



WINGS ETC., INC.
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We sell franchises for the right to operate a single WINGS ETC.® restaurant. WINGS ETC.® restaurants will have a family-oriented sports theme and will offer a wide variety of chicken wings, sandwiches, burgers and other products (for on-premises dining and carry-out) and beverages including beer, wine and liquor.

The total initial investment necessary to begin operations of a WINGS ETC. restaurant franchise ranges from \$368,150 to \$1,495,600 for a non-free standing location or a conversion of an existing free standing location, and \$1,618,150 to \$2,567,100 for a free standing building. These amounts include an initial Franchise Fee of \$39,500, which must be paid to us.

Franchisees who qualify may sign a development agreement, which authorizes them to enter into 3 or more franchise agreements within a specified development area. To retain the right to acquire more franchises, these franchisees must satisfy a minimum development schedule. Developer franchisees pay our standard Initial Franchise Fee of \$39,500 for their first restaurant to be developed and a development fee ranging between \$30,000 and \$100,000 for the right to develop additional restaurants within the specified development area. The amount of the development fee depends on the number of restaurants to be developed.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Wings Etc., Inc. at franchise@wingsetc.net or at the address and/or phone number listed above.

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

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

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

Issuance Date: March 25, 2024

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 E.
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 B 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 Wings Etc.® business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Wings Etc.® franchisee?	Item 20 or Exhibit E 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 A.

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in Indiana. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Indiana than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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EXHIBITS

- A. LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
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- E. LIST OF FRANCHISES
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” or “us” means Wings Etc., Inc., the Franchisor. “You” means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” also may mean its owners.

The Franchisor

We are an Indiana corporation incorporated on August 30, 2004. Our principal place of business is at 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, Indiana 46804; (260) 432-6001. We do business under the name “WINGS ETC.®”. We have no predecessors. We have 3 affiliates: WEOC, Inc., an Indiana corporation incorporated on June 8, 2006; WEOC East Inc., an Indiana corporation incorporated on July 8, 2011; and WEOC South, Inc., an Indiana corporation incorporated on September 20, 2014 (collectively, the “WEOC Entities”). The WEOC Entities have the same principal business address as ours.

Our agents for service of process are disclosed in Exhibit A to this disclosure document.

Our Business Experience

We began offering restaurant franchises in April 2005 under the name “WINGS ETC.®” Neither we nor any predecessor or affiliate of ours offers, or has ever offered, franchises in any other line of business. We have never operated a business similar to the business being franchised. Our affiliate WEOC, Inc. has owned and operated Wings ETC.® restaurants similar to those being franchised since January 2008. The WEOC Entities operate a combined total of 26 Wings Etc.® restaurants as of December 31, 2023. All of the Wings Etc.® restaurants owned and operated by the WEOC Entities are located in northern Indiana. We refer to these as “company-owned restaurants” for purposes of this disclosure document.

Except as described above, neither we, nor any affiliate of ours, offers franchises in any line of business.

The Franchise

WINGS ETC.® restaurants will have a family-oriented sports theme and will offer onsite dining and carryout and offer for sale a wide variety of fresh chicken wings, sandwiches, burgers and other products and beverages including beer, wine and liquor (the “Menu Items”). You must prepare the Menu Items in accordance with our specified recipes and serve them in accordance with our specified standards. We also may permit franchisees to offer delivery or catering services with our prior written approval. In addition, we may require WINGS ETC.® restaurants to offer forms of gambling as we specify, including but not limited to, gaming machines, pull-tabs, sports betting and keno, provided such forms of gambling are lawful where a restaurant is located. Each franchised restaurant operates under the name WINGS ETC.® and other marks as we designate (the “Marks”). We may change the name of the System and the restaurant franchises offered from WINGS ETC.® to another name, as further described in Item 13. You will sign the Franchise Agreement (attached as Exhibit C.)

You must operate your restaurant under the unique WINGS ETC.® system (the “System”). The System is characterized by fresh, made-to-order chicken wings, distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which we may change. Your restaurant typically will have up to approximately 3,500 to 4,500 square feet with seating capacity for up to 200 people.

We will not grant an additional franchise to any existing franchisee that is not in full compliance with its existing Franchise Agreement or that has been in default of its Franchise Agreement within 90 days.

In addition, we offer to select, qualified individuals who meet our then-current standards and qualifications, the opportunity to acquire the right to develop multiple WINGS ETC.® restaurant within a specific Development Area under the Multiple Restaurant Development Agreement attached as Exhibit D (“Development Agreement”). If you sign a Development Agreement, you will receive the right to open a certain number of WINGS ETC.® restaurants within a specified geographic area (the “Development Area”) over a defined period of time (the “Development Schedule”), as we determine, on the basis of the market potential and the size of the Development Area. You will be required to sign our then-current form of franchise agreement in connection with each WINGS ETC.® restaurant that you develop under the Development Schedule, which may differ from the Franchise Agreement attached to this disclosure document. We refer to these franchisees as “Developers” or “Developer franchisee.”

The Market and Competition

Your restaurant will offer food products to the general public and the sales are not seasonal. Your competitors include other restaurant businesses offering similar food products, including national or regional franchise systems, independent restaurants, and other chains. The market for restaurants serving chicken wings, sandwiches and other products is well developed.

Laws and Regulations: Licenses and Permits

In addition to laws and regulations that apply to businesses generally, your restaurant will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act; storage, preparation and sale of food products including meat products; health, sanitation and safety regulations relating to foodservice; and gambling. Laws exist in every state that govern the foodservice industry (including health, sanitation and safety regulations regarding food storage, preparation and safety) and the sale of liquor. You must comply with these laws and other laws that apply to businesses generally. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities, including an alcoholic beverage vendor’s license and any applicable gaming licenses.

ITEM 2 **BUSINESS EXPERIENCE**

Chairman: James H. Weaver Jr.

James H. (Jim) Weaver Jr. has been the Chairman of our board of directors since January 2018 and a member of the board since our inception in August 2004. Jim was our President from August 2004 until January 2018. Jim was also the President of WEOC from June 2006 until January 2018. As President and owner of JHW, Inc. and President of WEOC, Jim has operated one or more restaurants similar to those being franchised since November of 1994.

President & Chief Executive Officer: Robert Hensmann

Robert (Rob) Hensmann has been our President since January 2018, our Chief Executive Officer since February 2015, and Treasurer since August 2004. Rob has also been the President of each of the WEOC Entities since 2018, and is their Secretary/Treasurer as well. Rob has been a member of our board of directors since our inception in August 2004.

Chief Procurement and Development Officer: Eric Stuczynski

Eric Stuczynski has been our Chief Procurement and Development Officer since January 2018 and was our Chief Purchasing and Development Officer from January 2017 until January 2018. Prior to that, Eric was our Senior Executive Vice President from December 2015, until January 2017. Eric is also a Vice President of each of the WEOC Entities. Eric has worked in the restaurant industry since 1985. Eric has been a member of our board of directors since our inception in August 2004.

Chief Marketing Officer: David Ponce

David (Dave) Ponce has been our Chief Marketing Officer since January 2017 and was our Vice President of Marketing and Brand Development from February 2014 until January 2017. Dave has been a member of our board of directors since January 2018.

Senior Director of Franchise Development: George Pasick

George Pasick has been our Senior Director of Franchise Development since April 2019. George Pasick first joined us in 2013, and has held several roles since that time, including Franchise District Manager from June 2015 to April 2019.

Chief Operating Officer: Charles Moore

Charles (Chuck) Moore has been our Chief Operating Office since July 2021. Chuck served as our Vice President of Franchise Operations from January 2019 to July 2021. Chuck served as our Director of Franchise Operations from December 2015 until January 2019.

Vice President of Franchise Operations: Patrick Neeley

Patrick Neeley served as our Director of Franchise Operations from June 2019 to June 2022. Patrick served as a Franchise District Manager from October 2015 to June 2019. Patrick has also held roles within our operating company (WEOC) including: Assistant Store Manager, Senior Store Manager, and District Manager between 2008 and 2015.

Vice President of Real Estate and Construction: Dan Brekke

Dan Brekke has been our Vice President of Real Estate and Construction since December 2018. Dan served as our Director of Real Estate and Construction since joining us in August 2015 until December 2018.

Vice President of Finance: Craig Balkenbusch

Craig Balkenbusch has been our Vice President of Finance since September 2018. Prior to that, Craig was a Staff Accountant at Dulin, Ward & Dewald, Inc. from January 2018 to May 2018 in Fort Wayne, IN.

Vice President of Marketing: Kathryn Burnworth

Kathryn (Katie) Burnworth has been our Vice President of Marketing since October of 2022. Prior to that, Katie was a Field Marketing Manager for Domino's in Ann Arbor, MI from August 2008 to August 2022.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Restaurant Franchise

You pay an Initial Franchise Fee of \$39,500 when you sign a Franchise Agreement.

Development Agreement

If you sign a Development Agreement, you will pay our standard Initial Franchise Fee of \$39,500 for the first restaurant to be developed. When you are opening your second or subsequent restaurant, you will pay a reduced Initial Franchise Fee, the amount of which varies depending upon the total number of restaurants you agree to develop. The table below lists the amount of the Initial Franchise Fee for the second and subsequent restaurants opened by a Developer franchisee, based on the total number of restaurants in the Development Area (including the first restaurant).

Total Number of Restaurants in Development Area	3	4	5	6	7	8	9	10
Initial Franchise Fee for 2nd & subsequent Restaurants	\$31,000	\$29,500	\$28,000	\$26,500	\$26,000	\$25,500	\$25,000	\$22,500

A Developer franchisee also pays a nonrefundable “Development Fee” for the right to develop additional restaurants within the Development Area. If you meet your Development Schedule and comply with the Development Agreement and your individual Franchise Agreements, a prorated portion of the Development Fee is credited against the Initial Franchise Fee for the second and subsequent restaurants you develop. The amount of the Development Fee depends on the number of restaurants to be developed, and is determined by multiplying the total number of restaurants in the Development Area (including the first restaurant) by \$10,000. For example, the Development Fee for a Development Area of 5 restaurants (including the first restaurant), would have a Development Fee of \$50,000. You would pay us combined initial fees of \$89,500: \$39,500 for the Initial Franchise Fee for your first restaurant, plus the \$50,000 Development Fee. For your second restaurant, you would pay a reduced Initial Franchise Fee of \$28,000, but we would credit one-fourth of the \$50,000 Development Fee paid by you to this amount (\$12,500), and you would therefore owe a net amount of \$15,500 at the time you execute the second Franchise Agreement.

All Initial Franchise Fees and Development Fees are paid as a lump sum payment at the time you sign the applicable agreement, are fully earned upon receipt, and are not refundable.

Veteran Discount

If you are an honorably discharged veteran who meets our qualifications, then we will discount the applicable Initial Franchise Fee by 20%.

Except as described above, you are not required to make any other payments to us or our affiliates for services or goods provided before your restaurant opens.

**ITEM 6
OTHER FEES**

Type of Fee(1)	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales(2)(3)	Paid by electronic funds transfer every Monday for the preceding Reporting Period(4)	
National Brand Fund Fee(5)	1% of Gross Sales(2)	Paid by electronic funds transfer every Monday for the preceding Reporting Period(4)	We will contribute the same amount for each similarly situated company-owned restaurant in the same local marketing area (except "Special Site" restaurants).
Local Advertising Expenditure/Fee(6)	1% of Gross Sales	Periodically	If we designate a local advertising market, you must either direct your local advertising expenditure to the cooperative programs or pay this amount to us or our designated affiliates to conduct marketing activities in the designated market.
Audits (7)	Cost of audit, which we estimate will be between \$0 and \$4,000, plus interest at the maximum rate allowable by law (not to exceed 18% per month)	Immediately upon receipt of bill	
Transfer Fee	25% of our then-current Initial Franchise Fee if the transferee is new to the WINGS ETC.® system, or 10% of our then-current Initial Franchise Fee if the transferee is an existing WINGS ETC.® franchise owner in good standing	Upon application for consent to transfer	If the transfer is less than 25% of the interests in a franchisee that is an entity, we will waive this fee and charge the administrative fee instead
Administrative Fee	\$1,500	Upon application for consent to transfer	Paid if a transfer is of less than 25% of the interests in a franchisee that is an entity
Renewal Fee	10% of our then-current Initial Franchise Fee	Upon renewal	
Remodeling(8)	Not more than \$125,000 during the term of the Franchise Agreement (amounts adjusted for change in the Consumer Price Index)	As remodeling occurs	Remodeling does not include general maintenance and refreshing.
Late Payment Fee	\$100 each time a payment is not made on the due date	Automatically upon next Electronic Transfer of Funds	
Late Report Fee	\$100 for each delinquent report and \$100 per month until the report is submitted	Automatically upon next Electronic Transfer of Funds	
Non-Compliance Fee	Up to \$500 per violation	Automatically upon next Electronic Transfer of Funds	Currently, we do not charge this fee, but we reserve the right to do so in the future. This non-compliance fee would not apply in the event of a late payment or a delinquent report, as those have separate fees as noted above.

Type of Fee(1)	Amount	Due Date	Remarks
Interest on Late Payment of Fees	18% per year, or the maximum rate of interest permitted by governing law, whichever is less	Accrues until fees are paid in full	
Insurance(9)	\$8,000-\$15,000 for annual premiums	When premiums are due	See Items 7 and 8 for more information on insurance.
Product Testing Fee	\$50-\$100, per product	When you provide us with a sample product for our approval	
Training for Substitute Certified Manager	Tuition paid to us is our then-current fee, currently \$1,000 per trainee, subject to change by us. You must also pay all related transportation, lodging, meals and wages, expenses for your trainees.	Tuition paid to us is due 10 days following our invoice; other expenses are payable as required by suppliers and applicable law.	If the initial Certified Manger for your restaurant leaves, your replacement Certified Manager must begin within 45 days of your receiving notice, unless we agree to a longer period. Any new Certified Manager must successfully complete the Certified Manager training program prior to beginning his or her duties. You must pay us our then-current training fee for each person who attends the training program. See Section 1(G) of the Franchise Agreement.

Notes:

- (1) Unless otherwise noted, you pay all fees to us and all fees are non-refundable and uniformly imposed. We have the right to negotiate different fee amounts and to waive or delay collection of royalties and other fees with respect to franchisees operating under economic duress or unique circumstances, as we, in our sole discretion, deem necessary or appropriate.
- (2) “Gross Sales” includes the total revenues and receipts from the sale of all products, services and merchandise sold in connection with your restaurant business, whether for cash or credit and regardless of whether or not you collect on any credit you extend. Gross Sales includes revenue from vending machines, revenue from gaming machines, pull-tabs, sports betting, keno and other lawful forms of gambling, and revenue from any other activities in your restaurant or on its premises. Gross Sales also includes proceeds of insurance paid to you to compensate for lost revenue as a result of a casualty. Gross Sales does not include sales tax or discounts. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Sales”, as circumstances, business practices, and technology change.
- (3) If you sign a Development Agreement, you will pay the standard Royalty Fee (5% of Gross Sales) for the first restaurant you develop. For your second or subsequent restaurants, you will pay Royalty Fees which become lower as you open each additional restaurant, as stated in the table below:

Restaurant	2	3	4	5	6	7	8+
Royalty Fee %	4.75%	4.75%	4.5%	4.5%	4.25%	4.25%	4.0%

- (4) Reporting Period means the period from Monday to Sunday (unless we designate otherwise). If there are insufficient funds from which to pay the fee when due, the amount due will bear interest at the highest applicable legal rate up to a maximum of 18% per year from the date due.
- (5) The National Brand Fund Fee is paid to us for deposit in our Brand Fund. Although this fee is currently 1% of Gross Sales, we reserve the right to increase this amount by up to an additional 2%

(for a maximum total of 3%) upon 30 days' written notice to you. See Item 11 for more information on advertising.

- (6) Although we currently provide these functions to you through our in-house marketing staff, we have the right to require you to use an outside advertising agency to conduct approved marketing activities relating to your restaurant, including the creation of an annual marketing plan, which we must approve. (See Item 8 for more information on the annual marketing plan and our designated advertising agency.)

The amount of the local advertising expenditure can be increased up to a maximum of 2% if we designate a local advertising market and a majority of the restaurants in your designated advertising market approve the increase. Each restaurant, including our company-owned restaurants (but excluding Special Sites), will be a member of the local group. Each restaurant will have 1 vote per restaurant. If a majority of the restaurants in a local advertising market are company-owned, we will have majority voting power, although you will not be required to spend more than 2% of Gross Sales for local advertising. Discounts on food, beverages, or other items sold at your restaurant do not qualify as “expenditures” for purposes of meeting the minimum local advertising expenditure. If we require that you pay the local advertising expenditure amount to us to spend on advertising in your area, instead of designating a local advertising market, we will not increase this amount above the current 1% Gross Sales.

- (7) You pay for audit costs only if our audit shows an understatement of your Gross Sales, Royalty Fees or National Brand Fund Fees, or an understatement of 2% or more from data reported to us with respect to any other item that is material to the computation of fees or analysis of the operation of your restaurant or the System.
- (8) You pay remodeling costs directly to third-party vendors or contractors.
- (9) The estimate includes comprehensive general liability insurance, dram shop liability coverage, automobile liability and other forms of required insurance. You pay insurance premiums directly to third party insurers. We require comprehensive general liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, dram shop liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and an umbrella policy of \$2,000,000 or more.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	Non-Free Standing Location and Conversion of Existing Free Standing Location amount	Free Standing Location Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee(1)	\$39,500	\$39,500	Lump Sum	Upon Signing of Franchise Agreement	Us
Free Standing Building Improvements/Non-Free Standing Leasehold Improvements(2)	\$65,000 to \$860,000	\$1,310,000 to \$2,000,000	As Arranged	As Arranged	Contractors
Furniture, Fixtures and Equipment(3)	\$160,000 to \$315,000	\$160,000 to \$235,000	As Arranged	As Arranged	Approved Suppliers
Signage	\$6,000 to \$15,000	\$11,000 to \$26,500	As Incurred	As Incurred	Approved Suppliers

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	Non-Free Standing Location and Conversion of Existing Free Standing Location amount	Free Standing Location Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Computer System/Cash Register/POS (No back office system currently required)	\$9,500 to \$10,500	\$9,500 to \$10,500	As Incurred	As Incurred	Approved Suppliers
Lease & Utility Security Deposits(4)	\$00 to \$10,000	\$00 to \$10,000	As Arranged	Before Opening	Lessor and Utility Companies
Initial Inventory(5)	\$19,000 to \$29,000	\$19,000 to \$29,000	Lump Sum	Upon Delivery of Inventory	Approved Suppliers
Insurance(6)	\$1,650 to \$13,000	\$1,650 to \$13,000	As Arranged	As Arranged	Insurance Company
Training(7)	\$10,000 to \$28,000	\$10,000 to \$28,000	As Incurred	As Incurred	Transportation Lines, Hotels, Restaurants
Grand Opening Advertising/ Marketing (8)	\$10,000	\$10,000	As Incurred	Within 14 Days of Opening	Us
Office Equipment and Supplies(9)	\$1,400 to \$3,000	\$1,400 to \$3,000	As Incurred	As Incurred	Approved Suppliers
Liquor License(10)	\$500 to \$95,000	\$500 to \$95,000	As Arranged	As Arranged	Appropriate State/Local Authorities or Third Party
Professional Fees	\$500 to \$5,200	\$500 to \$5,200	As Arranged	As Arranged	Your Attorneys and Other Professionals
Business License and Permits	\$100 to \$2,400	\$100 to \$2,400	As Arranged	As Arranged	Appropriate State/Local Authorities or Third Party
Additional Funds(11) (3 month period)	\$45,000 to \$60,000	\$45,000 to \$60,000	As Incurred	As Incurred	Employees, Suppliers
TOTAL(12)	\$368,150 to \$1,495,600	\$1,618,150 to \$2,567,100			

* Except where otherwise noted, we do not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amounts that you pay to us or our affiliates are nonrefundable. Third-party suppliers will decide if payments to them are refundable.

- (1) **Initial Franchise Fee.** See Item 5 for a description of the Initial Franchise Fee.
- (2) **Free Standing Building Improvements/Non-Free Standing Leasehold Improvements.** The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of leasehold or building improvements required, the local cost of contract work and the location of your restaurant. The estimate includes your architectural and engineering fees. Although we will provide you with design criteria (including sample floor plans) at no additional cost to you, you must pay a registered architect to create plans and specifications for your restaurant. Your leasehold improvements must conform to all city, state and local building codes, including the Americans with Disabilities Act. You may hire a registered architect of your own choosing. If you request, we will provide you with the name of one or more architects that have familiarity with the WINGS ETC.® System. If we request, you must submit restaurant building plans to us (in the form we designate) before you begin construction. However, you and any architects and contractors you hire are responsible for ensuring that the restaurant complies with all laws and our requirements. This estimate does not include land cost. Down payment requirements and initial financing or commitment expenses are negotiated individually and vary too widely to be predicted realistically.

- (3) Furniture, Fixtures and Equipment. The manual lists the furniture, fixtures and equipment necessary for the operation of a restaurant and include refrigerators, freezers, audio visual equipment, tables, chairs and other equipment, furniture and fixtures. See Item 8. The initial investment required will depend on financing terms available and other factors.
- (4) Lease & Utility Security Deposits. You typically will rent the premises for your restaurant. Landlords may require a security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, electricity and related utility services. A typical utility security deposit is 1 month's expense. A typical lease deposit will be an amount equal to 1 month's rent. These deposits may be refundable in accordance with the agreements made with the utility companies and landlord. These estimates may be significantly higher in some jurisdictions. Monthly rental expense may vary widely based on geographic location, size of the restaurant, local rental rates and other factors. We estimate that the monthly rent for your restaurant premises will range from \$9 to \$20 per square foot.
- (5) Initial Inventory. Your initial inventory must be purchased from approved suppliers or in accordance with our specifications as is further described in Item 8 of this disclosure document. Initial inventory consists of various food products, beverages, paper products, cleaning supplies, menus and other supplies used in the operation of the restaurant as well as other merchandise or products sold by the restaurant. The initial inventory expenditure will vary according to anticipated sales volume and current market prices for supplies.
- (6) Insurance. You must procure and maintain throughout the term of the Franchise Agreement insurance in such amounts as described in the Franchise Agreement. The estimate is for approximately 3 months of premiums and includes liquor liability coverage. The cost of insurance will vary based on policy limits, type of policies procured, any lease requirements, nature and value of physical assets, number of employees, square footage, contents of the business, geographical location and other factors bearing on risk exposure.
- (7) Training. You must make arrangements and pay the expenses for you or a Principal Owner, a Certified Manager (if a Principal Owner is not acting in that capacity) and 2 assistant managers to attend our initial training program and an in-store training program at a training restaurant we designate. Training expenses will include transportation, lodging, meals and wages. See Item 11 for more information on training. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates initial training of 4 people for 7 weeks. The estimate also contemplates the costs of training employees for your restaurant for approximately 6 days prior to your opening. "Principal Owner" and "Certified Manager" are defined in Item 15.
- (8) Grand Opening. Within 14 days of you opening and commencing operations, you must pay us at least \$10,000, which we will use to conduct a grand opening marketing campaign on your behalf in the manner and method that we determine in our discretion. We will generally spend that amount during the first 180 days after opening.
- (9) Office Equipment and Supplies. Before beginning operations, you must purchase an assortment of office equipment and supplies as prescribed in the manual. Items include telephones and facsimile machine.
- (10) Liquor License. It is solely your responsibility to obtain and maintain a liquor license for your restaurant. The cost of a license can be significantly higher than the estimated amount in states where the number of liquor licenses is severely restricted or available only from an existing holder.

- (11) Additional Funds. This amount of working capital is projected as sufficient to cover initial operating expenses, including management salaries, for a period of 3 months. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Expenses not included are hourly labor costs, food and product costs and rent. At the time of opening, you must have a minimum of \$45,000 in immediately accessible working capital funds to be used solely to defray the costs of operating the restaurant for the initial several months.
- (12) Total. We have drawn upon over 20 continuous years of experience that we and our predecessors and affiliates have had in operating and franchising WINGS ETC.® restaurants in order to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

We have not included a separate table for the initial investment if you sign a Developer Agreement. If you become a Developer franchisee, you will pay a Development Fee ranging between \$30,000 to \$100,000 depending on the number of WINGS ETC.® restaurants you agree to open according to the Development Schedule described in the Development Agreement (as described in Item 5). Other than the Development Fee, start-up costs for the actual restaurants opened under the Development Agreement are the same as the estimated costs to open a single restaurant (which described in the table shown at the beginning of this Item 7) subject to potential increases over time due to inflation and other economic factors. We do not offer separate financing for these franchisees.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the entire network of WINGS ETC.® restaurants, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must consent to the location of your restaurant (see Item 11.) Your lease must contain the Addendum to Lease, attached as Appendix C to the Franchise Agreement. You must construct and equip your restaurant in accordance with our then-current approved design, specifications and standards and you must retain the services of a registered architect. We reserve the right to approve your general contractor. In addition to meeting our design specifications and standards, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for a restaurant point-of-sale system and audio/video equipment), signage, fixtures, furnishings, products, ingredients, supplies and advertising materials that meet our specifications and standards.

Designated Sources: Approved Supplies and Suppliers Lists

We provide you with a list of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate your restaurant (“Approved Supplies List”). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment, and you may purchase the specific product from any source that carries the specific approved product. From time to time we, an affiliate or a third-party vendor or supplier may be the only approved supplier for certain products. For instance, we may require you to purchase outdoor signage from a designated source. The lists also may include other specific products without reference to a particular manufacturer, or they may state the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable. None of our officers owns an interest in any approved suppliers.

As noted in Items 5 and 7, you are required to spend a minimum of \$10,000 for grand opening advertising for your restaurant. You must pay us that amount within 14 days of opening your restaurant, and we will spend and administer the grand opening marketing campaign on your behalf. You may also purchase from us or our Approved Suppliers certain promotional items to use as part of your grand opening activities and ongoing marketing efforts, such as WINGS ETC.® shirts and similar items.

Unless we have designated a single source for the item, you must notify us in writing prior to use if you want to offer for sale at the restaurant any brand of product, or to use in the operation of the restaurant any brand of food ingredient or other material item that is not then approved by us, or to purchase any product from a supplier that is not then designated by us as an approved supplier. If requested by us, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 45-60 days of our receipt of all the information and samples we request. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: 1) ability to make product in conformity with our specifications; 2) willingness to protect the secrets behind the uniqueness of a product without dissemination to others; 3) production and delivery capability; 4) reputation and integrity of supplier; and 5) financial condition and insurance coverage of the supplier.

Currently, Pepsi soft drinks are the sole soft drink brand on the Approved Supplies list and we have negotiated a preferred vendor relationship for Pepsi products with Stanz Foodservice, Inc. of South Bend, Indiana (“Stanz”). We have designated Stanz as the only Approved Supplier of soft drink products for franchisees located within Stanz’s distribution area. We have also designated Stanz as the only Approved Supplier of certain food items for franchisees located within Stanz’s distribution area. Our agreement with Stanz requires that company-owned and franchised Wings Etc.® restaurants meet certain payment and performance terms in order for us to qualify for the discounted pricing we have negotiated with Stanz for company-owned and franchised restaurants. If your restaurant is located outside of Stanz’s distribution area, you must buy the designated food items and designated brand of soft drinks from another supplier on our Approved Suppliers list. We have also designated Merchants, US Foods-Tampa, Atlantic and Kohl’s Distribution, and Ben E. Keith as the only Approved Suppliers of certain food, paper and chemical products for franchisees located within such suppliers’ distribution areas. If your restaurant is located outside of these suppliers’ distribution areas, you must buy the designated items from another supplier on our Approved Suppliers list. You must purchase your restaurant signage from our sole Approved Supplier of signage, which is currently GrayCraft Signs in Warsaw, Indiana. We have the right to designate different Approved Suppliers at any time.

We require that you use the most up-to-date, Microsoft Windows compatible version of Quickbooks accounting software in connection with your business. You may acquire Quickbooks from any supplier you choose.

You must participate in any mandatory technology programs that we designate for the WINGS ETC.® System. Mandatory technology programs currently include the following: the Wings. Etc. gift card program, the WINGS ETC.® mobile app, our online ordering system, our program for providing guest WiFi and routers, and the back-office software platform. These programs will be administered by us or our then-current Approved Suppliers, and we have the right to designate a single Approved Supplier for each of these and other technology programs. We also have the right substitute different Approved Suppliers for the current ones and to update and modify the technology programs for the System and you must comply

with the modifications we make. You may be required to sign a participation agreement with third-party program administrators that we designate. Cost information for required technology programs are listed in Item 11.

Although neither we nor our affiliates are currently approved suppliers for any products, we reserve that right for the future.

We and our affiliates reserve the right to, and currently do, receive marketing credits in the form of revenue or other consideration from suppliers in connection with your purchase of goods, products and services as described in this Item 8. Most of these credits are calculated on an amount based on products sold to you, and range from 1% to 10% of the sale. We will retain and use such credits as we deem appropriate or as required by the vendor. We may, but are not required to, contribute such rebates to the Brand Fund.

During our 2023 fiscal year, we received revenues of \$951,604 from all required purchases and leases of products, supplies, equipment and services by WINGS ETC. franchisees through the form of rebates. This amounted to approximately 11% of our total revenues of \$8,651,075 based on our audited financial statements for the fiscal year ended December 31, 2023, which are included in this disclosure document as Exhibit B.

We may negotiate prices of products for the benefit of the restaurants operating under the System, but not on behalf of individual franchisees. There is no purchasing or distribution cooperative. We try to receive volume discounts for the System. We do not provide material benefits to you because of your use of approved suppliers.

You must purchase and maintain in full force and effect, at your expense and from a company we accept, insurance that insures both you and us, our affiliates and any other persons we designate by name. The insurance policies must include, at a minimum: (i) special/causes of loss coverage forms (sometimes called "All Risk coverage") on the restaurant and all fixtures, equipment, supplies and other property used in the operation of the restaurant, for full repair and replacement value of the machinery, equipment and improvements, including full coverage for loss of income resulting from damage to the restaurant without any co-insurance clause, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum 12 months loss of income, including coverage for our Royalty Fees with us named as a loss payee with respect to those fees; (iii) comprehensive general liability insurance, including product liability insurance, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (iv) liquor liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (v) "Per Location" aggregate limits when multiple restaurant locations are insured under one comprehensive general liability policy and/or liquor liability policy(ies); (vi) automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of \$500,000 per claim (vii) workers' compensation and employer's liability insurance covering all of your employees (viii) umbrella liability insurance which also includes liquor liability, employers liability and automobile liability of \$2,000,000 or more; (ix) us and our affiliates as named additional insureds on all liability policies required by this subparagraph and all other policies that you obtain and maintain, and do so on a primary and non-contributory basis and with waiver of subrogation rights; (x) any other such insurance coverages or amounts as required by law or other agreement related to the restaurant.

You can expect items purchased or leased in accordance with our specifications will represent approximately 80% to 90% of total purchases you will make to begin operations of the business and over 40% to 50% of the ongoing costs to operate the business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Sections 2.A and 5.A of Franchise Agreement Section 6 of Development Agreement	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5.A, 5.F and 6.C of Franchise Agreement	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 5.A and 5.B of Franchise Agreement Sections 2 and 6 of Development Agreement	Items 7, 8 and 11
d.	Initial and ongoing training	Sections 7.B and 7.C of Franchise Agreement	Items 5, 6 and 11
e.	Opening	Sections 2.C and 5.A of Franchise Agreement	Items 5 and 11
f.	Fees	Sections 9.A-C of Franchise Agreement Sections 3 and 9 of Development Agreement	Items 5, 6 and 7
g.	Compliance with System Standards and policies/Operations Manual	Sections 6.A-P of Franchise Agreement	Items 6, 7, 8, 11, 14 and 16
h.	Marks and proprietary information	Sections 3.A-E and 6.J of Franchise Agreement Section 6 of Development Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2.D and 2.E of Franchise Agreement	Items 6, 7, 8, 11, and 16
j.	Warranty and customer service requirements	Sections 2.E and 6.L of Franchise Agreement	Items 6 and 11
k.	Territorial development and sales quotas	Sections 2.B and 2.D of Franchise Agreement Sections 1, 2 and 5 of Development Agreement	Item 12
l.	Ongoing product/service purchases	Sections 6.A-C of Franchise Agreement	Items 6, 7 and 8
m.	Maintenance, appearance, and remodeling requirements	Sections 3.E, 5.B-E of Franchise Agreement	Items 8 and 11
n.	Insurance	Section 10.D of Franchise Agreement	Items 6, 7 and 8
o.	Advertising	Sections 8.A-F and 9.C of Franchise Agreement	Items 6, 7 and 11
p.	Indemnification	Section 10.B of Franchise Agreement	Not Applicable
q.	Owner's participation/management/staffing	Sections 7.A-E of Franchise Agreement	Items 11 and 15
r.	Records and reports	Sections 9.D, 9.G and 9.H of Franchise Agreement	Not Applicable
s.	Inspections and audits	Sections 5.C, 6.G and 9.H of Franchise Agreement	Items 6 and 11
t.	Transfer	Sections 11.A-G of Franchise Agreement Section 9 of Development Agreement	Items 6 and 17
u.	Renewal	Sections 4.A-B of Franchise Agreement	Items 6 and 17
v.	Post-termination obligations	Sections 14.A-C of Franchise Agreement	Item 17
w.	Non-competition covenants	Section 10.D of Franchise Agreement	Item 17
x.	Dispute resolution	Sections 12.A and 12.B of Franchise Agreement Section 9 of Development Agreement	Item 17
y.	Guarantee	Appendix D of Franchise Agreement	Item 15

ITEM 10
FINANCING

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

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

Except as listed below, WINGS ETC.® is not required to provide you with any assistance.

Pre-Opening Assistance.

Before you open your restaurant, we will:

1. Provide you with site selection criteria and general building and design requirements, including sample floor plans, for your restaurant (Franchise Agreement, Sections 5.A and B).
2. Upon your reasonable request, and subject to our availability, we will conduct a physical tour of one proposed site for the restaurant and trade area. We will also review and analyze the information that you provide us regarding the proposed site, and provide a written evaluation of the proposed site (Franchise Agreement, Section 5.A)
3. Provide you with the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6.C). You are responsible for obtaining all equipment, signs, fixtures, opening inventory, supplies, and other items for your restaurant. We currently do not deliver or install any items.
4. Provide you with either a written copy or an electronic copy of the Manual that identifies the specifications and procedures incidental to the operation of the restaurant (Franchise Agreement, Section 6.I).
5. Consult with you on a grand opening marketing plan (Franchise Agreement, Sections 8.E).
6. Provide the training programs described below (Franchise Agreement, Sections 7.B and 7.C).
7. Provide you with an Opening Team to assist you in the opening and initial operation of your restaurant. An “Opening Team” will consist of up to 4 individuals (the “Opening Team Workers”). An Opening Team Worker will be either an employee or contractor of us or, if we designate, another WINGS ETC. ® franchisee and will have successfully completed the WINGS ETC. ® training program and any additional training component specific to Opening Team Workers. The Opening Team will work for up to 480-600 person-hours (up to 120 hours or more per Opening Team Worker) at your restaurant over a period of 7 to 16 calendar days at or around the time of your restaurant’s opening. We will work with you to schedule the actual dates and times that the Opening Team is present at your restaurant, which will be subject to the Opening Team’s availability. Currently, Wings Etc.® restaurant Opening Teams consist of one or more Opening Team Workers in each of the following 3 areas: (1) Back of House; (2) Service Areas (Dining Room and Bar) and (3) Leadership. We have the right to change the makeup of the Opening Team in the future. If your restaurant is being opened pursuant to a Development Agreement, we will provide you with 1 restaurant manager for 120 hours and you will be required to staff the remainder of the Opening Team, as required in the Development Agreement. The Opening Team’s role is to train you and your managers on the Wings Etc.® System and brand standards, and not to control the day-to-day operation of your restaurant or to supervise your employees.

8. We will grant you the right to establish a specific number of WINGS ETC.® restaurants within the Development Area if you sign a Development Agreement. (Development Agreement, Section 1.)

Ongoing Assistance.

During the operation of your restaurant, we will provide you with the following:

1. Maintain the national marketing fund (Franchise Agreement, Section 8.A).
2. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 7.C).
3. Make periodic visits to your restaurant as we reasonably determine to be necessary to provide consultation and guidance. Any visits to your restaurant by us are to protect our interest in the Marks and System and not to control the day-to-day operation of your restaurant or for supervision of your employees. A Principal Owner or a Certified Manager (as those terms are defined in Item 15) must be present during these visits (Franchise Agreement, Section 6.G).
4. Provide refresher training courses, as we determine necessary and require you to attend. We provide these training programs without charge; however, you must pay all expenses for you and your employees, including training materials, travel and living expenses (Franchise Agreement, Section 7.C).

Advertising/Marketing

As of the date of this disclosure document, you pay a National Brand Fund Fee of 1% of your Gross Sales to a marketing and development fund for the promotion and improvement of the WINGS ETC.® System and brand (the “Brand Fund”). We may increase the amount of the National Brand Fund Fee by up to an additional 2% (for a maximum total of 3%) upon written notice to you. In general, franchisees will contribute the same percentage of Gross Sales to the Brand Fund; however, we reserve the right to negotiate different rates for franchisees on a case-by-case basis.

We will administer the Brand Fund. The Brand Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Brand Fund. We may use the Brand Fund for (1) broadcast or print advertising; (2) the creation, development and production of advertising and promotional materials, including ad slicks, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising; (3) any marketing or related research and development; and (4) advertising and marketing expenses, including product and food research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet system, internet access provider costs, subscriptions to industry newsletters or magazines, and salaries for marketing support personnel. We also may be paid out of the Brand Fund for reasonable administrative costs and overhead incurred in administering the Brand Fund.

We determine the use of the monies in the Brand Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your restaurant is located.

During our fiscal year ended December 31, 2023, we collected a total of \$1,229,959 into the Brand Fund from the National Brand Fund Fees paid by franchised restaurant(s) and equivalent amounts contributed by company-owned restaurants. In addition, we voluntarily contributed to the Brand Fund

\$1,532,373 in supplier rebates received by us in 2023 as a result of purchases by franchised and company-owned restaurants and \$12,523 in gift card breakage for total Brand Fund contributions of \$2,774,855. We spent \$2,420,221 (87% of the total amount contributed to the Brand Fund, or 197% of the National Brand Fund Fees paid by franchised restaurant(s) and equivalent amounts contributed by company-owned restaurants) on marketing, advertising and public relations activities for the Wings, Etc. System. Of the total amounts we expended, we spent 52% on media placement, 8% on advertising production and 40% on administrative expenses relating to the Brand Fund.

We oversee all advertising programs and use the Brand Fund to conduct national, regional or local advertising, marketing, and public relations. We will contribute to the Brand Fund amounts equal to your required percentage for each similarly situated company-owned restaurant, except those located at “Special Sites” (see Item 12). Outside suppliers may also contribute to the Brand Fund. We will prepare an unaudited annual accounting of the Brand Fund and will make it available for your review upon your request. We have our own in-house advertising production capabilities, but also may use outside national, regional or local agencies. Other than spending the National Brand Fund Fees paid to us as described above, we are not obligated to conduct any additional advertising, marketing or promotion.

Although we often spend more on national marketing and promotional expenses than we collect into the Brand Fund, in the event we do not, any portion of the Brand Fund that we do not spend during the fiscal year will remain in the Brand Fund and carry over to the next fiscal year or be used to offset any loans made by us to the Brand Fund in prior years. In any fiscal year that we spend an amount greater than the aggregate contributions to the Brand Fund made by franchised and company-owned WINGS ETC.® restaurants, we may classify the extra amount that we spend as a loan to the Brand Fund by us, which would bear reasonable interest and be paid back to us by the Brand Fund. We also have the right to cause the Brand Fund to invest any surplus amounts for future use by the Brand Fund. In 2023, we will use 10% or less of expenditures from the Brand Fund for marketing activities that are principally for the solicitation of new franchise sales. In addition, we will not use the Brand Fund to pay our legal fees, unless we incur such legal fees in connection with marketing efforts on behalf of the System, including the production of advertising and promotional material.

You must also spend at least 1% of your Gross Sales on local advertising and promotion. You must obtain our approval of all promotional and advertising materials before use. As further described in Item 8, your minimum local advertising expenditure must include the creation of an annual marketing plan (which we must approve) in consultation with our designated advertising agency. We will not unreasonably withhold approval of any promotional and advertising materials that you propose to use, as long as your materials are factually accurate, current, in good condition, taste and quality, and accurately depict WINGS ETC.® products and trademarks.

We have the right to form, organize, maintain and otherwise make use of local or regional advertising cooperatives. If a local or regional advertising cooperative is formed or organized for the market that includes your restaurant, we have the right to require you to participate in and contribute your required local advertising expenditure (1% of your Gross Sales) to the advertising cooperative, which is in addition to your National Brand Fund Fees and any lease-required advertising fees. Each WINGS ETC.® restaurant located within an advertising cooperative, including WINGS ETC.® restaurants owned by us or our affiliates, will be a member of the advertising cooperative and have 1 vote per restaurant. We may require that the advertising cooperative adopt written governing documents that meet our approval. If a majority of the restaurants in your advertising cooperative votes to spend more than the minimum 1% of Gross Sales on local marketing and promotion within the market that includes your restaurant, you will be required to participate, but you will not be required to spend more than 2% of your Gross Sales on local advertising and promotion. We have the right to require local and regional advertising cooperatives to be formed, changed, dissolved or merged.

Although it has not been formally organized and has no written governing documents, there are currently advertising cooperatives operating on a voluntary basis in the Northern Indiana/Southern Michigan area (the “Michiana Market”), the Indianapolis area (the “Indy Market”), and the Fort Wayne, Indiana area (the “Fort Wayne Market”), (each, a “Co-Op”). Each restaurant in the respective Co-Op has 1 vote in the cooperative. Because a majority of the restaurants in the Michiana Market Co-Op and Fort Wayne Market Co-Op are owned and operated by the WEOC Entities, the WEOC Entities have majority control over these cooperatives and we administer their expenditures. Each restaurant in each Co-Op, including those operated by the WEOC Entities, contributes the required local advertising expenditure amount (0.8% of Gross Sales) to the cooperative. We do not prepare annual or periodic financial statements for any of the Co-Ops.

As of the date of this disclosure document, there is no advertising council for the System. We have the power, however, to form, change, or dissolve any advertising council. In addition, any advertising council we form will serve in only an advisory capacity.

Use of Electronic Media and the Internet

You are not permitted to advertise through the internet, or through any electronic medium, including email, without our prior approval (Franchise Agreement, Section 8.B). You are not permitted to use the Marks as part of an internet domain name or email address (Franchise Agreement, Section 3.B). You may not sell or distribute products identified by the Marks through the internet (Franchise Agreement, Section 2.D).

Information System

You must record all sales on the information system that we have approved. The information system is defined as the electronic cash register/POS system and all hardware, software and data used to record and analyze sales, labor, inventory, product usage, site selection criteria and tax information. We reserve the right to designate changes or enhancements to the information system used in your restaurant including the electronic cash registers, computer hardware, software and other equipment. At such time as we designate the change or enhancement to the information system, you may be required to make certain payments to us or our Approved Suppliers. You will have 6 months to install and commence using the changed or enhanced information system. You must acquire the right to use hardware, software, peripheral equipment and accessories, and arrange for installation, maintenance and support services of the initial, changed or enhanced information system all at your cost.

We have the right to independently access the information system and retrieve, analyze, download and use all software, data and files stored or used on the information system. We may access the information system through our intranet, in your restaurant or from other locations. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet or other online communications. You also must maintain a phone line and modem dedicated for the sole use of allowing our information system to interface and communicate with your information system and you may need to purchase software designated by us for this to occur. You also must have your restaurant connected to the internet using a connection method we approve, currently DSL or Cable modem. You must have an internet email account. You understand that the data storage, phone line, modem, communication software, internet access, internet email account and all additional hardware and software needed to implement and maintain these services is at your cost.

The current approved cash register/POS system is Revel. Revel is an integrated point-of-sale cash register and information system, which utilizes magnetic stripe readers, touch-screen technology, and proprietary software. We currently require you to purchase the Revel system (both software and hardware) sufficient for a minimum of 3 POS terminals. We estimate that your initial purchase of cash register/POS

hardware and software will cost approximately \$12,000 to \$14,000. We have the right to change the approved cash register/POS system and to require you to periodically purchase hardware and/or software upgrades for your cash register/POS system. We do not provide, and we do not require you to purchase a contract for, ongoing maintenance or support of your cash register/POS system.

In addition to the designated POS System, franchisees are required to participate in the current roster of mandatory technology programs listed in the table below. We may require that you sign a participation agreement with the third-party program administrators that we designate. Under the Franchise Agreement, we have the right to collect all of the ongoing fees associated with mandatory technology programs and pay the applicable fee to the third-party supplier collectively on behalf of you and other WINGS ETC.® restaurant owners.

Program	Approved Supplier	Startup Costs	Ongoing Costs
Gift Card Program	Vantiv Inc.	(N/A)	Currently \$25 per month
Online Ordering Platform	Mobo Systems Inc. (dba Olo) (New York, NY)	\$100 Activation Fee	Currently \$92 per month
Back-office Software Platform / Accounting	COMPEAT/Restaurant 365	\$150 Setup Fee	Currently \$159 per month
Managed Router	Unifi	(N/A)	Currently \$500-\$600 initial cost, \$90-\$200 per access point (depending upon company used) and \$0-\$200/year ongoing fees (depending upon company used)
POS System and KDS	Revel	(N/A)	Currently \$410 for 3 POS terminals and 4 KDS per month; currently additional \$50 per month for each additional POS terminal and \$29 per month for each additional KDS
Loyalty App	Punchh	\$0	Currently paid for by the Brand Fund

Site Selection

You select the site for the restaurant within the site selection area designated in the Franchise Agreement. We provide you with site selection criteria. You must verify to us that your site complies with our site selection criteria. We do not select, endorse or approve your site. However, upon your submission of all required information, we will (i) upon your reasonable request, and subject to our availability, conduct one physical tour of the proposed site and general trade area; and (ii) provide you with our written consent (or lack thereof) to the proposed site within 45-60 days from when you submit all required information, which will be based upon our general evaluation of the proposed site to ensure that it meets our then-current minimum standards and specifications. We are not required to conduct more than one physical tour during your site selection process, even if you propose multiple sites for your restaurant, but we reserve the right to do so. You may not proceed to develop a restaurant on the site unless we have consented to the site. The site selection factors considered by us in deciding whether or not to object to the location may include the following: (a) demographic information; (b) the size of the proposed restaurant; (c) traffic patterns; (d) visibility; (e) business mix; (f) ability to obtain liquor license; (g) ability to reflect image to be portrayed by WINGS ETC.® businesses; and (h) adequacy of signs and image. It is currently our practice to utilize a third party consultant to provide us with detailed demographic information on proposed sites, but we may also conduct some of the analysis in-house with designated software. If you and we cannot agree on a site to enable you to open your restaurant within 90 days of you signing the Franchise Agreement, we have the right to terminate your Franchise Agreement, without return of your Initial Franchise Fee (Franchise Agreement, Section 2.A).

Under the Development Agreement, we will evaluate the proposed sites of future restaurants pursuant to our then-current site selection procedure, and our then-current standards for sites will apply.

Typical Length of Time Before You Open Your Business

The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business is approximately 9 to 15 months from the execution of the Franchise Agreement. Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the restaurant, meet local requirements, obtain inventory, obtain liquor permit, and similar factors.

If you have not selected a site at the time the Franchise Agreement is signed, you have 90 additional days to do so or we may terminate the Franchise Agreement. You must begin operation within 365 days after signing the Franchise Agreement or 365 days after we approve your site, whichever is later. If you fail to begin operations within the stated time, we may terminate the Franchise Agreement (Franchise Agreement, Section 13.B).

If you enter into a Development Agreement, we and you will agree to a Development Area and the Development Schedule which identifies the number of WINGS ETC.® restaurants you will develop, and the time frame in which the WINGS ETC.® restaurants will be developed. You may not develop any WINGS ETC.® restaurant until there is a signed franchise agreement between you and us, and we have evaluated and approved the site as described above.

Manual

We will provide you access to the restaurant operating manuals maintained on our franchisee portal (the “Manual”). The Manual contains both mandatory and suggested standards and procedures that we develop to ensure the brand standards for WINGS ETC.® restaurants and information relating to your obligations as a franchisee. Our Manual contains proprietary information and you must keep such information confidential, as stated in Item 14 of this disclosure document. The Manual, as of the Issuance Date of this disclosure document, is divided into the following subjects:

OPERATIONS MANUAL

Subjects	Pages
Section 01 Introduction	2
Section 02 Franchise Support	1
Section 03 Brand Standards and General Policies	3
Section 04 New Store Opening Guidelines	1
Section 05 Food Safety, Receiving and Storage	11
Section 06 Building and Equipment Interior	67
Section 09 Hazardous Communication	4
Section 10 Sports Bar University	1
Section 11 Franchise Requirements	4
Section 12 Standard Operating Procedures - Food and Alcohol Recipes	550
Section 13 Tech OLO, WebMail, WingsWeb, Compeat, PCI Compliance, POS	48
Section 14 Marketing	3

Subjects	Pages
Section 15 BOH QR Charts, Checklist and Forms	42
Section 16 FOH QR Charts, Checklist and Forms	22
Section 17 Manger QR Charts, Checklist, Forms and Postings	24
Section 18 Finance Mastery	8
Section 19 Rollout Guides	7
Section 20 Nutritional and Allergen Lists	2
TOTAL	800

Training

Not more than 60 days before the opening of your restaurant, we will provide the following initial training and familiarization course to train at least 4 people from your management team, which the attendees must complete to our satisfaction:

TRAINING PROGRAM

Subject (1) (2)	Hours of Classroom Training	Hours of On-the-Job Training	Location
Overview/ Orientation	2	3	Certified training restaurant that we designate
Back of House Operations/ Food Preparation/Truck Ordering	3	50	Certified training restaurant that we designate
Front Of House Dining Side/ Customer Service	3	28	Certified training restaurant that we designate
Front of House Bar Side/Customer Service	2	16	Certified training restaurant that we designate
Back Office System Inventory, Sales and Reporting	2	66	Certified training restaurant that we designate
Certified Manager’s Duties/ Administration/ FLPDA and shift theory training	6	116	Certified training restaurant that we designate
Finance Training Module	4	4	Corporate Office or online live video
POS System	1	10	Certified training restaurant that we designate
TOTAL	23	293	

- (1) The instructional materials include the Operations Manual, online documents, sample forms, and advertising and marketing materials.
- (2) Brandy Eltzroth has been our Director of Learning since September 2022. Prior to that, Brandy started her career with WINGS ETC. restaurants operated by WEOC Inc. in 2016. There Brandy worked in various capacities including supporting new restaurant openings training team from 2017-2018. In February 2019 she became a Field Training Manager for all WEOC locations. While in her role she conducted many training classes for all levels of staff and wrote various training guides. Additional employees who have experience in some facet of the operation of a WINGS ETC. restaurant may assist Brandy in training.

All training must be completed to our satisfaction by you or a Principal Owner of you, your Certified Manager (if you or a Principal Owner of you is not acting in that capacity) and as many assistant manager(s) as are needed so that at least 3 management-level personnel for your restaurant attend the training program. “Principal Owner” and “Certified Manager” are defined in Item 15. We may permit you to send additional members of your management staff to the training program, although we may condition our permission on payment of a reasonable tuition fee. You or a Principal Owner must attend and successfully complete

training regardless of whether you hire an employee to act as a Certified Manager. Training lasts approximately 7 weeks.

Training will occur before your restaurant opens, at our headquarters in Indiana or another location we designate. You must pay for the salaries, fringe benefits, travel costs and expenses, and related costs for persons associated with you who attend the training program, but there is no separate fee for a Principal Owner and up to 3 other people to attend the initial training program, as training tuition is included in the Initial Franchise Fee. If you request that a new or additional Certified Manager or assistant manager attend training, you must pay our current training fee. All replacement managers must meet our applicable training requirements at the time of hire. If we train replacement managers, you must pay our then-current daily fees. In addition, we may develop and require you to purchase an in-restaurant training program in order for you to comply with the training requirements. You must have a trained Certified Manager on staff at all times.

In addition to the training program described above, a Principal Owner or your Certified Manager (if you or a Principal Owner is not acting in that capacity) must successfully complete “Manager-In-Position” training, which will take place at a WINGS ETC.® training restaurant that we designate. Manager-In-Position training consists of your Principal Owner or Certified Manager, as applicable, acting as an on-site manager of our training restaurant under the supervision of us or a WINGS ETC.® manager that we designate. You must pay for the salary, fringe benefits, travel costs and expenses, and related costs for your Principal Owner or Certified Manager to attend the Manager-In-Position training program, but there is no separate fee for the program. All assistant managers for your restaurant must successfully complete a 5-week training program at a WINGS ETC.® training restaurant that we designate. There is no separate fee for this training, but you must pay the salary, fringe benefits, travel costs and expenses, and related costs for your assistant managers to attend training.

We may require you to attend refresher training programs. We will not charge for these programs, but you must pay the travel and living expenses and supply costs for you and your employees. All replacement Certified Managers must successfully complete our training program at the time of hire and pay our then-current tuition for training a substitute Certified Manager.

ITEM 12 **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 grant you the right to operate a WINGS ETC.® restaurant at your authorized location only. We may permit you to relocate your restaurant to a location within the same general market area as your current authorized location, provided that: (a) you give us 60 days’ prior written notice, (b) we approve your new location and (c) you are operating at your new location within 180 days of closing your previous location. Our criteria for approving new locations are the same as the site selection criteria we use to approve your initial restaurant location and include the following factors as they relate to the proposed relocation site: (a) demographics; (b) traffic patterns; (c) visibility; (d) business mix; (e) ability to obtain liquor license; (f) ability to reflect image to be portrayed by WINGS ETC.® businesses; and (g) adequacy of signs and image. We do not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

We and our affiliates have the right to grant other franchises or operate company-owned WINGS ETC.® restaurants or offer, sell or distribute any products or services associated with the System under the Trademarks or any other trademarks or through any distribution channel or method, at any locations we deem advisable all without compensation to any franchisee; and we and our affiliates have the right to operate and franchise others to operate restaurants or any other business, at any location (including near

your authorized location) under trademarks other than the WINGS ETC.® Trademarks, without compensation to any franchisee.

We and our affiliates have the right to offer, sell or distribute, at any location, any frozen, pre-packaged items or other products or services associated with the System or identified by the Trademarks, or any other trademarks, except for retail food service Menu Items that are cooked or prepared to be served to the end user or customer for consumption at the retail location, all without compensation to any franchisee. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, catalogues, wholesale sales or the internet. You are not permitted to offer or sell products or services through these distribution channels. You must not offer catering and delivery services unless we authorize in writing and you comply with any rules, procedures, requirements or standards that we may establish in connection with such services.


If you sign a Development Agreement with us, you will receive a Development Area in which to develop more than 1 WINGS ETC.® restaurant. The Development Area is described in Exhibit A attached to the Development Agreement. The following categories of locations are specifically excluded from the Development Area even if they are physically located within the area described in Exhibit A to the Development Agreement: airports and other transportation terminals, sports facilities, hospitals, college and university campuses, corporate campuses, a department within an existing retail store, hotels, grocery stores, and other similar types of locations that have a restricted trade area (“Special Sites”). We have the right to operate or to franchise or license others the right to operate restaurants or other businesses identified by the Marks at all Special Sites. 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, at Special Sites.

The size of the Development Area will vary, depending on the number of WINGS ETC.® restaurants that you and we agree upon, the population base, the population density, growth trends of the population, degree of affluence of the population, the density of residential and business entities, and major topographical features which clearly define contiguous areas, like rivers, mountains and major freeways. We will not operate or grant a franchise to another party to operate a WINGS ETC.® restaurant in the Development Area so long as you meet the minimum Development Schedule, meet our standards for existing WINGS ETC.® franchisees who wish to open additional Wings Etc.® restaurants, comply with the terms of the Development Agreement and with each related Franchise Agreement. However, we have the right, without any compensation to you, to grant other franchises or develop and operate company-owned Wings Etc.® restaurants anywhere outside of the Development Area. Furthermore, as described above, we have certain rights under the Development Agreement and each Franchise Agreement to sell products and services using the Marks or other marks using similar or dissimilar channels of distribution in the Development Area without any compensation to you. If you do not comply with the Development Schedule and the Development Agreement, we may terminate the Development Agreement and grant individual or multiple unit rights within the Development Agreement to third parties.

Under the Development Agreement, we will evaluate the proposed sites of future restaurants pursuant to our then-current site selection procedure, and our then-current standards for sites will apply.

ITEM 13 **TRADEMARKS**

The Franchise Agreement licenses you to use the mark WINGS ETC.®, as well as other trademarks, service marks, trade names and commercial symbols (collectively, the “Marks”). We also claim common law trademark rights for all of the Marks. We have filed or intend to file all required affidavits and renewals for the Marks listed below.

Principal Trademark	Principal/ Supplemental Register	Registration / Filing Date	Registration Number	Status
WINGS ETC.	Principal	November 28, 2006	3176501	Registered (Renewed 12/31/2016)
	Principal	March 31, 2015	4710784	Registered
WINGS ETC.*	Not Applicable	March 8, 2005	2005-0136	Registered*

***State of Indiana registration only.**

We are the owner of the Mark WINGS ETC.® and the logo mark appearing in the table above, under an assignment from JHW, Inc., dated March 2, 2005.

Appendix A to your Franchise Agreement identifies the Marks that you are licensed to use. Appendix A will include the WINGS ETC.® trademark and our other Marks. As of the date of this disclosure document, the Marks in Appendix A are the same as those listed in the table above, although we have the right to change Appendix A from time to time. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new Menu Items, new products, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

You may not use the Marks as part of your business entity name. You may not use the Marks on your employment applications, employee evaluation forms, benefits statements, payroll checks or other documents or materials relating to your employees.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

We may change the name of the franchise System and the franchise offered during the term of your franchise agreement. We have the right to require you to modify or discontinue use of any WINGS ETC.® Mark or to use one or more additional or substitute trade or service marks. In such case, you must comply

with our directions to modify or discontinue the use of the WINGS ETC.® Mark or use one or more additional or substitute trade or service marks upon 60 days' notice from us. Such modification may include, without limitation, replacement of your restaurant signage. If we require you to change the name of your restaurant, we will reimburse you for your reasonable direct expenses in modifying or discontinuing the use of a WINGS ETC.® Mark and substituting a different trademark or service mark, up to a maximum of \$8,000. Your costs in substituting trademarks and/or replacing signage may exceed the amount that we are required to pay you. We may also require that you provide documentation of such direct expenses, prior to reimbursement. We are not obligated to reimburse you for any loss of goodwill associated with any modified or discontinued WINGS ETC.® trademark or for any expenditures made by you to promote a modified or substitute trademark or service mark.

You do not receive any rights under the Development Agreement to use the Marks. Those rights are granted only under the Franchise Agreement.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents or copyrights currently registered that are material to the franchise, although we do claim copyright ownership and protection for our WINGS ETC.® Franchise Agreement, secret recipes, manual and for various sales promotional and other materials published from time to time.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement or Development Agreement all proprietary information, including the manual. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the manual and all other copyrighted material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the manual at your cost.

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

A Principal Owner is any person who directly or indirectly owns a 10% or greater interest in the franchisee when the franchisee is a corporation, limited liability company or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is a Principal Owner, regardless of his or her percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner. (See Section 1.C of the Franchise Agreement located at Exhibit C to this disclosure document.) Principal Owners must sign a Personal Guarantee, agreeing to be personally bound

to the terms of the Franchise Agreement. We may require the spouse of any person who signs the Personal Guarantee to also sign the Personal Guarantee. A copy of the Personal Guarantee is included as part of the Franchise Agreement (see Exhibit C to this disclosure document).

During the term of the Franchise Agreement, you must at all times have 1 or more Certified Manager for your restaurant. Your Certified Manager must be an individual who: (a) devotes his or her full time and best efforts to the on-premises, day-to-day management of the restaurant, (b) has the authority to actively direct your business affairs regarding the restaurant, (c) is responsible for overseeing the general management of the restaurant, (d) has the authority to sign all contracts, and (e) will be present at and actively supervising the operation of the restaurant at least 40 hours per week. Your Certified Manager(s) need not have any equity interest in the franchisee entity. The use of a Certified Manager in no way relieves you of your obligations to comply with the Franchise Agreement, to ensure that the restaurant is properly operated, and to attend training. A Principal Owner or Certified Manager must be available to us at all times.

You (or if you are an entity, your Principal Owner who is acting as a Certified Manager) and 2 assistant managers must complete our training program. If any of the training attendees associated with your restaurant fail to satisfactorily complete the training program, you may designate a different individual. See Items 7 and 11 for a description of our training program and the related expenses.

All shareholders, officers, directors, partners, members and all managers and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept. If we so require, your managers and supervisory personnel and other employees receiving training from us must execute covenants not to compete in a form that we approve.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Item 8 of this disclosure document describes our requirements for approved supplies and suppliers. You must offer for sale at the restaurant all of the Menu Items, food and beverage products and retail items that we periodically require and you may not offer at the restaurant any unapproved products or menu items or use the premises for any purpose other than the operation of a restaurant. All chicken wings must be prepared using fresh, never frozen, chicken wings. We have the unlimited right to change the types of authorized products and services you may offer.

You will be required to have certain video games. In addition, we may require you to offer forms of gambling as we specify, including but not limited to, gaming machines, pull-tabs, sports betting and keno, provided such forms of gambling are lawful where your restaurant is located. You must not install or maintain on the premises of the restaurant any newspaper racks, video games, jukeboxes, gaming machines, gum machines, games, rides, vending machines, pool tables, automated teller machines or other similar devices without our prior written approval.

You may not offer any delivery service or engage in catering services without our prior written approval. You also may not offer for sale any Menu Items or other Products through the internet or other online programming or advertising. See Item 12. You are not otherwise limited in the customers to whom you may sell products or services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 4.A of Franchise Agreement Section 7 of Development Agreement	10 years.
b.	Renewal or extension of the term	Section 4.B of Franchise Agreement	Renewal for one additional term of 10 years.
c.	Requirements for you to renew or extend	Section 4.B of Franchise Agreement	You must be in good standing under the Franchise Agreement, give timely notice of election to renew, sign a general release, pay the renewal fee (Item 6), renovate your restaurant to comply with then-current standards, complete then-current training and sign our then-current form Franchise Agreement, which may contain materially different terms and conditions than your original franchise agreement.
d.	Termination by you	Section 13.C of Franchise Agreement Section 8.A of Development Agreement	Franchise Agreement: You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement. Development Agreement: You may terminate the Development Agreement with or without cause at any time by delivering written notice to us.
e.	Termination by us without cause	Not applicable	Not applicable.
f.	Termination by us with cause	Sections 13.A and B of Franchise Agreement Sections 8.B and C of Development Agreement	We can terminate the Franchise Agreement or Development Agreement only if you default or fail to comply with your obligations. A default under the Franchise Agreement is a default under the Development Agreement, and vice versa.
g.	“Cause” defined – curable defaults	Sections 13.A and B of Franchise Agreement Section 8.B of Development Agreement	Franchise Agreement: You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h below. Development Agreement: You have 30 days to cure defaults for the failure to meet the Development Schedule, or violation of any material provision of the Development Agreement or any franchise agreement issued under the Development Agreement. A default under the Franchise Agreement is a default under the Development Agreement, and vice versa.

	Provision	Section in Franchise Agreement	Summary
h.	“Cause” defined – non-curable defaults	Sections 13.A and B of Franchise Agreement Section 8.B of Development Agreement	Franchise Agreement: Non-curable defaults include: abandonment, loss or revocation of liquor license (or multiple suspensions), loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of restaurant, insolvency, unapproved assignments or transfers, convictions, intentionally understating or underreporting Gross Sales or other fees, multiple defaults, or failure to cure within 24 hours of notice a default which materially impairs the goodwill associated with any of our Trademarks. Development Agreement: Non-curable defaults include: Repeated failure to comply with one or more material requirement of the Development Agreement, bankruptcy or insolvency, convictions, or attempting to subfranchise any rights under the Development Agreement. A default under the Franchise Agreement is a default under the Development Agreement, and vice versa.
i.	Your obligations on termination/non-renewal	Sections 14.A-C of Franchise Agreement	Obligations include complete de-identification and payment of amounts due, assignment of lease upon our demand and telephone numbers, return of manual and proprietary materials and right to purchase assets of the restaurant (also see o and r below).
j.	Assignment of contract by us	Section 11.G of Franchise Agreement Section 9 of Development Agreement	No restriction on our right to assign.
k.	“Transfer” by you – defined	Section 11.A of Franchise Agreement	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change in the franchisee.
l.	Our approval of transfer by you	Section 11.B of Franchise Agreement Section 9 of Development Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Sections 11.B-D of Franchise Agreement Sections 9.A-F of Development Agreement	Franchise Agreement: Transferee meets all of our then-current requirements for one of the programs then being offered, transfer fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, required guarantees signed, necessary financial reports and other data on franchise business is prepared, transferee assumes all of your obligations or, at our option, signs a new franchise agreement with us, and you sign a general release (also see r below). Development Agreement: You are in compliance with the terms of all agreements between you and us, the proposed transferee meets all of our then-current requirements for developers, transferee does not compete in any way with the WINGS ETC.® business, transferee completes our training program, transferee assumes all of your obligations in the Development Agreement and all individual franchise agreements, and a transfer fee is paid.
n.	Our right of first refusal to acquire your business	Section 11.F of Franchise Agreement	We can match any offer for your restaurant assets. In the case of a proposed stock sale, we can purchase your restaurant assets at a price determined by an appraiser, unless you and we agree otherwise.

	Provision	Section in Franchise Agreement	Summary
o.	Our option to purchase your business	Section 14.B of Franchise Agreement	Upon termination, we have the right to purchase or designate a third party that will purchase all or any portion of the assets of your restaurant, including the land, building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, liquor license and inventory. Qualified appraiser(s) will determine price as described in the Franchise Agreement.
p.	Your death or disability	Section 11.E of Franchise Agreement	You can transfer your franchise right to your heir or successor in interest like any other transfer, but if assignee is your spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the franchise	Section 10.D of Franchise Agreement	No direct or indirect involvement in the operation of any restaurant or food business other than one authorized in the Franchise Agreement (with an exception for existing business other than casual or fast casual restaurant).
r.	Non-competition covenants after the franchise is terminated or expires	Section 10.D of Franchise Agreement	No direct or indirect involvement in a competing business for 2 years (i) at the premises of the former restaurant (ii) within 5 miles of the former restaurant or (iii) within 5 miles of any other business or restaurant using the System.
s.	Modification of the Agreement	Section 15.B of Franchise Agreement Section 11 of Development Agreement	Franchise Agreement: No modifications generally, but we have the right to change the manual, list of authorized trademarks and menu. Development Agreement: No modifications unless completed in writing by you and us.
t.	Integration/merger clause	Section 15.B of Franchise Agreement Section 11 of Development Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12 of Franchise Agreement Section 10 of Development Agreement	Except for certain claims, all disputes must be arbitrated in Indianapolis, Indiana (subject to state law).
v.	Choice of forum	Section 15.I of Franchise Agreement Section 10 of Development Agreement	Litigation must be in the Federal District Court for the Southern District of Indiana or in Indiana State Circuit Court in the County of Marion, Indiana (subject to state law).
w.	Choice of law	Section 15.H of Franchise Agreement Section 10 of Development Agreement	Applicable law is that of the state where your business is located (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for

the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The financial performance representations set forth in this Item 19 contain information relating to company-owned and franchisee-owned WINGS ETC.® restaurants that open and operating as of December 31, 2023.

The tables presented in Parts 1 through 3 below list 2023 information for the restaurants included in the financial performance representation. Part 1 lists information for franchisee-owned Wings Etc.® restaurants and Part 2 lists information for company-owned Wings Etc.® restaurants. The tables in Parts 1 and 2 separate the information into tiered quartiles (top 25%, second 25%, third 25%, and bottom 25%) and then present information on certain statistical categories. Part 3 lists overall averages for company-owned restaurants, for franchised restaurants and, for company-owned and franchised restaurants combined, based upon the outlets that were included in Part 1 and Part 2, not separated into quartiles. Wherever average figures are presented, we have listed both the average for the applicable category and the median (midpoint) amount. Wherever average total sales figures are presented, we also listed high and low figures for the applicable tier.

The following definitions apply to financial performance representations in this Item 19:

Total Sales. Total Sales means the total Gross Sales of the restaurant. This means all revenues and receipts from the sale of all products, services and merchandise but not including sales tax or discounts. This figure includes revenues related to food and alcohol sales, as well as revenue from newspaper racks, video games, jukeboxes, gaming machines, gum machines, games, rides, vending machines, pool tables, automated teller machines or other similar devices. This figure also includes sales made at discounted prices, including sales made in connection with coupons and other promotional activities.

Food Cost. Food Cost means the restaurant's cost for food products sold to customers during the year (based on beginning inventory plus purchases less ending inventory). The food products include ingredients, non-alcoholic beverages, and condiments. Note that the food cost portion of discounts given and employee meals is not reflected in this figure.

Alcohol Cost. Alcohol Cost means the cost of the alcoholic beverages sold to customers of the restaurant during the year (based on beginning inventory plus purchases less ending inventory), and may expressed as a percentage of Total Sales.

Total Labor Cost. Total Labor Cost means labor costs for the restaurant during the year. Labor Cost includes crew labor, hourly shift manager wages and salaries, as well as salary paid to the general manager or principal operator. It also includes employment related taxes, other compensation, and benefits. You will have the sole discretion to determine the number of employees and managers hired for your restaurant, and their hours, compensation and benefits. The figures in this Item 19 are not requirements nor recommendations.

Paper Cost. Paper Cost means the cost of paper products that are used by the restaurant during the year (based on beginning inventory plus purchases less ending inventory). Paper products include bags, product wraps and containers, other paper products, cups and lids, straws, and eating utensils.

Discounts. Discount means the costs associated with discounted sales (generally for promotional and customer service purposes) and employee meals.

Total Cost. This is the total of all cost categories (Food, Labor, Paper, Discount and Alcohol).

EBITDAR. EBITDAR is an accounting term meaning total earnings before adjustment for interest, taxes, depreciation, amortization and rent.

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Part 1: 2023 Franchisee-Owned Restaurant Revenue and Cost Information by Quartile

There were a total of 54 franchised Wings Etc.® restaurants operating as of December 31, 2023. Three of these franchised restaurants were newly opened in 2023, and one company-owned restaurant was sold to a franchisee during 2023, and were not included in this Part 1 because they were not in operation for at least 12 months as of December 31, 2023. One franchised restaurant left system during 2023 and was not included in this Part 1 because it was not in operation for at least 12 months as of December 31, 2023.

TABLE 1: FRANCHISED RESTAURANT SALES AND COST INFORMATION BY TIER

Tier (and # of Restaurants in Tier)	Average Total Sales Tier	Median Total Sales for Tier	Low to High Total Sales for Tier	Average Food Cost %	Average Labor Cost %	Average Paper Cost Percent	Average Discount Cost %	Average Alcohol Cost %	Average Total Cost %
1st - Quartile Top 25% (13)	\$2,198,611	\$2,080,012	\$1,768,600 to \$3,628,334	23.9%	15.3%	2.1%	2.4%	5.7%	49.4%
2nd - Quartile Second 25% (12)	\$1,581,519	\$1,595,618	\$1,402,271 to \$1,708,051	23.4%	16.0%	2.1%	2.8%	6.1%	50.3%
3rd - Quartile Third 25% (12)	\$1,305,932	\$1,324,601	\$1,201,551 to \$1,400,873	24.3%	16.3%	2.3%	3.0%	4.8%	50.7%
4th - Quartile Bottom 25% (13)	\$1,047,692	\$1,064,387	\$647,887 to \$1,199,304	24.2%	16.0%	2.6%	3.5%	5.3%	51.5%

Part 2: 2023 Company-Owned Restaurant Revenue and Cost Information by Quartile

There were a total of 26 company-owned Wings Etc.® restaurants operating as of December 31, 2023. Two of these company-owned restaurants were newly opened in 2023 and were not included in this Part 2 because they were not in operation for at least 12 months as of December 31, 2023. All other 24 restaurants were continuously operated by our affiliate for at least 12 months as of December 31, 2023 were included in Part 2.

TABLE 2: COMPANY-OWNED RESTAURANT SALES AND COST INFORMATION BY TIER

	Top 25% (6 Restaurants)		Second 25% (6 Restaurants)		Third 25% (6 Restaurants)		Bottom 25% (6 Restaurants)	
SALES	Average (Median)	Average % (Median)	Average (Median)	Average % (Median)	Average (Median)	Average % (Median)	Average (Median)	Average % (Median)
Food Sales	1,876,345 (1,692,701)	75.5% (73.75%)	1,447,581 (1,456,799)	81.2% (80.58%)	1,116,832 (1,131,712)	81.7% (82.44%)	912,657 (890,634)	83.9% (84.10%)
Alcohol Sales	551,295 (538,172)	22.2% (23.45%)	325,260 (339,602)	17.8% (17.99%)	225,441 (225,561)	14.2% (14.05%)	166,290 (160,927)	15.6% (16.63%)
Games & Merchandise Income	57,131 (64,428)	2.3% (2.81%)	10,708 (11,500)	1.1% (1.02%)	24,145 (15,422)	0.4% (0.32%)	8,690 (7,475)	1.5% (1.02%)
Total Sales	2,484,771 (2,295,301)	100.0%	1,783,549 (1,807,901)	100.0%	1,366,417 (1,372,695)	100.0%	1,087,637 (1,059,035)	100.0%
Range of Total Sales in Tier	\$1,999,139 - \$3,401,861		\$1,532,095 - \$1,996,068		\$1,241,845 - \$1,483,888		\$960,867 - \$1,196,233	
COSTS	Average	Average %	Average	Average %	Average	Average %	Average	Average %
Cost of Goods Sold								
Food Cost	\$598,560	24.1%	\$450,209	25.2%	\$338,896	24.8%	\$280,792	25.8%
Alcohol Cost	\$157,582	6.3%	\$90,064	5.0%	\$66,335	4.9%	\$45,993	4.2%
Paper Cost	\$62,672	2.5%	\$41,481	2.3%	\$34,309	2.5%	\$27,208	2.5%
Discounts / Other	\$78,714	3.2%	\$46,780	2.6%	\$44,295	3.2%	\$34,131	3.1%
Total Cost of Goods Sold	\$897,528	36.1%	\$628,534	35.2%	\$483,835	35.4%	\$388,124	35.7%
Labor Cost								
Management & Team Wages	\$554,745	22.3%	\$433,636	24.3%	\$357,047	26.1%	\$316,051	29.1%

TABLE 2: COMPANY-OWNED RESTAURANT SALES AND COST INFORMATION BY TIER

	Top 25% (6 Restaurants)		Second 25% (6 Restaurants)		Third 25% (6 Restaurants)		Bottom 25% (6 Restaurants)	
Insurance - Health	\$32,756	1.3%	\$19,559	1.1%	\$8,579	0.6%	\$4,929	0.5%
P/R Tax / Workers Compensation	\$80,699	3.2%	\$62,615	3.5%	\$48,155	3.5%	\$41,767	3.8%
Bonus / Vacation Expense	\$14,617	0.6%	\$16,806	0.9%	\$8,885	0.7%	\$10,086	0.9%
Total Labor Cost	\$682,817	27.5%	\$532,615	29.9%	\$422,665	30.9%	\$372,834	34.3%
Gross Profit	\$904,425	36.4%	\$622,399	34.9%	\$459,918	33.7%	\$326,680	30.0%
Unit Controllable Expenses								
Telephone & Utilities	\$48,137	1.9%	\$48,043	2.7%	\$42,480	3.1%	\$43,344	4.0%
Operating Supplies/Services/Other	\$192,090	7.7%	\$142,028	8.0%	\$127,042	9.3%	\$107,339	9.9%
Repairs and Maintenance	\$32,707	1.3%	\$27,204	1.5%	\$14,327	1.0%	\$15,212	1.4%
Advertising	\$43,563	1.8%	\$33,279	1.9%	\$23,273	1.7%	\$18,972	1.7%
Taxes, Licenses & Insurance	\$14,357	0.6%	\$10,641	0.6%	\$9,326	0.7%	\$9,793	0.9%
Royalty Fees	\$120,521	4.9%	\$86,957	4.9%	\$42,509	3.1%	\$36,134	3.3%
Total Unit Controllable Expenses	\$451,375	18.2%	\$348,152	19.5%	\$258,958	19.0%	\$230,794	21.2%
Restaurant Level EBITDAR	\$453,050	18.2%	\$274,247	15.4%	\$200,959	14.7%	\$95,885	8.8%

Part 3: 2023 Franchised & Company-Owned Restaurant Revenue and Cost Information Overall Averages

There were a total of 80 Wings Etc.® restaurants operating as of December 31, 2023. 74 of the 80 company and franchised restaurants had been continuously operating for at least 12 months as of December 31, 2023 and were included in the financial performance representation.

TABLE 3: FRANCHISED AND COMPANY-OWNED RESTAURANT SALES AND COST INFORMATION TOTALS									
Tier (and # of Restaurants in Tier)	Average Total Sales Tier	Median Total Sales for Tier	Low to High Total Sales for Tier	Average Food Cost %	Average Labor Cost %	Average Paper Cost %	Average Discount Cost %	Average Alcohol Cost %	Average Total Cost %
All Company-Owned Combined (24)	\$1,680,585	\$1,507,992	\$960,867 to \$3,401,861	24.8%	13.7%	2.5%	2.9%	5.3%	49.2%
All Franchisee Tiers Combined (50)	\$1,537,027	\$1,401,572	\$647,887 to \$3,628,334	23.9%	15.8%	2.2%	2.8%	5.5%	50.3%
All Company & Franchisee Tiers Combined (74)	\$1,583,587	\$1,421,642	\$647,887 to \$3,628,334	24.2%	15.1%	2.3%	2.8%	5.5%	49.9%

Notes to Part 3:

- 10 out of the 24 (42%) company-owned restaurants met or exceeded the average Total Sales for company-owned restaurants.
- 21 out of the 50 (42%) total franchised restaurants met or exceeded the average Total Sales for franchised restaurants.
- 31 out of the 74 (42%) total restaurants in the system (both company-owned and franchised combined) met or exceeded the average Total Sales for all restaurants.

Some restaurants have sold the amounts listed above. Your individual results may differ. There is no assurance that you will sell as much.

You are responsible for developing your own business plan for your restaurant, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business, and legal advisors in doing so.

The financial performance representation does not list the various expenses that you will incur in connection with your operation of your restaurant. In addition to the ordinary expenses you will incur in the operation of a restaurant (such as costs of goods sold, employee wages and overhead), you will pay royalty and marketing fees to us as described in Item 6 of this disclosure document. You also may incur other additional expenses including, but not limited to, insurance, legal and accounting, interest on debt service, rent (if applicable), depreciation/amortization, property taxes, and other taxes and licenses. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Wings, Etc., Inc. does 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 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 Robert Hensmann, 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, IN 46804; (260) 434-0888, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
System-Wide Outlet Summary
For years 2021 to 20223

Outlet Type	Year¹	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	52	55	+3
	2022	55	55	0
	2023	55	54	-1
Company-Owned ²	2021	20	22	+2
	2022	22	25	+3
	2023	25	26	+1
Total Outlets	2021	72	77	+5
	2022	77	80	+3
	2023	80	80	0

- (1) All numbers are as of our fiscal year end for each fiscal year. Our fiscal year ends on the last Sunday of each calendar year.
- (2) These outlets are operated by one of the WEOC Entities, which are our affiliates. See Item 1 for more information.

TABLE NUMBER 2
Transfers of Outlets From Franchisee
to New Owners (Other than the Franchisor)
For years 2021 to 20223

State	Year(1)	Number of Transfers
TOTAL	2021	0
	2022	0
	2023	0

TABLE NUMBER 3
Status of Franchised Outlets
For years 2021 to 20223

State	Year	Outlets at the Start of the Year¹	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Florida	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	0
Illinois	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5

State	Year	Outlets at the Start of the Year ¹	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Indiana	2021	23	3	0	0	2	0	24
	2022	24	0	0	0	3	0	21
	2023	21	2	0	0	0	1	22
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Michigan	2021	9	0	0	0	0	1	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1	7
Missouri	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
North Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	3	0	0	0	0	0	3
	2022	3	2	0	0	0	0	5
	2023	5	1	0	0	0	1	5
South Carolina	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	1	1
Tennessee	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Texas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TOTAL	2021	52	6	0	0	2	1	55
	2022	55	4	0	0	3	1	55
	2023	55	4	0	0	0	5	54

(1) All numbers are as of our fiscal year end for each fiscal year. Our fiscal year ends on the last Sunday of each calendar year.

TABLE NUMBER 4
Status of Company-Owned Outlets
For years 2021 to 20223

State	Year	Outlets at the Start of the Year (Note 1)	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year (Note 2)
Indiana	2021	20	0	2	0	0	22
	2022	22	0	3	0	0	25
	2023	25	1	0	0	1	25
South Carolina	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
TOTAL	2021	20	0	2	0	0	22
	2022	22	0	3	0	0	25
	2023	25	2	0	0	1	26

- (1) All numbers are as of our fiscal year end for each fiscal year. Our fiscal year ends on the last Sunday of each calendar year.
- (2) The outlets listed in this table are owned by one of the WEOC Entities. See Item 1 for more information.

TABLE NUMBER 5
Projected Openings
as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Year
Florida	1	1	0
Indiana	3	1	0
Minnesota	1	1	0
Michigan	1	0	0
West Virginia	1	1	0
Virginia	1	1	0
Tennessee	1	0	0
Texas	1	1	0
TOTAL	10	6	0

Included in this disclosure document as Exhibit E is a list of the operational franchised WINGS ETC.® restaurants as of December 31, 2023, and a list of franchisees that have signed a franchise agreement but their restaurant was not yet open as of December 31, 2023.

Also included in Exhibit E is a list containing the name, city, state, and current business telephone number or, if unknown, the last known telephone number of every franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our last fiscal year.

No franchisee has failed to communicate with us within 10 weeks of the date of this disclosure document.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Wings Etc. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. We also require franchise applicants to sign a confidentiality and non-disclosure undertaking, which similarly requires applicants to keep confidential any proprietary and trade secret information to which they are exposed.

If you buy a WINGS ETC.® restaurant, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee associations that are required to be disclosed in this disclosure document.

ITEM 21 **FINANCIAL STATEMENTS**

The following financial statements of Wings Etc., Inc. are included in this disclosure document as Exhibit B: (i) audited balance sheets of Wings Etc., Inc. as of December 31, 2023, and December 25, 2022; (ii) statements of income, stockholders' equity and cash flows, as of December 31, 2023, December 25, 2022, December 26, 2021; and (iii) independent auditor's report.

ITEM 22 **CONTRACTS**

This disclosure document includes a sample of the following contracts:

- Exhibit C - Franchise Agreement (including Appendices)
- Exhibit D - Multiple Restaurant Development Agreement
- Exhibit F - State Effective Dates and Receipts

ITEM 23 **RECEIPTS**

Attached to this disclosure document as Exhibit F is a detachable acknowledgment of receipt.

ADDENDUM TO WINGS ETC., INC. DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body.

1. Item 17.

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

2. Item 23.

Illinois law, 815 ILCS 705/5, requires 14 calendar days' disclosure prior to the signing of a binding agreement or any payment to us.

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 (i) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO WINGS ETC., INC. 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:

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.

Restaurant Franchise: Any claims under the Maryland Franchise and Disclosure law may be brought in the State of Maryland.

3. Item 17.

Restaurant Franchise: 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.

Pursuant to COMAR 02.02.08.16L, any 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.

5. Item 17.

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 (i) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Item 22.

A Release of Claims is attached to the Maryland Addendum to the Franchise Agreement (See Exhibit C to the disclosure document).

ADDENDUM TO WINGS ETC., INC. DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of 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 Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (i) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO WINGS ETC., INC. DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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.

Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (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 one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): 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 Section 687.4 and 687.5 be satisfied.

The Summary section of Item 17(d) is deleted and replaced with the following language: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the Summary sections of Items 17(v) and 17(w): 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 WINGS ETC., INC. DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA

The following information applies to franchises and franchisees subject to the Virginia Retail Franchising Act. Item numbers correspond to those in the main body.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Wings Etc., Inc. for use in the Commonwealth of Virginia shall be amended as follows:

1. Item 17.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

SAMPLE RELEASE OF CLAIMS
(EXECUTED IN CONNECTION WITH TRANSFERS, RENEWALS, ETC.®)

For and in consideration of the agreements and covenants described below, Wings Etc., Inc. (“Franchisor”) and _____ (“Franchisee”) and _____ (“Guarantors”) enter into this Release of Claims (“Agreement”).

RECITALS

A. Franchisor and Franchisee entered into a WINGS ETC.® Franchise Agreement dated _____, _____.

B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration.]

2-3. [NOTE: Detail terms and conditions of the agreement.]

4. **Release.**

a. Franchisee and Guarantors, each on behalf of themselves and their present and former, direct and indirect, parents, subsidiaries, affiliates, employees, officers, directors, shareholders, owners, heirs, successors, and assigns (collectively, “Franchisee Parties”) hereby release, waive, and forever discharge Franchisor, and its present and former, direct and indirect, parents, predecessors, subsidiaries, affiliates, employees, officers, directors, shareholders, members, owners, agents, representatives, successors, and assigns (collectively, “Franchisor Parties”) of and from any and all actions, causes of action, suits, losses, liabilities, rights, debts, dues, sums of money, accounts, reckonings, obligations, costs, expenses, liens, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands, of every kind and nature whatsoever, whether now known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, in law, or equity (collectively, “Claims”), which any of such Franchisee Parties ever had, now have, or hereafter can, shall, or may have against any of such Franchisor Parties for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the Effective Date, including, without limitation, those arising out of or relating to the Franchise Agreement, the Franchised Business, the offer and sale of the Franchised Business, or the franchise relationship between any of the Franchisee Parties and any of the Franchisor Parties. Franchisee and Guarantors, on behalf of the Franchisee Parties, understand that they may later discover Claims or facts that may be different from, or in addition to, those that it or any other Franchisee Party now knows or believes to exist regarding the subject matter of the release contained in this Section 4, and which, if known at the time of signing this Agreement, may have materially affected this Agreement and its decision to enter into it and grant the release contained in this Section 4. Nevertheless, Franchisee and Guarantors, on behalf of themselves and the other Franchisee Parties, intend to fully, finally and forever settle and release all Claims that now exist, may exist, or previously existed, as set out in the release contained in this Section 4, whether known or unknown, foreseen or unforeseen, or suspected or unsuspected, and the release given herein is and will remain in effect as a complete release, notwithstanding the discovery or existence of such additional or different facts. The Franchisee Parties hereby waive any right or Claim that might arise as a result of such different or additional Claims or facts.

Franchisee and Guarantors represent and warrant as follows: (i) none of them are aware of any Claim that is not covered by the release contained in this Section 4, (ii) none of them have assigned or transferred any

of the Claims released herein to any person or entity and no person or entity has subrogated to or has any interest or rights in any Claims, and (iii) each of them has the full right, power, and authority to enter into this Agreement, to grant on behalf of itself and the other Franchisee Parties the releases contained herein, and to perform its obligations hereunder.

[*California-specific language:* Franchisee and Guarantors, on behalf of the Franchisee Parties, waive all rights and protections that they have or may have under Section 1542 of the California Civil Code. Section 1542 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.

Franchisee and Guarantors, on behalf of the Franchisee Parties, acknowledge and agree that the foregoing waiver of Section 1542 is an essential, integral and material term of this release and that they have had adequate opportunity to gather all information necessary to enter into this Amendment and to grant the releases contained herein, and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Amendment.]

[*The following language is to be included if the Washington Franchise Investment Protection Act, RCW 19.100, applies:* The general release granted under this Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules thereunder.]

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:
Wings Etc., Inc.

By: _____
Its: _____

FRANCHISEE:

By: _____
Its: _____

GUARANTORS:

_____, Individually

EXHIBIT A

List of State Agencies and Agents for Service of Process

List of State Agencies and Agents for Service of Process

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT B

Financial Statements

WINGS ETC., INC

**Independent Accountants' Report
and Financial Statements**

**December 31, 2023 and
December 25, 2022 and**

Wings Etc., Inc.

December 25, 2022 and December 26, 2021

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Independent Auditor's Report

To the Board of Directors and Shareholders
of Wings Etc., Inc.
Fort Wayne, Indiana

Opinion

We have audited the accompanying financial statements of Wings Etc., Inc. (an Indiana corporation) which comprise the balance sheets as of December 31, 2023 and December 25, 2022, and the related statements of income, stockholder's equity, and cash flows for the three years ended December 31, 2023, December 25, 2022, and December 26, 2021 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wings, Etc., Inc. as of December 31, 2023 and December 25, 2022, and the results of its operations and its cash flows for the three years then ended December 31, 2023, December 25, 2022, and December 26, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Partnering with You

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Bluffton CPA Group, PC

Bluffton CPA Group, PC
Bluffton, Indiana
March 3, 2023

Wings Etc., Inc.
Balance Sheets
December 31, 2023 and December 25, 2022

	2023	2022
Assets		
Current Assets		
Cash	\$ 920,274	\$ 1,171,714
Restricted cash	676,728	657,218
Accounts receivable	20,152	263,715
Prepaid sales commissions	108,000	108,000
Other receivables	709,038	502,478
Total Current Assets	2,434,192	2,703,125
Property and Equipment		
Machinery and equipment	727,436	730,563
Leasehold improvements	32,028	17,878
Less accumulated depreciation and amortization	(494,498)	(435,944)
	264,966	312,497
Operating lease right-of-use assets	1,262,699	1,328,292
Notes receivable-shareholder	296,236	386,196
Other Assets	181,433	231,013
Total Assets	\$ 4,439,526	\$ 4,961,123
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of long-term debt	\$ 107,677	\$ 111,363
Accounts payable	128,770	160,771
Gift card liability	571,636	533,096
Accrued development fee	251,945	251,945
Accrued expenses	139,045	431,129
Total current liabilities	1,199,073	1,488,304
Deferred franchise revenue	393,026	551,553
Long-term debt	21,136	54,519
Operating lease liabilities	1,187,711	1,258,125
Total long-term liabilities	1,601,873	1,864,197
Stockholders' Equity		
Common stock, no par value; \$61 stated value; 1,000 shares authorized and issued, 934.60 and 866.25 shares outstanding	61,000	61,000
Paid-in capital from treasury stock	479,039	479,039
Less: Treasury stock, at FMV (65.40 and 133.75 shares at \$2,349)	(153,604)	(153,604)
Retained earnings	1,252,145	1,222,187
Total stockholders' equity	1,638,580	1,608,622
Total Liabilities and Stockholders' Equity	\$ 4,439,526	\$ 4,961,123

Wings Etc., Inc.
Statements of Income

Years Ended December 31, 2023, December 25, 2022, and December 26, 2021

	2023	2022	2021
Revenue	\$ 8,725,775	\$ 8,265,803	\$ 8,085,912
Costs and Expenses			
Selling	617,092	624,213	782,209
Professional fees	62,754	63,183	103,871
Depreciation and amortization	131,452	179,865	131,939
General and administrative	6,227,235	6,073,698	4,871,607
	<u>7,038,533</u>	<u>6,940,959</u>	<u>5,889,626</u>
Operating Income	<u>1,687,242</u>	<u>1,324,844</u>	<u>2,196,286</u>
Other Income (Expense):			
Gain (loss) on sale of asset	1,608	15,167	7,736
Interest income	3,784	(469)	5,143
PPP loan forgiveness	-	-	-
Interest expense	(483)	-	(4,350)
Net Income	<u>\$ 1,692,151</u>	<u>\$ 1,339,542</u>	<u>\$ 2,204,815</u>

Wings Etc., Inc.

Statements of Changes in Stockholders' Equity Years Ended December 31, 2023, December 25, 2022, and December 26, 2021

	Common Stock	Paid-in Capital Treasury Stock	Treasury Stock	Retained Earnings	Total
Balance, December 27, 2020	61,000	125,245	(314,137)	1,251,080	1,123,188
Net income				2,204,815	2,204,815
Reissued shares		353,794	160,533		514,327
Payment of dividends				(1,881,972)	(1,881,972)
Balance, December 26, 2021	61,000	479,039	(153,604)	1,573,923	1,960,358
Net income				1,339,542	1,339,542
Payment of dividends				(1,691,278)	(1,691,278)
Balance, December 25, 2022	<u>\$ 61,000</u>	<u>\$ 479,039</u>	<u>\$ (153,604)</u>	<u>\$ 1,222,187</u>	<u>\$ 1,608,622</u>
Net income				1,692,151	1,692,151
Payment of dividends				(1,662,193)	(1,662,193)
Balance, December 31, 2023	<u>\$ 61,000</u>	<u>\$ 479,039</u>	<u>\$ (153,604)</u>	<u>\$ 1,252,145</u>	<u>\$ 1,638,580</u>

Wings Etc., Inc.
Statements of Cash Flows

Years Ended December 31, 2023, December 25, 2022, and December 26, 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,692,151	\$ 1,339,542	\$ 2,204,815
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	131,452	179,865	131,939
(Gain) Loss on sale of assets	(1,608)	(15,167)	(7,736)
PPP Loan forgiveness	-	-	-
(Increase) decrease in:			
Accounts and other receivables and prepaids	37,003	(36,496)	(98,881)
Increase (decrease) in:			
Accounts payable and accrued expenses	(285,545)	22,754	232,373
Deferred franchise revenue	(158,527)	(59,773)	110,819
Net cash provided by (used in) operating activities	<u>1,414,926</u>	<u>1,430,725</u>	<u>2,573,329</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of equipment	(34,341)	(79,825)	(177,996)
Proceeds, property and equipment sales	1,608	15,167	13,509
(Loans to)/payments from shareholders	89,960	94,215	(480,411)
Proceeds from sale of investments	-	-	-
Net cash provided by (used in) investing activities	<u>57,227</u>	<u>29,557</u>	<u>(644,898)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowing	-	-	116,144
Principal payment on long-term debt	(41,890)	(44,969)	(268,548)
Proceeds from treasury stock reissue	-	-	514,327
Dividends paid	(1,662,193)	(1,691,278)	(1,881,972)
Net cash provided by (used in) financing activities	<u>(1,704,083)</u>	<u>(1,736,247)</u>	<u>(1,520,049)</u>
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
Cash, cash equivalents, and restricted cash beginning of Year	1,828,932	2,104,897	1,696,515
Cash, cash equivalents, and restricted cash end of Year	<u>\$ 1,597,002</u>	<u>\$ 1,828,932</u>	<u>\$ 2,104,897</u>
Supplemental Disclosures			
Interest paid	\$ 483	\$ -	\$ 4,350

See Notes to Financial Statements

Wings Etc., Inc.
Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Wings Etc., Inc. (Company) was formed on August 30, 2004, for the purpose of developing and franchising a system of restaurants to operate under the name of Wings Etc. The Company conducts principally all of its business in Indiana and twelve additional states. The Company earns revenue predominately from royalties earned from restaurants that are based on a percentage of gross sales at each restaurant.

Fiscal Year

The Company's fiscal year ends on the last Sunday in December. The year ended December 31, 2023 consisted of 53 weeks, and December 25, 2022 and December 26, 2021 each consisted of 52 weeks.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Supplemental Cash Flow Information

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balances sheets that sum to the total of the same such amounts shown in the statements of cash flows.

	<u>December 31, 2023</u>	<u>December 25, 2022</u>
Cash and cash equivalents	\$ 920,274	\$ 1,171,714
Restricted cash	<u>676,728</u>	<u>657,218</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 1,597,002</u>	<u>\$ 1,828,932</u>

Amounts included in restricted cash represent those required to be set aside by the Company, the franchisor, as the administrator of the gift card program. The balance in the gift card account at December 31, 2023 and December 25, 2022 was \$620,465 and \$417,000, respectively. Also included in restricted cash is the amount received by a number of stores who have formed independent co-ops for marketing expenses specific to their related marketing area. There are currently four independent co-ops representing the following three marketing areas in Indiana and Michigan: Indianapolis, Fort Wayne, Michiana, and Valparaiso. The Company receives an additional fixed percentage of sales from stores participating in these co-ops. The co-op account was opened August 2019 and the balance in the account at December 31, 2023 and December 25, 2022 was \$56,263 and \$240,218, respectively.

Accounts Receivable

The Company receives weekly payments for royalties earned along with a summary of gross sales at each restaurant for the same period. The Company also sells various other miscellaneous items on credit to franchised stores. Management feels that all accounts are collectible, and therefore, no allowance for doubtful accounts has been provided at December 31, 2023 or December 25, 2022.

Notes to Financial Statements
December 31, 2023 and December 25, 2022

**Note 1: Nature of Operations and Summary of Significant Accounting Policies,
Continued:**

Property and Equipment

Property and equipment are carried at cost and depreciated over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or the estimated useful lives of the improvements. Annual depreciation is computed using the straight-line method.

Gift Cards

The Company, as the franchisor, administers the gift card program for its franchise stores, and the proceeds and obligations belong to the franchisor. The gift cards issued have no expiration date. Franchisees remit cash received for sale of gift cards as they are activated, and report redemptions each period for reimbursement by the franchisor. The Company tracks and recognizes gift card breakage as the administrator of the program. The Company recognizes revenue for breakage on all gift cards that have had no activity for five years and still have a balance that has not been redeemed. Breakage revenue is recorded as "Other revenue" in Note 1, under Revenue Recognition, and was \$12,523, \$33,156, and \$28,355 for the years ended December 31, 2023, December 25, 2022, and December 26, 2021, respectively.

Income Taxes

The Company's stockholders have elected to have the Company's income taxed as an S Corporation under provisions of the Internal Revenue Code and a similar section of the State of Indiana income tax law. Therefore, taxable income or loss is reported to the individual stockholders for inclusion in their respective tax returns and no provision for federal and state income taxes is included in these statements.

Revenue Recognition

Revenue from royalties are determined as a percentage of sales and are recognized in the same period as the related franchise store revenue. The franchise store revenue is reported on a weekly basis.

The Company receives marketing credits from various vendors for the purchase and marketing of their respective products.

The Company also grants franchises to private operators in exchange for a franchise fee. The initial franchise fee is identified in the Franchise Disclosure Document (FDD) and is nonrefundable and payable upon the signing of the agreement. The fee is made up of three performance obligations: franchise license, site support, and training. The franchise license fee is amortized over the term of

Wings Etc., Inc.
Notes to Financial Statements
December 31, 2023 and December 25, 2022

**Note 1: Nature of Operations and Summary of Significant Accounting Policies,
Continued:**

Revenue Recognition, Continued

the agreement which is 10 years. The site support and training fees are expensed when the store opens. The site support fee has two components: site selection process and site construction process. The site selection process fee is determined by estimating the number of site visits per year, calculating an estimated cost for the year for the site software, labor, and travel, and dividing the yearly cost by the number of visits per year. The site construction process fee takes the average cost per day for the site manager's labor, benefits, and travel multiplied by the number of days expected to be onsite for each component of the construction process. The training fee amount, per trainee, is identified in the FDD and is multiplied by the estimated number of trainees expected per store. A franchised store can renew their license after the expiration of the initial ten year term for an additional ten year term at 10% of the initial franchise fee at the time of renewal. The renewal franchise fee is amortized over the ten year renewal term. The Company began selling Multiple Restaurant Development Agreements in 2016 whereby a franchisee pays a development fee in order to develop a second and subsequent store within an agreed-upon area. The development fee is accrued and used as a credit, against the subsequent franchise fee for the second and subsequent stores and is recognized as revenue when the subsequent franchise is sold. One franchise was sold in 2023, none subject to a development agreement and five stores opened. In addition, as affected by COVID-19, three franchises transferred to a different franchisee and five franchises closed in 2023. Accrued Development Fees were \$251,945 and \$251,945 as of December 31, 2023 and December 25, 2022, respectively. The related sales commission is accrued and recognized as an expense when the subsequent franchise is sold. Prepaid Sales Commissions were \$108,000 and \$108,000 as of December 31, 2023 and December 25, 2022, respectively.

The estimated amount of deferred revenue equals the transaction price allocated to unfulfilled performance obligations for the years ended December 25, 2022 and December 26, 2021, is as follows:

	Opened Stores	Unopened Stores	Total
Cumulative obligations through			
December 26, 2021	\$ 188,826	\$ 422,500	\$ 611,326
Franchise fees deferred	-	28,620	28,620
Site support and training fees deferred	-	110,880	110,880
Franchise fee terminated-upopened	-	(39,500)	(39,500)
Franchise fee renewals 2022	11,850	-	11,850
Transfer from Unopened to Opened	158,000	(158,000)	-
Site support and training fees recognized	(110,880)	-	(110,880)
Franchise fees amortized	(60,743)	-	(60,743)
Deferred franchise revenue			
December 25, 2022	187,053	364,500	551,553

Notes to Financial Statements
December 31, 2023 and December 25, 2022

**Note 1: Nature of Operations and Summary of Significant Accounting Policies,
Continued:**

Revenue Recognition, Continued

	<u>Opened Stores</u>	<u>Unopened Stores</u>	<u>Total</u>
Deferred franchise revenue			
December 25, 2022	187,053	364,500	551,553
Franchise fees deferred	-	3,880	3,880
Site support and training fees deferred	-	27,720	27,720
Franchise fee terminated-unopened	-	(29,000)	(29,000)
Franchise fee renewals 2022	3,950		3,950
Transfer from Unopened to Opened	145,340	(145,340)	-
Site support and training fees recognized	(85,989)	-	(85,989)
Franchise fees amortized	<u>(79,088)</u>	<u>-</u>	<u>(79,088)</u>
Deferred franchise revenue			
December 31, 2023	<u>\$ 171,266</u>	<u>\$ 221,760</u>	<u>\$ 393,026</u>

The deferred franchise revenue that is expected to be recognized in the future is as follows:

In one year or less	\$ 31,595
In 13-24 months	29,893
In 25 months and beyond	<u>109,778</u>
	<u>\$ 171,266</u>

The Company charges the related party stores 1% of their sales for administrative services, accounting, human resources and training provided to them by the Company. The revenue reported for the years ended December 31, 2023, December 25, 2022 and December 26, 2021 was \$165,742, \$414,969, and \$297,486, respectively, and is reported as "Other revenue" below.

For the years ended December 31, 2023, December 25, 2022, and December 26, 2021, the Company recognized revenue under the following arrangements:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Royalty	\$5,528,926	\$5,292,750	\$5,228,151
Marketing	2,762,332	2,290,335	2,401,639
Franchise	194,076	211,124	120,431
Other	240,441	471,594	335,691
	<u>\$8,725,775</u>	<u>\$8,265,803</u>	<u>\$8,085,912</u>

Notes to Financial Statements
December 31, 2023 and December 25, 2022

**Note 1: Nature of Operations and Summary of Significant Accounting Policies,
Continued:**

Advertising Costs

The Company expenses advertising costs used for the promotion of individual franchises. The Company expensed advertising costs of \$2,420,221, \$2,360,052, and \$2,311,483 in 2023, 2022, and 2021, respectively. Management made a decision to preserve marketing capital by limiting spending on marketing to conserve capital should it be needed to support ongoing operations due to the unknown effect COVID-19 would have on operations in 2021.

Leases

Operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets resulting from operating leases are included as Other assets and the related liabilities are included as other long-term liabilities in the balance sheets. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the Company's incremental borrowing rate. Operating lease cost is recognized on a straight-line basis over the lease term as Rent expense for the building and Office Supplies expense for the copier within general and administrative expenses in the statements of income.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Standards Adopted

Effective January 1, 2023, the Company adopted the AICPA Statement on Auditing Standards (SAS) No.143 *Auditing Accounting Estimates and Related Disclosures* issued July 2020. This standard addresses the auditor's responsibilities relating to accounting estimates, including fair value accounting estimates, and related disclosures in an audit of financial statements. SAS No. 143 supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, as amended, section 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*, and amends various other AU-C sections in AICPA Professional Standards.

As of January 1, 2023, the Company adopted the AICPA SAS No. 145 *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (AU-C 315) issued October 2021. The purpose of this standard is to clarify and enhance certain aspects of the identification and assessment of the risks of material misstatement to drive better risk assessments and, therefore, enhance audit quality.

Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 1: Nature of Operations and Summary of Significant Accounting Policies, Continued:

New Accounting Standards

In June 2022, the AICPA issued SAS No. 146, *Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards*. This standard addresses the specific responsibilities of the auditor regarding quality management at the engagement level for an audit of financial statements and the related responsibilities of the engagement partner. This SAS also applies, adapted as necessary, to other engagements conducted in accordance with generally accepted auditing standards (GAAS). This SAS is effective for engagements conducted in accordance with GAAS for periods beginning on or after December 15, 2025.

In June 2022, the AICPA issued SAS No. 147, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations*. SAS No. 147 amends SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, as amended, section 210, *Terms of Engagement*. This standard clarifies requirements and guidance related to the auditor's inquiries of a predecessor auditor about matters that will assist the auditor in determining whether to accept the engagement. This SAS is effective for audits of financial statements for periods beginning on or after June 30, 2023.

Note 2: Uninsured Cash Balances

The Company maintains deposit accounts at one commercial bank located in Indiana. The accounts at this bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The total uninsured cash balances as of December 31, 2023 and December 25, 2022 were \$1,436,609 and \$1,673,527.

Note 3: Other Receivables

Other receivables consisted of the following at December 31, 2023 and December 25, 2022:

	2023	2022
Marketing credits receivable	\$ 470,572	\$ 287,541
Royalty and advertising receivable	267,915	221,032
Other receivable	(29,449)	(6,095)
Total other receivables	\$ 709,038	\$ 502,478

Note 4: Other Assets

The carrying basis and accumulated amortization of the recognizable intangible asset at December 31, 2023 and December 25, 2022 was:

Wings Etc., Inc.
Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 4: Other Assets (Continued)

	<u>2023</u>	<u>2022</u>
Franchise rights		
Cost	\$ 68,500	\$ 68,500
Accumulated amortization	<u>(68,500)</u>	<u>(68,500)</u>
Net carrying value	<u>-</u>	<u>-</u>
Area developer agreement		
Cost	\$ 495,800	\$ 495,800
Accumulated amortization	<u>(314,367)</u>	<u>(264,787)</u>
Net carrying value	<u>181,433</u>	<u>231,013</u>
Total other assets	<u>\$ 181,433</u>	<u>\$ 231,013</u>

Amortization expense for the years ended December 31, 2023, December 25, 2022, and December 26, 2021 was \$49,580, \$49,580, and \$49,850, respectively.

Note 5: Long-Term Debt

	<u>2023</u>	<u>2022</u>
Installment note payable (C)	-	4,831
Installment note payable (D)	28,472	37,500
Installment note payable (E)	8,145	17,920
Installment note payable (F)	10,228	22,502
Installment note payable (Q)	<u>6,980</u>	<u>12,962</u>
	53,825	95,715
Less current maturities	<u>(32,689)</u>	<u>(41,196)</u>
	<u>\$ 21,136</u>	<u>\$ 54,519</u>

(C)Due October 20, 2023; payable in monthly installments of \$483, including interest at 0%; secured by all assets.

(D)Due May 26, 2027; payable in monthly installments of \$694, including interest at 0.00%; secured by certain property and equipment.

(E)Due October 25, 2024; payable in monthly installments of \$815, including interest at 0.0%; secured by certain property and equipment.

(F)Due October 25, 2024; payable in monthly installments of \$1,023, including interest at 0.0%; secured by certain property and equipment.

(Q)Due February 15, 2025; payable in monthly installments of \$499, including interest at 0%; secured by certain property and equipment.

Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 5: Long-Term Debt (Continued)

Aggregate annual maturities of long-term debt at December 31, 2023, are:

2024	\$ 32,689
2025	9,330
2026	8,333
2027	3,473
2028	-
Thereafter	-
	<u>\$ 53,825</u>

Note 6: Leases

The Company evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent Wings Etc., Inc.'s right to use underlying assets for the lease term, and the lease liabilities represent Wings Etc., Inc.'s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms.

The right-of-use assets and corresponding liabilities associated with future lease payments at December 25, 2022 are shown below:

	<u>Operating</u>
Right-of-use assets	\$1,262,699
Lease liability	\$1,262,699
Weighted average incremental borrowing rate:	
Building	6.69%
Copier	6.50%
Remaining lease term (years):	
Building	13.6
Copier	3.0

Lease Cost

Lease cost reported in the statements of income amounted to \$65,593 in general and administrative expenses in 2023, as follows:

	<u>2023</u>
Operating:	
Building	\$ 56,597
Copier	8,996
Total	<u>\$ 65,593</u>

Wings Etc., Inc.
Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 6: Leases (Continued)

Future Lease payments

The following operating lease payments are expected to be paid for each of the following years ending with their December fiscal year-ending:

2024	\$	70,167
2025		74,988
2026		80,140
2027		81,038
2028		79,060
Thereafter		942,899
		\$ 1,262,699

Note 7: Employee Retention Credit

The CARES Act provides an employee retention credit (ERC) which is a refundable tax credit against certain employment taxes for qualified wages per employee through December 31, 2020. Additional relief provisions were passed which extended and expanded the qualified wage caps on these credits through September 30, 2021. As modified, the ERC provides eligible employers with less than 500 employees a refundable tax credit against the employer's share of social security taxes. The ERC is equal to 70% of qualified wages paid to employees during the first three quarters of 2021 for a maximum credit per employee of \$7,000 for each calendar quarter through September 30, 2021. During the year ended December 26, 2021, the Company claimed ERC credits of \$298,916 recognized as a reduction to general and administrative expenses. The ERC credits were used to reduce payroll tax payments for the first and second quarters of 2021 and did not have refunds as a result.

Note 8: Related Party Transactions

During 2008, Trinity Management Group, Inc. and J.H.W., Inc. merged ownership and operation into WEOC, Inc. which currently operates fifteen restaurants. WEOC East, Inc. operates five restaurants, WEOC South, Inc. operates five restaurants and CROC Inc. owns one restaurant. WEOC Inc. is wholly owned and, WEOC East, Inc., WEOC South, Inc., and CROC Inc. are substantially owned by all stockholders of Wings Etc., Inc. Trinity Development Group is the Wings Etc., Inc. real estate holding company and is substantially owned by all stockholders of Wings Etc., Inc. Total revenue from these related parties was \$2,622,667, \$2,437,646, and \$2,177,512 for the years ended December 31, 2023, December 25, 2022, and December 26, 2021, respectively.

Accounts receivable from related parties was \$9,652 and \$56,868 as of December 31, 2023 and December 25, 2022, respectively.

Accounts payable to related parties was \$6,253 and \$23,700 as of December 31, 2023 and December 25, 2022.

Wings Etc., Inc.
Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 8: Related Party Transactions (Continued)

The Company made payments to WEOC, Inc., WEOC East, Inc., WEOC, South, Inc., CROC Inc. and I-8 Trinity Development Group for expenses incurred by WEOC, WEOC East, WEOC South, CROC Inc. and Trinity Development Group that are in support of Wings Etc., Inc. These payments to WEOC, WEOC East, WEOC South, CROC Inc., and Trinity Development Group totaled \$692,324, \$409,214 and \$572,939 in 2023, 2022, and 2021, respectively. Included in these payments is office rent payments to Trinity Development Group in 2023, 2022, and 2021 which totalled \$145,270, \$143,590, and \$133,690, respectively. WEOC, WEOC East, WEOC South, CROC Inc., and Trinity Development Group reimbursed Wings etc., Inc. \$329,475 in 2023, \$263,509 in 2022 and \$179,356 in 2021 for expenses incurred by Wings etc., Inc. in support of WEOC, WEOC East, WEOC South, CROC Inc., and Trinity Development Group.

The Company financed the stock purchase for three stockholders on August 1, 2021 at 1% interest per annum computed annually. The notes receivable at December 31, 2023 and December 25, 2022 were:

	2023	2022
From stockholders's	\$ 296,236	\$ 386,196

Interest income related to these notes was \$3,784 and \$4,675 during the years ended December 31, 2023 and December 25, 2022, respectively.

Note 9: 401(k) Plan

The Company has a 401(k) plan covering substantially all employees. The Company's contributions to the plan were determined annually by the Board of Directors for 2016 and prior. As of January 1, 2017, employer contributions are calculated and paid per pay. The Company contributes 100% of the first 3% of employee deferrals and 50% of the next 2% of employee deferrals. Contributions to the plan were \$133,921 for 2023, \$111,843 for 2022, and \$98,468 for 2021.

Note 10: Significant Estimates

Current Economic Conditions

The current economic environment presents franchisors of restaurants with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of various assets, declines in the volume of business, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect the Company's results of operations in future periods. The current instability in the financial markets may significantly impact the volume of future sales which could have an adverse impact on the Company's future operating results.

Wings Etc., Inc.
Notes to Financial Statements
December 31, 2023 and December 25, 2022

Note 10: Significant Estimates (Continued)

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in franchise rights, allowances for accounts and notes receivable, and valuation of intangibles that could negatively impact the Company's ability to maintain sufficient liquidity.

Note 11: Stock Purchase Agreement

The Company and its stockholders have an agreement for the purchase of a stockholder's shares in the event of death or intended sale. Included in the agreement are provisions whereby the Company and the surviving stockholders are bound to acquire all of the shares of any deceased or retired stockholder at a value determined in accordance with the agreement.

On February 10, 2015, the Company's majority stockholder sold 159.6 shares of stock to its two minority stockholders and one new stockholder for \$859,537.20. On July 1, 2018, the Company reissued 26.25 shares of its Treasury Stock to one of its stockholders for \$186,898. On August 1, 2021, the Company reissued 68.35 shares of its Treasury Stock to one of its stockholders and two new stockholders for \$514,327. The resulting holdings of the six stockholders are as follows: 29.66%, 29.67%, 29.67%, 5%, 3%, and 3%.

Note 12: Evaluation of Subsequent Events

The Company has evaluated subsequent events through March 3, 2024, the date which the financial statements were available to be issued.

EXHIBIT C

Franchise Agreement with Appendices: A (Authorized Trademarks), B (Addendum to Lease), C (Electronic Transfer of Funds Authorization), D (Personal Guarantee), E (Ownership and Management Addendum), F (Acknowledgement Addendum), State-Specific Addendum – IL, State-Specific Addendum – MD, State-Specific Addendum – MN, State-Specific Addendum – NY and State-Specific Addendum – VA

WINGS ETC.®
FRANCHISE AGREEMENT
BETWEEN
WINGS ETC., INC.
AND

Name(s) of Franchisee

Street

City State Zip

Telephone

Effective Date:

(To be completed by Us)

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WINGS ETC.® FRANCHISE AGREEMENT

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APPENDICES

- A. Trademarks
- B. Addendum to Lease
- C. Electronic Transfer of Funds Authorization
- D. Personal Guarantee and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement
- E. Ownership and Management Addendum to WINGS ETC.® Franchise Agreement
- F. Acknowledgement Addendum

- State-Specific Addendum – IL
- State-Specific Addendum – MD
- State-Specific Addendum – MN
- State-Specific Addendum – NY
- State-Specific Addendum – VA

WINGS ETC.® FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made this ____ day of _____, 20__ between Wings Etc., Inc. an Indiana corporation with its principal business located at 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, Indiana 46804 (“we” or “us”), and _____, a(n) _____ whose principal business address is _____ (“franchisee” or “you”). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners.

RECITALS

- A. We are the owner and franchisor of unique system for operating sports-themed, fast casual restaurants that feature chicken wings, sandwiches, unique foodservice and other products, beverages and services using certain standards and specifications;
- B. Many of the food and beverage products are prepared according to specified recipes and procedures, some of which include proprietary sauces and mixes.
- C. We own the WINGS ETC.® trademark and other trademarks used in connection with the operation of a Wings Etc. restaurant;
- D. You desire to develop and operate a Wings Etc. restaurant and we, in reliance on your representations, have approved your franchise application.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:
- A. “Gross Sales” includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant whether under any of the Trademarks or otherwise, including, without limitation, any cover charges or fees, revenue from vending machines, gaming machines, pull tabs, sports betting, keno and other forms of legalized gambling, or any other activities in your Restaurant or on its premises. Gross Sales excludes sales taxes and discounts. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.
- B. “Menu Items” means the chicken wings, sandwiches and other products and beverages prepared according to our specified recipes and procedures, as we may modify and change from time to time.
- C. “Principal Owner” means any person who directly or indirectly owns a 10% or greater interest in the franchisee when the franchisee is a corporation, limited liability company or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Each franchisee must have at least one (1) Principal Owner. Your Principal Owner(s) are identified on the Ownership and Management Addendum attached to this

Agreement. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

D. “Restaurant” means the Wings Etc. Restaurant you develop and operate pursuant to this Agreement.

E. “System” means the Wings Etc. System, which consists of distinctive food including signature fresh, never frozen chicken wings and other products prepared according to special and confidential recipes and formulas with unique storage, preparation, service and delivery procedures and techniques. The System also consists of a wide variety of beverages, including liquor and multiple types of beer and wine. The food and beverage products are offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures together with sales promotion programs, all of which we may modify and change from time to time.

F. “Trademarks” means the WINGS ETC. trademark has been registered in the United States and the trademarks, service marks and trade names set forth on Appendix A, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Restaurant. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Restaurant from time to time.

G. “Certified Manager” means the individual who (i) personally invests his or her full professional time, attention and best efforts to the onsite general management of the day-to-day operations of the Restaurant, not less than the number of hours per week that we designate in our manuals, (ii) meets our prior restaurant or retail management experience requirements, and (iii) does not participate in the active operation or management of any business other than the Restaurant. A Certified Manager must be appointed at least sixty (60) days prior to the Restaurant opening. Your first Certified Manager must, at least twenty (20) days prior to the Restaurant opening, successfully complete our required training program and be identified on the Ownership and Management Addendum attached to this Agreement. If your Certified Manager ceases his or her management of the Restaurant, you must appoint a replacement as soon as reasonably possible. In no event may your substitute Certified Manager begin his or her duties later than forty-five (45) days following your receiving notice of your previous Certified Manager’s intended departure (or a longer period only if we consent in writing). Any substitute or successor Certified Manager must successfully complete our required training program prior to beginning his or her duties. You must pay our then-current training fee for each substitute Certified Manager.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Authorized Location. We grant to you the right and license to establish and operate a retail Restaurant identified by the WINGS ETC. Trademarks or such other marks as we may direct, to be located at _____

(the “Authorized Location”), or the Authorized Location may be designated pursuant to subparagraph 2.B below. You accept the license granted and undertake the obligation to operate the Restaurant at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

B. Site Selection. If the Authorized Location is not listed in subparagraph 2.A at the time this Agreement is executed by us, you must select a site meeting our site selection criteria and you must obtain our written approval for your site within ninety (90) days from the date of this Agreement. The site must fall within the following geographic area:

_____ (the "Site Selection Area"). When a location has been selected by you and approved by you and us as the Authorized Location, it will become part of subparagraph 2.A, as if originally stated. Unless we authorize in writing an extension of time, if an Authorized Location is not designated within ninety (90) days from the date of this Agreement, we have the right to declare this Agreement null and void without the return of any Initial Franchise Fee or other amounts paid to us. You acknowledge and agree that neither our consent to your proposed site, our evaluation of a proposed site, nor our identification of possible sites for your consideration (if any), is in any way a representation or warranty of the suitability of the site for a Wings Etc. Restaurant, or a prediction or guarantee of your success at the site. Our consent only indicates that we believe the site meets our minimum criteria.

C. Opening. You agree that the Restaurant will be open and operating in accordance with the requirements of subparagraph 5.A within (i) three hundred sixty-five (365) days after the date we approve the Authorized Location, or (ii) three hundred sixty-five (365) days after the Effective Date of this Franchise Agreement, whichever is later, unless in either case we authorize in writing an extension of time. You may not open the Restaurant to the public until we have given you authorization to do so. We have the right to withhold such authorization if you are in default of this Agreement or any other Wings Etc. Franchise Agreement, or have been in default of this Agreement or any other Wings Etc. Franchise Agreement in the preceding six (6) months. At or around the time you first open your Restaurant, we will provide you with an Opening Team, consisting of up to four (4) persons designated by us, who will spend up to a combined total of four hundred eighty (480) to six hundred (600) person-hours at your Restaurant. The Opening Team will assist in the opening and initial operation of your Restaurant. You agree to cooperate with the Opening Team. We will designate the dates and hours during which the Opening Team will be present at your Restaurant, which is subject to the Opening Team's availability. If your Restaurant is being opened pursuant to a Development Agreement, we will provide you with one restaurant manager for one hundred twenty (120) hours and you will be required to staff the remainder of the Opening Team, as required in the Development Agreement. You are not required to pay the wages, travel or living expenses of the Opening Team's members.

D. Nonexclusivity; Our Reservation of Rights. The license is limited to the right to develop and operate one (1) Restaurant at the Authorized Location and does not include (i) any right to sell products and Menu Items identified by the Trademarks at any location other than the Authorized Location (except for authorized catering and delivery services as noted in subparagraph 2.E), or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), (ii) any right to sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned restaurants at any time or at any location.

You acknowledge and agree that (i) we and our affiliates have the right, at any location other than the Authorized Location, to grant other franchises or develop and operate company or affiliate owned Wings Etc. restaurants and offer, sell or distribute any products or services associated with the System (now or in the future) under the

Trademarks or any other trademarks, service marks or trade names or through any distribution channel or method, all without compensation to any franchisee; (ii) the trade area of a nearby Wings Etc. restaurant may overlap with that of your Restaurant; and (iii) we and our affiliates have the right to operate and franchise others to operate restaurants or any other business under trademarks other than the WINGS ETC. Trademarks, without compensation to any franchisee.

We and our affiliates have the right to offer, sell or distribute, at any location, any frozen, pre-packaged items or other products or services associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale or the internet (or any other existing or future form of electronic commerce).

E. Catering and Delivery. You may not engage in catering and delivery services and activities unless we authorize in writing, as further described in subparagraph 6.L. Catering and delivery must be done in accordance with the standards and specifications set forth in our manuals.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our parent company's property and it has licensed the use of the Trademarks to us with the right to sublicense to others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our parent company's valuable property, and it is the owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Restaurant and of the business conducted at the Authorized Location that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our parent company's benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our parent company's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Restaurant except those set forth in Appendix A or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality, mode and condition of storage, production, preparation and sale, and portion and packaging.

C. Restaurant Identification. You must use the name WINGS ETC. as the trade name of the Restaurant and you may not use any other mark or words to identify the Restaurant without our prior written consent. You may not use the words WINGS ETC. or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may not use the Trademarks on your employment applications, employee evaluation forms, benefits statements, payroll checks or other documents or materials relating to your employees. You may use the Trademarks on other materials, such as business cards and stationery, provided you (i) accurately depict the Trademarks on the

materials as we describe in our style guide, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You must post a prominent sign in the Restaurant identifying you as a WINGS ETC. franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Restaurant and that the WINGS ETC. Trademark is owned by our parent company and your use is under a license we have issued to you.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or ownership of the Trademarks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which event you will be required to reimburse us for our fees and expenses.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We may change the name of the franchise system and the franchise offered at any point during the term of your franchise agreement. We have the right to require you to modify or discontinue use of the Trademarks or to use one or more additional or substitute trade or service marks. In such case, you must comply with our directions to modify or discontinue the use of the Trademarks or use one (1) or more additional or substitute trade or service marks upon sixty (60) days' notice from us. Such modification may include, without limitation, replacement of your restaurant signage. If we require you to change the name of your Restaurant, we will reimburse you for your reasonable direct expenses in modifying or discontinuing the use of the WINGS ETC. mark and substituting a different trademark or service mark, up to a maximum of Eight Thousand Dollars (\$8,000). Your costs in substituting trademarks and/or replacing signage may exceed the amount that we are required to pay you. We may also require that you provide documentation of such direct expenses, prior to reimbursement. We are not obligated to reimburse you for any loss of goodwill associated with any modified or discontinued WINGS ETC. trademark or for any expenditures made by you to promote a modified or substitute trademark or service mark.

TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement is ten (10) years, unless this Agreement in either case is sooner terminated in accordance with Paragraph 13. The initial term commences upon the Effective Date of this Agreement. We may extend this initial term in writing for a limited period of time not to exceed six (6) months to take into account the term of any applicable lease for the Authorized Location.

B. Renewal Term and Conditions of Renewal. You may renew your license once (for a renewal term of ten (10) years) provided that: (i) you have given us written notice of your decision to renew at least six (6) months but not more than twelve (12) months prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement

(modified to reflect no additional renewal term upon expiration and other modifications to reflect that the agreement relates to the grant of a renewal), the terms of which may differ from this Agreement, including higher fees; (iii) you agree to renovate, improve, replace and update the building, premises, trade dress, equipment and grounds of your Restaurant as may be necessary to conform to our then-current standards for new Wings Etc. restaurants, unless we determine that you should relocate your Restaurant because your Authorized Location no longer meets our then-current site criteria, in which case you must comply with the ninety (90) and two hundred seventy (270)-day relocation requirements of subparagraph 5.D; (iv) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (v) if leasing the Restaurant premises (and not subject to relocation under (iii) above), you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; (vi) you comply with our then-current training requirements; (vii) you pay us a renewal fee equal to ten percent (10%) of the then-current initial franchise fee; and (viii) you and your Principal Owners and guarantors execute a general release of claims in a form we prescribe.

FACILITY STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of Wings Etc. restaurants and stores to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Restaurant Facility; Lease. We provide you with site selection criteria, and you are responsible for purchasing or leasing a site that meets our site selection criteria. You must verify to us that your site complies with our site selection criteria. We do not select, endorse or approve your site. However, upon your submission to us of all information that we may require with respect to a proposed site, we will (i) upon your reasonable request, and subject to our availability, conduct one physical tour of the proposed site and general trade area; and (ii) provide you with our written consent (or lack thereof) to the proposed site within 45-60 days from when you submit all required information, which will be based upon our general evaluation of the proposed site to ensure that it meets our then-current minimum standards and specifications. We are not required to conduct more than one physical tour during your site selection process, even if you propose multiple sites for your restaurant, but we reserve the right to do so. You may not proceed to develop a restaurant on the site unless we have consented to the site. We must consent to the site in writing. You may not use the Restaurant premises or Authorized Location for any purpose other than the operation of a Wings Etc. Restaurant during the term of this Agreement. We make no guarantees concerning the success of the Restaurant located on any site to which we consent.

You may not open your Restaurant for business until we have notified you in writing that you have satisfied your pre-opening obligations as set forth in subparagraphs 5.A and 5.B and we have approved your opening date. We reserve the right to conduct a pre-opening inspection of your Restaurant to ensure that it complies with our specifications and standards. We may also require you to conduct a pre-opening test of your Restaurant's equipment, and submit to us a report detailing equipment performance. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under subparagraph 12.C for your failure to comply with your obligations.

In the event that you enter into any type of lease for the Restaurant premises, you must provide the lease to us and receive our prior written approval of the lease before you execute it. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease for the Restaurant premises. Your lease must contain the Lease Addendum attached as Appendix B. You must provide us a copy of the lease and Addendum within five (5) days of their execution.

B. Construction; Future Alteration.

1. You must construct and equip the Restaurant in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, accessory features and design and layout of the building.

2. Without limiting the generality of the prior paragraph, you must promptly after obtaining the site for the Restaurant, hire a registered architect to create plans and specifications for your restaurant, consistent with our general atmosphere, image, color scheme and ambience requirements as set forth from time to time in the manuals for a Wings Etc. restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating). Your leasehold improvements must conform to all city, state and local building codes, including the Americans with Disabilities Act (“ADA”). You must submit building plans for your Restaurant to us in the form we designate, before you begin construction. Following our acceptance of your plans, you must: (i) obtain construction bids for the project from at least three (3) prospective contractors, each of which is bonded and insured, and select one (1) such contractor who meets our standards; (ii) purchase or lease and then, in the construction of the Restaurant, use only the approved equipment, fixtures, audio visual equipment, furniture and signs; (iii) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Restaurant in full and strict compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (iv) obtain all customary contractors’ sworn statements and partial and final waiver obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and (v) obtain and maintain all required zoning changes, building, utility, health, sanitation, liquor and sign permits and licenses and any other required permits and licenses. You may not commence construction of the Restaurant until you have received our written acceptance of your building plans. It is your responsibility to comply with the foregoing conditions.

3. Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Restaurant to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have received our prior written consent. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

4. Notwithstanding our provision to you of specifications, standards, and requirements for the general atmosphere, image, color scheme, and ambience of your Restaurant or Wings Etc. restaurants generally, and regardless of whether

we review or accept your building plans, you and the architect(s) and contractor(s) that you engage are solely responsible for ensuring that your Restaurant complies with all applicable laws, codes, and regulations, including the ADA. Under no circumstances will we be liable to you or any other party for your failure to comply with applicable laws, or for any costs or overruns that you incur in complying with such laws or otherwise in the construction or remodeling of your Restaurant.

C. Maintenance. The building, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) employed in the operation of your Restaurant must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of the premises by our representatives. Within a period of thirty to sixty (30-60) days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must affect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and signage. If, however, any condition presents a threat to customers or public health or safety, you must affect the items of maintenance immediately, as further described in subparagraph 6.G. If you fail to make any improvement or perform the maintenance listed above, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

D. Relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us that is within your general market area; provided that the new Restaurant is under construction within ninety (90) days after you discontinue operation of the Restaurant at the Authorized Location and is open and operating within two hundred seventy (270) days after construction commences, all in accordance with our then-current standards. If you voluntarily decide to relocate the Restaurant, your right to relocate the Restaurant will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than sixty (60) days prior to closing the Restaurant, have procured a site that we accept within sixty (60) days after closing the prior Restaurant, have opened the new Restaurant for business within one hundred eighty (180) days of such closure and complied with any other conditions that we reasonably require. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur.

In the event your Restaurant is destroyed or damaged and you repair the Restaurant at the Authorized Location (rather than relocate the Restaurant), you must repair and reopen the Restaurant at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within one hundred eighty (180) days of the date of occurrence of the destruction or damage.

You do not have the right to relocate in the event you lose the right to occupy the Restaurant premises because of the cancellation of your lease due to your breach; rather, the cancellation of your lease due to your breach is grounds for immediate termination under subparagraph 13.B.2.

E. Modernization or Replacement. From time to time as we require, you must effect items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Restaurant to conform to the standards for similarly situated new Wings Etc. restaurants. The maximum cumulative amount (the "Maximum Modernization Amount") that you will be required to spend during the initial term of this Agreement will not exceed One Hundred Twenty-five Thousand Dollars (\$125,000).

The Maximum Modernization Amount does not include amounts that we may require you to spend under subparagraph 3.E.

Notwithstanding the above, we will not require you to make any modernization expenditures during the first two (2) years of this Agreement. Thereafter, however, you must complete to our satisfaction any changes we require within six (6) months from the date you are notified of any required changes, except for outdoor signage as set forth in subparagraph 5.F. Nothing in this paragraph shall limit in any way the provisions of subparagraph 3.E.

The Maximum Modernization Amount will be adjusted every ten (10)-year period in accordance with any change in the National Consumer Price Index for the recently completed five (5)-year period, as described in subparagraph 16.P. The Maximum Modernization Amount does not include any required expenditures for equipment or leasehold improvements necessary to prepare new product offerings. Furthermore, you must perform general, continued maintenance and refreshing of the Restaurant premises whenever necessary as set forth in subparagraph 5.C and at a cost not included in the Maximum Modernization Amount. Each and every transfer of any interest in this Agreement or your business governed by Paragraph 11 or renewal covered by Paragraph 4 is expressly conditioned upon your compliance with these requirements at the time of transfer or renewal without regard to the Maximum Modernization Amount.

You acknowledge and agree that the requirements of this subparagraph 5.E are both reasonable and necessary to ensure continued public acceptance and patronage of Wings Etc. restaurants and to avoid deterioration or obsolescence in connection with the operation of the Restaurant.

F. Signage. The outdoor signage at your Restaurant must comply with our specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require. Your costs for the signage will be included in the Maximum Modernization Amount under subparagraph 5.E, except for amounts that we may have reimbursed you under subparagraph 3.E.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Offerings. Your business must prepare and sell only such Menu Items, other food and beverage products and other items as we designate and approve in writing from time to time for sale by your Restaurant. Without limitation, these items may include lawful forms of gambling and retail items, including but not limited to t-shirts. You must offer for sale from the Restaurant all items and only those items listed as Menu Items, other approved food and beverage products and other approved items. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent.

B. Authorized Products and Ingredients. You must use in the operation of the Restaurant and in the preparation of Menu Items and other food and beverage products only the proprietary sauces and mixes and other proprietary and non-proprietary ingredients, recipes, formulas, cooking techniques and processes and supplies, and must purchase, prepare

and serve Menu Items and products in such portions, sizes, appearance, taste and packaging, all as we specify in our most current product preparation materials or otherwise in writing. For instance, all chicken wings must be fresh and not frozen. We will supply to you a copy of the current product preparation materials prior to opening of the Restaurant. You acknowledge and agree that we may change these periodically and that you are obligated to conform to the requirements. All supplies, including containers, cups, plates, wrapping, eating utensils, and napkins, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the Restaurant must at all times maintain an inventory of ingredients, food and beverage products and other products, material and supplies that will permit operation of the Restaurant at maximum capacity.

C. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved products, inventory, equipment, fixtures, furnishings, signs, marketing materials, trademarked items and novelties, and other items (collectively, “approved supplies”) in the Restaurant as set forth in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer of approved supplies. You acknowledge and agree that certain approved supplies may only be available from 1 source, and we or our affiliates may be that source. All inventory, products, materials and other items and supplies used in the operation of the Restaurant that are not included in the approved supplies or approved suppliers lists must conform to the specifications and standards we establish from time to time. You acknowledge and agree that we may receive and retain any credits, rebates or incentives offered by approved suppliers. We are not required to hold any such funds in trust for you or for franchisees in general and may dispose of such funds in any manner we choose. **ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS.**

D. Computer System. We reserve the right to require you to purchase and use any computer system that we develop or select for the Restaurant, including all future upgrades, updates, supplements and modifications (the “Computer System”). Any such purchases, updates, supplements or modifications are not subject to or part of the Maximum Modernization Amount defined in subparagraph 5.E. The Computer System may include all hardware and software used in the operation of the Restaurant, including electronic point-of-sale cash registers and back office programs used to record, analyze and report sales, labor, inventory and tax information. The computer software package developed for use in the Restaurant may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. You are responsible for any and all fees and maintenance costs related to the Computer System. Upon written notice, we may require you to pay to us all ongoing subscription, licensing, maintenance, support, and other fees associated with the Computer System, or any component of the Computer System, so that we may pay these amounts directly to the applicable supplier on behalf of you and other Wings Etc. restaurant owners on a consolidated basis. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to specifications we develop. We reserve the right to designate a single source from whom you must purchase the Computer System. You acknowledge and agree that we will have full

and complete access to information and data entered and produced by the Computer System. You must have at the Authorized Location internet access with a form of high speed connection as we require and you must maintain: (i) an email account for our direct correspondence with the Principal Owner; and (ii) a separate email account for the Restaurant. You are solely responsible for protecting yourself from disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures, or attacks. You must also comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach policies we may periodically establish. You must notify us immediately of any suspected data breach at or in connection with the Restaurant.

E. Serving and Promotional Items. All sales promotion material, customer goodwill items, cartons, containers, wrappers and paper goods, eating and serving utensils, and customer convenience items used in the sales promotion, sale and distribution of products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. We may require you to carry and offer for sale in the Restaurant a representative supply of approved trademarked clothing and other novelty items, including special promotional items that we develop and market from time to time.

F. Health and Sanitation. Your Restaurant must be operated and maintained at all times in compliance with any and all applicable health and sanitary standards prescribed by governmental authority. You also must comply with any standards that we prescribe. In addition to complying with such standards, if the Restaurant is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one (1) or more than one (1) classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. In the event you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

G. Evaluations. We or our authorized representative have the right to enter your Restaurant at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your building, land and equipment, and to test, sample, inspect and evaluate your supplies, ingredients and products, as well as the storage, preparation and formulation and the conditions of sanitation and cleanliness in the storage, production, handling and serving. If we determine that any condition in the Restaurant presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Restaurant until the situation is remedied to our satisfaction. Our inspections and evaluations may include a “mystery shopper” program from time to time. If you fail any inspection or evaluation, you must pay the costs and expenses of subsequent “mystery shopper” visits. Any inspections, evaluation or other visits to your Restaurant by us are to protect our interest in the System and the Trademarks and not to control the day-to-day operation of your Restaurant or for the supervision of your employees.

H. Period of Operation. Subject to any contrary requirements of local law, your Restaurant must be opened to the public and operated during the hours and days as detailed in the manuals. Any variance from this provision must be authorized by us in writing. You acknowledge and agree that if your Restaurant is closed for a period of two (2) consecutive days or five (5) or more days in any twelve (12)-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business

and we have the right, in addition to other remedies provided for herein, to terminate this Agreement. Acts of God, war, strikes, riots or other force majeure causes preventing you temporarily from complying with the foregoing will suspend compliance with this provision for the duration of such interference.

I. Operating Standards. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in our manuals or other written materials relating to product preparation, menu, storage, uniforms, financial management, equipment, facility and sanitation. The manuals contain both mandatory and suggested standards, procedures, techniques, and systems that we develop to ensure the brand standards for Wings Etc. restaurants and information relating to your obligations as a franchisee. We will revise the manuals and these standards, procedures, techniques, and systems periodically to meet changing conditions of retail operation in the best interest of restaurants operating under the Trademarks. Any required standards exist to protect our interests in the System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

We provide you with electronic access to the manuals during the term of this Agreement. The manuals are at all times our sole property. You must at all times treat the manuals, and the information they contain, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the manuals and you expressly agree to comply with each new or changed requirement. You must regularly access the manuals to ensure that you are aware of updates, modifications and new developments, if any.

J. Confidential Information. You, the Principal Owners, and each Certified Manager may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate the Restaurant. For purposes of this Agreement, "Confidential Information" means proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurant. Any and all Confidential Information, including, without limitation, proprietary ingredients, sauces and mixes, secret formulas and recipes, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Restaurant. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in the franchisee, the Principal Owners, the Certified Managers and other key employees. You must provide executed copies of these agreements to us upon our request.

K. Gambling; Vending Services. You must offer forms of gambling as we specify, including but not limited to, gaming machines, pull-tabs, sports betting and keno, provided such forms of gambling are lawful where the Restaurant is located. You must install and maintain on the premises of the Restaurant ATMs, gaming machines or video games as we designate. You may not, however, install any other video games, newspaper racks, jukeboxes, gaming machines, gum machines, rides, vending machines, pool tables, or other similar devices without our prior written approval. Any income from gambling or vending services in the Restaurant or on its premises, regardless of which person or entity collects the money, must be included in Gross Sales for purposes of your Continuing Fee and National Brand Fund Fee.

L. Catering and Delivery Services. If you want to offer catering service to customers, you must obtain our prior written approval. You also shall not conduct, engage in, subcontract to third parties, utilize on-line or internet based delivery scheduling companies or applications, or authorize or permit any person, entity, third party, or technology to engage in, delivery operations at or from the Restaurant, unless such delivery operations or program has been expressly approved, in writing, by us. We may grant such approval in our sole discretion. We may condition our approval on, among other things, (a) your strict compliance with this Agreement and the standards and specifications for Restaurant operations set forth in the Manual; and/or (b) your strict compliance with any delivery rules, procedures, requirements or standards that we may establish, such as, obtaining and maintaining additional and specialized insurance, and purchasing (or leasing) and using new or additional equipment and software for ordering, tracking, and reporting on deliveries, implementing a new or modified point of sale system(s), and utilizing required packaging; and/or (c) your utilization of our designated or approved third-party ordering, delivery and/or billing services and/or software; and/or (d) Franchisee's strict compliance with Franchisor's standards and requirements for billing, collections and reporting of such services.

M. Compliance with Law; Licenses and Permits. You must at all times maintain your premises and conduct your Restaurant operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, including a liquor license and any applicable gaming licenses, permits and certificates relating to your Restaurant. In the event your liquor license is suspended for more than three (3) days but not revoked, we reserve the right to charge you the five percent (5%) Continuing Fee on the Gross Sales you would have received on the lost liquor, beer and wine sales during the license suspension. We will estimate the Gross Sales based on the prior year's Gross Sales for the suspension period.

You must comply with the Payment Card Industry Data Security Standards ("PCI DSS") as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as we may specify, and the Fair and Accurate Credit Transactions Act ("FACTA"). You must also upgrade periodically your POS System and related software, at your expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations.

You acknowledge that you are an independent business and responsible for control and management of your Restaurant, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters. You shall comply with all applicable laws and regulations regarding hiring and firing of employees, and you acknowledge and agree that all personnel decisions shall be made by you, without any influence or advice from us, and such decisions and actions shall not be, nor be deemed to be, a decision or action of us.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your Wings Etc. business or Restaurant, including any notices of health code violations or liquor license violations.

N. Participation in Internet Web Sites or Other Online Communications. We reserve the right to require you, at your expense, to participate in our Wings Etc. web site or any intranet or extranet system or other online communications that we may develop in

the future. We may require you to submit to us daily reports via the online communications as we designate. We have the right to determine the content and use of our web site and any intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks or operate any web site offering goods or services similar to those offered at a Wings Etc. restaurant. We retain all rights relating to our web site and any intranet or extranet system and may alter or terminate our web site, intranet or extranet. Your general conduct on our web site or other online communications and specifically your use of the Trademarks or any marketing is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our web site or any intranet or extranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site and any intranet or extranet system, or otherwise use the Trademarks or System on the internet or other online communications, will terminate when this Agreement expires or terminates.

O. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to the requirements of subparagraph 5.E and any other express limitations set forth in this Agreement.

P. Suggested Pricing Policies. We may, from time to time, make suggestions to you with regard to your pricing policies. Notwithstanding any suggestions, you have the sole and exclusive right as to the minimum prices you charge for the services offered at the Restaurant. We retain the right to establish maximum prices to be charged by you for sales promotions or otherwise, but any exercise of that right will be specifically set forth in writing. Any list or schedule of prices we furnish to you may, unless otherwise specifically stated as to the maximum price, be treated as a recommendation only and failure to accept or implement any such suggestion will not in any way affect the relationship between you and us.

Q. Special Sites. We have the right (but not the obligation) to waive any requirements of this Agreement or the manuals, as we deem advisable, for franchised or affiliate-owned locations that are by their nature unique and separate in character from sites generally developed as Wings Etc. restaurants, such as (but not limited to) restaurants located within airports, stadiums, casinos theme parks, hospitals, college campuses, convention centers and similar locations.

PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. You must have at least one (1) Certified Manager at all times during the term of this Agreement, who must meet the requirements set forth in subparagraph 1.G. We must approve each Certified Manager, in advance, as meeting the minimum requirements of subparagraph 1.G, and approval of a new Certified Manager may necessitate that the Certified Manager travel to a location that we designate. In that case, you will be solely responsible for paying all travel, living and other expenses, wages, and benefits associated with your Certified Manager's visit. The Certified Manager must ensure that the Restaurant is operated in accordance with the terms and conditions of this Agreement,

although this in no way relieves you of your responsibilities to do so. Your Certified Manager must be readily and continuously available to us. In addition to the Certified Manager, you must have at least two (2) assistant managers at all times during the term of this Agreement. Your Certified Managers and your assistant managers must also attend and successfully complete all required training, as set forth in subparagraphs 1.G, 7.B and 7.C.

B. Training. You must, at your expense, comply with all of the training requirements we prescribe for the Restaurant to be developed under this Agreement. We may require the Principal Owner, the Certified Managers and the assistant managers to attend training and complete training to our satisfaction. Training will take place at our facility in South Bend, Indiana or at another location we designate. The training requirements may vary depending on the experience of the Principal Owner and Certified Manager or other factors specific to the Restaurant. In the event you are given notice of default as set forth in subparagraphs 13.A and B and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you, the Principal Owner and a Certified Manager, at your expense, comply with the additional training requirements we prescribe. Any new Principal Owner or Certified Manager must comply with our training requirements within a reasonable time as we specify. You will be responsible for all costs of such training, including payment to us of the then-current tuition fee. Under no circumstances may you permit management of the Restaurant's operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require. Additionally, we or our designated representative will provide you with a minimum of fourteen (14) days and one hundred forty (140) hours of training at your Restaurant, all or a portion of which will take place prior to or around the time of opening. We may require you to participate in longer initial opening training programs as we deem necessary or appropriate.

C. Ongoing Training. We may require the Principal Owners, Certified Managers, and other key management-level employees of the Restaurant to attend, at your expense, ongoing training at our training facility, the Authorized Location or other location we designate. In addition, we may develop and require you to purchase an in-restaurant training program.

D. Staffing. You will employ a sufficient number of competent and trained employees to ensure efficient service to your customers. At least one (1) Certified Manager must be present at and actively supervising the Restaurant on a full-time basis, for at least the minimum number of hours that we designate in our manuals. You must require all your employees to work in clean uniforms approved by us, but furnished at your cost or the employees' cost as you may determine. You will hire all employees of the Restaurant and you are exclusively responsible for the terms of their employment, work hours and compensation. All persons hired by or working for you shall not, for any purpose, be deemed our employees or subject to our control.

E. Attendance at Meetings. The Principal Owner must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics. If the Principal Owner is not able to attend a meeting or convention, he or she must so notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting.

MARKETING

8. You agree to actively promote your Restaurant, to abide by all of our marketing requirements and to comply with the following provisions:

A. National Brand Fund. You must pay to us a National Brand Fund Fee as set forth in subparagraph 9.C. All National Brand Fund Fees will be placed in a National Brand Fund that we own and manage. On behalf of our company and affiliate owned restaurants, we will pay the same National Brand Fund Fee as similarly situated franchised restaurants (based on age and type of location) in the same local marketing area. The National Brand Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the National Brand Fund; provided, however, we will make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each restaurant or in each advertising market. We have the right to make disbursements from the National Brand Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns, including, without limitation, using it for: (1) broadcast, digital, or print advertising; (2) the creation, development and production of advertising and promotional materials, including ad slicks, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising; (3) any marketing or related research and development; and (4) advertising and marketing expenses, including product and food research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet system, internet access provider costs, subscriptions to industry newsletters or magazines, and salaries for marketing support personnel. The disbursements may also include payments to us for the expense of administering the National Brand Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the marketing functions. If requested, we will provide you an annual unaudited statement of the financial condition of the National Brand Fund. In addition, we will not use the National Brand Fund to pay our legal fees, unless we incur such legal fees in connection with marketing efforts on behalf of the System, including the production of advertising and promotional material.

B. Required Local Expenditures or Fee, Approved Materials. You must use your best efforts to promote and advertise the Restaurant and participate in any local marketing and promotional programs we establish from time to time. In addition to the National Brand Fund Fee, you are required to spend one percent (1%) of your Gross Sales on approved local marketing and promotion. We have the right to require to you use a designated advertising agency to conduct approved marketing activities relating to your restaurant and/or to create an annual marketing plan for your Restaurant, which we must approve. Payments to our designated advertising agency qualify as expenditures for the purposes of the minimum local advertising expenditure requirement. Upon our request you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. If you fail to make the required expenditure, we have the right to collect and contribute the deficiency to the National Brand Fund. You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Restaurant or on its premises are subject to our

approval. Discounts on food, beverages, or other items sold at the Restaurant do not qualify as expenditures for the purposes of the minimum local advertising expenditure requirement.

We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, in good taste and accurately depict the Trademarks. You must use point-of-sale posters or other promotional materials that depict any of the Trademarks only in connection with your sale of approved Menu Items at the Restaurant. Any point-of-sale posters or other promotional materials used by you must be current and in good condition. To that end, we may make available at a reasonable cost to you annually or at other reasonable intervals, and when made available you must purchase, a sales promotion kit containing new point-of-sale and other promotional materials; however, the cost of the sales promotion kit may be included from time to time as determined by us in the National Brand Fund Fee described in subparagraph 9.C.

Notwithstanding the foregoing, if we have not designated a marketing cooperative for your geographic region pursuant to subparagraph 8.C below, we have the right to direct that you pay the one percent (1%) local marketing expenditure to us as a fee. In such event, we will use the revenue collected from you to conduct local marketing activities in your general geographic region, as we deem appropriate.

C. Marketing Cooperatives. We have the right to form, organize, maintain and otherwise make use of local marketing cooperatives and, if formed or organized for the market that includes your Restaurant, you must direct your local marketing expenditures to the cooperative advertising and marketing programs in your designated local marketing market. Each Wings Etc. restaurant within a designated local marketing area is a member of the local marketing group and each restaurant has one (1) vote on all matters requiring a vote. Each advertising cooperative will be required to adopt written governing documents that meet our approval. If a majority of the restaurants in your designated marketing market votes to spend more than the minimum one percent (1%) of Gross Sales on local marketing and promotion within the area, you will be required to participate. You will not be required to spend more than two percent (2%) of Gross Sales for local marketing. We have the right to require local and regional marketing cooperatives to be formed, changed, dissolved or merged.

D. Gift Cards, Certificates and Checks. You must use and honor only system-wide gift cards, certificates and checks that we designate and you must obtain all certificates, cards or checks from an approved supplier. We reserve the right to develop a gift card program and may require that you sign a participation agreement with the card provider.

E. Grand Opening Promotion. Within fourteen (14) days of opening your Restaurant, you must pay us at least at least Ten Thousand Dollars (\$10,000), which we will spend on your behalf, during the 180 days after your open your Restaurant, to conduct certain marketing and public relations activities in connection with the opening of your Restaurant, in the manner and method that we determine in our discretion.

FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us a nonrefundable Initial Franchise Fee of Thirty-nine Thousand Five Hundred Dollars (\$39,500). The Initial Franchise Fee, payable in full on the date you sign this Agreement, is earned upon receipt and is in

consideration for our expenses incurred and services rendered in granting you the franchise rights.

B. Continuing Fee. In addition to the Initial Franchise Fee, during the full term of this Agreement and in consideration of the rights granted to you, you must pay to us as a weekly Continuing Fee in an amount equal to five percent (5%) of Gross Sales.

C. National Brand Fund Fee. You must pay to us a weekly National Brand Fund Fee in an amount equal to one percent (1%) of Gross Sales. We reserve the right to increase the percentage by up to an additional two percent (2%), for a maximum total of three percent (3%) of Gross Sales, upon thirty (30) days' written notice to you. The fees are not held by us in trust and become our property to be spent in accordance with Paragraph 8 of this Agreement.

D. Computations and Remittances. Except for the Initial Franchise Fee, you must compute all amounts due and owing at the end of each week's operation. For purposes of computing these amounts, the week is deemed to begin on Monday and end on the following Sunday. Remittance for the amounts must be made to us on or before the Monday following each week, accompanied by the reports required by subparagraph 9.H of this Agreement. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you. Further, if you are delinquent in the payment of any amounts owed to us, we have the right to require you to prepay estimated Continuing Fees and National Brand Fund Fees.

E. Electronic Transfer of Funds. You must sign an electronic transfer of funds authorization, attached as Appendix C, to authorize and direct your bank or financial institution to transfer electronically, on a weekly basis, directly to our account or our affiliates' and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph.

F. Interest Charges; Late Fees. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of eighteen percent (18%) per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late Continuing Fee and National Brand Fund Fee payments, you must pay to us a service charge of One Hundred Dollars (\$100) for each delinquent payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (i) we do not receive the payment on or before the date due; or (ii) there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the date due. The service charge is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

G. Non-compliance Fee. In the event that you are not in compliance with our then-current standards and specifications set forth in this Agreement or in our manuals, then we may charge you our then-current non-compliance fee for each violation, which shall not exceed \$500 per violation. This non-compliance fee shall not apply for late payments or

submitting late reports, as we may charge you other fees for those violations as described in subparagraph 9.G and 9.I of this Agreement.

H. Financial Planning and Management. You must record daily all sales on a cash register tape or similar device. You must keep books and records and submit reports as we periodically require, including but not limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, tax records and returns (of you and each of your Principal Owners), payroll records, cash disbursement journals and general ledger, all of which accurately reflect the operations and condition of your Restaurant operations. You must compile, keep and submit to us the books, records and reports to us on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Restaurant must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than 36 months. You must allow us electronic and manual access to any and all records relating to your Restaurant.

I. Reports and Audit. You must verify the accuracy of the Gross Sales figure on Wednesday of each week for the preceding week. We reserve the right to require you to submit a report of your Gross Sales daily via computer. Within ten (10) days after the end of each month, you must submit to us a report in the form and content as we periodically prescribe. The report must include, but not be limited to, the following information for the preceding month: (i) amount of Gross Sales; and (ii) if we request, monthly sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items. You also must, at your expense, submit to us within ninety (90) days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements. We may require that the annual financial statements be reviewed by a certified public accountant. You must certify all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirements on our other franchisees. You must pay us a late fee of One Hundred Dollars (\$100) for each required report that you fail to submit to us by the due date, and an additional fee of One Hundred Dollars (\$100) per month (and per report) until the report is submitted to us in the required form.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Restaurant are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. In the event that any such evaluation or audit reveals any understatement of your Gross Sales, Continuing Fees or National Brand Fund Fees or a variance of two percent (2%) or more from data reported to us in respect to any other item that is material to the computation of fees or to the analysis of the operation, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to two (2) years thereafter and any further audits and evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Sales, Continuing Fees or National Brand Fund Fees at any time, or if a subsequent audit or evaluation conducted within the two (2)-year period reveals any understatement of your Gross

Sales, Continuing Fees or National Brand Fund Fees or a variance of two percent (2%) or more from data reported to us in respect to any other item that is material to the computation of fees or to the analysis of the operation, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of fourteen (14) days from the date of notice of understatement or variance.

We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in subparagraph 11.D.8 or where your information is grouped with similar information from other restaurants to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis.

YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Restaurant or business; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of the Restaurant or business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Indemnification. You hereby waive all claims against us for damages to property or injuries to persons arising out of the operation of your Restaurant. You must fully protect, indemnify and hold us and our owners, directors, officers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Restaurant (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs and attorneys' fees immediately upon our request as they are incurred.

We hereby waive all claims against you for damages to property or injuries to persons arising out of the operation of our company or affiliate owned restaurants. We must fully protect, indemnify and defend you and your affiliates and hold you and them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of our company or affiliate owned restaurants (regardless of cause or any concurrent or contributing fault or negligence of you) or any breach by us or our failure to comply with the terms and conditions of this Agreement.

C. Insurance. You must purchase and maintain in full force and effect, at your expense and from a company with an A.M. Best rating of A- or better, insurance that insures both you and us, our affiliates and any other persons we designate by name. The

insurance policies must include, at a minimum: (i) special/causes of loss coverage forms (sometimes called “All Risk coverage”) on the Restaurant and all fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value of the machinery, equipment, betterments and improvements, including full coverage for loss of income resulting from damage to the Restaurant without any co-insurance clause, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum twelve (12) months loss of income, including coverage for our Continuing Fees with us named as a loss payee with respect to those fees; (iii) comprehensive general liability insurance, including product liability insurance, with minimum limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; (iv) dram shop liability coverage with minimum limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; (v) “Per Location” aggregate limits when multiple restaurant locations are insured under one comprehensive general liability policy and/or liquor liability policy(ies); (vi) automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of Five Hundred Thousand Dollars (\$500,000) per claim (vii) workers’ compensation and employer’s liability insurance covering all of your employees (viii) umbrella liability insurance which also includes dram shop liability, employers liability and automobile liability limits of Two Million Dollars (\$2,000,000) or more; (ix) us, our parent and our affiliates as named additional insureds on all liability policies required by this subparagraph and all other policies that you obtain and maintain, and do so on a primary and non-contributory basis and with waiver of subrogation rights; (x) any other such insurance coverages or amounts as required by law or other agreement related to the Restaurant.

The required insurance coverage must commence as of the date the building lease or building purchase agreement has been signed for your Authorized Location. You must deliver to us at commencement and thereafter annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show our status as an additional insured (as noted in (ix) above) and provide that we will be given thirty (30) days’ prior written notice of material change in or termination or cancellation of the policy. We also may request copies of all policies. We may modify the required minimum limits from time to time and by written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the Wings Etc. system, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge same to you, together with a reasonable fee for the expenses we incur in doing so, payable by you immediately upon notice.

D. Noncompete Covenants. You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term “you” as used in this subparagraph 10.D includes, collectively and individually, your Principal Owner, all guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your Principal Owner and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this subparagraph 10.D.

2. You covenant that during the term of this Agreement you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any restaurant or food business other than one authorized by this Agreement or any other agreement between us and you, except if, at the Effective Date of this Agreement, you operate or hold an interest in a restaurant or food business other than a casual or fast casual restaurant.

3. You covenant that you will not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, or within two (2) years of the sale of the Restaurant or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in (i) a casual or fast casual restaurant that sells or offers to dispense prepared food products the same as or similar to the type sold in Wings Etc. restaurants; (ii) a sports-themed restaurant or bar business; or (iii) any business establishment that sells or offers to dispense prepared chicken wings or legs:

- a. At the premises of the former Restaurant;
- b. Within a five (5)-mile radius of the former Restaurant; or
- c. Within a five (5)-mile radius of the location of any other business or restaurant using the Wings Etc. System, whether franchised or owned by us or our affiliates.

4. You agree that the lengths of time in subpart (3) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Restaurant. Consequently, neither your interest in this Agreement nor in the Restaurant may be transferred or assigned to or assumed by any other person or entity (the “assignee”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with subparagraph 11.F, and if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in subparagraph 11.C is paid, and the transfer conditions described in subparagraph 11.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Paragraph 11:

1. Any change (or any series of changes) in the ownership, percentage of ownership, or operation control of a franchisee that is a corporation, limited liability company or other entity;
2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or
3. For purposes of this subparagraph 11.A, a pledge or seizure of any ownership interests in the franchisee entity or in any Principal Owner of the entity, which we have not approved in advance in writing.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in subparagraph 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in subparagraph 11.C, and satisfy the transfer conditions described in subparagraph 11.D. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Restaurant, or in any communication media or any form of marketing, any information relating to the sale of the Restaurant or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Paragraph 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in subparagraph 11.F must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other required information. The application must indicate whether you or a Principal Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer shall be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two (2) times the transfer fee provided for in subparagraph 11.C.

C. Transfer Fee. You must pay to us a transfer fee equal to either: (i) twenty-five percent (25%) of our then-standard Initial Franchise Fee as stated in our then current franchise disclosure document, if the transferee is new to the Wings Etc. system, or (ii) ten percent (10%) of our then-standard Initial Franchise Fee if the transferee is an existing Wings Etc. franchise owner in good standing. You must submit the transfer fee at the time you submit an application for consent to transfer, or at such time as we designate prior to the effective date of the transfer. Notwithstanding the foregoing, we will waive the Transfer Fee and instead charge an administrative fee of One Thousand Five Hundred Dollars (\$1,500) for any transfer approved by us that does not result in a cumulative change of more than twenty-five percent (25%) of the ownership of the franchisee entity within a three (3)-year period.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Requirements. The assignee must meet all of our then-current requirements for one of the franchise development programs we are offering at the time of the proposed transfer.

2. Payment of Amounts Owed. All amounts owed by you to us or any of our affiliates, your suppliers or any landlord for the Restaurant premises and Authorized Location, or upon which we or any of our affiliates have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with subparagraphs 9.H and I.

4. Modernization. You must have complied with the provisions of subparagraph 5.E.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Principal Owner retaining a security interest or other financial interest in this Agreement or the business operated thereunder, you or such Principal Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. General Release. You, each Principal Owner and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates.

7. Execution of Then-Current Franchise Agreement. The assignee executes our then-current form of franchise agreement, the terms of which may differ from this Agreement.

8. Training. The assignee must, at your or assignee's expense, comply with the training requirements of subparagraph 7.B.

9. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Restaurant and its operations as we deem reasonably necessary or appropriate for assignee and/or us to evaluate the Restaurant and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Restaurant and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Restaurant and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

10. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If any individual who is a Principal Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated

person's heir or successor-in-interest wishes to continue as a Principal Owner, such person or entity must apply for our consent under subparagraph 11.B, comply with the training requirements of subparagraph 7.B if the Principal Owner also was the Principal Owner (unless the heir or successor-in-interest finds another Principal Owner to qualify as the Principal Owner), pay the applicable transfer fee under subparagraph 11.C, and satisfy the transfer conditions under subparagraph 11.D, as in any other case of a proposed transfer, all within one hundred eighty (180) days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Restaurant still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in subparagraph 11.F.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by subparagraph 11.E or any transfer described in subparagraph 11.A, you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a change in control of the franchisee or a Principal Owner under subparagraphs 11.A.1 through 11.A.3, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Restaurant. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a change in control or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in subparagraph 14.B in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have forty-five (45) days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the forty-five (45)-day period, you will be free for sixty (60) days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Paragraph 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this subparagraph 11.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our rights, obligations and/or interest in this Agreement, provided the assignee agrees in writing to assume our obligations. Upon such assignment, we will have no further obligation to you.

DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Arbitration; Mediation. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, the parties' relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. The arbitration must take place in Indianapolis, Indiana, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators appointed must have at least five (5) years' experience in franchising or in franchise law. The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any state or federal court in Indiana or the state of the Authorized Location.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under subparagraph 12.B, provided that the party seeking mediation notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If not resolved within thirty (30) days, the parties are free to pursue arbitration. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential.

B. Injunctive Relief. Notwithstanding subparagraph 12.A above, you recognize that the Restaurant is one of a large number of restaurants and stores identified by the Trademarks and similarly situated and selling to the public similar products, and the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees, costs, expenses, and interest incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of our breach or threatened breach of any of the terms of this Agreement, you will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees, costs, expenses, and interest incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, we and our affiliates have the right to commence a civil action against you or take other appropriate action for the following

reasons: to compel your compliance with trademark standards and requirements to protect the goodwill of the Trademarks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

C. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees, expenses, costs, and interest on such fees, expenses and costs.

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Principal Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, conviction of you, a Principal Owner, or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Restaurant, any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this subparagraph 13.B: (i) you will have thirty (30) days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have ten (10) days to cure those defaults; (ii) your failure to cure a default within the thirty (30)-day or ten (10)-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: any material misrepresentation or omission in your franchise application, your voluntary abandonment of this Agreement or the Authorized Location, the permanent loss or revocation of your liquor license or suspensions totaling ninety (90) days over any five (5)-year period, the loss of your lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to reopen or relocate under subparagraph 5.D, the closing of the Restaurant by any state or local authorities for health or public safety reasons, any unauthorized use of the Confidential Information by you, a Principal Owner, the Principal Owner or a guarantor, insolvency of you, a Principal Owner, the Principal Owner or a guarantor, making an

assignment or entering into any similar arrangement for the benefit of creditors, conviction of you, a Principal Owner, the Principal Owner, or a guarantor of (or pleading no contest to) any felony or misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Restaurant, intentionally understating or underreporting Gross Sales, Continuing Fees or National Brand Fund Fees or any understatement or two percent (2%) variance on a subsequent audit within a two (2)-year period under subparagraph 9.I, any unauthorized transfer or assignment in violation of Paragraph 11 or any default by you that is the second same or similar default within any twelve (12)-month consecutive period or the fourth (4th) default of any type within any twenty-four (24)-month consecutive period.

3. Immediate Termination After No More Than Twenty-four (24) Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Trademarks, violates any health safety or sanitation law or regulation, violates any system standard as to food handling, cleanliness, health and sanitation, or if the operation of the Restaurant presents a health or safety hazard to your customers or to the public (for example, improper cooking or storage procedures used for chicken wings): (i) you will have no more than twenty-four (24) hours after we provide written notice of the default to cure the default; and (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within thirty (30) days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective sixty (60) days after our receipt of your written notice of breach. Your termination of this Agreement under this Paragraph will not release or modify your Post-Term obligations under Paragraph 14 of this Agreement.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Restaurant (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under subparagraph 10.D, cease all use and display of the Trademarks and of any proprietary material (including the manuals and the product preparation materials) and of all or any portion of point-of-sale materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the Restaurant and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that

have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the manuals and product preparation materials then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of subparagraph 6.J. You must promptly at your expense and subject to subparagraph 14.B, remove or obliterate all Restaurant signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of the Restaurant as to differentiate the Restaurant unmistakably from duly licensed restaurants identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within thirty (30) days, we have the right to enter the Authorized Location and remove all Restaurant signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant that are owned by you or any of your affiliates including, without limitation, the building, equipment, fixtures, signage, fixtures, furnishings, supplies, leasehold improvements and inventory of the Restaurant at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Restaurant's other assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Paragraph within thirty (30) days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Authorized Location is located upon petition of either party. The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a WINGS ETC.® Restaurant and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within forty-five (45) days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Restaurant that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale for the purchased assets and other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If we do not exercise our option to purchase under this subparagraph, you may sell or lease the Restaurant premises to a third-party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third-party beneficiary, pursuant to which the purchaser agrees, for a period of two (2) years after the expiration or termination of this Agreement, not to use the premises for the operation of a restaurant business that has a menu or method of operation similar to that employed by our affiliate-owned or franchised restaurants.

C. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the Wings Etc. business after the shorter period of the applicable statute of limitations or one (1) year following the effective date of termination of this Agreement; provided that where the one (1)-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Our subsequent acceptance of any payments due to us under this Agreement shall not be deemed to be a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants, or conditions of this Agreement. Subject to our rights to modify Appendices and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained herein and in the aforesaid application. However, nothing in this Agreement or any related agreement is intended to disclaim the representations made in the disclosure document that was provided to you.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party

serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to General Counsel, Wings Etc., 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, Indiana 46804;

2. If intended for you, addressed to you at _____

_____ or at the Authorized Location; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by the Principal Owner or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

E. References. If the franchisee is two (2) or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement include all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All Principal Owners of a franchisee that is a corporation, partnership, limited liability company or partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. We may also require the spouse of any Principal Owner to sign the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner pursuant to the provisions of Paragraph 11 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Paragraph 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Paragraph 12 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state in which the Authorized Location is located. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which the Authorized Location is located.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate,

administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of subparagraph 5.E and other express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Paragraph 12, must be brought in the Federal District Court for the Southern District of Indiana or in Indiana State Circuit Court in the County of Marion, Indiana. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and you and your Principal Owners waive any and all rights to proceed on a consolidated, common, or class basis. The provisions of this subparagraph will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

K. Waiver of Punitive Damages. You and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Each party agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, and agrees indemnify and hold harmless the other party in connection with any liability of any nature whatsoever in connection therewith.

M. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such

causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Menu Items and other standards, specifications, and requirements for any franchised restaurant or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such restaurant or store, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard menus, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you goods, products and/or services for use in your Restaurant on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

P. Interference with Employment Relations. During the term of this Agreement, neither we nor you may employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior six (6) months employed in any type of managerial position by the other party or any of its subsidiaries or affiliates, or by any franchisee in the system, unless the violating party compensates the former employer for all losses and expenses incurred in losing and replacing the employee up to a maximum of Twenty-five Thousand Dollars (\$25,000), plus attorneys' fees, costs, expenses, and interest. This subparagraph will not be violated if, at the time we or you employ or seek to employ the person, the former employer has given its written consent. The parties acknowledge and agree that any franchisee from whom an employee was hired by you in violation of this subparagraph shall be a third-party beneficiary of this provision, but only to the extent they may seek compensation from you.

Q. National Consumer Price Index. We may adjust the maximum modernization amount (subparagraph 5.E) every ten (10)-year period, as noted in subparagraph 5.E, in proportion to the ten (10)-year change in the National Consumer Price Index - All Urban Consumers as reported for each calendar year by the U.S. Department of Labor (or the successor index or agency thereto) using 2016 as the base year, and as so adjusted will apply to the maximum modernization expenditure amount, subsequent to the adjustment date but prior to the next adjustment date.

R. Effective Date. We will designate the "Effective Date" of this Agreement in the space provided on the cover page. If no Effective Date is designated on the cover page, the Effective Date is the date when we sign this Agreement. However, as described in subparagraph 5.A, you do not have the right to, and may not, open and commence operation of a Restaurant at the Authorized Location until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE: (For an Entity)

Date: _____

_____,

a _____
(Please type or print name and type of entity)

By: _____
(Signature of person signing on behalf of entity)

(Please type or print name of person signing on behalf of entity)

Its: _____
(Please type or print title of person signing on behalf of entity)

Witness: _____
(Please type or print)

Signature: _____

FRANCHISEE: (For an Individual)

Date: _____

Name: _____

Signature: _____

Witness: _____

Signature: _____

Date: _____

Name: _____

Signature: _____

Witness: _____

Signature: _____

US:

WINGS ETC., INC.

Date: _____

By: _____

Its: _____

Appendix A to the Franchise Agreement

Trademarks

You have the right to use the following Trademarks in accordance with the terms of the Franchise Agreement:



2. WINGS ETC.
(Indiana Registration No. 20050311-06738) and
(USPTO Registration No. 3176501)

We may amend this Appendix A from time to time in order to make available additional Trademarks or to delete those Trademarks that become unavailable. You agree to use only those Trademarks that are then currently authorized.

The Trademarks must be used only in the manner that we specify. No deviations will be permitted.

Appendix B to the Franchise Agreement

Addendum to Lease

This Addendum to Lease, dated _____, 20____, is entered into between _____ (“Lessor”), and _____ (“Lessee”).

RECITALS

A. The parties have entered into a Lease Agreement, dated _____, 20____, (the “Lease”) pertaining to the premises located at _____ (the “Premises”).

B. Lessor acknowledges that Lessee intends to operate a Wings Etc.® restaurant (the “Restaurant”) from the Premises pursuant to Lessee’s Franchise Agreement (the “Franchise Agreement”) with Wings Etc., Inc. (“WEI”). The Restaurant is required to be operated under the name “Wings Etc.” and using other trademarks, service marks, slogans, logos, and trade dress associated with the Wings Etc. brand, as designated by WEI (the “Marks”).

C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

Lessor and Lessee agree as follows:

1. **Remodeling and Decor.** Lessor agrees that Lessee has the right to remodel, equip, paint and decorate the interior of the Premises and to display such Marks and signs on the interior and exterior of the Premises, as Lessee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate the Restaurant on the Premises.
2. **Assignment.** At any time during the term of the Lease, Lessee has the right to assign all of its right, title, and interest in the Lease to, including any extensions or renewals, without first obtaining Lessor’s consent, provided that each of the following conditions is met: (i) the assignment is made to WEI, an affiliate or parent of WEI, or a franchisee of WEI that WEI has authorized in writing to assume operations of the Restaurant under the Marks, (ii) the entity to whom such assignment is made (the “Assignee”) has not been the subject of any voluntary or involuntary bankruptcy proceeding, or been adjudged legally insolvent, or made an assignment for the benefit of creditors at the time of or within a period of 180 days preceding the assignment, and (iii) in the case of a franchisee of WEI, WEI shall have reasonably determined that the Assignee meets or exceeds WEI’s then-current standards and criteria for new franchisees and has sufficient financial qualifications and operational experience to enable it to meet the obligations of both the Lease and the Franchise Agreement. No assignment will be effective, however, until the Assignee gives Lessor written notice of its acceptance of the assignment. Nothing contained in this Addendum or in any other document makes WEI or any of its affiliates a party or guarantor to the Lease, and this Addendum does not create any liability or obligation of WEI or any of its affiliates unless the Lease is assigned to, and accepted in writing by, WEI or its affiliate. In the event of an assignment, Lessee will remain liable under the terms of the Lease.

3. Default and Notice.

- (a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor must give Lessee and WEI written notice of such default or violation within a reasonable time after Lessor receives knowledge of its occurrence. Although WEI is under no obligation to cure the default, WEI will notify Lessor if it intends to cure the default and take an automatic assignment of Lessee's interest as provided in Paragraph 4(a). WEI will have an additional fifteen (15) days from the expiration of Lessee's cure period in which to cure the default or violation.
- (b) All notices to WEI must be sent by registered or certified mail, postage prepaid, to the following address:

Wings Etc., Inc.
7337 W. Jefferson Blvd, Suite 200
Fort Wayne, IN 46804

WEI may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and WEI of any change in Lessor's mailing address to which notices should be sent.

4. Right of Entry and Subordination. Lessor will give WEI access to the Restaurant at reasonable times on not less than twenty-four (24) hours' notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Restaurant for compliance with WEI's requirements, to remove from the Restaurant any items bearing any Marks, or to take other action permissible under the Franchise Agreement between Lessee and WEI. Lessor specifically subordinates any lien it may have in items bearing any Marks, to WEI's rights as licensor of such Marks.

5. Termination or Expiration.

- (a) Upon Lessee's default and failure to cure a default under either the Lease or the Franchise Agreement, WEI will, at its option, have the right (but not the requirement) to take an automatic assignment of Lessee's interest.
- (b) Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist WEI in gaining possession of the premises and if WEI does not elect to take an assignment of the Lessee's interest, Lessor will allow WEI to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs and all other items identifying the Premises as a Wings Etc. Restaurant and to make such other modifications (such as repainting) as are reasonably necessary to protect the Wings Etc.® marks and system, and to distinguish the Premises from Wings Etc.® restaurants. In the event WEI exercises its option to purchase assets of Lessee, Lessor must permit WEI to remove all such assets being purchased by WEI.

6. Consideration; No Liability.

- (a) Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its business and the Lessee would not lease the Premises without this Addendum.

(b) Lessor further acknowledges that Lessee is not an agent or employee of WEI and the Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind WEI or any affiliate of WEI, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against WEI or any affiliate of WEI.

7. Sales Reports. If requested by WEI, Lessor will provide WEI with whatever information Lessor has regarding Lessee's sales from the Restaurant.

8. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained the written consent of WEI.

9. Reaffirmation of Lease. Except as amended or modified in this Addendum, all of the terms, conditions and covenants of the Lease remain in full force and effect and are incorporated by reference and made a part of this Addendum as though copied herein in full.

10. Beneficiary. Lessor and Lessee expressly agree that WEI is a third-party beneficiary of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

LESSEE:

LESSOR:

By: _____

By: _____

Title: _____

Title: _____

Appendix C to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Wings Etc., Inc., its parent company or any affiliated entity (collectively, "WEI"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Continuing Fees, Marketing Fees or other amounts that become payable by the undersigned to WEI. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by WEI.

This authorization is binding and will remain in full force and effect until ninety (90) days' prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

Account Name

Bank Name

Street Address

Branch

City State Zip Code

Street Address

Telephone Number

City State Zip Code

By _____

Bank Telephone Number

Its _____

Bank's Account Number

Date _____

Customer's Account Number

Appendix D to the Franchise Agreement

**Personal Guarantee and Agreement to be Bound
Personally by the Terms And Conditions
of the Franchise Agreement**

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in subparagraph 10.D, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

[Signatures on Following Page]

FRANCHISEE: _____

PERSONAL GUARANTORS:

_____ Individually

_____ Print Name

_____ Address

_____ City State Zip Code

_____ Telephone

_____ Individually

_____ Print Name

_____ Address

_____ City State Zip Code

_____ Telephone

_____ Individually

_____ Print Name

_____ Address

_____ City State Zip Code

_____ Telephone

_____ Individually

_____ Print Name

_____ Address

_____ City State Zip Code

_____ Telephone

Appendix E to the Franchise Agreement

Ownership and Management Addendum

1. Principal Owner(s). You represent and warrant to us that the following person(s) and entities, and only the following person(s) and entities, will be your Principal Owner(s):

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>PERCENTAGE OF INTEREST</u>
*		

2. Certified Managers. You represent and warrant to us that the following persons, and only the following persons, are your Certified Managers:

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>

3. Change. You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

4. Effective Date. This Addendum is effective as of this _____ day of _____, 20____.

Your Initials

Our Initials

Appendix F to the Franchise Agreement

Acknowledgment Addendum

As you know, you and we are entering into a Franchise Agreement for the operation of a WINGS ETC.® restaurant franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your restaurant. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

3. Did you receive a copy of the Franchise Agreement at least 7 calendar days prior to the date on which the Franchise Agreement was executed? **Check one:** () Yes () No. **If no, please comment:** _____

4. If you answered no to question 3, but answered yes to question 1, were all of the changes to the Franchise Agreement made as a result of negotiations that you initiated with us? **Check one:** () Yes () No. **If no, please comment:** _____

5. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

6. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? **Check one:** () Yes () No. **If yes, please comment:** _____

7. Did any employee or other person speaking on behalf of Wings Etc., Inc. make any oral, written or visual representation, claim, statement or promise to you that stated, suggested, predicted or projected financial performance, sales, revenues, earnings, income or profit levels at any WINGS ETC.® location or business, or the likelihood of success at your franchised restaurant, other than the information contained in Item 19 of the Disclosure Document? **Check one:** () Yes () No. **If yes, please state in detail the oral, written or visual representation:** _____

8. Do you understand that that the franchise granted is for the right to operate the Restaurant at the Authorized Location only, as stated in Subparagraph 2.B, and that we and our affiliates have the right to issue franchises or operate competing restaurants for or at locations, as we determine, at any other location, as described in Subparagraph 2.D? **Check one:** () Yes () No. **If no, please comment:** _____
-
9. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Restaurant, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? **Check one:** () Yes () No. **If no, please comment:** _____
-
10. Do you understand that the success or failure of your Restaurant will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the WINGS ETC.® trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Restaurant may change? **Check one:** () Yes () No. **If no, please comment:** _____
-
11. **Do you** understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including COVID-19. In addition, do you understand that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for WINGS ETC.® businesses. The extent to which the coronavirus impacts the WINGS ETC.® system will depend on future developments which are highly uncertain and which we cannot predict? **Check one:** () Yes () No. **If no, please comment:** _____
-

[Signatures on following page.]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

*Do not sign this Acknowledgment Addendum if you are a Maryland resident, or if the franchised business is to be located in Maryland.

FRANCHISEE:

FRANCHISEE:

By:

By:

(signature)

(signature)

(Print Name)

(Print Name)

(Date)

(Date)

**APPROVED ON BEHALF OF
WINGS ETC., INC.**

By:

(signature)

(Print Name)

(Date)

ADDENDUM TO
WINGS ETC., INC.
FRANCHISE AGREEMENT FOR THE
STATE OF ILLINOIS

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement (“Agreement”) to the contrary, the Agreement is amended as follows:

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In all other respects, the Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISOR:

FRANCHISEE:

WINGS ETC., INC.

By: _____

By: _____

Its:

Its:

Date: _____

Date: _____

ADDENDUM TO
WINGS ETC., INC.
FRANCHISE AGREEMENT FOR THE
STATE OF MARYLAND

This Addendum pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement (“Agreement”) to the contrary, the Agreement is amended as follows:

1. All representations requiring prospective franchisees to assent to a release required as a condition of renewal, sale and/or assignment/transfer shall not apply to, 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.

2. Section 15 is amended to provide that any disclaimers or acknowledgments by Franchisee under this Section are not intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Section 15.I is amended to provide that Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure law.

4. Section 17.4 is further amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the date of the Agreement.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. In all other respects, the Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISOR:

FRANCHISEE:

WINGS ETC., INC.

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

ADDENDUM TO
WINGS ETC., INC.
FRANCHISE AGREEMENT FOR THE
STATE OF MINNESOTA

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS ETC., INC.

By: _____

By: _____

Its:

Its:

Date: _____

Date: _____

ADDENDUM TO
WINGS ETC., INC.
FRANCHISE AGREEMENT FOR THE
STATE OF NEW YORK

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS ETC., INC.

By: _____

By: _____

Its:

Its:

Date: _____

Date: _____

ADDENDUM TO
WINGS ETC., INC.
FRANCHISE AGREEMENT FOR THE
STATE OF VIRGINIA

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the 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 acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS ETC., INC.

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT D

Multiple Restaurant Development Agreement

WINGS ETC.®
MULTIPLE RESTAURANT DEVELOPMENT AGREEMENT

THIS AGREEMENT made and entered into as of the ____ day of _____, 20____ by and between WINGS ETC., INC., an Indiana corporation (“Franchisor”) and _____ (“Developer”).

BACKGROUND

Franchisor and Developer are, on this day, entering into a WINGS ETC.® Franchise Agreement (the “Initial Franchise Agreement”), whereby Developer will be granted the right to operate a WINGS ETC.® Restaurant at _____, _____ (the “Authorized Location”). Developer desires to obtain the right to develop additional WINGS ETC.® Restaurants within certain defined areas in the _____ area, pursuant to Franchisor’s then-standard form of Franchise Agreement. Franchisor is willing to grant such rights under the provisions stated below.

AGREEMENTS

Franchisor and Developer agree as follows:

1. Development Rights; Reservation of Rights. Subject to the provisions stated below, Franchisor grants to Developer (and Developer accepts and agrees to exercise) the right to establish and operate for its own account, but not to subfranchise, sublicense or resell, the number of additional WINGS ETC.® Restaurants listed in Section 2.A below (the “Restaurants”), each pursuant to an individual WINGS ETC.® Franchise Agreement (“Franchise Agreement”) in the form then-currently used by Franchisor at the time of issuance, as amended by Section 4 of this Agreement. Developer’s rights to establish and operate Restaurants under this Agreement will be limited to the area(s) described on Exhibit A attached hereto (the “Development Area”). Notwithstanding the foregoing, the following categories of locations are specifically excluded from the Development Area even if located within the area described in Exhibit A: airports and other transportation terminals, sports facilities, hospitals, college and university campuses, corporate campuses, a department within an existing retail store, hotels, grocery stores, and other similar types of locations that have a restricted trade area (“Special Sites”). Developer acknowledges that Franchisor may operate or franchise or license others the right to operate Restaurants or other businesses identified by the WINGS ETC.® trademarks at Special Sites. So long as Developer is in compliance with the terms of this Agreement and the Initial Franchise Agreement, and in compliance with the terms of the individual Franchise Agreement for each Restaurant developed hereunder, Franchisor will not establish for its own account or franchise others (other than Developer, under this Agreement) to operate a Restaurant within the Development Area. The limited Development Area granted under this Agreement is the only territorial protection granted to Developer and does not in any way expressly or implicitly grant any other area, market, territorial, or development rights to Developer or restrict Franchisor or its affiliates in any way in the manner in which Franchisor and its affiliates may conduct or operate their respective businesses outside the Development Area. Franchisor and its affiliates have the right to issue competing franchises or to directly or indirectly develop and operate competing company-owned businesses under Franchisor’s WINGS ETC.® trademarks (the “Marks”) for or at any locations, as determined by Franchisor or any of its affiliates, outside Developer’s Development Area, including locations near the boundaries of the Development Area. Further, Franchisor and its affiliates have the right both within and outside of the Development Area to distribute products or services through alternative channels of distribution (including the Internet or any other existing or future form of electronic commerce) under the Marks, or under any other trademarks, service marks, trade names and commercial symbols.

2. Minimum Development Schedule. Developer's rights under this Agreement are conditioned upon its active development of the Development Area. In addition to opening and continuously maintaining the Restaurant to be granted under the Initial Franchise Agreement, Developer agrees to open for business and thereafter maintain in operation within the Development Area not less than the cumulative number of Restaurants set forth in Part 4 of Exhibit B to this Agreement (the "Development Schedule") within the deadlines set forth therein. Developer may develop additional Restaurants within the Development Area; provided: (i) Developer is in good standing under this Agreement and the individual Franchise Agreement for each Restaurant developed hereunder; (ii) the proposed Restaurant will not be located within that portion of the Development Area that is less than two (2) miles from the site of any other WINGS ETC.® Restaurant; and (iii) only if Developer and Franchisor execute Franchisor's then-current form of standard Franchise Agreement for each additional Restaurant.

3. Development Fee. For the rights described in Section 1 above, Developer will pay Franchisor upon Developer's execution of this Agreement, a nonrefundable Development Fee in the amount listed on Exhibit B. The Development Fee is in addition to the Initial Franchise Fees payable by Developer to Franchisor pursuant to each Franchise Agreement executed between Franchisor and Developer. The Development Fee is fully earned upon receipt and will not be refunded in the event that Developer fails to develop future Restaurants in the Development Area.

4. Terms of Subsequent Franchise Agreements. Provided that Developer is then in material compliance with the Development Schedule and each of the Franchise Agreements executed between Franchisor and Developer, the following modifications shall be made to the Franchise Agreement for the second and each subsequent Restaurant developed by Developer in the Development Area: (i) a prorated portion of the Development Fee (as specified in Exhibit B) will be credited against the Initial Franchise Fee for each Restaurant, up to the total number of Restaurants listed in the Development Schedule; and (ii) Developer will pay the reduced Initial Franchise Fee and Continuing Fee amounts (as those terms are defined in such Franchise Agreements) set forth in Exhibit B. In addition, with respect to the Franchise Agreement for the third and each subsequent Restaurant developed by Developer in the Development Area: (i) Franchisor's "Opening Team" requirement will be reduced to the provision of one (1) Restaurant manager for one hundred twenty (120) hours at or around the time of the Restaurant Opening to lead the Opening Team, and (ii) the remainder of the Opening Team shall be provided by Developer and consist of a minimum of four (4) certified kitchen personnel, three (3) certified front of house personnel and one (1) certified manager, with each Opening Team member provided by Developer available for one hundred twenty (120) hours during the same period as Franchisor's Opening Team Restaurant manager is scheduled.

5. Conditions to Development of Additional Restaurants. Franchisor will be obligated to enter into a Franchise Agreement for the development of a Restaurant under this Agreement only if, at the time Developer intends to enter into a Franchise Agreement for such Restaurant: (1) all amounts due and owing by Developer to Franchisor (or Franchisor's affiliates) under or relating to the Initial Franchise Agreement or any other agreement(s) between Developer and Franchisor (and/or Franchisor's affiliates) are paid in full and Developer is otherwise in good standing under such agreements; and (2) Developer is not in default for any reason stated in Section 8 below for which Developer has received written notice.

6. Development Procedure. This Agreement is not a franchise agreement. Each Restaurant to be developed pursuant to this Agreement will be governed by the terms of the actual Franchise Agreement that Franchisor and Developer execute for such Restaurant. This Agreement does not independently authorize Developer to use Franchisor's trademarks or business system to operate any business. Developer will not develop any Restaurant at any site until Franchisor has evaluated and approved the site in writing and there is a signed Franchise Agreement between the parties. Further, Developer will not develop any Restaurant within that portion of Developer's Development Area that is less than two (2) miles from the Development Area of any neighboring WINGS ETC.® Developer. Subject only to Franchisor's evaluation of a proposed site

(which evaluation is not a guaranty that the proposed site will be successful), Developer is solely responsible for locating and securing acceptable sites. If Developer fails to provide Franchisor with an executed Franchise Agreement prior to the time that construction or leasehold improvements are commenced on the premises for a Restaurant, Developer will be in default under this Agreement and Franchisor may terminate this Agreement pursuant to Section 8 below.

7. Term. Unless sooner terminated under Section 8 below, the term of this Agreement will shall run until date that is ten (10) years after the deadline for execution of the last Franchise Agreement required to be developed under the Development Schedule.

8. Default and Termination.

A. Developer may terminate this Agreement at any time with or without cause by delivering written notice thereof to Franchisor. Developer will be in default, and Franchisor may, at its option, terminate this Agreement as provided herein, if: (1) Developer fails to meet the Development Schedule, (2) Developer violates any other material provision of this Agreement, (3) Developer violates any material provision of the Initial Franchise Agreement or any Restaurant Franchise Agreement issued hereunder, (4) Developer is declared bankrupt or becomes insolvent, (5) Developer is convicted of violating any law, ordinance or regulation relating to Developer's operation of any Restaurant referenced herein or developed hereunder, or (6) Developer attempts to subfranchise all or part of its rights under this Agreement.

B. Except as described below, Developer will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written notice of termination within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Developer fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Developer effective immediately upon the expiration of the thirty (30)-day period (or such longer period as applicable law may require). Except as otherwise required by applicable law, Franchisor may terminate this Agreement immediately upon delivery of written notice to Developer, with no opportunity to cure, if the termination results from any of the following: (1) Developer repeatedly fails to comply with one (1) or more material requirements of this Agreement; (2) the nature of Developer's breach makes it not curable; or (3) any default under items (4), (5) or (6) in Section 8(A) above.

C. During the period from the date Franchisor sends a notice of default until all violations and defaults specified therein are cured by Developer or this Agreement is terminated, Franchisor will not be obligated to enter into any Restaurant Franchise Agreement with Developer or otherwise perform any obligations pursuant to this Agreement. Upon termination or expiration of this Agreement, all rights licensed herein will automatically revert to Franchisor and Developer's right to develop Restaurants within the Development Area will cease. Termination or expiration of this Agreement will not affect Developer's rights under any individual Restaurant Franchise Agreement in effect at that time.

9. Transfers. Restaurant Franchise Agreements may be transferred only pursuant to their respective terms. Developer represents and warrants to Franchisor that it intends to develop, manage, and operate all of the Restaurants to be developed hereunder for its own benefit and not for the purpose of or with a view towards resale or redistribution of the franchises to be issued hereunder. This Agreement cannot be pledged, transferred or sold in whole or in part by Developer without Franchisor's prior written consent, which

consent will not be unreasonably withheld. Franchisor may impose conditions to any proposed transfer or assignment, including the following:

A. Developer is in complete compliance with the terms of this Agreement and all other agreements between Franchisor and Developer;

B. The proposed transferee has been approved by Franchisor as meeting Franchisor’s then-current standards for new Developers;

C. The proposed transferee does not own, operate, franchise, develop, manage or control any business that is in any way competitive with or similar to the “WINGS ETC.” business;

D. The proposed transferee has completed Franchisor’s training program;

E. Developer assigns to the proposed transferee its interest in the individual franchise agreements for all Restaurants located in the Development Area; and

F. Developer pays a transfer fee of Five Thousand Dollars (\$5,000).

This Agreement may be assigned and transferred by Franchisor and will benefit Franchisor’s successors and assigns. Any such assignment or transfer will require the assignee to fulfill Franchisor’s obligations under this Agreement.

10. Enforcement. This Agreement, and any dispute arising hereunder, will be governed by those provisions found in the Initial Franchise Agreement respecting enforcement, governing law and injunctive relief.

11. Miscellaneous. This Agreement constitutes the entire Agreement of the parties relative to its subject and cannot be waived, altered or rescinded in whole or in part except by an express writing by the parties. The provisions of this Agreement are severable and the invalidity or unenforceability of any of them will not affect the remainder of this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim the representations the Franchisor made in the franchise disclosure document the Franchisor furnished the Developer.

IN WITNESS WHEREOF, Franchisor and Developer have executed this Agreement as of the date first written above.

FRANCHISOR:

DEVELOPER:

WINGS ETC., INC.

By: _____
Its: _____

By: _____
Its: _____

and

By: _____
Its: _____

EXHIBIT A
TO
MULTIPLE RESTAURANT DEVELOPMENT AGREEMENT
DESCRIPTION OF DEVELOPMENT AREA

EXHIBIT B
TO
MULTIPLE RESTAURANT DEVELOPMENT AGREEMENT

DEVELOPMENT FEE, INITIAL FRANCHISE FEE AMOUNTS AND DEVELOPMENT SCHEDULE

1. Development Fee: \$_____.
2. Total number of Restaurants to be developed in the Development Area, inclusive of the Restaurant developed under the Initial Franchise Agreement: _____.
3. Development Fee credit for second and subsequent Franchise Agreements in the Development Area: \$_____.
4. Development Schedule, including number and cumulative number of Restaurants required to be opened, deadlines, modifications to Continuing Fee percentages and Initial Franchise Fee amounts for second and subsequent Franchise Agreements in the Development Area, Initial Franchise Fee amounts, due net of Development Fee credit:

Development Schedule						
Deadline to Execute Franchise Agreement	Deadline to Open Restaurant(s)	Number of Restaurant(s) to Open by Deadline	Cumulative Number of Restaurants Opened	Continuing Fee % for Restaurant	Initial Franchise Fee Amount	Initial Franchise Fee, Net of Development Fee Credit
[same date as Dev. Agreement]				5%	\$39,500	\$39,500
				4.75%		
				4.75%		
				4.5%		
				4.5%		
				4.25%		
				4.25%		
				4.0%		
			additional	4.0%		(no credit)

EXHIBIT C
TO
MULTIPLE RESTAURANT DEVELOPMENT AGREEMENT

STATE-SPECIFIC ADDENDA

ILLINOIS ADDENDUM TO DEVELOPMENT AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Development Agreement, to the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- (a) Illinois law governs the Development Agreement.
- (b) Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void, provided that the Development Agreement may provide for arbitration in a forum outside of Illinois.
- (c) Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- (d) Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.
- (e) Any release of claims or acknowledgments of fact contained in the Development Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Illinois Franchise Disclosure Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.
- (f) No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

3. This Addendum is being entered into in connection with the Development Agreement. In the event of any conflict between this Addendum and the Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS, ETC., INC.

By: _____
Its: _____

By: _____
Its: _____

Date: _____

Date: _____

MARYLAND ADDENDUM TO DEVELOPMENT AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Development Agreement, to the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- (a) 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.
- (b) Nothing in the Development Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- (c) Nothing in the Development Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- (d) Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.
- (e) No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

3. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Development Agreement. In the event of any conflict between this Addendum and the Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS, ETC., INC.

By: _____
Its: _____

By: _____
Its: _____

Date: _____

Date: _____

MINNESOTA ADDENDUM TO DEVELOPMENT AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Development Agreement, to the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Development Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Development Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Development Agreement. In the event of any conflict between this Addendum and the Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS, ETC., INC.

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

NEW YORK ADDENDUM TO DEVELOPMENT AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Development Agreement, to the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- (a) Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.
- (b) Any provision in the Development Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.
- (c) The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

3. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Development Agreement. In the event of any conflict between this Addendum and the Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS, ETC., INC.

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

VIRGINIA ADDENDUM TO DEVELOPMENT AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Development Agreement, to the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Development Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

3. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Development Agreement. In the event of any conflict between this Addendum and the Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

WINGS, ETC., INC.

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT E

List of Franchises

List of Current Franchisees as of December 31, 2023

Primary Owner	Street Address	City	State	Zip Code	Telephone Number
Ricardo Valdes	3419 Alt 19	Palm Harbor	FL	34683	727-773-9464
Mike Hensmann	480 Orchard St	Antioch	IL	60002	847-395-7777
Mike Hensmann	5899 Northwest Hwy. Unit G	Crystal Lake	IL	60014	815-444-8180
John Dragos	581 Bob Blair Road	Minooka	IL	60447	815-585-9464
Mark Crossland	2315 North Dirksen Pkwy	Springfield	IL	62702	217-241-0077
Mike Hensmann	1447 Cannonball Trail	Yorkville	IL	60560	630-882-9463
Ken Trout	9646 E US HWY 36	Avon	IN	46231	317-273-0850
Sukhpreet Singh	915 E. National Ave	Brazil	IN	47834	812-442-9464
Ken Trout	8188 Upland Way	Camby	IN	46113	317-830-8528
Matt/Jen Scherk	2132 North Park Rd.	Connersville	IN	47331	765-222-1500
Manish Malhotra	628 E. Diamond Ave.	Evansville	IN	47711	812-909-2945
Ken Trout	1925 Melody Ave	Greenfield	IN	46140	317-318-1016
Bryan Burcroff	317 Hauenstein Rd	Huntington	IN	46750	260-359-2146
Ken Trout	4915 Emerson Ave	Indianapolis	IN	46203	317-780-9464
Jayne McClain	1399 N. Shadeland Ave	Indianapolis	IN	46219	317-351-9464
Manish Malhotra	3683 N Newton St.	Jasper	IN	47546	812-556-0399
Mark/Amanda Powell	285 Grand Valley Blvd	Martinsville	IN	46151	765-315-0832
Ken Trout	1401 W McGalliard Rd Suite 1	Muncie	IN	47304	765-216-7314
Manish Malhotra	8833 High Point Drive	Newburgh	IN	47630	812-490-0550
Sukhpreet Singh	1818 E. Main St	Plainfield	IN	46168	317-406-3250
Matt Coffel	2123 N. Oak Rd	Plymouth	IN	46563	574-941-2299
Manish Malhotra	2697 W. Broadway St	Princeton	IN	47670	812-635-0285
Ken Trout	2541 E. State Rd. 44	Shelbyville	IN	46176	317-604-5751
Sukhpreet Singh	1800 Fort Harrison Road	Terre Haute	IN	47804	812-917-4080
Sukhpreet Singh	4680 S U.S Highway 41	Terre Haute	IN	47802	812-917-2707
Bryan Burcroff	1439 N. Cass Street	Wabash	IN	46992	260-225-0441
Bryan Burcroff	3416 Lake City Hwy	Warsaw	IN	46580	574-268-2299
Sukhpreet Singh	1259 N. State Road 135 Suite A	Greenwood	IN	46142	317-300-1358
Dave Clingenpeel	2139 SW Fairlawn Plaza	Topeka	KS	66614	785-271-9464
Manish Malhotra	401 Walker Drive	Henderson	KY	42420	270-205-4486
Manish Malhotra	97 Madison Square Dr	Madisonville	KY	42431	270-584-9061
Yogesh Patel	1109 Paris Road	Mayfield	KY	42066	270-356-1237
Ray Davis	35 Russel Plaza Drive	Russell	KY	41101	606-393-5609
Darla Landon	1948 Mall Place	Benton Harbor	MI	49032	269-925-9980
Jim Luce	1788 Old US 23	Hartland	MI	48843	810-991-1776
Denise Hiatt	6740 Seeco Dr	Kalamazoo	MI	49009	269-365-9464
Jeremy Bayles	2008 S. 11th Street	Niles	MI	49120	269-683-9464

Primary Owner	Street Address	City	State	Zip Code	Telephone Number
Gene Harrison	330 Quay St.	Port Huron	MI	48060	810-479-9606
Tom Potts	7337 S. Westnedge Ave	Portage	MI	49002	269-324-9382
Gene Harrison	111 W. Chicago Rd	Sturgis	MI	49091	269-503-7088
Joe Hobbs	3047 Williams St., Suite 105	Cape Girardeau	MO	63703	573-803-3400
Joe Hobbs	529 N Walnut St	Dexter	MO	63841	573-614-7690
Joe Hobbs	2003 E. Jackson Blvd	Jackson	MO	63755	573-243-9464
Drew Robertson	2651 N. Glenstone Ave	Springfield	MO	65803	417-409-1624
Clay Arey	1910 E. Dixon Blvd	Shelby	NC	28152	704-600-6696
Kyle Huck	44360 West Hills Lane	Caldwell	OH	43724	740-305-5168
Chris Atkins	1342 North Barron St	Eaton	OH	45320	937-456-3312
Kyle Huck	101 Cooked Run Lane	Marietta	OH	43724	740-371-5095
John and Melissa Hector	7200 Hazelton Etna Road SW	Pataskala	OH	43062	740-919-4201
Kyle Huck	1804 Washington Blvd. :Suite A	Belpre	OH	45714	740-860-3222
Scott McFalls	2634 Boiling Springs Rd, Suite A	Boiling Springs	SC	29316	864-699-9464
Kamlesh Patel	788 Vann Drive	Jackson	TN	38305	731-265-6500
Dwayne O'Dell	319 Lovell Rd.	Knoxville	TN	37934	865-392-1021
Jeff Martin	1507 N. Plaza Dr.	Granbury	TX.	76048	682-279-8980
Dan Van Dyke	1504 Grand Central Ave	Vienna	WV	26105	304-893-9437

List of Franchisees Signed but Unopened as of December 31, 2023

Primary Owner	City	State
Tim McGivern	Venice	FL
Ken Trout	Crawfordsville	IN
Justin Lindsey	Salem	VA
Gene Harrison	Kalamazoo	MI
Tom Belanger	Minneapolis	MN
Yogi Patel	Paris	TN
Beni Brosch	Flower Mound	TX
Lance Stephens	LaPorte	TX
Pat Minnite	Ripley	WV

List of franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

Primary Owner	City	State	Telephone Number
Dave Delaney	Auburn	AL	334-521-5095
Navpreet Singh	Wixom	MI	248-859-5805
Kamlesh Patel	Jackson	TN	731-265-6500

EXHIBIT F

State Effective Dates and Receipts

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
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Wisconsin	Pending

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 summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Wings Etc., Inc. (“Wings”) offers you a franchise, Wings must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Wings or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Wings give you this disclosure document at the earlier of either: (a) the first personal meeting with you to discuss the franchise or (b) 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wings 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 those state administrators listed on Exhibit A.

The franchisor is Wings Etc., Inc., located at 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, IN 46804. Its telephone number is (260) 432-6001.

Issuance Date: March 25, 2024

The franchise sellers involved in offering and selling the franchise to you are Robert Hensmann, 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, IN 46804 (260) 434-0888, and any additional individuals listed in the space below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____

Wings authorizes the respective state agencies identified on Exhibit A to receive service of process for Wings in the particular state.

I have received a disclosure document with an issuance date of March 25, 2024 which included the following Exhibits:

- | | |
|---|--|
| A. List of State Agencies and Agents for Service of Process | D. Multiple Restaurant Development Agreement |
| B. Financial Statements | E. List of Franchises |
| C. Franchise Agreement | F. State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Franchisee

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Wings Etc., Inc. (“Wings”) offers you a franchise, Wings must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Wings or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Wings give you this disclosure document at the earlier of either: (a) the first personal meeting with you to discuss the franchise or (b) 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wings 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 those state administrators listed on Exhibit A.

The franchisor is Wings Etc., Inc., located at 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, IN 46804. Its telephone number is (260) 432-6001.

Issuance Date: March 25, 2024

The franchise sellers involved in offering and selling the franchise to you are Robert Hensmann, 7337 W. Jefferson Blvd, Suite 200, Fort Wayne, IN 46804 (260) 434-0888, and any additional individuals listed in the space below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____

Wings authorizes the respective state agencies identified on Exhibit A to receive service of process for Wings in the particular state.

I have received a disclosure document with an issuance date of March 25, 2024 which included the following Exhibits:

- | | |
|---|--|
| A. List of State Agencies and Agents for Service of Process | D. Multiple Restaurant Development Agreement |
| B. Financial Statements | E. List of Franchises |
| C. Franchise Agreement | F. State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Wings Etc., Inc.

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to Robert Hensmann, our Executive Vice President of Operations, by email to franchise@wingsetc.net or by fax to 260-818-2034.