Account balances shall be adjusted in accordance with Regulation Section 1.704-1(b)(2)(iv)(e).

8.3 No Obligation to Restore Negative Capital Account Balance. No Member shall have any obligation to make any capital contribution to the Company to eliminate the negative balance, if any, of such Member's Capital Account, and any such negative balance shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

ARTICLE 9.-- TRANSFER OF MEMBER'S INTEREST

9.1 General Restriction on Transfer. No Unit or interest in the Company shall be validly sold, assigned, pledged, encumbered, awarded, confirmed, or otherwise transferred, for consideration or otherwise, whether voluntarily, involuntarily, or by operation of law, and no purported transferee shall be recognized as a Member of the Company for any purpose whatsoever unless such Unit or interest has been transferred, sold, or released from restrictions upon transfer with the prior consent of Supermajority Percentage Interests and in accordance with Section 9.3.

9.2 Pledge or Encumbrance of Units. If any Member (the "Pledgor") desires to pledge, mortgage, or otherwise encumber any or all of its Units, the Pledgor shall provide in any pledge agreement, mortgage, or other instrument of encumbrance that the other Member, the Manager and the Company shall be entitled to at least fifteen (15) days' advance written notice (the "Default Notice") of any sale, transfer, or other disposition of any Unit so encumbered, whether by a pledgee, mortgagee, or lienor, and whether through foreclosure or otherwise, and the other Member shall have the right to purchase such Unit on the same terms and conditions as if the Pledgor had made an offer to sell such Unit pursuant to Section 9.3 below. For purposes of this Section 9.2, the Default Notice shall be deemed to be the Offer Notice, and the full amount (including any expenses or other incidental amounts) necessary to redeem such Unit under the pledge agreement, mortgage, or other instrument of encumbrance, or under applicable law, shall be deemed to be the Offered Price.

9.3 Voluntary Sale or Transfer.

9.3.1 Notice. If any Member (the "Transferor") desires to sell, assign, or otherwise transfer any or all of its Units to any person or entity, the Transferor shall give notice to the Manager and the other Member (an "Offer Notice") specifying the name and address of the proposed transferee, describing the number of the Member's Units proposed to be transferred (the "Offered Units"), stating the price proposed to be paid by the proposed transferee for the Offered Units (the "Offered Price"), and specifying all other terms and conditions of the proposed sale or transfer.

9.3.2 Offer. Delivery of an Offer Notice to the Manager and the other Member shall constitute an offer by the Transferor on the date of such delivery (the "Offer Date") to sell the Offered Units to the other Member at a purchase price (the "Purchase Price") equal to the

Offered Price in accordance with this Section 9.3.2. If the Offered Units are proposed to be sold for consideration other than solely cash, the Offered Price shall be deemed to be the sum of the fair market value of the consideration other than cash offered for the Offered Units, plus any cash consideration so offered.

9.3.3 Terms and Conditions. Each purchase of the Offered Units pursuant to this Section 9.3 shall be made in accordance with the following terms and conditions:

(a) Within the period ending fifteen (15) days after receipt of the Offer Notice (the “Member Offer Period”) the Transferee Member shall deliver to the Manager notice of acceptance of the offer (the “Member Acceptance Notice”) specifying the number of Offered Units that it agrees to purchase (the “Accepted Units”).

(b) Delivery of a Member Acceptance Notice to the Manager shall create a binding contract between the Transferee Member and the Transferor for the purchase and sale, at the Purchase Price and on the terms described below, of the Accepted Units.

(c) The transfer of the Accepted Units to the Transferee Member shall be consummated on the terms set forth in the Offer Notice on a date set by the Company (the “Closing Date”), which date shall be not less than fifteen (15) nor more than thirty (30) days after expiration of the Member Offer Period applicable to the Offered Units.

9.3.4 Failure to Exercise Purchase Option. If the purchase option under this Section 9.3 is not exercised with respect to all of the Offered Units, then each of the persons who succeed to any portion of the Transferor’s Units as to which such purchase option was not exercised shall be an assignee of the Transferor, but shall not be a Member unless admitted as a Member in accordance with Section 3.2.

9.4 Effect of Transfer. A transfer of any Units by a Member, including without limitation any involuntary transfer, shall eliminate the Member’s right to vote with respect to such Units on any matter submitted to the Members, and, for voting purposes, such Units shall not be treated as outstanding unless the transferee is admitted as a substituted Member pursuant to Section 3.2. The transferee of any Units shall be entitled only to the share of net profits and losses and the right to distributions associated with such Units, but shall not be entitled to any vote with respect to such Units on any matter submitted to the Members for consent or approval without first being admitted as a substituted Member pursuant to Section 3.2.

ARTICLE 10. -- LIMITATION OF LIABILITY; INDEMNIFICATION

10.1 Indemnification of Manager. The Company shall indemnify each Manager from and against any judgments, settlements, penalties, fines or expenses incurred in a proceeding to which a Manager is a party because he, she or it is, or was, a Manager; provided, that a Manager shall not be indemnified from or on account of acts or omissions of the Manager finally adjudicated to be a breach of this Agreement, intentional misconduct or a knowing violation of law by the Manager, or any transaction with respect to which it was finally adjudged that such Manager received a benefit in money, property or services to which such Manager was

not legally entitled. The right to indemnification conferred in this Section 10.1 shall be a contract right and shall include the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition; provided, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the Company of an undertaking, by or on behalf of such Manager to repay all amounts so advanced if it shall ultimately be determined that such Manager is not entitled to be indemnified under this Section 10.1 or otherwise.

The right to indemnification and payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 10.1 shall not be exclusive of any other right any Manager may have or hereafter acquire under any statute, this Agreement, vote of Members or otherwise.

No repeal or modification of the Act or this Section 10.1 shall adversely affect any right of a Manager to indemnification existing at the time of such repeal or modification for or with respect to indemnification related to an act or omission of such Manager occurring prior to such repeal or modification.

10.2 Limitation of Liability. No Member or Manager shall have liability to the Company or its Members for monetary damages for conduct as a Member or Manager, except for acts or omissions that involve a breach of this Agreement, intentional misconduct, a knowing violation of law, or for any transaction from which the Member or Manager has personally received a benefit in money, property or services to which the Member or Manager was not legally entitled. If the Act is hereafter amended to authorize Company action further limiting the personal liability of Members or the Manager, then the liability of each Member or Manager shall be eliminated or limited to the full extent permitted by the Act, as so amended. No repeal or modification of the Act or this Section 10.2 shall adversely affect any right or protection of a Member or Manager existing at the time of such repeal or modification for or with respect to an act or omission of such Member or Manager occurring prior to such repeal or modification.

ARTICLE 11. -- MISCELLANEOUS

11.1 Notices. Any notice or other communication required or permitted under this Agreement shall be deemed to have been duly given if delivered personally to the party to whom directed or, if mailed, by registered or certified mail, postage and charges prepaid, addressed (a) if to a Member, to the Member's address specified on attached Schedule 1, and (b) if to the Company, to the Company's address specified in Section 1.6. Any such notice shall be deemed to be given when personally delivered or, if mailed, two (2) business days after the date of mailing. A Member or the Company may change its address for purposes of notices hereunder by giving notice specifying such changed address in the manner specified in this Section 11.1.

11.2 Governing Law and Jurisdiction for Disputes. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, including without limitation, the Act. The parties also agree that all disputes arising out of or in connection with this Agreement shall be submitted to binding arbitration under the rules of the American Arbitration Association, by one or more arbitrators appointed in accordance with the rules of the

American Arbitration Association. The place of the arbitration shall be Los Angeles County, California, and any award may be reduced to a judgment in any Court of General jurisdiction.

11.3 Amendments. This Agreement may not be amended except by the unanimous written agreement of all of the Members. Additional Members shall be admitted only upon (a) the consent of Members holding a Supermajority Percentage Interest; and (b) the execution of a counterpart signature page of this Agreement.

11.4 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

11.5 Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretation of this Agreement.

11.6 Waivers. The failure of any person to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

11.7 Remedies. The rights and remedies of the parties hereunder shall not be mutually exclusive, and the exercise of any one right or remedy shall not preclude or waive the right to exercise any other remedies. Said rights and remedies are in addition to any other rights the parties may have by law or otherwise.

11.8 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

11.9 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

11.10 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

11.11 Entire Agreement. This Agreement reflects the entire understanding of the parties with respect to the subject matter of this Agreement and no representation, promises, agreements, or understandings, written or oral, not contained in this Agreement will be of any force or effect.

11.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

HURRICANE AMT, LLC

By _____
Its _____

Schedule 1
to
Limited Liability Company Agreement
of
[_____]

Name and Address	Number of Units	Percentage Interest	Capital Account as of <hr/>
Hurricane AMT, LLC 9720 Wilshire Boulevard Suite 500 Beverly Hills, California 90212 Att: Chief Financial Officer Facsimile No.: (310) 734-1723 e-mail: CFO@fatbrands.com		_____ %	

EXHIBIT H
Lease Assignment

**ASSIGNMENT OF FRANCHISEE'S
INTEREST IN LEASE**

This ASSIGNMENT OF FRANCHISEE'S INTEREST IN LEASE (this "Agreement") is made as of _____, 20__ (the "Effective Date"), by and among _____ ("Franchisee"), Hurricane AMT, LLC, a Delaware limited liability company ("Franchisor"), and _____ ("Landlord").

RECITALS

A. Pursuant to the terms of that certain Lease Agreement dated _____ (the "Lease") Franchisee holds or will hold a leasehold interest in that certain parcel of real property (the "Land") located in the City of _____, County of _____, State of _____, commonly known as _____, and more particularly described in the Lease and on Exhibit "A" to this Agreement. As used herein, the term "Property" shall refer to the Land together with the premises demised to Franchisee pursuant to the terms of the Lease, and all rights of Franchisee appurtenant thereto.

B. Pursuant to the terms of that certain Franchise Agreement dated _____ (the "Franchise Agreement") by and between Franchisor and Franchisee, Franchisor is granting to Franchisee the right to operate a "Hurricane" restaurant franchise. The Franchise Agreement and all other documents and instruments evidencing or securing the franchise relation between Franchisor and Franchisee together with all supplements, amendments, modifications, renewals and replacements thereof are collectively referred to in this Agreement as the "Franchise Documents."

C. Franchisee desires to conditionally assign to Franchisor the Lease and all rights of Franchisee thereunder, and Franchisor and Franchisee wish to obtain the consent of Landlord to such assignment, on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, with reference to the foregoing facts and for other valuable consideration, the receipt, legal sufficiency and adequacy of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Assignment. Franchisee hereby agrees to assign, transfer and set over to Franchisor the Lease and all rights of Franchisee thereunder, all right to subrents and concession fees derived from the Lease, together with all of Franchisee's right, title and interest in the Lease, including all modifications, amendments, extensions and renewals of the Lease and all rights and privileges incident thereto (collectively, the "Lease Rights"), conditioned only on Franchisor issuing an "Election Notice" as described in Section 3 of this Agreement. The foregoing agreement is intended by Franchisor and Franchisee to create and shall be construed to create an absolute assignment to Franchisor of all Franchisee's right, title and interest in the Lease Rights subject only to the condition that Franchisor issue an Election Notice and shall not be deemed to create merely an assignment for security only for the performance of any obligations of Franchisee under the Franchise Documents, provided, however, that nothing contained herein shall operate or be construed to obligate Franchisor to perform any of the terms, covenants and conditions contained in the Lease or otherwise to impose any obligation to pay rents thereunder or to indemnify Landlord

in connection therewith unless Franchisor obtains possession of the Property as described in Section 3 of this Agreement. Franchisor and Franchisee further agree that, during the term of this Agreement, the Lease shall not constitute property of Franchisee (or of any estate of Franchisee) within the meaning of 11 U.S.C. §541, as may be amended from time to time. Franchisee hereby represents and warrants that no other assignments of Franchisee's Lease Rights exist or remain outstanding.

2. Grant of Revocable License. Franchisor hereby grants to Franchisee a revocable license to occupy the Property and enjoy the rights of the tenant under the Lease.

3. Election Notice. Upon the occurrence of (a) a default under the Lease by Franchisee; (b) a default under the Franchise Documents by Franchisee; (c) the exercise by Franchisor of its right of first refusal pursuant to Section 12.4 of the Franchise Agreement; or (d) the nonexercise by Franchisee of an option to renew or extend the Lease, and at any time thereafter during the continuance thereof, Franchisor shall have the right and option, at its election, to notify Franchisee and Landlord (an "Election Notice") that Franchisor is electing to cause the assignment in Section 1 of this Agreement to become effective. Upon such an Election Notice and without the necessity of any further actions, Franchisor shall have the right: (i) to enter upon the Property and to institute such legal proceedings (including, without limitation, a lawsuit for unlawful detainer of the Property by Franchisee); and (ii) to perform all other acts which Franchisor shall determine, in its sole discretion, to be necessary or desirable to carry out the foregoing. Landlord shall be entitled to rely upon any notice from Franchisor and shall be protected with respect to any claim made by Franchisee with respect to such notice, irrespective of whether a dispute exists between Franchisor and Franchisee with respect to the existence of a default or the rights of Franchisor hereunder. Franchisor hereby agrees not to name Landlord as a party defendant in any action filed for the purpose of enforcing its rights hereunder. The payment of rent to Landlord in connection with any such notice and the performance of obligations under the Lease to or for the benefit of Landlord shall not cause Franchisor to assume or be bound by the provisions of such Lease including but not limited to the duty to pay any future rents. Franchisee agrees to indemnify, defend and hold Landlord harmless from and against any and all loss, claims, damage or liability arising out of any claim with respect thereto. Franchisor shall not become liable to Landlord for the performance of any obligations of the tenant under the Lease, notwithstanding its issuance of an Election Notice, unless and until Franchisor shall have obtained possession of the Property, and in no event shall Franchisor be liable to Landlord for any obligations which accrued under the Lease prior to the date Franchisor so obtains possession. Nothing contained in this Agreement shall constitute a waiver by Landlord of any recourse of Landlord against Franchisee for unpaid amounts owed under the Lease.

4. Consent. Landlord hereby consents to the assignment of the Lease to Franchisor as herein provided. The foregoing consent is subject to each and all of the following terms and conditions:

(a) such consent shall not constitute a waiver of Landlord's right to consent to future assignments, subleases or transfers, or a waiver of any other provision of the Lease;

(b) such consent shall not be effective until Landlord shall have delivered to Franchisor a fully executed copy of this Agreement.

5. Indemnity. In complying with the provisions of this Agreement, Landlord shall be entitled to rely solely upon the notices given by Franchisor which are referred to in Section 3 hereof and Franchisee agrees to indemnify and hold Landlord harmless from and against any and all loss, claim, damage or liability arising out of Franchisor's compliance with such notice. Franchisor shall be entitled to full credit under the Lease for any rents paid to Landlord in accordance with the provisions of Section 3 hereof to the same extent as if such rents were paid directly by Franchisee.

6. Covenants of Franchisee. Franchisee agrees that during the term of the Lease, without Franchisor's prior written consent, Franchisee will not:

(a) agree to increase the rent or additional rent, except as expressly provided in the Lease; or

(b) cancel, terminate or surrender the Lease, except at the normal expiration of the Lease term; or

(c) enter into any agreement, amendment, extension or modification of the Lease; or

(d) assign the Lease or sublet the Property or any portion thereof other than as expressly provided in the Lease.

7. Notices. From and after the Effective Date, Landlord shall send a copy of any notice or similar statement under the Lease to Franchisor at the same time such notice or statement is sent to Franchisee under the Lease. Such notices shall be delivered to Franchisor in the manner and to the addresses set forth in Section 10 of this Agreement. Franchisor shall have the right (but not the obligation) to cure any default claimed by Landlord in any such notice. Landlord shall not take any action with respect to such default, including, without limitation, any action in order to terminate, rescind or void the Lease or to withhold any rental thereunder, for a period of 30 days after receipt of such written notice by Franchisor with respect to any such default.

8. Representations. Landlord and Franchisee each hereby certify, represent and warrant that as of the Effective Date there are no known defaults (or events which with the giving of notice or the passage of time or both could give rise to a default) on the part of the other party under the Lease, that the Lease is a complete statement of the agreement of the parties thereto with respect to the leasing of the Property, and there are no other agreements between Landlord and Franchisee, written or oral, that the Lease is in full force and effect, that all conditions to the effectiveness or continuing effectiveness thereof required to be satisfied as of the date hereof have been satisfied, and that this Agreement satisfies any condition or requirement in the Lease with respect to the provision of any consents by Landlord (and any lender or lienholder with an interest in the Land) to an assignment or transfer of the Lease.

9. Further Representations. Within ten (10) days after Franchisor's written request, Landlord hereby agrees to deliver to Franchisor its designee an estoppel certificate executed by Landlord, certifying (if such is the case) that the Lease is in full force and effect, and that there are no defenses or offsets outstanding under the Lease or stating any claim by Landlord and such other information as Franchisor shall reasonably request.

10. Notices. All notices and other communications provided for herein shall be in writing and shall be given by hand or sent by registered or certified mail, postage prepaid, addressed as follows:

To Landlord:

Attention: _____

To Franchisee:

Attention: _____

To Franchisor:

Hurricane AMT, LLC
9720 Wilshire Boulevard Suite 500
Beverly Hills, California 90212
Attn: Chief Executive Officer and Chief Financial Officer

Each party may change its address by notice to each of the other parties as provided herein. Notices, if sent by mail, shall be deemed given on the fifth (5th) day following the deposit in United States mail, and, if delivered by hand, shall be deemed given when delivered.

11. Attorneys' Fees. In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs and expenses incurred by the prevailing party, including the allocated costs for services of in-house counsel, in addition to costs and expenses otherwise allowed by law.

12. Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the laws of the state in which the Property is located, without regard to the choice of law rules of that State.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Agreement to form one document, which may be recorded.

14. Headings. The headings of the Sections and subsections of this Agreement are included for reference only, and shall not be used to interpret this Agreement.

15. Entire Agreement. This Agreement shall be the whole and only agreement with regard to the subject matter hereof and shall supersede any inconsistent provisions of the Lease which provide for the subjection or subordination of the Lease.

16. Miscellaneous Provisions. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. As used in this Agreement, the word “include(s)” means “include(s), without limitation,” and the word “including” means “including, but not limited to.”

17. Covenants of Landlord. Landlord acknowledges that Franchisee shall be operating the business to be conducted upon the Property pursuant to the terms of a Franchise Agreement. Landlord agrees that the following provisions shall be incorporated into the Lease for the benefit of Franchisor and shall control over any inconsistent provisions contained elsewhere in the Lease for so long as the Franchise Agreement shall remain in effect:

(a) Right to Enter, etc. Landlord hereby grants to Franchisor the right to: (a) enter upon the Property for the purpose of (i) curing any default of Franchisee under the Lease; or (ii) protecting Franchisor’s proprietary marks; and (b) make modifications to the Property or the improvements thereon necessary to protect such proprietary marks provided that Franchisor (i) obtains the advance written consent of Landlord to such modifications, which consent shall not be unreasonably withheld or delayed; and (ii) repairs any damage to the Property or the improvements thereon caused by such modifications.

(b) Assignment and Subletting. No transfer or encumbrance of the capital stock or assets of, or change in control of, Franchisor or its affiliates, shall require the consent of or notice to Landlord, or result in a change of any of the terms of the Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

“FRANCHISEE”

_____,
a _____

By: _____

Its: _____

“FRANCHISOR”

HURRICANE AMT, LLC,
a Delaware limited liability company

By: _____

Its: _____

“LANDLORD”

_____,
a _____

By: _____

Its: _____

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT I

Agents for Service of Process and State Administrators

EXHIBIT I

STATE ADMINISTRATORS

Commissioner of Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
(866) 275-2677 Toll Free
Ask.DFPI@dfpi.ca.gov

Hawaii Commissioner of Securities
Department of Commerce & Consumer
Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Chief
Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Franchise Section
Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Franchise Administrator
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Dept. of Attorney General
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

Commissioner of Commerce
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
(651) 539-1500

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, New York 10005
(212) 416-8285

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Director of the Rhode Island
Department of Business Regulation
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9500

Registration Specialist
Department of Labor and Regulation
Division of Securities
124 S. Euclid Avenue Suite 104
Pierre, South Dakota 57501-3185
(605) 773-4823

State Corporation Commission
Division of Securities and Retail
Franchising
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 266-8557

Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. SW
Tumwater, Washington 98501
(360) 902-8760

AGENTS FOR SERVICE OF PROCESS

Commissioner of the Department of
Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, California 95834

Hawaii Commissioner of Securities
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois Attorney General Office
500 South Second Street
Springfield, Illinois 62706

Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204

Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Commissioner of Commerce
State of Minnesota
Department of Commerce
Registration Division
85 Seventh Place East
St. Paul, Minnesota 55101

Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

Director of Business Regulation
1511 Pontiac Avenue
Cranston, Rhode Island 02920

Director of the Division of Securities
Department of Labor and Regulation
124 S. Euclid Avenue Suite 104
Pierre, South Dakota 57501-3185

Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219

Administrator of Securities
Department of Financial Institutions
150 Israel Rd. SW,
Tumwater, WA 98501 98504

Commissioner of Securities
Office of the Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin

FOR ALL STATES NOT LISTED ABOVE:

Paracorp Incorporated
640 Bercut Drive, Suite A
Sacramento, CA 95814

EXHIBIT J
Management Agreement

FAT BRANDS MANAGEMENT, INC.

MANAGEMENT AGREEMENT

**FAT BRANDS MANAGEMENT, INC.
MANAGEMENT AGREEMENT**

THIS MANAGEMENT AGREEMENT ("**Agreement**") is made on this _____ day of _____, 20____ by and between FAT Brands Management, Inc., a Delaware corporation ("**Manager**"), and _____, a _____ ("**Owner**").

RECITALS

A. Hurricane AMT, LLC ("Hurricane"), a Delaware Limited Liability Company, which is the originator of a distinctive concept for a quick service restaurant system which offers limited menu items, primarily hamburgers, under the trademarks "Hurricane", "Hurricane Grill & Wings" and "Hurricane Burgers Tacos Wings".

B. Hurricane and Owner have entered into a Franchise Agreement dated as of _____ (the "**Franchise Agreement**"), pursuant to which Hurricane has granted Owner a license to use Hurricane's trademarks, trade dress and proprietary methods of operation in connection with the operation of the Restaurant, as defined below.

C. Pursuant to its obligations under the Franchise Agreement, Owner has developed a Hurricane restaurant, located at _____, _____, _____ (the "**Restaurant**").

D. Owner wishes to retain Manager to perform certain management services with respect to the operations of the Restaurant.

E. Manager is prepared to assume and perform such management services, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, Manager and Owner agree as follows:

SECTION 1. SCOPE OF SERVICES.

1.1 Manager shall provide to Owner the services set forth on Exhibit A (the "**Services**"). Owner acknowledges that Manager shall provide the Services through visits and reviews of the Restaurant and its operations that shall occur with such frequency and be of such duration as Manager shall determine in its sole discretion. Owner and Manager each will consult and cooperate with, and assist the other in every reasonable and proper way to permit Manager to carry out its duties hereunder. Unless otherwise agreed in writing by Manager, the Services shall not include any responsibility to prosecute or defend any legal proceedings with respect to Owner or the Restaurant.

1.2 In carrying out its duties and obligations hereunder, Manager shall have the right, in its sole discretion, to retain or delegate one or more subcontractors, employees, temporary or contract employees, consultants or associates to perform all or any portion of the Services to be provided by Manager hereunder, all of which shall be retained by, and shall report to and be supervised by Manager, and which personnel can be changed from time to time in Manager's discretion. Owner agrees to accept such performance as satisfaction of Manager's obligations hereunder.

1.3 Owner expressly agrees and acknowledges that Manager is currently actively conducting its own business, and that any or all of its subcontractors, employees, consultants and associates who are providing the Services hereunder may be engaged in other business or activities for Manager. Owner shall have no right hereunder to demand or require that any officer, subcontractor, employee, consultant, affiliate or associate of Manager, or any specific individual, perform services hereunder for a specific number of hours or at any specific time.

1.4 Owner shall be solely responsible for all services other than the Services, including, without limitation, accounting, human resources, record keeping and similar matters, and Manager shall have no responsibility or obligation with respect thereto.

SECTION 2. OBLIGATIONS OF OWNER.

2.1 The parties expressly agree and acknowledge that nothing in this Agreement shall be deemed to supersede or modify the duties and obligations of the parties under and pursuant to Franchise Agreement.

2.2 At all times during the term hereof, Owner shall supply sufficient employees to operate the Restaurant. Owner shall promptly supply Manager with all requested information, including without limitation weekly reports for sales, labor, food and cost-control management.

2.3 Owner shall pay all of the Operating Expenses, as hereinafter defined, incurred in connection with the operation of the Restaurant. As used herein, "**Operating Expenses**" shall mean and include any and all expenses incurred in connection with the operation of the Restaurant, including but not limited to (i) the fee set forth in Section 5.1 of this Agreement; (ii) all royalties and other charges due to Hurricane; (iii) food, supplies, inventory, materials, consumables, paper products and other products utilized in the operation of the Restaurant, (iv) payroll, benefit costs and other employee expenses, including the cost of store manager(s), assistant manager(s) and staff; (v) utilities, trash removal, water and sewer charges, and similar expenses, (vi) advertising and promotional costs, (vii) rent, common area charges, property taxes and other "triple net" charges and all other occupancy charges related to the Restaurant, (viii) insurance premiums and other insurance costs, (xi) lease payments or loan payments for Restaurant equipment, (x) permit and license fees, and fees, taxes or charges incurred to comply with state or local regulations, (xii) professional fees and expenses incurred in connection with the operation of the Restaurant, and (xii) a reasonable reserve for contingencies and working capital.

SECTION 3. INDEPENDENT STATUS.

3.1 The parties agree and acknowledge that Manager is an independent contractor. Manager and Owner each expressly agree and acknowledge that no provisions hereof shall be construed as being inconsistent with said independent contractor status nor of creating under any circumstances a partnership or employer/employee relationship.

SECTION 4. INDEMNIFICATION; INSURANCE.

4.1 Owner shall indemnify, defend and hold Manager, and Manager's subcontractors, employees, consultants, associates, affiliates, parents, subsidiaries, agents, officers, directors, shareholders, successors and assigns, from and against any and all losses, costs, expenses, liabilities, claims, demands, debts, charges, setoffs, liens, attachments, judgments, actions, causes of action, suits or proceedings, of any nature or description (the "**Claims**"), arising out of, relating to or in connection with the formation and capitalization of the Owner, the operation of the Owner's business or the Restaurant, or any other action or failure to act of the Owner or any of its principals, employees or agents, except, only, those Claims which arise primarily or solely out of (a) any action or failure to act of Manager or any of its subcontractors, employees, consultants, associates, agents, officers, directors or shareholders, which action or failure to act constituted gross negligence or willful malfeasance or misfeasance on the part of such person, or (b) any action or failure to act of Manager or any of its subcontractors, employees, consultants, associates, agents, officers, directors or shareholders, which action or failure to act constituted a material breach of this Agreement.

SECTION 5. FEES.

5.1 As consideration for the Services to be performed by Manager hereunder, Owner agrees to pay Manager via ACH debit the following (check all that apply):

(a) On or prior to Tuesday of each week for the immediately preceding calendar week, an amount equal to _____ percent (____%) of the Net Sales of the Restaurant for such calendar week. As used herein "**Net Sales**" shall have the meaning ascribed to such term in the Franchise Agreement.

(b) On or prior to the first business day of each calendar month for such calendar month, an amount equal to \$_____.

(c) On or prior to thirty (30) days after quarter end for such quarter, _____ percent (____%) of the Net Income of the Restaurant for such period. As used herein "**Net Income**" shall mean the Restaurant's earnings before interest, depreciation, taxes and amortization (EBITDA) under GAAP.

(d) At closing of any sale or other disposition of the Restaurant or substantially all of the assets of or ownership interests in the Owner, an amount equal to _____ percent (____%) of the net consideration received or to be received in excess of Owner's restaurant development cost; provided, however, that

such sum shall only be payable in the event of a sale or other disposition occurring during the term of this Agreement or within two (2) years following termination of this Agreement for reasons other than those enumerated under Section 6.2 of this Agreement.

Owner agrees to execute and deliver to Manager all documents necessary or desirable to accomplish the ACH debit set forth above.

5.2 Manager shall have the right, at its expense, to audit, inspect or copy the books and records of the Restaurant at any time, or from time to time.

5.3 In addition to the amounts set forth in Section 5.1 above, Owner shall reimburse Manager for any and all costs and expenses Manager incurs in performing its obligations hereunder, including without limitation a reasonable allocation of overhead and employee costs associated with the Services and the cost of travel and accommodations.

SECTION 6. TERM.

6.1 Unless sooner terminated in accordance herewith, this Agreement shall continue in full force and effect from the date hereof through _____, 20____ (the "Initial Term"). Thereafter, this Agreement shall be automatically renewed for each subsequent twelve (12) months; provided, however, that after the Initial Term either party shall have the right to terminate this Agreement upon not less than ninety (90) days' written notice.

6.2 Notwithstanding anything to the contrary contained in this Agreement, Owner, at its election, may forthwith terminate this Agreement by written notice to Manager on the occurrence of any of the following events:

(a) There has been a material default or substantial failure by Manager to perform one or more of its obligations hereunder, or acts or omissions by Manager which prevent, impede or frustrate performance by the Owner, which shall not have been cured within thirty (30) days after written notice specifying the nature of such failure;

(b) Manager making a general assignment for the benefit of creditors;

(c) Manager filing a voluntary petition for reorganization under the provisions of the federal bankruptcy laws, or having an involuntary petition filed against it; or

(d) Manager becoming or being declared insolvent or legally incapacitated.

6.3 Notwithstanding anything to the contrary contained in this Agreement, Manager, at its election, may forthwith terminate this Agreement by written notice to the Owner on the occurrence of any of the following events:

(a) There has been a material default or substantial failure by the Owner to perform one or more of its obligations hereunder, or acts or omissions by the

Owner which prevent, impede or frustrate performance by Manager, which shall not have been cured within thirty (30) days after written notice specifying the nature of such failure (provided that to the extent Owner's default is a failure to pay an amount due to Manager, Owner shall have ten (10) days within which to cure the default);

(b) The Owner making a general assignment for the benefit of creditors;

(c) The Owner filing a voluntary petition for reorganization under the provisions of the federal bankruptcy laws, or having an involuntary petition filed against it;

(d) The Owner becoming or being declared insolvent or legally incapacitated;

(e) The termination of the Franchise Agreement by Hurricane;

(f) The occurrence of any transfer, assignment or other action requiring the consent of Hurricane under the terms of the Franchise Agreement; or

(g) Upon the sale or other transfer of all or substantially all of the assets of the Owner.

6.4 If this Agreement is terminated for any reason or expires and the Franchise Agreement is still in effect, Owner must continue to comply with its obligations under the Franchise Agreement, including without limitation, its obligations to employ a trained manager acceptable to Hurricane to manage and operate the Restaurant.

SECTION 7. MISCELLANEOUS.

7.1 Notices. Any notice under this Agreement shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid, in the U.S. Mail; (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one (1) business day after deposit with such courier if sent by next day delivery for receipt on a business day; (c) sent by facsimile, in which case notice shall be deemed delivered upon transmission of such notice to the appropriate facsimile number shown above so long as the transmitting facsimile machine registers a confirmation receipt and such receipt shows that the transmission was received during regular business hours at the recipient's address (or if the transmission receipt shows delivery after such business hours, then the notice sent by facsimile will be deemed to be effective on the next business day of the recipient); or (d) sent by personal delivery. The addresses and facsimile numbers for any party may be changed by written notice to the other party. Notices will be sent to:

Manager:

FAT Brands Management, Inc.
9720 Wilshire Boulevard Suite 500
Beverly Hills, California 90212
Att: Chief Financial Officer
Facsimile No.: (310) 734-1723
E-mail: CFO@fatbrands.com

Owner:

Att: _____
Facsimile No.: _____
E-mail: _____

7.2 Assignment; Binding Effect. The Owner expressly agrees and acknowledges that neither this Agreement nor any rights, benefits or obligations hereunder, may be assigned, directly, indirectly, voluntarily or by operation of law, by the Owner, without the prior written consent of Manager. Except as aforesaid, this Agreement, and the rights, duties and obligations of the parties hereunder, shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.

7.3 Further Assurances. All parties to this Agreement shall, upon request and without further consideration, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions hereof or to carry out the intent of this Agreement.

7.4 Cumulative Rights and Remedies. All rights and remedies of the parties shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies provided for herein or which may be provided or permitted by law or equity in case of any breach, failure or default or threatened breach, failure or default of any term, covenant or condition of this Agreement. The rights and remedies afforded either party hereby shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement shall not discharge or release either party from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement.

7.5 Waivers. No waiver by either party hereto of any breach or default, or of any of a series of breaches or defaults, or of any term, covenant, or condition herein or of any similar provision of any other agreement shall be deemed a waiver of any subsequent or other breach or default. No policy or practice of Manager maintained with respect to any of the subjects of this Agreement shall constitute an amendment of this Agreement, or a new agreement, or form the basis for an implied contract or an estoppel. No failure of Owner to comply with this Agreement may be excused on account of the alleged failures of other franchisees, or of Manager, to so comply in other Hurricane restaurants, or on account of Manager's waiver of compliance for the purpose of testing different menu items, services, image, appearance, methods of operation, ingredients or supplies.

7.6 No Exemplary Damages. Neither party to this Agreement shall assert against the other party any claim for exemplary or punitive damages arising out of the Hurricane-Owner relationship, the formation or performance of this Agreement, any breach of this Agreement, or the operation of the Restaurant.

7.7 Gender. All terms used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves.

7.8 Compliance with Laws. The Owner shall at its own cost and expense promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all governmental units and appropriate departments, commissions, boards, and offices thereof relating to the Restaurant and to the business contemplated by this Agreement.

7.9 Payment of Obligations. The Owner shall pay promptly when due all obligations incurred directly or indirectly in connection with this Agreement, including, without limitation, all taxes and assessments on or against the Restaurant land, building and other improvements, equipment, fixtures, signs, furnishings and other property, and all accounts and indebtedness of every kind and character incurred by or on behalf of the Owner in the conduct of the business contemplated hereby.

7.10 Applicable Law. The Owner acknowledges that the principal business office of Manager is located in Beverly Hills, California, and that a significant portion of the services to be provided hereunder shall be provided in such office, or by personnel operating from such office. In recognition of this, the Owner expressly agrees and acknowledges that this Agreement shall be governed by and construed in accordance with the laws of the state of California, United States of America.

7.11 Entire Agreement. This Agreement, the Franchise Agreement and the documents incorporated herein constitute the entire agreement between the parties relating to the subject matter hereof and supersede and cancel any and all prior and contemporaneous agreements, applications, understandings, representations, inducements and statements, oral or written, of the parties in connection with the subject matter hereof. OWNER REPRESENTS AND WARRANTS THAT IT HAS ENTERED INTO THIS AGREEMENT AS THE RESULT OF ITS OWN INDEPENDENT INVESTIGATION AND AFTER CONSULTATION WITH ITS OWN APPROPRIATE ADVISERS, AND NOT AS THE RESULT OF PRIOR REPRESENTATIONS OF MANAGER, ITS AGENTS, OFFICERS, DIRECTORS OR EMPLOYEES.

7.12 No Amendments. Except as expressly authorized herein, no amendment or modification of this Agreement shall have any force or effect unless executed in writing by both the Owner and the chief financial officer or the president of Manager. The Owner must not rely upon statements which are inconsistent with this Agreement unless embodied in an amendment which has been duly executed. Wherever written

approval of Manager is required, it shall be understood to require a complete written statement of the matter being approved bearing the signature of the chief financial officer or president of Manager.

7.13 Partial Invalidity. If any part of this Agreement shall for any reason be declared invalid, unenforceable or void, the validity of the remainder shall not be affected thereby and shall remain in full force and effect with the invalid, unenforceable or void portion eliminated; however, Manager may, within ninety (90) days after a final judgment of such invalidity, unenforceability or voidness, terminate this Agreement upon notice to the Owner without liability therefor.

7.14 Discretion. Wherever this Agreement permits a party to exercise its discretion in deciding a question, it shall be understood that the party may decide the question without regard to anything but its own perception of propriety, and that such decision cannot be attacked on account of the party's purported bias, self-interest, intent or malice, or because the impact of the decision upon the parties is disparate.

7.15 Time of the Essence. Time is of the essence for this Agreement.

7.16 Dispute Resolution. Owner and Manager shall use their best efforts to resolve any differences which may arise between them by discussion and negotiation rather than litigation. If these methods fail, the parties also agree that all disputes arising out of or in connection with this Agreement shall be submitted to binding arbitration under the rules of the American Arbitration Association, by one or more arbitrators appointed in accordance with the rules of the American Arbitration Association. The place of the arbitration shall be Los Angeles County, California, and any award may be reduced to a judgment in any Court of general jurisdiction.

7.17 Reserved.

7.18 Acknowledgments. Owner acknowledges and represents to Manager to induce Manager to enter this Agreement, as follows:

(a) OWNER HAS READ THIS AGREEMENT AND UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, AND COVENANTS CONTAINED IN THIS AGREEMENT;

(b) OWNER HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS THAT IS THE SUBJECT OF THIS AGREEMENT. OWNER RECOGNIZES THAT THE NATURE OF THIS BUSINESS INVOLVES BUSINESS RISKS AND THAT THE SUCCESS OF THE VENTURE DEPENDS PRIMARILY UPON OWNER'S BUSINESS ABILITY AND EFFORTS. OWNER STATES THAT IT HAS CONSULTED WITH SUCH PROFESSIONAL ADVISORS AS IT DEEMS NECESSARY TO DETERMINE THAT IT IS FINANCIALLY PREPARED TO ASSUME THE RISKS THAT IT MAY BE INVOLVED IN SUCH A BUSINESS VENTURE;

(c) OWNER HAS NOT RECEIVED OR RELIED UPON ANY PROMISE, REPRESENTATION, GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED, ABOUT THE REVENUES, PROFITS, OR SUCCESS OF THE

RESTAURANT OR THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT;

(d) OWNER IS AWARE THAT MANAGER OWNS HURRICANE. OWNER IS ALSO AWARE OF THE FACT THAT SOME PRESENT OR FUTURE FRANCHISEES OF HURRICANE MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS WITH MANAGER, AND CONSEQUENTLY, THAT MANAGER'S OBLIGATIONS AND RIGHTS WITH RESPECT TO OTHER FRANCHISEES OF HURRICANE MAY DIFFER MATERIALLY;

(e) OWNER IS AWARE THAT THE SUCCESSFUL OPERATION OF A RESTAURANT INVOLVES MANY FACTORS, INCLUDING BUT NOT LIMITED TO, LOCATION, DEMOGRAPHIC PATTERNS, CONSUMER TASTE AND PREFERENCES (BOTH LOCAL AND NATIONAL), COMPETITION AND NUMEROUS OTHER FACTORS, WHICH ARE SUBJECT TO CHANGE, DIFFICULT TO PREDICT, AND BEYOND THE CONTROL OF MANAGER OR OWNER. OWNER EXPRESSLY ACKNOWLEDGES AND AGREES THAT NO ASSURANCE CAN BE GIVEN THAT THE RESTAURANT WILL OPERATE PROFITABLY; AND

(f) NO REPRESENTATIONS HAVE BEEN MADE OR AUTHORIZED BY MANAGER OR ITS AFFILIATES, OR BY ANY OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, SALES PERSONNEL OR AGENTS, THAT ARE CONTRARY TO THE TERMS CONTAINED IN THIS AGREEMENT, AND OWNER HAS NOT RELIED UPON ANY OTHER SUCH REPRESENTATIONS.

IN WITNESS WHEREOF, the parties have set their hands in duplicate as of the day and year first above written.

FAT BRANDS MANAGEMENT, INC.:

OWNER:

By: _____

By: _____

Its: _____

Its: _____

Exhibit A

Services

Manager shall provide to Owner the following Services (check one):

Manager shall consult with Owner regarding the operation and management of the Restaurant. Manager shall make recommendations to Owner regarding the selection criteria, hiring, supervision, discipline and discharge of Owner's employees. Manager shall review the operations of the Restaurant and make recommendations to Owner regarding same. Owner may or may not choose to implement or not any of Manager's recommendations.

Manager shall have complete responsibility for supervising and managing the operation of the Restaurant, including without limitation, day-to-day operations, labor management, local marketing and advertising, and food and beverage cost control. Manager shall have the sole right to determine operating policy, standards of operation, quality of service and any other matters affecting customer relations or efficient management and operation of the Restaurant. In consultation with Owner, Manager shall prepare a written budget with respect to the Restaurant for each fiscal year, or portion thereof, during the term of this Agreement (the "**Budget**"). Manager shall use commercially reasonable efforts to perform the Management Services in a manner consistent with the Budget, and will notify Owner if, in its reasonable opinion, Manager expects to take actions that will result in a material adverse variance from the Budget, or if a revised Budget should be prepared. Except for Manager's supervisory staff, who shall be employees of Manager, Manager shall have limited responsibility with respect to the employees operating the Restaurant, all of whom shall be employees of Owner; *provided, however*, that Manager shall have (1) the sole and exclusive right to train Owner's employees in its discretion; and (2) the right to make recommendations to Owner regarding the selection criteria, hiring, supervision, discipline and discharge of Owner's employees. Manager shall deposit all funds received or generated by the operation of the Restaurant in an account or accounts designated by Owner on a periodic basis mutually acceptable to Manager and Owner. Manager shall also provide Owner with copies of all bills and invoices for Operating Expenses and other costs of operating the Restaurant, which shall be paid by Owner promptly and before delinquency. Manager shall have the sole right to plan, execute and control all marketing, promotional and related activities.

Capitalized terms used herein and not otherwise defined shall have the meaning given them in the Agreement.

EXHIBIT K
General Release

GENERAL RELEASE

THIS GENERAL RELEASE (this “**Release**”) is made this ___ day of _____, 20___, by _____ (the “**Sellers**”), in favor of HURRICANE AMT, LLC, a Delaware limited liability company (“**Hurricane**”) and each of the other parties identified herein.

WHEREAS, Hurricane and the Sellers are parties to that certain Franchise Agreement, dated _____ (the “**Franchise Agreement**”), pursuant to which the Sellers acquired rights to operate a Hurricane restaurant located at _____ (the “**Restaurant**”).

WHEREAS, the Sellers desire to sell the Restaurant and transfer their rights under the Franchise Agreement to a third party.

WHEREAS, as provided by Section 12.2.3.4 of the Franchise Agreement, the execution and delivery of this Release is one of several conditions precedent to Hurricane’s consent to the transfer of the Sellers’ rights under the Franchise Agreement to a third party.

NOW, THEREFORE, in consideration of the foregoing and to induce Hurricane to consent to the transfer of Sellers’ rights under the Franchise Agreement to a third party, the Sellers agree as follows:

1. Release.

1.1. Effective as of the date hereof, the Sellers, for themselves and for their affiliates, attorneys, legal representatives, agents, successors-in-interest and assigns, irrevocably and unconditionally release and forever discharge Hurricane and its employees, owners, partners, affiliates, agents, successors-in-interest and assigns (each a “**Hurricane Party**” and collectively, the “**Hurricane Parties**”), and each of them, from any and all causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind and character existing as of the date hereof, which the Sellers, or any of them, have or may have against the “Hurricane Parties. Each of the Sellers agrees that each Hurricane Party is a direct beneficiary with respect to each provision of this Release applicable to the Hurricane Party and may enforce each of these provisions.

1.2. The Sellers, for themselves and for their affiliates, attorneys, legal representatives, agents, successors-in-interest and assigns, expressly waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of California and do so understanding and acknowledging the significance and consequences of such specific waiver of Section 1542. The Sellers acknowledge that they are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

A general release does not extend to claims that the Creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the Debtor or released party.

The Sellers expressly acknowledge that their release herein is also intended to include in its effect, without limitation, all claims which such party does not know or expect to exist in its favor at the time of execution of this Release, and that its release herein contemplates extinguishing all of these claims.

1.3. The Sellers represent and warrant to the Hurricane Party as of the date of this Release that neither of them have assigned nor subrogated any of said rights, claims and causes of action referenced in this Release, or authorized any other person or entity to assert any of these claims on their behalf.

1.4. The Sellers agree and covenant never to file a lawsuit or any administrative proceeding against any Hurricane Party for any causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind and character existing as of the date hereof.

2. Governing Law. This Release has been made and entered into in the State of California and shall be construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law thereof.

3. Severability. Whenever possible each provision of this Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Release shall be or become prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Release.

4. Captions. The various captions of this Release are for reference only and shall not be considered or referred to in resolving questions of interpretation of this Release.

5. Counterparts. This Release may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Release has been made and entered into by the Sellers as of the date and year first above written.

Franchisee

EXHIBIT L

Brand Technology System Support Services Agreement

BRAND TECHNOLOGY SYSTEM SUPPORT SERVICES AGREEMENT

Customer Information

Customer:

Address:

City:

State:

Zip Code:

Telephone Number:

Fax Number:

Email Address:

This **BRAND TECHNOLOGY SYSTEM SUPPORT SERVICES AGREEMENT** (the "**Agreement**") is made and entered into as of _____, 20__ ("**Effective Date**"), by and between Hurricane AMT, LLC ("**HAMT**") and the customer whose name and address appears above, for the Franchised Business (as defined below) #_____ located at _____ ("**Customer**"). This Agreement also references those suppliers that are designated or approved by Franchisor (as defined below) for use in the Franchised Business, hereafter referred to as "**Approved Suppliers**" and the hardware, software and other items of technology (the "**Brand Technology System Standards**"), all of which have been or will be designed from time to time by Franchisor in its operations manuals or otherwise in writing (the "**Manuals**").

WHEREAS, Customer is a party to that certain Franchise Agreement with _____ ("**Franchisor**") dated _____ pertaining to the ownership and operation of a _____ (the "**Franchised Business**") at location above (the "**Franchise Agreement**").

WHEREAS, Customer has purchased or subscribed to one or more element(s) of the Brand Technology System, as defined below.

WHEREAS, the Brand Technology System includes various items of hardware and software required for use in or used in the Franchised Business (collectively, the "**Brand Technology System**").

WHEREAS, FAT, directly or indirectly, is willing and agrees to provide certain customer support services to the Customer (the "**Services**") related to the Brand Technology System.

WHEREAS, Customer agrees to accept such Services and assumes certain responsibilities and obligations as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, the parties agree as follows:

1. **TERM AND TERMINATION.**

(a) The Initial Term of the Agreement shall be from the Effective Date as set forth above for a period of twelve (12) months ("**Initial Term**"). Upon the expiration of

the Initial Term, this Agreement shall automatically renew for successive one-year renewal terms unless one party notifies the other party of its intent to not renew this Agreement with at least sixty (60) days' prior written notice of the then-current term or this Agreement is terminated as otherwise provided herein.

(b) In the event HAMT no longer provides the Services as described under this Agreement, Customer will be notified in writing and the Agreement will be terminated without penalty sixty (60) days following the date of such notice. In the event that HAMT terminates the entire Agreement early, HAMT will refund a prorated amount of fees that Customer paid in advance under this Agreement based on the number of weeks remaining in the term. Such refund shall be Customer's sole and exclusive remedy.

(c) Customer may elect not to renew this pursuant to Section 1(a) of this Agreement. Upon such termination, Customer must obtain comparable Services from a qualified third party, which HAMT or Franchisor, as applicable, may require such third party to be approved by HAMT and Franchisor in advance. In the event Customer permanently closes the Franchised Business, sells or transfers the Franchised Business to a third party, Customer shall notify HAMT in writing no less than ninety (90) days prior to the closure of the Franchised Business and the Agreement shall terminate only with respect to such Franchised Business as of the date of such closure, transfer or sale.

(d) Notwithstanding the foregoing, (i) HAMT may terminate this Agreement at any time, without cause, upon thirty (30) days' prior written notice; and (ii) the Initial Term shall be coterminous with the Franchise Agreement.

(e) HAMT may terminate this Agreement should Customer default under Section 3 of this Agreement.

2. **CHARGES AND PAYMENTS.**

(a) In exchange for the Services that HAMT provides to Customer, Customer shall pay HAMT the fees for the services chosen by Customer as set forth on the Fee Schedule in Attachment 1 (the "**Fees**") attached to this Agreement and incorporated herein. Not all Fees will be billed by FAT. In some cases, Fees may be directly billed by supplier.

(b) For any software single fee less than \$600: Customer shall pay HAMT in advance for all Fees together with any applicable sales, use excise, or other taxes related to the Services on a quarterly basis through ACH.

(c) For any software single fee more than \$600: Customer shall pay HAMT in advance for all Fees together with any applicable sales, use excise, or other taxes related to the Services, within 10 days of receiving an invoice for the Services through ACH.

(d) HAMT will issue invoices for Fees on a periodic basis and Customer will pay such invoices in full within fifteen (15) days of the date of invoice.

(e) All payments of Fees made through ACH shall occur no more than fifteen (15) days before the quarter for which Customer is making payment. Customer shall

execute the Bank Authorization Agreement for ACH transactions prescribed from time to time by FAT.

(f) Customer shall notify HAMT within ten (10) days of any changes to bank information which will affect ACH withdrawals, including but not limited to bank account numbers, bank routing numbers, and insufficient funds.

(g) If for any reason Customer fails to pay any invoice issued pursuant to or in connection with this Agreement when due, HAMT may charge Customer interest at eighteen percent (18%) per annum, or the highest rate allowed by applicable law, until paid in full. Additionally, HAMT shall have the right to stop performing the Services until Customer pays in full all amounts owed under this Agreement. Upon termination of this Agreement, Customer shall still remain obligated to pay HAMT all monies owed pursuant to this Agreement.

(h) For any hardware supplied by FAT, Customer shall pay HAMT in advance by credit card for all such hardware, shipping, applicable taxes and a credit card fee of 4%.

(i) Charges for special shipping services beyond those that are standard or otherwise listed in this Agreement (such as Saturday delivery), are not included in the Fees and are Customer's responsibility. The Customer shall pay HAMT its current hourly rate, including labor, travel time and expenses, if the Customer requests HAMT to dispatch a Help Desk technician to a Customer site for training or support. All additional costs allowed under this Agreement, including those listed in Section, may be collected through the ACH withdrawal.

3. **DEFAULT.** Each of following shall constitute an “**Event of Default**” by Customer:

(a) Non-payment when due of any amount due and payable under this Agreement;

(b) Upon thirty (30) days prior written notice of breach from FAT, Customer's breach of any of its obligations under this Agreement (except for Customer's payment obligations under this Agreement) that remains uncured after expiration of such notice period;

(c) Customer becomes insolvent or commits an act of bankruptcy under the United States Bankruptcy Act, or shall file or have filed against it, voluntarily or involuntarily, a petition in bankruptcy or for reorganization or for the adoption of an arrangement or plan under the United States Bankruptcy Code or shall procure or suffer the appointment of a receiver for any substantial portion of its properties, or initiates or have initiated against it, voluntarily or involuntarily, any act, process or proceeding under any insolvency law or other statute or law providing for the modification or adjustment of the rights of creditors; or

(d) Customer fails to observe or perform any covenant or agreement binding on Customer under any other agreements it has with HAMT within any applicable cure period.

4. **REMEDIES.**

(a) If an Event of Default occurs and continues beyond any applicable cure period, HAMT may do any of the following:

- (i) immediately terminate this Agreement;
- (ii) stop performing any of the Services until the Event of Default is cured;
- (iii) declare any amounts owed under this Agreement, whether then due or to become due, immediately due and payable and recover damages for such unpaid amount; and/or
- (iv) require the immediate return of any leased or on-payment equipment to the appropriate dealer or vendor or HAMT directly.

(b) An Event of Default under this Agreement shall constitute a default under any other agreement between HAMT and Franchisor and Customer, including Customer's Affiliates. For purposes of this Agreement, an "Affiliate" of the Customer shall mean any person or entity which owns: (1) a majority of the equity interests of the Customer, (2) a majority of the equity interests of which is owned by the Customer, or (3) a majority of the equity interests of which is owned by a person or entity which owns a majority of the equity interests of the Customer. As used in this Agreement, "owns" or "owned" shall include both direct and indirect ownership.

(c) The remedies set forth in this Agreement are not exclusive, but are cumulative and in addition to any other remedies otherwise available to HAMT and Franchisor in law and equity.

5. **EXCLUSION FROM SERVICE.** Unless agreed otherwise in writing, HAMT shall have no obligation to provide Services: (i) to maintain, repair or replace equipment or parts that are identified as "hardware" in the Manuals or otherwise in writing (the "**Equipment**") when necessitated by catastrophe (including without limitation electrical surges or outages), accidents, neglect, misuse, spillage, fault or negligence of Customer, faulty electric power or air-conditioning, or any other causes; (ii) to service or repair accessories, apparatuses, attachments, or any other devices that HAMT does not support; (iii) to make changes, modifications or alterations to Equipment; (iv) to rebuild or overhaul Equipment; (v) to replace expendable parts on the Equipment, including but not limited to printer consumable supplies, cables, or removable media; (vi) for any software listed in the Manuals or otherwise in writing (the "**Supported Software**") when necessitated by catastrophe, accidents, neglect, misuse, fault or negligence of Customer, faulty electric power or air-conditioning, or any other causes other than ordinary use; (vii) to correct any problems in the functionality of the Software that are caused when the Software is used in conjunction with software that is not software approved by HAMT or Franchisor or used on a system other than the Brand Technology System on which the Software was originally installed; or (viii) to support any software or hardware not listed in the Manuals.

6. **LIMITATIONS OF SERVICE.** The Help Desk is accessible via email, text and telephone during the business hours listed in the Manuals. Any requests for service after these hours of operation will be addressed the following business day.

7. **WARRANTY CLAIMS ON EQUIPMENT AND SUPPORTED SOFTWARE.** With respect to the Equipment and Supported Software, HAMT may act as an agent to facilitate warranty or maintenance claims on behalf of Customer. HAMT shall not provide Services to Customer for any Equipment or Software for which Customer has not obtained from the appropriate manufacturer or vendor a warranty or maintenance agreement. HAMT cannot guarantee resolution for any Equipment or Software issue more quickly than the response and repair time of the manufacturer or vendor providing warranty or maintenance services for such Equipment or Software. It is the Customer's sole responsibility to maintain warranty or maintenance coverage on all Equipment that are required for a complete functioning Brand Technology System, including but not limited to the PC, printers, POS system, networking equipment, communications equipment or server and internet connectivity. In the event that Customer requires additional services from HAMT to restore full functionality of the Brand Technology System following the failure of a system not covered by a required warranty or maintenance, Customer shall pay HAMT its current hourly rate, including labor, travel time and expenses, plus shipping and material costs incurred while restoring system functionality. Customer shall pay for such additional services within five (5) days of FAT's provision of such services.

8. **CUSTOMER OBLIGATIONS.**

(a) **Conditions Precedent to HAMT Obligations:** As a condition precedent to HAMT performing its obligations herein, Customer agrees to the following:

(i) Subject to the terms of Section 2 of this Agreement, Customer shall keep current all payments for Fees.

(ii) Customer shall adhere to all Brand Technology System standards for hardware, software, processes, business rules and requirements as designated or required by the Franchisor from time to time which **defined in the **[Manuals]**, which may be updated from time to time.

(iii) Customer shall maintain current warranty or maintenance coverage on all Equipment and Supported Software comprising the Brand Technology System, including but not limited to the PC, printers, POS system, networking equipment, communications equipment, server or internet connectivity. In the event that warranty or maintenance service is no longer available from the manufacturer, dealer or vendor, or expires, Customer shall purchase replacement Equipment that is covered by warranty or maintenance service prior to expiration of coverage or within thirty (30) days of notification by FAT, whichever is earlier, at Customer's sole expense.

(iv) Customer shall provide proof of warranty or maintenance service agreement with the appropriate manufacturer or vendor for all supported Equipment and Software upon renewal or request by FAT.

(v) Customer shall pay all costs of repair or troubleshooting for the Equipment that is not covered under the applicable warranty.

(vi) Customer shall pay HAMT or the appropriate vendor all fees for support and maintenance of the Supported Software.

(vii) Customer shall use a FAT-approved POS system, as detailed in the Manuals.

(viii) Customer shall repair or replace within seventy-two (72) hours any equipment or cabling that due to failure or defect interferes with the normal operation of the Brand Technology System, prevents the Brand Technology System from communicating with the POS system, or prevents the Brand Technology System from communicating with HAMT servers. This will include, but is not limited to, Customer's server and internet connectivity.

(ix) For Customers who are not on the approved or designated Equipment, Customer shall obtain all support for the POS system directly from its POS system support vendor for hardware, programming and steering. HAMT or a help desk designated by HAMT will provide support for Customers who are on a non-standard POS system.

(x) Customer shall not install any software, other than that listed as approved in the Manuals on any of the Brand Technology System equipment. If unauthorized software is found on any of the Brand Technology System equipment, HAMT may remove it without advance notice to Customer, and all costs for such removal and restoration of the system to approved standards will be billed to Customer at an hourly rate not to exceed FAT's then current rate. Customer shall pay for such removal and restoration within five (5) days of FAT's provision of such services.

(xi) Customer shall not grant to anyone other than the Help Desk personnel or FAT's information technology staff any administrative privileges for the Brand Technology System without advance approval from a HAMT information technology leadership team member.

(xii) Customer shall maintain at least one general manager or restaurant manager per restaurant that has attended the approved Brand Technology System training provided by FAT.

(xiii) Notwithstanding (xii) of this Section, Customer shall maintain at least one person, the key operator, supervisor or other employee with supervisory authority over Customer's restaurant(s), who has been approved by HAMT and is properly trained on the Brand Technology System. This person shall provide support to Customer's restaurants for all Customer-specific Brand Technology System support needs. This person must receive calls from Customer-owned restaurants and/or HAMT if the person's support or involvement is needed. In the event a Customer-owned restaurant is unable or unwilling to resolve a problem concerning the Brand

Technology System that is within its control, the person hereunder will be contacted and requested to work with the restaurant directly until the problem has been resolved.

(xiv) Customer shall ensure that its personnel receive ongoing training in the use and operation of the Brand Technology System. If Customer contacts the Help Desk for support of functions that are included in the Brand Technology System training program or Online Help that could have been resolved by Customer personnel properly trained and certified, then HAMT may invoice Customer for such support at its then current hourly rates. Customer shall pay all fees for such support within five (5) days of FAT's provision of such services.

(xv) Customer agrees to update or upgrade, as necessary, to maintain compliance with all HAMT technology changes, enhancements and additions, pertaining to the Brand Technology System as updated in the Manuals or otherwise. Hardware or software upgrades or employee training may be required, at Customer's expense, in the event of a change to major technology standards, as determined by FAT, or in the event that Customer's hardware or software is beyond the supported end of life as defined by the manufacturer.

(xvi) Customer shall adhere to HAMT POS system programming schedules as identified in the Manuals.

(xvii) Customer shall cause a properly certified employee to input and maintain on the Brand Technology System all vendor related information.

(xviii) Customer must have a land-line telephone that reaches to the Brand Technology System equipment.

(xix) Customer shall cause reasonable restaurant level cooperation with the Help Desk staff in problem solving via the telephone and/or electronic communications such as email or online chat.

(xx) Upon HAMT approval, Customer shall ship to HAMT broken Equipment for repair within five (5) days of receiving replacement Equipment. Customer agrees to fax or email the Help Desk a copy of the air bill at the time of shipment to facilitate tracking.

(xxi) Customer shall maintain proof of ownership for software licenses.

(xxii) Customer is responsible for accurate data entry into the Customer's POS system and Brand Technology System.

(xxiii) Customer is responsible for establishing and maintaining an internet connection with an approved Internet Service Provider ("ISP").

If at any time Customer is not in compliance with any of the condition precedents listed above, Customer shall be deemed to be in default and HAMT may immediately cease providing the

Services until the noncompliance is cured or terminate this Agreement under Section 1 of this Agreement.

9. **HELP DESK SUPPORT.**

(a) The Services shall include Customer access to the help desk (the “**Help Desk**”) during the hours of operation specified in the Manuals. Help Desk support will include assisting with problems pertaining to:

- (i) The Equipment;
- (ii) The Supported Software Manuals;
- (iii) The virtual local area network (VLAN), with the exception of the Customer’s ISP; and
- (iv) Next day reporting via the current HAMT standard reporting solution.

(b) HAMT may provide second level support through other HAMT resources, including, but not limited to, its Information Technology, Accounting and Training departments. HAMT may access Customer’s PC, network hardware, POS system, or any other above store systems or databases as needed in order to provide support, perform upgrades and system maintenance, ensure the security of the network, ensure compliance with laws and industry regulations and FAT’s requirements, and perform other tasks required for support of the Brand Technology System. This may be done without the prior notification of the Customer.

10. **HAMT OBLIGATIONS.** Subject to the terms of this Agreement, HAMT shall provide the following Services:

(a) HAMT may make any warranty or maintenance claims that Customer may have with the appropriate manufacturer of the Equipment and coordinate with such manufacturer the warranty or maintenance service that is required and permissible under the appropriate Equipment warranty or maintenance agreement. HAMT shall only provide these Services for Equipment that Customer has executed a warranty or maintenance agreement with the manufacturer of such Equipment.

(b) HAMT may make any maintenance or support claims that Customer may have with the appropriate vendor of the Supported Software and coordinate with such vendor the maintenance or support service that is required and permissible under the appropriate Supported Software maintenance or support agreement. HAMT shall only provide these Services for Supported Software that Customer has executed a maintenance or support agreement with the vendor of such Supported Software.

(c) HAMT (through the Help Desk) shall prioritize all Customer calls, as it deems appropriate from time to time. Initially, calls will be prioritized based upon the following criteria:

(i) Priority 1 = system down due to hardware failure or software corruption. The virtual local area network (VLAN) is down and credit card processing is completely unavailable.

(ii) Priority 2 = system functionality issues. The Customer cannot perform daily tasks on the Brand Technology System such as scheduling or inventory, administrative functions such as Customer cannot retrieve e-mail or does not have access to a form.

(iii) Priority 3 = training issues. Customer is asking “how to” questions or ask for investigation of possible issues with recipes or food cost issues.

(d) HAMT shall use a call tracking application to track all Brand Technology System Equipment and Supported Software issues, documenting each incident.

(e) HAMT shall provide, upon Customer’s request, but not more frequently than once per month, Customer’s history of Brand Technology System Equipment and Supported Software issues.

(f) HAMT shall conduct periodic customer satisfaction surveys.

(g) To the extent that HAMT has been notified in advance from the third-party suppliers, HAMT shall provide notification, via e-mail or alternate methods if necessary, of planned and unplanned outages that may or will affect service or availability of systems.

(h) HAMT will provide POS system programming updates per the schedule set forth in the Manuals.

(i) HAMT will provide network monitoring and problem resolution for connectivity to Customer’s systems, such as e-mail or polling, and access to any of the approved Internet sites as listed in the Manuals as well as connectivity problems to the Franchisor’s approved credit processing provider as listed in the Manuals.

(j) In the event Customer is dissatisfied with the Services, the following escalation path should be taken:

(i) Help Desk Supervisor

(ii) Director of Information Technology

(iii) Senior most office directly responsible for Franchise operations

(k) **HAMT Depot Equipment Obligations.** Subject to the terms of this Agreement, HAMT shall provide the following additional Services (the “**Depot Services**”) with respect to certain Equipment as part of the Brand Technology System (the “**Depot Equipment**”):

(i) HAMT may, in its reasonable discretion, replace any part of a PC or the entire Brand Technology System that is the subject of a valid warranty claim with the manufacturer.

(ii) HAMT may, in its reasonable discretion, replace the hard drive or other components of a PC as a fix to a Supported Software issue.

(iii) HAMT shall provide same day standard shipping of replacement Depot Equipment for all problems diagnosed prior to 3:00 PM PST. Replacement Depot Equipment for problems diagnosed after 3:00 PM PST will be shipped on the following business day via standard shipping. Standard shipping method is Ground service.

(iv) HAMT shall provide Saturday and Next-Day Early A.M. deliveries at Customer's request and expense for all Depot Equipment.

(v) HAMT shall provide return labels for ground shipping Depot Equipment to HAMT for repair.

(vi) HAMT shall replace any Depot Equipment that it replaces pursuant to this Agreement with equipment/parts of equal or greater capacity.

(vii) HAMT shall send weekly email(s) for non-returned Depot Equipment with Customer's charges for replacing the Equipment including, without limitation, the original retail value of the Depot Equipment to be returned.

(viii) HAMT reserves the right to adjust its services concerning Depot Equipment as needed from time to time.

11. WORKMANSHIP WARRANTY AND DISCLAIMER OF ALL OTHER WARRANTIES.

(a) HAMT warrants that the Services provided by HAMT personnel will be rendered by competent professionals with the degree of skill and care that is required by current good and sound professional procedures and practices in accordance with industry standards. If HAMT breaches this limited warranty, Customer shall be entitled to re-performance of defective services at no additional cost to Customer and in such time and manner as is reasonable in light of the nature of the Services and their impact on the business operations of the Customer. This shall be Customer's sole and exclusive remedy for FAT's breach of this limited warranty. This warranty does not cover any services that a third party renders, such as warranty work that a manufacturer performs on Equipment or maintenance work that a vendor performs on Software.

(b) HAMT is not providing any warranty whatsoever with respect to the Equipment and Software. Customer shall obtain any warranties on the Equipment and Software from the appropriate manufacturer or vendor of the Equipment and Software. HAMT provides no warranty with respect to any data that it or others input into the Brand Technology System.

(c) OTHER THAN THE WARRANTY PROVIDED ABOVE, HAMT EXPRESSLY DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE SERVICES THAT HAMT IS RENDERING UNDER THIS AGREEMENT, THE DATA AND INFORMATION THAT IT INPUTS INTO THE BRAND TECHNOLOGY SYSTEM, THE BRAND TECHNOLOGY SYSTEM, THE EQUIPMENT OR THE SOFTWARE, WHETHER SUCH WARRANTIES ARE EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, IMPLIED WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT, AND IMPLIED WARRANTY ARISING BY USAGE OR TRADE, COURSE OF DEALING, COURSE OF PERFORMANCE, OR THAT THE BRAND TECHNOLOGY SYSTEM SHALL BE ERROR FREE OR OPERATE UNINTERRUPTED .

12. **INDEMNIFICATION.** Customer agrees to defend, indemnify and hold FAT, its affiliated and related entities, its and their respective members, officers, directors, shareholders, employees, agents and representatives, harmless from and against all liabilities, losses, attorneys' fees, fines, penalties or any other damages (collectively, the “**Damages**”) arising out of or on account of any claims, causes of actions or proceedings that any third party or governmental party may bring to the extent such Damages arise from: (i) Customer’s breach or alleged breach of its license for the Software; (ii) Customer’s breach or alleged breach of Customer’s agreements with any manufacturer of the Equipment; (iii) any negligent act, omission, or willful misconduct of Customer in the performance of this Agreement; (iv) Customer’s breach of any covenant, warranty or representation set forth in this Agreement; (v) Customer’s use of the Brand Technology System including, without limitation, Customer’s use of the Brand Technology System in conjunction with hardware and/or software not approved by FAT; or (vi) infringement or alleged infringement from Customer’s use of the Brand Technology System in conjunction with hardware and/or software not approved by FAT. The terms of this Article 12 shall survive the termination or expiration of this Agreement.

13. **LIMITATION OF LIABILITY.**

(a) HAMT SHALL NOT BE LIABLE FOR ANY DATA THAT IT RECEIVES FROM CUSTOMER AND INPUTS INTO THE BRAND TECHNOLOGY SYSTEM. HAMT DISCLAIMS ANY LIABILITY FOR ANY ERRORS OR ACCURACY IN THE DATA OR INFORMATION IT INPUTS (OTHER THAN ERRORS THAT ARE THE RESULT OF FAT’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT). HAMT SHALL NOT BE LIABLE FOR ANY ERRORS OR DEFECTS IN THE SOFTWARE OR EQUIPMENT.

(b) EXCEPT FOR THE INDEMNITY OBLIGATIONS SET FORTH HEREIN, NO PARTY SHALL UNDER ANY CIRCUMSTANCES BE RESPONSIBLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR LOSSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE, DATA, PROFIT OR USE OR COST OF CAPITAL), ARISING OUT OF OR RELATED IN ANY WAY TO THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT, EVEN IF THE OFFENDING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. UNDER NO CIRCUMSTANCES SHALL FAT’S TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED

TO THIS AGREEMENT, REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, STRICT LIABILITY, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT THAT CUSTOMER PAYS TO HAMT FOR THE SERVICES FOR THE SIX (6) MONTHS LEADING UP TO THE DATE OF THE CLAIM.

(c) HAMT is not responsible for hard drive crashes unless such crash is a result of FAT's gross negligence or willful misconduct. If a hard drive needs to be reloaded with Software, HAMT will provide the standard Brand Technology System image and the restaurant specific information will be retrieved from the restaurant's system backup, if available. HAMT is not responsible for lost data due to backup failures.

14. **CONFIDENTIAL INFORMATION.** During the term of this Agreement, Customer may have access to and become familiar with various trade secrets, confidential or proprietary information of FAT, including but not limited to specifications, drawings, samples, plans, business operations, pricing, menus, discounts or rebates, compilations of data and information selected, arranged and processed by FAT, invoices, restaurant development information, marketing plans, financial information of FAT, and other technical, marketing and/or business information disclosed by HAMT to Customer, whether oral or written in electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" and all improvements, developments, supplements and derivations of any of the foregoing (collectively referred to herein as "**Confidential Information**"). Customer agrees that it shall use the Confidential Information solely for performing its obligations under this Agreement and that such Confidential Information may not be disclosed or otherwise used except upon FAT's prior written consent, which may be withheld in its discretion. Customer shall further take reasonable precautions and act in such a manner as to ensure against unauthorized disclosure or use of FAT's Confidential Information in Customer's possession or control. This Section shall not apply to information that is (i) in the public domain, (ii) known to Customer at the time of disclosure, or (iii) rightfully obtained by Customer on a non-confidential basis from a third party. Any and all files, records, documents, information, data, and similar items relating to the business of FAT, any of FAT's contacts, vendors or contractors or any of the Confidential Information, whether prepared by Customer or otherwise coming into its possession as a result of its services for FAT, shall remain the exclusive property of FAT. Customer shall promptly deliver to HAMT or destroy, at FAT's sole discretion, any of FAT's Confidential Information in Customer's possession or control (without Customer retaining any copies) upon expiration or termination of this Agreement.

15. **GOVERNING LAW.** The existence, validity and construction of this Agreement shall be governed in all respects by the substantive laws of the State of California. With respect to any claims concerning this Agreement, each party agrees: (i) to submit to the exclusive general jurisdiction of the Courts of the State of California or the federal courts that are located in Los Angeles, California; (ii) that any such action or proceeding may be brought in such courts; and (iii) to waive any objection that it may have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same.

16. **ATTORNEYS FEES AND ENFORCEABILITY.** If any action at law or equity is brought to enforce or interpret any of the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may

be entitled. In the event a provision of the Agreement is held by any court to be invalid, void or unenforceable by action of law or equity, the remaining provisions shall continue in full force and effect and such invalid, void or unenforceable provision shall be stricken from this Agreement.

17. **NOTICE.** Notice to be submitted by either party shall be sufficiently given if made in writing and sent by prepaid Certified Mail, or hand delivered as evidenced by signed receipt, or by express delivery with a nationally recognized carrier. Until either party provides notice to the other party of a change in address, all notices shall be sent to the addressee specified below to the attention of the persons named:

If to FAT:

If to Customer:

Hurricane AMT, LLC
Attn: Legal Department
9720 Wilshire Blvd., Suite 500
Beverly Hills, CA 90212

18. **ENTIRE AGREEMENT AND MODIFICATION.** This Agreement and all documents and agreements referred to in this Agreement supersede all prior understandings, agreements and discussions between the parties concerning this subject matter, with such prior understandings, agreements and discussions between the parties being merged into this Agreement, and constitute the entire agreement between the parties with regard to this subject matter. The parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. No amendment, change, waiver or discharge hereof shall be valid unless in writing and signed by the party against whom enforcement is sought.

19. **ASSIGNMENT.**

(a) HMT may assign this Agreement and any or all benefits and obligations arising from it at any time.

(b) Customer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of FAT, and any such assignment lacking consent shall be null and void. This Agreement shall be binding on and shall inure to the benefit of the successors and assignees of the Customer hereto, but nothing in this Article shall be construed as a consent to any assignment of this Agreement by HMT except as provided hereinabove.

20. **NO WAIVER.** Waiver of the benefit of any provision of this Agreement must be in writing to be effective. The waiver by any party hereto of a breach of any provision hereof shall not operate or be construed as a waiver of any subsequent breach. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by such party of compliance by the other party hereto with any of the covenants or other obligations contained herein. A failure by a party to insist upon strict compliance with any term of this Agreement, enforce any right or seek any remedy upon any default of any other party shall not affect, or constitute a waiver of, such party's right to insist upon such strict compliance, enforce that right or seek that remedy with respect to that default or any prior, contemporaneous or subsequent default.

21. **DELAYS.** HAMT shall not be liable for any failure or delay in delivery or in rendering service if the failure or delay is caused entirely or in material part by events beyond FAT's control, including but not limited to fire, tornado, flood, earthquake, civil turmoil, labor dispute, failure or delay of transportation, or shortage or unavailability of parts or units. Shipping is subject to availability of the carriers. HAMT is not responsible in any way for delays or damages caused by the carrier.

22. **HOLIDAYS.** HAMT recognizes the holidays set forth in the Manuals. The Help Desk may not be available on those holidays as set forth in the Manuals.

23. **EXCLUSIONS FROM SERVICES.** The following items are excluded from this Agreement and will not be supported by HAMT in the event of a failure:

- (a) Non-standard hardware
- (b) Non-standard software
- (c) Unapproved POS hardware and software
- (d) Unapproved exports or Interfaces to external systems such as Payroll, Accounting, (GL, etc.)
- (e) Internet Service Providers or telephone vendors
- (f) Updates or corrections to vendor information

As used herein, the terms "non-standard" and "unapproved" refer to such items that are not expressly identified in the Manuals as being in compliance with FAT's Brand Technology System requirements.

24. **AUTHORITY.** All parties signing this Agreement expressly represent and warrant that they have the requisite authority to enter into this Agreement on behalf of the party for which they are signing.

25. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. Execution of this Agreement via facsimile shall be effective, and signatures received via facsimile shall be binding upon the parties hereto and shall be effective as originals.

26. **ASSIGNMENT OF INVENTIONS.**

- (a) Customer shall make full and prompt disclosure to HAMT of all inventions, improvements, modifications, discoveries, creations, works of authorship, methods, processes and developments which are related to the Brand Technology System (all of which are collectively termed "**Work Product**"), and which are made or conceived by Customer, alone or with others, whether or not such developments are patentable, copyrightable, registerable as a trademark, servicemark or the like, or protected as confidential information, whether or not such developments are made or conceived during normal working hours or on the premises of Customer.

(b) All Work Products shall belong to FAT, its successors and permitted assigns. Customer shall automatically assign, and shall cause its personnel automatically to assign, at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest it or they may have in such Work Product, including any patents or copyrights or other intellectual property rights pertaining thereto. Upon request of FAT, Customer shall take such further actions, and shall cause its personnel to take such further actions, including execution and delivery of instruments of conveyance, as may be appropriate to give full and proper effect to such assignment. The terms of this Section 26(b) shall survive beyond the expiration or termination of this Agreement.

(c) HAMD shall determine, in its sole and absolute discretion, whether an application for patent, for copyright, for trademark, for mask work registration, or for any other intellectual property right shall be filed on any Work Product which is assigned to HAMD under this Agreement and whether such an application shall be prosecuted or abandoned prior to issuance or registration. Customer shall cooperate with HAMD in filing and prosecuting all such applications.

(d) Customer shall have a non-exclusive, perpetual, royalty-free license to use the Work Product, without any right to sublicense to unrelated third parties.

(e) This Section 26 shall survive termination or expiration of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have set their hands as of _____
_____.

Hurricane AMT, LLC

By: _____

Name: _____

Title: _____

Date: _____

Address: 9720 Wilshire Blvd., Suite 500
Beverly Hills, CA 90212

Customer:

By: _____

Name: _____

Title: _____

Date: _____

Address: _____

ATTACHMENT 1

FEE SCHEDULE

Brand Technology System Services \$840 (minimum requirement) - \$ 1500 total annually, including VLAN, and depending on the options that are chosen by Customer (premier service not included).

Mandatory FAT Brands IT Costs				
	*Low	*High		
Mandatory Help Desk Support	\$840	\$1,500	Annually	Billed By FAT

Premium Optional Services Offered By FAT Brands IT				
Additional Services Not Mandatory				
<u>Premium Optional Services</u>				
Premise Security Package	\$900		Annually	Billed By FAT
PCI Compliance Management	\$480		Annually	Billed By FAT
Additional WAPS	\$216		Annually	Billed By FAT
Additional Phone/Seat	\$240		Annually	Billed By FAT
Additional Cameras	\$180		Annually	Billed By FAT
Secured BOH Desktop/Laptop w/ maintenance and monitoring	\$1,200		Annually	Billed By FAT

SCHEDULE 1

Table of Contents of Operating Manuals



Operations Manual

Hurricane AMT
1800 Old Okeechobee Road •
Suite 100
Phone 561.932.1075 • Fax
561.932.1074
Revised: 12/2015

INTRODUCTION

THIS MANUAL WILL PROVIDE THE FUNDAMENTAL STANDARDS AND PROCEDURES REQUIRED FOR THE OPERATION OF A HURRICANE GRILL AND WINGS RESTAURANT. IT IS TO BE USED IN CONJUNCTION WITH ALL OTHER MATERIALS PRODUCED BY HURRICANE AMT, LLC INCLUDING BUT NOT LIMITED TO, ALL TRAINING MATERIALS, FOOD AND BEVERAGE RECIPES, FORMS, MEMOS AND REVISION NOTICES, ALL COMMUNICATIONS DIRECTED FROM THE OPERATIONS LEADERSHIP, AND ALL MATERIALS INCLUDED ON THE HURRICANE GRILL AND WINGS INTRANET WEBSITES. THIS MANUAL IN COMBINATION WITH THE COLLECTION OF SUPPLEMENTS WILL COLLECTIVELY BE KNOWN AS THE OPERATIONS MANUAL.

THE PHRASE “HAMT” WILL REFER TO THE ENTITY OF HURRICANE AMT, LLC. THE PHRASE “HURRICANE GRILL AND WINGS” REFERS TO THE FRANCHISE OPERATING SYSTEM. THE PHRASE “COMPANY OWNED AND OPERATED” REFERS TO RESTAURANTS OWNED AND OPERATED BY HURRICANE WINGS MANAGEMENT.

HURRICANE GRILL AND WINGS HAS DEVELOPED AND WILL CONTINUE TO DEVELOP UNIFORM STANDARDS OF QUALITY, CLEANLINESS, AND SERVICE REGARDING THE BUSINESS OPERATIONS OF ITS RESTAURANTS. ALL RESTAURANTS AGREE TO MAINTAIN THE UNIFORMITY AND QUALITY STANDARDS REQUIRED BY HURRICANE AMT, LLC FOR ALL FOOD, PRODUCTS, PROGRAMS, SPECIFICATIONS AND SERVICES ASSOCIATED IN THE OPERATIONS OF A HURRICANE GRILL AND WINGS RESTAURANT. THIS MANUAL WILL ALSO PROVIDE BEST DEMONSTRATED PRACTICES FOR FRANCHISE LOCATIONS AS WELL AS REQUIRED PROCEDURES FOR COMPANY OWNED AND OPERATED RESTAURANTS.

THE OPERATIONS MANUALS WILL AT ALL TIMES REMAIN THE SOLE AND EXCLUSIVE PROPERTY OF HAMT. HAMT RESERVES THE RIGHT TO REVISE ALL MANUALS AND MATERIALS AS NEEDED AND WILL COMMUNICATE THOSE UPDATES IN A METHOD APPROVED BY THE HAMT OPERATIONS LEADERSHIP. ALL RESTAURANTS EXPRESSLY AGREE TO COMPLY WITH ALL SUCH REVISIONS AND EACH RESTAURANT IS RESPONSIBLE FOR ENSURING THAT IT IS OPERATING UNDER THE LATEST REVISIONS TO THE MANUALS AND MATERIALS.

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SYSTEM SPECIFICATIONS

Approved Products, Distributors and Suppliers

The reputation and goodwill of Hurricane Grill and Wings restaurants are based upon, and can only be maintained by, the sale of distinctive, high quality food products and beverages and the presentation, packaging and service of such products in an efficient and appealing manner. All restaurants will purchase the foods, beverages, products and services from suppliers approved in writing by HAMA. All suppliers must conform to HAMA standards and specifications and must have a good business reputation; quality standards, delivery performance, credit rating, as well as other factors that HAMA deems are necessary. A current list of approved vendors, distributors and suppliers is available through the Hurricane Grill and Wings company intranet site. Desired additions to the approved supplier's category must have written approval from HAMA prior to being used in the restaurant. Revisions to the approved supplier category will be communicated in a method approved by HAMA Operations Leadership and it is the responsibility of the individual restaurants to follow through on the revisions.

HAMA may approve a single distributor or other supplier for any product or special equipment and may approve a distributor or other supplier only as to certain products. HAMA may concentrate purchases with one or more distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Restaurants franchised or operated by HAMA. Approval of a distributor or other supplier may be conditioned on requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such distributor or other supplier by HAMA.

HAMA may negotiate purchase agreements, including group rates and price terms with suppliers, for purchases of equipment and supplies (including print materials and merchandise) necessary for the operation of Restaurants franchised or operated by HAMA.

Franchisee shall notify HAMA and submit to HAMA a variance form for such information, specifications and samples as HAMA requests if the Franchisee proposes to purchase any products, packaging or other materials or utensils from a distributor or other supplier whom the Company has not previously approved. HAMA shall notify Franchisee within thirty (30) days whether the Franchisee is authorized to purchase such products from such distributor or other supplier. A copy of the variance form is available through the Hurricane Grill and Wings intranet site.

SYSTEM SPECIFICATIONS

Franchisee shall at all times maintain an inventory of approved food products, beverages, ingredients and other products sufficient in quantity and variety to realize the full potential of the Restaurant. Information concerning the method of calculation and adjustment of par levels is available through the Hurricane Grill and Wings intranet site.

Discontinued Supplies

The Company from time to time may modify the list of approved brands and/or suppliers, and Franchisee shall not, after receipt in writing of such modification, reorder any brand from any supplier which is no longer approved.

All discontinued food products must be removed from the restaurant within 60 days. No expired code date products or non-specified food products are allowed in the restaurants.

Approved Systems, Services and Tools

All restaurants will conform with the approved systems, services and tools outlined in the Operations Manuals, including but not limited to the Manager training program, Associate training program, new restaurant opening program, food and beverage recipes and procedures, supplement tools and procedures for Front of the House operations and Back of the House operations. Modifications, changes, deletions and revisions to any system, service, procedure or tool provided by HAMT for the operation of its restaurant must have written prior approval from HAMT before that said change may be implemented in the restaurant. Upon written request, HAMT will determine if a change should be considered. HAMT will review and or test the desired change within 30 days, and will notify the restaurant of its determination within 45 days after receiving the request.

In addition, all restaurants are required to utilize the following non-negotiable tools in managing their restaurant:

- Daily Line Check
- Prep List
- Waste Sheet
- Opening and Closing Checklists
- Wing Counts
- Hot Item Count (Optional for Franchise locations)
- Food Cost Checklist (Optional for Franchise locations)

SYSTEM SPECIFICATIONS

Beverage Program

All restaurants will conform to the beverage program including all products required to prepare drinks specified in the beverage menu, beverage presentation and beverage service as outlined in the HAMT Beverage Program. All restaurants will comply with:

- A) Federal, state, city, local and municipal licensing, insurance and other laws, regulations and requirements applicable to the sale of alcoholic beverages; and
- B) Have a training program in place for the service of alcoholic beverages that is in compliance with all Federal, state, city, local and municipal licensing requirements; and
- C) Have a program in place for appropriately identifying and validating a Guest is of the legal drinking age.

All restaurants are required to notify HAMT within 24 hours in the event they do not pass an adult beverage compliance check or in any way put their alcohol license in jeopardy.

Core Menu Program

All restaurants will display current core menus as dictated by HAMT. Any local menus must conform to the approved menu program including menu content, wording, template and style. All restaurants will evaluate and update core menus once each year. No modifications can be made to the core menu without prior written notice of approval from HAMT. HAMT will review and update core menu items and optional items on an as needed basis.

HAMT may offer guidance with respect to what it believes to be the optimum selling price for core menu items, but the Franchisee is in no way bound to adhere to any such recommended or suggested price. Franchisee shall have the right to sell its products and provide services at any price Franchisee may determine, except that HAMT reserves the right to establish maximum prices for any given product or service nationwide or within an advertising market (as determined by HAMT), to the extent permitted by applicable state and/or federal law. Franchisee shall not exceed any maximum price established by HAMT, but remains at all times free to charge any price below the maximum price established by HAMT.

It is the responsibility of the Franchisee to ensure all pricing on their core menu is correct and is accurately reflected in their POS system.

SYSTEM SPECIFICATIONS

Approved Cleaning Supplies

Every location will be provided with an approved list of cleaning supplies from the vendor specific to its location. All restaurants will adhere to the approved cleaning supplies and refrain from bringing an approved chemicals into the restaurant. All restaurants are required to provide GHS, Globally Harmonized System of Classification and Labeling of Chemicals, training to their employees. In addition, all restaurants are required to maintain and display in an easily accessible part of the restaurant Safety Data Sheets on each chemical used in the restaurant. A list of approved chemicals and Safety Data Sheets may be obtained from our approved chemical supplier or from the Hurricane Grill and Wings intranet.

Retail Items

Restaurants are not permitted to sell any retail items without written consent and approval from HAMT Operations leadership.

Guest Feedback Programs

By implementing guest feedback programs, we are able to initiate a conversation with our guests, helping them to become truly entrenched in the Hurricane Grill and Wings brand—from product creation to problem resolution.

All restaurants will conform to the programs determined by HAMT for the purpose of evaluating the operations of the restaurant, the quality of the foods, beverages, products provided to our Guests; and whether the restaurant is in compliance with the latest operational and quality standards and programs outlined in the Operations Manual.

HAMT will determine the frequency, nature and extent of the services that will be provided and the form of reports and content the service will provide. Each year, HAMT will establish a range of benchmark scores it deems as satisfactory in meeting the quality standards of Hurricane Grill and Wings. Restaurants that fall below the satisfactory level will be contacted by a representative of HAMT with additional instructions. All restaurants will conform to these written instructions.

SYSTEM SPECIFICATIONS

All company owned and operated restaurants have a Guest Satisfaction goal of 90% or better and a goal of 0 guest complaints per month.

Smallwares

To ensure the accurate and consistent preparation and service of all menu items, it is essential that restaurants utilize all required smallwares per HAMT guidelines. All smallware items mandated for presentation and portion control are highlighted with the specific model and item # on the Smallwares Order Guide found on the EYE under Manuals and Files under *Management Documents*. Other items on the Smallware Order Guide that are not highlighted are not required but recommended for the proper functioning of the restaurant.

Smallwares may be purchased locally or from one of the approved suppliers with whom HAMT has negotiated pricing and terms. Quantities and model numbers may vary by location due to size of restaurant and availability.

HAMT reserves the right to update both required and recommended smallwares at any time based on business needs.

Health Department Reports and Assessments

All restaurants will be knowledgeable and will comply with all federal, state, city, local and municipal licensing standards, requirements, regulations and laws in the area of food safety and sanitation. All restaurants are required to have a food safety and sanitation training program in place for Managers and Associates that meets the satisfactory standard of HAMT.

Any assessment conducted by the health department that does not merit a satisfactory score or will have a negative effect on the Hurricane Grill and Wings image or brand name must be reported to HAMT within 24 hours. All company owned and operated restaurants must immediately contact their Director of Operations of any health inspections and must send their Director of Operations a copy of the inspection with an action plan of any violations incurred.

Credit Cards, Gift Certificates/ Gift Cards

All restaurants will honor all credit, charge, courtesy and cash cards approved by HAMT.

SYSTEM SPECIFICATIONS

Restaurants will only sell gift cards that have been issued by HAMT and which are accepted at all Hurricane Grill and Wings restaurants. Restaurants will not issue coupons or discounts of any type except as approved by HAMT.

Music and Music Selection

Restaurants will only play the music and music selections that have been approved by HAMT and distributed by HAMT designated supplier. This music must be on at all times during business hours. Volume will be determined by the Guest experience satisfaction level and should be monitored and managed at all times.

Televisions

Restaurants will install and use televisions that meet the satisfaction of HAMT and conform to required licensing requirements. Televisions should not interfere with Hurricane Grill and Wings décor requirements. Televisions are only permitted to be on news or sports channels. Other media or programming must be approved by HAMT.

Vending and Gaming Machines

The restaurants will not, except with written permission of HAMT, permit any jukeboxes, vending machines (including cigarette, gum and candy, ATM machines or newspaper racks) to be used on the restaurant premises and will not sell or allow employees to sell any tickets, subscriptions, raffles or lottery tickets. Video games and other electronic games meant for entertainment purposes only are allowed in the restaurant provided they meet with HAMT approval.

Décor Items

Restaurants will purchase, install, display and maintain in good and clean repair the décor items specified in the current décor description. Restaurants are required to have a cleaning schedule and system in place to maintain the appearance and quality of all decor items. Restaurants will not add any unauthorized décor items, including personnel items and neon signage without written approval from HAMT. Restaurants will not remove or sell any of the décor items that have been approved for use in the restaurant. Restaurants will replace all décor items as they become worn out, soiled or in disrepair.

SYSTEM SPECIFICATIONS

Approved Signs

All exterior and interior signs at the restaurant must comply with the standard sign plans and specifications established by HAMA. All restaurants will post any and all signs and notes as required by federal, state and local ordinances.

Window Stickers, Notices and Advertisements

Restaurants will display only required or approved stickers, notices or advertisements as determined by local municipality and/or HAMA on restaurant windows and doors.

Standard Plans and Specifications for Construction, Design and Decor

All restaurants will conform to all construction, design and décor specifications established by HAMA. All restaurants will purchase, install and use the kitchen plan and the furniture, fixtures and equipment specified in the Operations Manuals according to the current plan guidelines provided by the HAMA and its approved vendors.

Insurance Requirements

Certificate of Insurance must be provided prior to opening date, upon expiration, change or cancellation. Required insurance includes:

- General Liability including Liquor and Product Liability in the amounts of \$1,000,000 per occurrence and \$2,000,000 aggregate
- Auto liability in the amount of \$1,000,000 including owned, hired and non-owned auto liability
- Umbrella Liability in the amount of \$2,000,000
- Employment Practices in the amount of \$1,000,000
- Property Insurance with replacement cost coverage on building (if required) and contents
- Workers' Compensation (if not covered by parent company) including Employers Liability in accordance with statutory limits as required by state law.

SYSTEM SPECIFICATIONS

New Restaurant Openings Process

New restaurant openings must follow the opening process as outlined in the “21 Week Book.” Any variations from this process must have prior HAMA approval.

In preparation for a new restaurant opening date, all restaurants must submit the following documents to HAMA before their opening can be scheduled.

- Training Team Request - submitted no later than 21 calendar days prior to the start of training.
- Certificate of Occupancy - submitted no later than 14 calendar days prior to the start of training.
- Certified Manager- New restaurants must have a minimum of 3 certified and approved managers prior to opening. This includes a general manager, kitchen manager and an associate manager. In certain circumstances, HAMA may also require one additional manager.

The current opening training process as outlined by HAMA Training department will be followed throughout the duration of the opening.

FACILITIES AND COMMUNICATION

Maintenance

Restaurants will repair and maintain the physical plant, parking lot, landscape, equipment, signage in a clean, safe and sanitary condition. All mechanical equipment must be kept in good working order and any replacement equipment must comply with Hurricane Grill and Wings standards and specifications. Each location must have a preventative maintenance calendar or system to ensure all equipment is maintained properly.

Cleaning Lists

Each location must have a daily, weekly and monthly system in place to ensure all areas of the restaurant are cleaned on a regular basis. All restaurant equipment should include but not be limited to fryers, refrigerators, grills, flat tops, ice machines, dish machines, microwaves, tabletop items, furniture, restaurant fixtures, beverage equipment, etc.

Systems Failure

All restaurants must be prepared with an action plan in case of systems failures; including, but not limited to, kitchen equipment, POS or office PC and power failure.

All company owned and operated restaurants must have a detailed emergency shut down program when they experience a loss in power to include; main gas line shut off and key breaker identification and shut down.

All company owned and operated restaurants must possess a "Crash Kit" in the event of power outages. This kit is to include the following:

- Manual Credit Card Imprinter
- 3-part Carbon Copy Credit Card Receipts
- Battery Powered Calculators
- Priced Out menu to include tax and a supply of battery powered flashlights

Telephone Lines

Restaurants will maintain a minimum of 5 telephone lines, facsimile equipment, and other telecommunications equipment specified by HAMT to maximize restaurant operations. The restaurants will have telephone answering systems and will play the required messages and music while a caller is on hold in accordance with the appropriate and current Marketing message and strategy.

FACILITIES AND COMMUNICATION

Computer Hardware and Software

All restaurants will purchase, install and use point of sales computer register systems that are approved by HAMT and meet the standards and specifications set forth and deemed satisfactory. Requests for any system other than the current system used by corporate locations will need prior written approval from HAMT. Corporate locations may only install authorized software that has been purchased and installed by the IT department of HAMT.

Internet Provider: Email Address

All restaurants will have access to the World Wide Web (the “Internet”) and will maintain an email address on the internet. All email addresses will be provided to HAMT and will be used along with other necessary means, by HAMT to communicate to the restaurant.

In addition, no Franchisee restaurant will use the words “Hurricane Grill and Wings” as any part of its email address or its domain name for any homepage maintained by the Franchisee on the internet.

PERSONEL

Certified Training Restaurant

A restaurant is deemed as a certified training location only after successful completion of the certification program outlined by HAMT. Restaurants may only train management candidates after successful certification. Certified restaurants are required to maintain certification criteria. If criteria are not upheld, certification status may be revoked. In addition, all certified training restaurants are required to recertify annually. Certification criteria is as follows:

- Restaurant must be opened and operating for a minimum of 1 year
- The restaurant must have a stable certified management team (GM, KM and AM) in place. GM must be in position for a minimum of 6 months.
- CSI scores over 85% for a minimum of 6 months
- Inspection scores over 85% for a minimum of 6 months with criticals at 90%
- Sales averaging \$30,000-\$70,000 per week
- Hourly staffing at or above par for sales volume
- Minimum of 4 BOH certified trainers and 2 server trainers, 2 host trainer and 2 bar trainers (numbers can be adjusted if FOH trainers are certified in multiple positions)
- Final certification inspection and training by FBC and VP of Training

Certified Manager

A Manager is deemed certified only after successfully completing the current HAMT management training program. This should be completed at a certified training restaurant approved by HAMT. New managers of existing stores may have the potential for certification through their FBC however this must be approved by HAMT PRIOR to the manager beginning training. No adjustment or exceptions will be made to the HAMT standard training program without the prior written consent of HAMT. Any Management candidate who does not successfully complete the required training program will not be permitted to participate in the function of management, in the operations of a Hurricane Grill and Wings restaurant. An outline of the management training program for each position is available on the Hurricane Grill and Wings intranet site. In addition, Certified Managers are required to work a minimum of 40 hours a week in the restaurant.

PERSONEL

Certified Trainer

To be considered for a certified training position, Associates must be nominated by the management team. An hourly Associate is deemed certified only after successfully completing the current HAMT certified trainer program and after completing a “Train the Trainer” program. No adjustment or exceptions will be made to the standard training program without the prior written consent of HAMT. Hourly Associates are not permitted to train new Associates until completion on HAMT certified training program.

Management Staff

A certified management staff is required for the operation of all Hurricane Grill and Wings restaurants. A typical restaurant management team consists of one certified General Manager, one Kitchen Manager and at least one Assistant Manager. Any variation below that number needs written approval from HAMT.

New Restaurant Openings Trainer

Certified trainers may assist franchise and corporate restaurant openings after successfully completing the steps as outlined by Hurricane Grill and Wings.

Uniforms

The restaurants will require its Managers and Associates to wear the most current, standard attire or uniforms described by the HAMT uniform policy. No alteration can be made to the standard attire or uniform provided by HAMT without prior written permission. Current uniform specifications can be found on the Hurricane Grill and Wings intranet site.

All company owned and operated restaurant managers will be required to wear an approved logo'd Hurricane shirt as well as dress slacks with a crease, including belt and approved non-skid shoes.

Associate Staff

All restaurants will have a sufficient number of competent and appropriately trained service, kitchen, host, to go, bar and other personnel on duty to

PERSONEL

guarantee efficient service to Guests of the restaurant as determined by HAMT standards.

Training

All restaurants will have a system in place to train new Associates according to the current HAMT training program. This includes the use of Certified Trainers and all training methods as prescribed by HAMT. Current training specifications and materials can be found on the Hurricane Grill and Wings intranet site.

Associate Safety

It is the responsibility of the Franchisee to ensure the safety of their guests and associates. All restaurants will have a system in place to train Managers and Associates to properly handle key safety issues, including, but not limited to accidents, spills, knife safety, proper lifting, burns and chemical spills.

All restaurants will adhere to the following procedures to ensure Associate safety.

- Management will carry restaurant keys at all times and not give out to Associates for any reason.
- The back door will be locked at all times, well lit and never propped open.
- The office door will be locked at all times.
- Deliveries will be scheduled during daylight hours.
- No one is allowed in the restaurant alone at any time, including management.
- Repairs and maintenance will be scheduled during the day, except in emergency situations.
- All lights will be on after dark.
- Servers will not make change directly in front of Guests or in public areas of the restaurant.

Employee Handbook

It is the responsibility of the Franchisee to provide their employees with a legally compliant employee handbook for his or her legal business entity. This handbook should contain all legal as well as operational policies and procedures for his or her business. Hurricane AMT, LLC. Does not provide an employee handbook as employees of the Franchisee are in no way viewed as employees of Hurricane AMT, LLC.

OPERATIONAL STANDARDS

Hours of Operation

All Hurricane Grill and Wings restaurants are required to be open Sunday – Thursday 11 am to 10 pm and Friday – Saturday 11 am to 11 pm. Restaurants may open earlier or close later if business dictates. All locations will unlock doors 10 minutes before opening time and will not lock the doors until 10 minutes after posted closing time. All restaurants will be open 363 days a year. Christmas Day and Thanksgiving days are the only approved days to be closed, however restaurants have the option of opening. Any other closures, other than those outside of the Franchisees control, must be approved by HAMT prior to closing. In the event of a closing due to circumstances outside of the Franchisees control, such as inclement weather, must be reported to HAMT within 24 hours of the closure.

Restaurant Communication

All restaurants will have systems in place to ensure consistent communication and documentation amongst Managers, Associates and Guests.

E-mail/ Voice Mail

Managers must have a system to ensure that e-mail and voice mail is checked and responded to at least twice a day, but preferably more often.

Company owned and operated restaurants do not communicate through voice mail

Communication Board

A system must be in place that allows for an internal communication board to be used for appropriate business updates and is refreshed at least once a month. Associate schedules should be posted in an area specifically designated for that purpose. Schedules should be posted in a consistent and timely manner. Management must ensure that there is a documented system in place for revisions to Associate schedules. Associates may not use this board to sell tickets, subscriptions, raffles, lottery tickets, etc. or post messages or announcements of a non-business nature. Scheduling programs can also be utilized to replace the physical board IF all employees have access.

OPERATIONAL STANDARDS

Shift Meeting

Shift Meetings will be conducted by a member of the management team with all available BOH and FOH Associates prior to each shift and as needed throughout the shift to provide direction to the Associates. A system will be in place to document the focus/ subject matter of the Shift Meetings for each day.

Personal Communication

Any communication device that interferes with an Associate's primary job function is prohibited. Cell phones, tablets and pagers are to be stored while an Associate is on duty. Manager cell phones, tablets and pagers should be silenced.

Management Communication Log

A communication log must be in use and maintained with professional insights of pertinent business communication relative to the shift and day's business. Topics to document should include date, weather, shift notes, Associate communications, repair/ maintenance, concerns, task functions, to be done lists, business trends and Guest focus or recovery.

Management Directional/ Meeting

A system must be in place for a weekly management meeting or a face to face discussion on Associate development, operational priorities and general communication. All company owned and operated General Managers will have a weekly conference call every Monday with their Director of Operations to discuss prior week's performance and company in initiatives. Company owned and operated General Managers will also have a monthly operations review meeting to review prior month's performance to include P&L presentations.

Front of the House Service Standards

Table Set

To ensure outstanding guest service, it is essential that all tables are set with items to service the guest during his/her dining experience. Specific items which need to be on every table include; ketchup, mustard (optional), salt and pepper, sugar caddy and napkin holder. All items must be in an approved caddy. Silverware is to be rolled and delivered to the guest when seated. Written approval is required for any variance on rolled silverware.

OPERATIONAL STANDARDS

Guest Recovery

The Manager on duty should be aware and involved in all Guest recovery points. HAMT policy is to fix the problem plus one. This means we will fix the problem and go one step further above the expected resolution.

If the complaint comes after the Guest has left the building, the issue must be resolved within 24 hours. This includes complains from the guest feedback system.

Service Times

Hurricane Grill and Wings believes each Guest should be served according to their needs and at the heart of our training philosophy is the art of reading the Guest and servicing beyond their expectations. However, the following service times help to serve as benchmarks to facilitate an appropriate Guest experience:

- Guests are acknowledged within 45 seconds of seating.
- Appetizers are delivered within 5-7 minutes of ordering.
- Entrees are delivered within 9-12 minutes at both lunch and dinner after ordering.
- Desserts are delivered within 3-4 minutes ordering.
- Check backs will happen within 2 bites or 2 minutes of Guest receiving any food item.

Alcohol Sales and Service

All restaurant manager and front of house employees must be trained in the responsible service of alcohol. At the minimum they must complete the Responsible Service of Alcohol training module available on the Hurricane Grill and Wings intranet. They must also adhere to all training state or local training if applicable. At no time is it acceptable to serve alcohol to the following individuals:

- Guests under the age of 21
- Intoxicated guests
- Guests under the influence of other substances

Host/ To Go Service Standards

- HAMT requires immediate recognition of every Guest by either a host, server or manager
- The Host will escort the Guest to the table, present menus once all Guests are comfortably seated and will present dialog as scripted in the training program
- All Guests will be invited to return upon departure
- When high volume dictates a wait, an appropriate wait system will be used:

OPERATIONAL STANDARDS

- A system must be in place to greet, seat and provide Guests with accurate wait times
- A system must be in place to identify tables that need to be reset.
- A system must be in place to validate wait time estimates
- Hurricane Grill and Wings kid's coloring sheets with menus and crayon packets are given to kids ages 12 and under
- A system must be in place to ensure bathrooms are checked at least every half hour
- The phone must be answered within 2 rings. The suggested dialog is "Thanks for calling Hurricane Grill and Wings in <location>, where we live with Flavor! My name is <name>. How may I help you?!"
- Hurricane Grill and Wings does not take reservations or call ahead seating but allow for Manager discretion in certain situations
- Restaurants are required to provide To Go and catering options. Standards include:
 - Only approved packaging is used
 - All orders are repeated back to Guests
 - System to verify complete and correct order is presented to the Guest
 - System to identify Guests who have paid and are waiting for their order

Server/ Bartender Service Standards

- Servers must follow cycle of service as highlighted in the training program and service guidelines
- During peak lunch periods, Servers leave a check with the Guest to potential expedite their payment
- Sauce samples are offered to each and every guest
- First time Guests are acknowledged
- Specific drinks, appetizers, entrees and desserts will be named in service dialog
- Flavor discussions should happen with every Guest
- Guest names will be used when possible
- Every Guest will be invited to return upon departure
- Servers must carry a minimum \$20 server bank (with coins)
- Sections will be four tables or less during peak periods
- All checks will be presented in a check presenter
- Requests to have a check transferred will always be granted
- Chairs will not be placed on tables until all Guests have left after closing time

OPERATIONAL STANDARDS

- Large parties will have one Server per 8 Guests
- Automatic or forced gratuities for large parties is prohibited
- Coasters or beverage napkins to be used to identify that guests have been greeted.
- Guest checks are to be placed in front of the Guest at the bar
- Servers will bring To Go boxes to the table for the Guest to box their own food. Food will be boxed in the BOH only if the Guest insists. To Go bags will be provided upon request
- Water is served *without* a lemon, unless requested
- Coffee is served in a cup with a side plate for creamers and a spoon. Hot tea will be served as hot water in a cup with a side plate for tea packet, spoon and lemon. The cup is not to rest or be carried on the side plate

Back of the House Standards

Ticket Times

Ideal *ticket times* for lunch and dinner are 9-12 minutes

Line Checks

The line should be set and ready to serve 30 minutes prior to opening. To ensure readiness, line checks will be performed twice daily in all restaurants. The first will be performed before the doors are opened and must be completed by 10:45 am and the second will be performed prior to the dinner rush. The line check ensures food quantity, quality, time, temperature, taste and proper utensils.

Shelf Life Guidelines

To ensure food safety and maximize the freshness of our product, serve all items within the shelf life guidelines found on prep sheets, line checks, recipes, shelf life chart and dates from manufacturer. The shelf life chart must be posted for all Associates to see.

BOH Cleanliness

Systems should be in place to ensure a clean running shift. The standard is consistently calling for line swipes, wipes, grill cleans and prep/ dish are cleaned and organized.

Expo Standards

All restaurants must have systems in place to ensure that all Expo absolutes are adhered to.

The primary function of the Expeditor is to ensure Hurricane food quality, proper plate presentation, organization and completion of

OPERATIONAL STANDARDS

food orders, ticket times, available and trained Associates are running food and communication between BOH and FOH is clear, concise, accurate and appropriate. A trained and designated Expo or Manager is required to be in the window during peak meal periods. This Associate or Manager is always authorized and required to send back improperly or less than Hurricane standard cooked or plated food.

A system of expediting mistaken, missed or returned orders must be in place. The system must reflect a sense of urgency.

A system must be in place to review and monitor ticket times. If ticket times are at or above HAMT specified ideal ticket times, the Manager on duty must be notified.

Food Safety and Standards

Hurricane Grill and Wings is committed to serving safe food and we follow safe food handling guidelines. Management in Hurricane Grill and Wings must go through and pass a food safety certification. Each restaurant must have a system in place to ensure that all food is served safe. All restaurants are provided with Food Safety Training. Please adhere to all guidelines as set forth by management ServSafe certification and Food Safety training.

HAMT utilizes the services of a third party vendor to assess each restaurant on a quarterly basis to ensure that all food safety standards are being met. Assessments will be performed between 8:00am and 6:00pm during normal days of operation. No assessments will be performed on standard public holidays as well as Super Bowl Sunday, Veteran's Day, National Chicken Wing Day and National Burger Day. Assessments will be unannounced. HAMT will be responsible for the cost of assessments. However, in the event a reassessment is required, due to a failed assessment, the franchisee will be responsible for the cost of the reassessment in the amount of \$265. To facilitate the payment of reassessments, the cost of the reassessment will be automatically withdrawn from the franchisees account per the signed Agreement For ACH Debits (see below).

The ACH Debits from my (our) account may be made by HURRICANE AMT, LLC in payment of any amounts due to HURRICANE AMT, LLC including, but not limited to Advertising Fees, Royalties, Franchise Fees, Development Fees, Area Developer Fees, Uniforms, Printed Supplies, Marketing Supplies, Gift Card Transactions, and Training Supplies or Services. The authority will remain in full force and effect until HURRICANE AMT, LLC AND Depository have received

OPERATIONAL STANDARDS

written notification from me (us) to its termination in such time and in such manner as to afford HURRICANE AMT, LLC and Depository to act on it.

In addition to the reassessment fee, if the location staff of any location refuses to allow the assessment to be performed, the franchisee will be liable for the full cost of rescheduling the assessment.

If corrective action is not taken with 14 days of the reassessment, HAMT will pursue all rights granted under the franchise agreement.

Please adhere to all guidelines as set forth by management ServSafe certification and Food Safety training.

- All recipes are used and adhered to
- Small batches are recommended in the preparation of food
- Food storage guidelines are adhered to. Guidelines include:
 - No food is stored on the floor
 - Product is stored at least 8 inches of the floor
 - All food storage containers have lids and are labeled correctly
 - Product is stored with the labels facing out and according to shelf labels and local codes
- Products are properly thawed under refrigeration
- Proper heating and cooling methods are followed as directed in recipes
- First in, first out rotation is used
- Non-latex (no latex) food handling gloves are available and in use
- Approved cut gloves are used whenever a knife is in use
- Refrigerator and freezer doors are closed at all times, the doors and gaskets will be in good repair and properly sealed
- All non-negotiable items such as line check sheets are current, posted and in use
- Recipe books are current, in use and in good repair
- Food order guide is up to date with pars
- All food prepped and portioned is properly labeled with required information, including item, date and initials
- Equipment is labeled with cook times
- Timers are in place and used
- Fryers are kept skimmed during each shift
- Fryer oil test kits are available and fryer oil is checked using the test kit, fryer oil must be in range
- Cold well pans are all labeled

OPERATIONAL STANDARDS

- Scales are calibrated and in use
- Color coded tongs and cutting boards are to be used for all potentially hazardous foods.
- Sauce bottles and Seasoning shakers are labeled correctly
- Hands are washed between tasks, after touching raw product, face and hair. Sinks are fully stocked with Health Department required items, including, but not limited to soap, hot water and nail brushes for some locations
- Labeled sanitizer buckets and towels are changed hourly, or as needed to maintain proper strength. Restaurants must adhere to all local regulations regarding the storing and usage of sanitizer and towels.
- Proper test strips are available and used
- Prep sheets and product mixes will be up to date and used daily.

Beverage Standards

All restaurants are to adhere to the beverage program as directed by HAMT, including, but not limited to:

- Up to date Hurricane Grill and Wings drink recipes behind the bar
- Bar line check performed twice daily
- All drinks are garnished properly
- Fresh fruit garnishes are cut fresh per shift
- Juices and mixes are properly dated and rotated
- The required wines are available
- The required liquor bottles are available
- The required beers are on draft and in bottles
- Correct glasses are used for all beverages

Local Options

There are certain items that locations may determine based on individual local laws and building restrictions. The following is a list of items that are to be decided upon by individual restaurants and based upon local considerations.

- Employee parking
- Employee wages
- Associate tattoo policy
- Smoking policy
- Recycling

OPERATIONAL STANDARDS

- Server station locations
- Server closing procedures
- Personal checks
- Highchair and booster seat locations
- Associate food orders and discounts
- Personal phone calls
- Exact schedule posting location and day

FINANCIAL

Cash Handling

Bar

- Bartenders will count their tills at the beginning of their shift to verify the drawer is at \$250. Variances will be dropped in the safe. Manager and Bartender will run a tape, sign and date tape and put in drawer.
- Servers will get change for larger bills from the Bartender.
- Bartenders will not be allowed to pull tips from the tills. Managers pull tips from the cash drop. Bartenders must claim 100% of their tips.
- Bartenders will not be allowed to print a cash out and count down their own cash drawer. The manager will print the report and observe the bartender count down the drawer.

Server

- Servers will bring their own \$20 bank. Change from larger bills comes from Bartender.
- Servers will be responsible for closing all transactions to cash, check, credit, gift card or other transactions.
- All comps and voids will have the appropriate back up material stapled to the closed check and a Manager must initial the chit.
- Server will save all receipts for redeemed and purchased gift cards. The Manager will verify these numbers to the financial.
- Servers must claim 100% of their tips.

To Go

- To Go Associates count their tills at the beginning of their shift to verify the amount.
- To Go Associates will run a tape on the drawer, sign and date tape and put in drawer.
- Take out will not be allowed to pull tips from the cash drawers.
- Managers will pull the tips from the drop.
- Managers will run the financials for the take out drawers.
- Manager and To Go person will verify drawer at \$250. Any variance will be dropped in the safe.
- Manager and To Go person will sign and date slip and put into drawer.

Cash Paper Trail

- All credit card receipts for the day will be saved in the office for the closing Manager to reconcile.

FINANCIAL

- Credit cards will be batched and sent at close every night by the closing Manager.
- Credit card receipts will be saved in the days Credit Card Receipt envelope. These envelopes will be saved in the restaurant for a rolling 18 months.
- Closing Manager will count all monies from the day and record onto a deposit slip. The white slip goes in the drop bag for the bank.
- The closing Manager prints a WSR at the end of each night and saves in the file.
- The days drop log and the yellow deposit slip will be attached to the WSR.
- The plastic strip from the top of the armored carrier's bag will be stapled to the days deposit slip.
- The daily WSR envelope must be reviewed and approved by closing Manager and any variances must be explained.
- Seven WSR envelopes from the prior week, with proper, organized documentation, will be sent into the Support Center every Monday.

Change Orders/Deposits

- Change orders are placed in one day in advance.
- All change orders are taken from petty cash.
- The change order will be placed in the drop safe until pick-up. When the change order is received, the amount will be verified from the change order slip.
- The slip will go along with the cash into the change order bag, given to the carrier and signed for.
- A copy of the change order slip will be stapled to the days deposit slip.
- Change will be placed in the safe and locked up.
- Daily cash deposits will be brought to the bank daily as to not have a back log of deposits in the safe.

Gift Cards (including holiday cards)

- Gift cards are ordered through the marketing dept. Cards will be kept in the restaurant office and audited with petty cash three times daily.
- Gift cards will be available from To Go and bartender for immediate sale. Servers may also sell gift cards.
- Servers will ask Manager on duty for gift card. Transaction will hit their financial.
- Sales will be verified from financials at the end of each shift.

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- Gift card sales and redemptions will be reconciled on the WSR at close.
- Redeemed cards are to be returned to the Support Center weekly.

Paid-Outs/ Paid-In's

- Paid-outs will be done out of cash drawers only. Paid-outs are not done out of petty cash.
- There will be a maximum of \$100 per week for paid-outs.
- A “paid-out voucher” will be placed in the till as a flag for any removed cash, and this must be signed by the person receiving the cash.
- Once the paid-out is done, the transaction will take place on the POS system.
- A paid-out receipt will print. Purchaser and Manager both will sign the original purchase receipt. If the Manager is the purchaser, someone else must witness and sign. The paid-out receipt and purchase receipt will be placed in the drawer.
- Paid-outs will be logged onto Paid-out Tracking Form (POTF) at the end of each night and the purchase & paid-out receipts will be stapled to the POTF.
- The paid-outs will be totaled at the bottom of the POTF every Monday morning. This total will be verified to the total on the weekly WSR.
- Any paid-out without support documentation will be re-classed to cash over/short.
- The POTF, along with the appropriate support material, will be sent in the Monday package to the Support Center. This form should be signed by the Manager.
- Paid-outs will be coded to the proper account and then logged into the cost journal each week to ensure proper reconciliation.
- Any paid-in's will be logged on the Paid-In Tracking Form (PITF). This form will be signed by the Manager.
- The paid-in will be coded to the correct account on the PITF for proper reclassification. A copy of the POTF and the PITF will be kept with the weekly folders.
- Any paid-in not reclassified will hit the petty cash expense line.

Cost Controls

Management is responsible for building sales and managing the bottom line. HAMT has established many tools to help control costs. The following are highlights of the tools put in to place to control costs. These tools are required by all Hurricane Wings

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Management locations and are provided as guidelines for franchise owned locations.

Labor Costs

Labor is one of the two highest controllable expenses. Labor plans should start with accurate forecasting and scheduling. The focus should be to provide Guests a great experience while operating the business efficiently. The operational standards in regards to labor are:

- Sales forecasts calculated and utilized
- Schedules posted on time
- Labor hours tracked hourly and adjustments made shift-by-shift
- Labor guidelines and formulas tracked and followed

When an employee increase is in order, the restaurant General Managers must complete a “Status Change Form” and send to the payroll department and their Director of Operations. The Director of Operations will approve and copy payroll. At that point. The wage can be changed in the POS system and in the payroll system. The payroll department does not pay off the rate in the POS system, only the rate in the payroll system.

Food and Beverage Cost

Food and beverage cost is usually the largest expense in a restaurant. The operational standards in regards to food and beverage are:

- Food and beverage inventories completed weekly/monthly
- Orders verified by Manager prior to being placed
- Deliveries are checked in by management
- Invoices checked and approved by management
- Method for managing and verifying food cost in place

Inventory Process

Inventory must be done to manage large cost items and minimize lost and waste. Inventory must be validated by 2 people. Inventory must be done on the following items weekly/monthly:

- Food
- Non-alcoholic beverages
- Alcoholic beverages

All company owned and operated restaurants will complete a full food inventory weekly to include a field P&L and report to their Director of Operations every Monday.

FINANCIAL

Par Levels

Par levels are required for all prep lists and order guides. They are to be maintained by management.

Product Mix

- The product mix is an 8-week average of each menu item. The formulas are tied in with the prep list. Prep lists are provided to each restaurant. Management must update this daily.

Prep par levels are updated daily based on Product Mix.

- “Need” indicates the par level necessary for the current day with a comfortable buffer to begin the next day’s business
- “Build-to” indicates par level necessary for the current day usage plus the next day’s average with a comfortable buffer.

Liquor par levels are required and based on weekly liquor sales.

Food par levels are required and based of total food sales, number of weekly deliveries and catering needs.

Comps and Voids

Only management may perform comps and voids. A Manager must initial the chit. Comps and voids must be accompanied with support material and verified on financial checkout. The difference between voiding and comping is whether the product was produced or not. Products that have not been produced will be voided. ALL Items that have been produced will be comped.

The following are examples of acceptable comp situations:

- **Delivery discount:** This is used in restaurants that have partnered with a local food delivery company (Waiters at Your Service, Take-Out Taxi etc.). The amount of the discount will be determined in the contract negotiations.
- **Guest recovery:** This will be a predetermined amount for all restaurants. This will be used any time a Guest is unhappy, in any way, with their meal, hospitality, beverages etc. A Manager Card swipe will be needed for this comp and a reason will be typed into the POS and chit must be initialed.
Examples: 1. A Guest receives burnt wings, MOD re-rings more wings on the same check and then comps the original wings. 2. A Guest receives burnt wings and the MOD wants to comp their entire meal, MOD re-rings more wings on the same check and then discounts both wings items off the check.
- **Open food:** This will be used when comping food or beverage when there is not a complaint (i.e. food rung in for a roll-out, discounting a catering, training meals, buying a meal for a regular Guest, server errors, random coupons

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etc.). Proper documentation must be attached. This means explanation along with Manager Initials attached to the receipt.

- **Police:** This is a 50% discount for any local police, ambulance drivers, fireman etc. Many communities will not allow this, so please ask before making this transaction.
- **Approved Marketing discounts:** free kids meals, local restaurant marketing, all to be used in accordance with company policy
- **Associate meal:** All Associate meals must be rang in and discounted according to our company policy.
- **Manager meal:** All manager meals must be rang in and comped.
- **Public Relations:** This will be used when discounting food or retail items to promote for Local Store Marketing (i.e. donations, tastings, local single store promotions etc.).

Invoicing

To remain in good standing with all vendors, invoices must be coded and submitted in the week that the goods were received or the services were rendered. Food and beverage invoices must be validated line by line.

Chart of Accounts

All restaurants are provided with a Chart of Accounts. All invoices must be coded properly according to this chart. This is a required standard operating procedure for corporate locations and recommended for franchise locations.

Budgets

For efficient monitoring of the budget, operating procedures recommend that budgets be completed monthly for the upcoming month.

Lost Credit Cards

Lost credit cards will be turned into the Manager on duty immediately. The Manager will put a day dot on the front of the card with the date. These credit cards will be kept in the safe. After 14 days, the credit card will be cut into pieces and discarded.

FINANCIAL

Paychecks

Paychecks will be kept in the safe. Paychecks may not be picked up until 2:00 pm of payday. Associates must sign for their checks after they receive them. Sign off sheets are kept with time card reports. Unclaimed checks will be mailed to the Associates home address if not picked up by the Monday after paychecks are delivered. Paychecks are not to be returned to the Support Center unless requested. Termed Associates will receive their paycheck on the next regular pay cycle unless the state law dictates otherwise. Timecards will be signed and kept in the restaurant. This is a required standard operating procedure for corporate locations and recommended for franchise locations.

Document Destruction

Prudent care must be taken when disposing of company documentation. Any document containing personal, confidential or other Associate information must be shredded or destroyed before disposal. This is a required standard operating procedure for corporate locations and recommended for franchise locations.

Record Retention

The following documents must be retained on-site. This is a required standard operating procedure for corporate locations and recommended for franchise locations.

<u>Document</u>	<u>Retention Period</u>
• Credit Card receipts (signed by Guest)	Rolling 18 months
• Guest recovery logs	1 year
• Expired Public Health Inspection Reports	3 years
• Manager's Redbooks	3 years
• Employment applications & resumes	2 years

Code and Key Policy

To protect certain restaurant assets, only management may have access to specific areas in the restaurant. These keys and codes should not be given to Associates for any reason. The following are areas in which only management should have keys or codes.

- Front and back doors

FINANCIAL

- Office door
- Liquor room and cooler
- Alarm code
- Safe combination
- Manager codes to POS

When a Manager is terminated, locks will be re-keyed at the direction of the Director of Operations. Locks will always be re-keyed when a General Manager is terminated. Alarm codes for any terminated Manager must be removed from the system immediately. This is required for all corporate locations and recommended for Franchise locations.

P&L

All restaurants are required to produce a P&L on a period basis. All P&L's must be turned in on a timely basis and include both P&L and Balance Sheet.

MARKETING

Local Store Marketing

While the HMT marketing department generates mass marketing materials, individual restaurants have the option to create materials specific to their location or market. All materials must convey the objectives of the HMT marketing philosophy.

To maintain consistency and brand, all communication with the public, such as advertisements, e-blasts, flyers, must be approved by the HMT marketing department.

Marketing Tools

HMT has created a Local Store Marketing “Toolkit” tools for all restaurants to development marketing initiatives. These tools must be used to build brand consistency.

The “Toolkit” contains ideas for local store marketing or LSM initiatives, such as how to work with schools and neighboring businesses. All customization will be done through our in house graphic designer and provided to restaurants for either local printing or the marketing department can work with your restaurant for a quote from our company printer.

Our graphic designer can also design any creative need a restaurant may have that isn’t listed in the toolkit.

All creative is customized at no charge to restaurants provided the restaurant allows for a seven business day turnaround. Any last minute requests, those under seven business days, are subject to a \$100 charge.

Logos

To maintain the Hurricane Grill and Wings brand integrity, only approved logos may be used. Colors of logo- Pantone (PMS) 485 and Pantone (PMS) Black.

Whenever possible the color logo is preferred. The standard logo guide is posted on the Hurricane Grill and Wings Intranet.

Limited Time Offers

Three to five limited time offer promotions are developed each year. All locations are required to participate in all promotions for

MARKETING

the duration of the promotion as specified by the marketing department.

Rewards Card

The Hurricane Grill and Wings email based Guest loyalty program is to be honored by all restaurants.

SCHEDULE 2

Addenda to Disclosure Document

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31505). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

Neither Hurricane AMT, LLC, nor any person in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT FOR
THE STATE OF HAWAII**

1. The following paragraphs shall be added to the state cover page:

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The name and address of the Franchisor's agent in this state authorized to receive service of process is the Hawaii Commissioner of Securities, 335 Merchant Street, Honolulu, Hawaii 96813.

2. Each provision of this Addendum to the Disclosure document is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E-1, et seq., are met independently without reference to this Addendum to the Disclosure document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

1. Item 17(v) in the table is modified by adding the following to the summary description opposite the subsection entitled “Choice of Forum”:

“However, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under section 4 of the current Illinois Franchise Disclosure Act, although the Franchise Agreement may provide for arbitration in a forum outside of the State of Illinois.”

2. Item 17(w) in the table is modified by adding the following to the summary description opposite the subsection entitled “Choice of Law”:

“However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.”

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.

**ADDENDUM TO
HURRICANE AMT, LLC FRANCHISE AGREEMENT
(State of Illinois)**

THIS ADDENDUM is entered into as of _____, 20____ between HURRICANE AMT, LLC, a Delaware limited liability company (“Company”), and _____, a _____ (“Franchisee”), with reference to the following:

1. Company and Franchisee have entered into a HURRICANE AMT, LLC Franchise Agreement dated as of _____, 20____, (the “Franchise Agreement”).

2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Franchise Agreement as follows:

1. The following shall be deemed added to Section 21.1:

“With respect to franchises governed by Illinois law, Company will comply with Section 41 of the Illinois Franchise Disclosure Act, which provides that:

“Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

2. The following shall be deemed added to Section 21:

“Illinois law, as amended, shall apply to any franchise offered or sold in Illinois, notwithstanding anything to the contrary contained in this Agreement.”

3. The following shall be deemed added to Section 21:

“However, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under section 4 of the current Illinois Franchise Disclosure Act, although the Franchise Agreement may provide for arbitration in a forum outside of the State of Illinois.”

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.

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

“Company”

HURRICANE AMT, LLC

Date of Execution

Name: _____
Its: _____

“Franchisee”

Date of Execution

_____,
[] an individual;
[] a _____ general partnership;
[] a _____ limited partnership;
[] a _____ limited liability company;
[] a _____ corporation

Name: _____
Its: _____, and individually

**ADDENDUM TO
HURRICANE AMT, LLC MULTI-UNIT RESTAURANT AGREEMENT
(State of Illinois)**

THIS ADDENDUM is entered into as of _____, 20____ between HURRICANE AMT, LLC, a Delaware limited liability company (“Company”), and _____, a _____ (“Franchisee”), with reference to the following:

1. Company and Franchisee have entered into a HURRICANE AMT, LLC Multi-Unit Restaurant Agreement dated as of _____, 20____, (the “Development Agreement”).

2. The parties wish to modify the Development Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Development Agreement as follows:

1. The following shall be deemed added to Section 21:

“Illinois law, as amended, shall apply to any franchise offered or sold in Illinois, notwithstanding anything to the contrary contained in this Agreement.”

2. The following shall be deemed added to Section 21:

“However, the waiver in this paragraph shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 which provides that “Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code” or Illinois Regulations at Section 200.609.”

“However, any provision in the Multi-Unit Restaurant Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under section 4 of the current Illinois Franchise Disclosure Act, although the Multi-Unit Restaurant Agreement may provide for arbitration in a forum outside of the State of Illinois.”

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.

Except as set forth herein, the Multi-Unit Restaurant Agreement shall be valid and enforceable between the parties in accordance with its terms.

“Company”

HURRICANE AMT, LLC

Date of Execution

Name: _____
Its: _____

“Franchisee”

Date of Execution

_____,
 an individual;
 a _____ general partnership;
 a _____ limited partnership;
 a _____ limited liability company;
 a _____ corporation

Name: _____
Its: _____, and individually

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

The following information applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body of the disclosure document:

1. Item 17.

The Franchise Agreement provides for termination if you are insolvent under any applicable state or federal law. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

2. Item 17.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Item 17.

The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

**ADDENDUM TO HURRICANE AMT, LLC FRANCHISE AGREEMENT
(State of Maryland)**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 2.3.6 and 12.2.3.4 of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”).
2. Consent to Jurisdiction. Section 15 of the Franchise Agreement is amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration may be brought in Federal District Court in Maryland.
3. Statute of Limitations. Any limitation on the period of the time mediation and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing claims arising under the Maryland Franchise Law.
4. Acknowledgments. Article 26 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”
5. Construction. In all other respects, the Franchise Agreement will be construed and enforced in accordance with its terms.

“Company”

HURRICANE AMT, LLC, a Delaware
limited liability company

By: _____

Name: _____

Its: _____

Date of signing: _____

“Franchisee”

_____,

an individual

a general partnership;

a limited partnership;

a limited liability company;

a corporation;

By: _____

Name: _____

Its: _____

Date of signing: _____

**ADDENDUM TO HURRICANE AMT, LLC MULTI-UNIT RESTAURANT
AGREEMENT
(State of Maryland)**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Multi-Unit Restaurant Agreement, HURRICANE AMT, LLC and Franchisee agree to amend the Multi-Unit Restaurant Agreement as follows:

1. Release. Section 6.3(d) of the Multi-Unit Restaurant Agreement is amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”).
2. Consent to Jurisdiction. Sections 9.2, and 10.9, of the Multi-Unit Restaurant Agreement are amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration may be brought in Federal District Court in Maryland.
3. Statute of Limitations. Any limitation on the period of the time mediation and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing claims arising under the Maryland Franchise Law.
4. Acknowledgments. Article 13 of the Multi-Unit Restaurant Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”
5. Construction. In all other respects, the Multi-Unit Restaurant Agreement will be construed and enforced in accordance with its terms.

“Company”

HURRICANE AMT, LLC, a Delaware
limited liability company

By: _____

Name: _____

Its: _____

Date of signing: _____

“Franchisee”

_____,

an individual

a general partnership;

a limited partnership;

a limited liability company;

a corporation;

By: _____

Name: _____

Its: _____

Date of signing: _____

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

1. Item 13, “Trademarks,” shall be amended by the addition of the following:

We will indemnify you for all costs and expenses you incur in any action or proceeding brought against you by any third party as a result of your authorized use of our trademarks.

2. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs:

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 any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or 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, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, 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.

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.

**ADDENDUM TO HURRICANE AMT, LLC FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

THIS ADDENDUM is entered into as of _____, 20____ between HURRICANE AMT, LLC a Delaware limited liability company (“Company”), and _____, a _____ (“Franchisee”), with reference to the following:

1. Company and Franchisee have entered into a HURRICANE AMT, LLC Franchise Agreement dated as of _____, 20____, (the “Franchise Agreement”).
2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree to amend the Franchise Agreement as follows:

1. 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 any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. 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.
2. With respect to franchises governed by Minnesota law, Company will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, 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.
3. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Sections 2.3.6 and 12.2.3.4 thereof, any general release the Franchisee is required to assent to shall not apply to any liability Company may have under the Minnesota Franchise Act.
4. Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a jury trial. The provision in Section 15 of the Franchise Agreement waiving your rights to a jury trial is hereby deleted and shall have no force or effect.
5. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particularly Section 21 thereof, Company will indemnify Franchisee for all costs and expenses it incurs in any action or proceeding brought against Franchisee by any third party as a result of Franchisee’s authorized use of Company’s trademarks.

[SIGNATURE PAGE FOLLOWS]

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

“Company”

HURRICANE AMT, LLC, a Delaware
limited liability company

By: _____

Name: _____

Its: _____

Date of signing: _____

“Franchisee”

_____,

an individual

a general partnership;

a limited partnership;

a limited liability company;

a corporation;

By: _____

Name: _____

Its: _____

Date of signing: _____

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT
FOR 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 STREET, 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:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in

the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. 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.

8. 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.

ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT FOR THE STATE OF NORTH DAKOTA

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs:

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

a. **Restrictive Covenants:** Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

b. **Situs of Arbitration Proceedings:** Franchise Agreements providing that the parties must agree to the arbitration of the disputes at a location that is remote from the site of the franchisee’s business.

c. **Restriction on Forum:** Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

d. **Liquidated Damages and Termination Penalties:** Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties.

e. **Applicable Laws:** Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota.

f. **Waiver of Trial by Jury:** Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

g. **Waiver of Exemplary & Punitive Damages:** Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

h. **General Release:** Franchise Agreements that require the franchisee to sign a general release upon renewal of the Franchise Agreement.

i. **Limitation of Claims:** Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

2. Item 17(r) in the table is modified by adding the following to the summary description opposite the subsection entitled “Non-competition covenants after the franchise is terminated or expires”:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

**ADDENDUM TO HURRICANE AMT, LLC FRANCHISE AGREEMENT FOR THE
STATE OF NORTH DAKOTA**

THIS ADDENDUM is entered into as of _____, 20____ between **HURRICANE AMT, LLC**, a Delaware limited liability company (“Company”), and _____, a _____ (“Franchisee”), with reference to the following:

1. Company and Franchisee have entered into a HURRICANE AMT, LLC Franchise Agreement dated as of _____, 20____, (the “Franchise Agreement”).
2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Sections 2.3.6 and 12.2.3.4 thereof, any general release the Franchisee is required to assent to shall not apply to any liability Company may have under the North Dakota Franchise Investment Law.

2. The following caveat is added to Section 5:

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

Liquidated Damages and Termination Penalties: Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties

3. The following caveat is added to Section 15:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

4. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Section 12.2.3 and Articles 18 and 19 thereof, the Franchise Agreement and the legal relations among the parties to the Franchise Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

5. The following caveat is added to Sections 15.5, and Section 21 of the Franchise Agreement:

“The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

Applicable Laws: Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota.

Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.”

6. Section 21 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“The site of the arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee’s place of business.”

7. Section 21 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.”

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

“Company”

HURRICANE AMT, LLC, a Delaware limited liability company

By: _____
Name: _____
Its: _____
Date of signing: _____

“Franchisee”

_____,

- an individual
- a general partnership;
- a limited partnership;
- a limited liability company;
- a corporation;

By: _____
Name: _____
Its: _____
Date of signing: _____

**ADDENDUM TO HURRICANE AMT, LLC MULTI-UNIT RESTAURANT
AGREEMENT FOR THE STATE OF NORTH DAKOTA**

THIS ADDENDUM is entered into as of _____, 20____ between **HURRICANE AMT, LLC**, a Delaware limited liability company (“Company”), and _____, a _____ (“Franchisee”), with reference to the following:

1. Company and Franchisee have entered into a **HURRICANE AMT, LLC** Multi-Unit Restaurant Agreement dated as of _____, 20____, (the “Development Agreement”).

2. The parties wish to modify the Development Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Development Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Development Agreement, and in particular Section 6.3(d) thereof, any general release the Franchisee is required to assent to shall not apply to any liability Company may have under the North Dakota Franchise Investment Law.

2. The following caveat is added to Section 9.2:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

3. Notwithstanding anything to the contrary set forth in the Development Agreement, and in particular Articles 10 and 11 thereof, the Development Agreement and the legal relations among the parties to the Development Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

4. The following caveat is added to Sections 9.2 and 10.8 of the Multi-Unit Restaurant Agreement:

“The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

Applicable Laws: Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota.

Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies”

5. Sections 9.2 and 10.9 of the Development Agreement are amended by the addition of the following language to the original language that appears therein:

“The site of the arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee’s place of business.”

6. Section 10.9 of the Development Agreement is amended by the addition of the following language to the original language that appears therein:

“This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.”

Except as set forth herein, the Development Agreement shall be valid and enforceable between the parties in accordance with its terms.

“Company”

HURRICANE AMT, LLC

Date of Execution

Name: _____
Its: _____

“Franchisee”

Date of Execution

[] an individual;
[] a _____ general partnership;
[] a _____ limited partnership;
[] a _____ limited liability company;
[] a _____ corporation

Name: _____
Its: _____, and individually

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for HURRICANE AMT, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h:

Under 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 grounds for default or termination stated in the franchise 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.

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.

**ADDENDUM TO HURRICANE AMT, LLC DISCLOSURE DOCUMENT FOR THE
STATE OF WASHINGTON**

The State of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

Any release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act except if you execute the release or waiver as part of a negotiated settlement after your agreement is in effect and where we are both represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act and/or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

We may collect the transfer fees if they reflect our reasonable estimated or actual costs in effecting your transfer.

Each provision of this Addendum to the Disclosure document will be effective only if, with respect to such provision, the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, are met independently without reference to this Addendum to the Disclosure document, and only to the extent such provision is a then valid requirement of the statute.

ADDENDUM TO HURRICANE AMT, LLC FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180 which may supersede the terms of your franchise agreement in the areas of termination and renewal of your franchise. There may also be court decisions in Washington which may supersede the franchise agreement in your relationship with HURRICANE AMT, LLC including the areas of termination and renewal of your franchise.

Washington law requires that any arbitration involving a franchise purchased in Washington shall be arbitrated in either the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100.RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

“Company”

HURRICANE AMT, LLC, a Delaware
limited liability company

By: _____

Name: _____

Its: _____

Date of signing: _____

“Franchisee”

_____,

an individual

a general partnership;

a limited partnership;

a limited liability company;

a corporation;

By: _____

Name: _____

Its: _____

Date of signing: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This 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:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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.

RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HAMT offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, HAMT or an affiliated in connection with the proposed franchise sale or grant.

Several states, including New York, require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Several states, including Michigan, require that we give you this disclosure document at least 10 business days before execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If HAMT does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit I.

The Franchisor is Hurricane AMT, LLC, located at 9720 Wilshire Boulevard Suite 500 Beverly Hills, California 90212. Its telephone number is (310) 319-1850.

Issuance Date: May 3, 2023.

The following is the name principal address and telephone number of each franchise seller offering this franchise:

- Warren Christiansen 9720 Wilshire Boulevard Suite 500 Beverly Hills, California 90212. (310) 402 0606
- Taylor Wiederhorn 9720 Wilshire Boulevard Suite 500 Beverly Hills, California 90212. (310) 402 0606

HAMT's authorized the respective state agencies identified on Exhibit I to receive service of process for it in the particular state.

I have received a disclosure document dated May 3, 2023 that included the following Exhibits:

- | | |
|---|---|
| a. Financial Statements | g. Limited Liability Company Operating Agreement |
| b. Franchise Agreement and Addenda | h. Lease Assignment |
| b-1. Co-brand Addendum to Franchise Agreement | i. Agents for Service of Process and State Administrators |
| b-2. SBA Addendum | j. Management Agreement |
| b-3. Cookie Equipment Lease | k. General Release |
| c. Guaranty, Indemnification and Acknowledgment | l. Brand Technology System Support Services Agreement |
| d. List of Franchisees and Certain Former Franchisees | Schedule 1 Table of Contents of Operating Manuals |
| e. Multi-Unit Restaurant Agreement | Schedule 2 Addenda to Disclosure Document |
| f. Confidentiality and Non-Competition Agreement | |

Date: _____

Prospective Franchisee:

By: _____

Name: _____

Individually and on behalf of the following entity:

Company Name: _____

Title: _____

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