Epic Wings

Sacco Restaurants Inc
12075 Carmel Mountain Road #201
San Diego, California 92128
858-451-9464, www epicwings com

FRANCHISE DISCLOSURE DOCUMENT

The franchise is for on-premises dining and carry-out foods featuring freshly-cooked, never frozen wings, strips, boneless wings and other food and beverage items The total investment necessary to begin operation of an Epic Wings restaurant is $487,950 - $1,170,700 This includes $30,500 that must be paid to us

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**

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 homepage at www ftc gov for additional information on franchising Call your state agency or visit your public library for other sources of information on franchising

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

This Disclosure Document is issued March 30, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit "G" for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION IN CALIFORNIA IF YOU ARE IN ANOTHER STATE, OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 YOUR TERRITORY WILL BE PROTECTED BUT NOT EXCLUSIVE THE FRANCHISOR WILL NOT OPERATE OR GRANT FRANCHISES FOR ANOTHER FRANCHISED RESTAURANT WITHIN YOUR TERRITORY, EXCEPT FOR FRANCHISES FOR FRANCHISED RESTAURANTS OR SIMILAR RESTAURANTS LOCATED AT NONTRADITIONAL SITES, SUCH AS SCHOOLS, UNIVERSITIES, AIRPORTS, AMUSEMENT PARKS, HOSPITALS, STADIUMS, ARENAS, CONVENTION CENTERS, FAIRGROUNDS, BUSINESS CAMPUSES AND OTHERS

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

EFFECTIVE DATE SEE THE NEXT PAGE FOR STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Documents 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 Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California _________, 2017

In all other states the effective date of this Franchise Disclosure Document is the issuance date of March 30, 2017

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TABLE OF EXHIBITS

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

Sacco Restaurants Inc is the franchisor We are referred to as "Company," "Franchisor," "we," "us" or "our" in this Disclosure Document "You" means the person who buys the franchise whether you are an individual, sole proprietorship, corporation, partnership, limited liability company or other entity

We incorporated in California on March 15, 2013 Our address is 12075 Carmel Mountain Road #201, San Diego, California 92128 We do not have a predecessor in the sense of an entity we acquired most of our assets from We do not have a parent entity or entity that we consider to be an affiliate Our agent for service of process is Sam Sacco at 12075 Carmel Mountain Road #201, San Diego, California 92128 Additional agents for service of process are listed in Exhibit G

Since 1982 members of the extended Sacco family operated restaurants known as Wings N' Things that are similar to the restaurant being franchised At the effective date of this Disclosure Document, 17 Wings N' Things restaurants operated They are in the San Diego area, as far north as Murrieta in Southern California Wings N' Things restaurants have characteristics of franchises but franchises were not offered to the public

We have not offered franchises in other business We provide services for Wings N' Things restaurants, but do not operate a business similar to the franchised business We grant franchises for the development and operation of quick service restaurants that feature fresh, never frozen wings, strips, boneless wings and other food items and beverages, and at some locations beer and wine, with seating for on-premises dining and carry-out The franchise is for a single restaurant

Franchised restaurants will use a system we developed Distinguishing characteristics of our system include distinctive exterior and interior layout, design and color scheme, distinctive signage, decor, furnishings and materials, special recipes, menus and food and beverage designations, our confidential operations manual, preparation and service procedures and techniques, advertising, operating procedures and other aspects of the restaurant We can change elements of the system

Your restaurant will operate under the name "Epic Wings" plus design, logos, commercial symbols and other trade names, service marks and trademarks that are now or later may be part of our system

Your restaurant will serve the general public It will compete with other restaurants, local, regional and national franchised, chain and independently-owned single unit and small chains, some featuring chicken products, wings, and other meal options and others featuring other foods You will also compete against the other dining and meal options available to the public We believe the market for casual, quick-service, theme restaurants offering quality menu items continues to develop

Federal, state and local laws and regulations apply to your restaurant These have requirements for construction, design and maintenance of restaurant premises, zoning, parking and similar requirements for a restaurant location, health, safety and welfare of customers, workers and the public, sanitation requirements, inspections by government agencies and posting inspection results, employee practices concerning storage, handling, cooking and preparation of food, restrictions on hiring persons not authorized to work in the United States, minimum wage, restrictions on smoking, requirements for public accommodations, including restrooms, insurance for employees, taxes and withholding, fire safety and emergency preparedness, alcoholic beverage sales, use, storage and disposal of waste and hazardous materials, disclosure of nutrition and calorie information, and nondiscrimination as to customers, employees or others There are also other laws that apply You must investigate which laws, regulations and requirements may apply in the area where you are interested in locating your franchise and consider and determine their effect and costs of compliance

ITEM 2
BUSINESS EXPERIENCE

Director and President, Secretary and Treasurer Sam Sacco

Mr Sacco has been a member of our Board of Directors and our President, Secretary and Treasurer since we incorporated on March 15, 2013 Since 1994, Mr Sacco has owned and operated four Wings N' Things restaurants

Director Mike Sacco

Mr Sacco has been a member of our Board of Directors since we incorporated on March 15, 2013 Since 2001, Mr Sacco has owned and operated two Wings N' Things restaurants

Director Greg Sacco

Mr Sacco has been a member of our Board of Directors since we incorporated on March 15, 2013 Since January 2007, Mr Sacco has owned and operated California Wing Ventures, Inc , a Wings N' Things Restaurant operator Since January 2004, Mr Sacco has owned and operated Wing Ventures, Inc , a Wings N' Things Restaurant operator

Director Catherine Russo

In addition to serving as a member of our Board of Directors, since 1982 to the present, Ms Russo has been President of Wings N' Things, Inc , a Wings N' Things Restaurant operator

Director Joseph Sacco

In addition to serving as a member of our Board of Directors, since 1985 to the present, Mr Sacco has been employed at HotWings Inc , a Wings N' Things Restaurant operator

Director Frank Sacco

In addition to serving as a member of our Board of Directors, since 1982 to the present, Mr Sacco has been Chief Financial Officer of Fricken Franks Inc , a Wings N' Things Restaurant operator

ITEM 3
LITIGATION

No lıtıgatıon ıs requıred to be dısclosed ın thıs Item

ITEM 4
BANKRUPTCY

No bankruptcıes are requıred to be dısclosed ın thıs Item

ITEM 5
INITIAL FEES

You pay us an ınıtıal franchıse fee of $30,000 when you sıgn the Franchıse Agreement Thıs fee ıs fully earned when paıd and ıs not refundable Before openıng, you also pay us $500 for ıntranet ıntegratıon

If you do not lease a sıte for your restaurant that ıs acceptable to us, wıthın 90 days after sıgnıng the Franchıse Agreement, or ıf we determıne you cannot satısfactorıly complete the traınıng program, we can termınate the Franchıse Agreement If so, we'll return the ınıtıal franchıse fee, less $3,500 whıch we wıll keep If we extend the tıme to locate a sıte, and you do not get a sıte acceptable to us wıthın 180 days, we can termınate, and we'll return the ınıtıal franchıse fee, less $7,000, whıch we'll keep

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	4% of Net Sales	Weekly (we can notıfy you that we wıll requıre payment more frequently)	Net Sales means all revenues and ıncome from sales, but not sales tax, chargeable to customers, separately stated when charged and paıd to the taxıng authorıty, also not refunds If you don t report Net Sales for a perıod, we can debıt your account 120% Once we receıve the Net Sales report(s), any overpayments wıll be credıted, wıthout ınterest, agaınst future royalty fees
Promotıon Fund	Up to 3% of Net Sales	Payable at the same tıme and manner as Royalty Fees	You contrıbute to the Promotıon Fund Contrıbutıons wıll be credıted toward local advertısıng requırement
Local Advertısıng	3% of Net Sales (less amounts paıd to Promotıon Fund or for Cooperatıve Advertısıng)	Monthly	You pay to supplıers of advertısıng
Cooperatıve Advertısıng	As decıded by majorıty vote of co-op members	Monthly	These expendıtures wıll be credıted toward local advertısıng requırement
Intranet Integratıon	$500	Prıor to openıng	You pay us thıs fee to set up and ıntegrate your restaurant ınto our ıntranet system

Type of Fee	Amount	Due Date	Remarks
Software License	To be determined	Weekly or monthly or other frequently	You pay if/when software is introduced for operations of the restaurant
Insurance	Amount of premium and charge for our expenses	On demand	If you don't obtain or maintain required insurance we can obtain some or all of the insurance for you, you pay the charges we incur and our expenses
Inspection/Audit	Amount shown to be understated or underpaid, cost of audit and interest (1 5% per month)	On demand	You pay the amount of any understatement or underpayment shown by our inspection or audit and interest If understatement or underpayment was 2% or more for any period, you also pay the inspection or audit cost
Maintenance	Actual expense and cost	On demand	You must maintain premises, furniture, fixtures, equipment, signs and decor If you don t, after we notify you, we can do so You pay the costs
Us Operating Your Restaurant Due to Your Breach, Death, Absence, or Incapacity	$500 per day plus expenses	Weekly and at the same time as Royalty Fees	We may operate your Franchised Restaurant if you are in breach, absent, become incapacitated or die
Termination for Not Obtaining Location or Completing Training	$3,500 or $7,000	On termination	If we terminate the franchise because you did not get a location within 180 days or did not complete training or we question if you can successfully be trained, we return the initial franchise fee you paid but keep $7,000, if termination is at 90 days for not getting a location, we keep $3,500
Late Payment Charges	1 5% per month on unpaid amount	After due date	Applies to amounts not paid on time
Supplier/Supplies Approval	Reasonable cost of inspection, evaluation and test, estimated not to exceed $1,000 for inspection and testing	Time of inspection and testing	Applies to new suppliers or supplies you wish to purchase that Company has not approved
Transfer Fee	50% of then-current initial Franchise Fee for a start-up Franchised Restaurant	On your request to transfer your Franchise Agreement	You pay this fee as part of a transfer of the Franchise Agreement
Renewal Fee	25% of then applicable initial franchise fee	On exercise of each renewal option	You pay this to enter into renewal franchise agreement on each occasion
Additional Training or Assistance	$500 per day plus travel, lodging and meal expenses	Time of assistance	We provide initial training We charge you for our personnel if we provide additional training or assistance
Relocation Fee	$5,000	Time of request for relocation	You pay this fee if you seek our consent to relocate the restaurant

Type of Fee	Amount	Due Date	Remarks
Indemnification, Defense Costs	All costs including attorneys' fees	Upon settlement or conclusion of claim or action	You must defend suits at your cost and hold us harmless against damages resulting from your operation of the Franchised Restaurant You pay all costs and attorneys fees You reimburse our costs and attorneys' fees
Fee for engaging in restricted competition	10% of income and/or of revenue of competing business	15th day of each month	If you or any of your owners, affiliates, or any officer, director, manager or affiliate or spouse or family of them violates the noncompetition restriction then in addition to all other remedies available to us, you and the person involved pay us 10% of the revenue from the sale of products and services of the competing business
Post Term De-Identification	Varies	On demand	After termination, if you fail to fully de-identify the restaurant location and make other changes required to disassociate it from us and our system, we can enter the premises and do so You pay the expenses
Damages for Cancellation or Termination Due to your Breach	Lesser of (a) 2 times Royalty Fees payable to us for prior 12 months (if Restaurant operated less than 12 months, ave monthly Royalty Fees payable over period it operated, x 12), or (b) number of months remaining until expiration of term times ave monthly Royalty Fees payable to us for immediately prior 12 months	On demand	In a termination for your breach you pay us these amounts as liquidated damages
Enforcement Costs	Varies	On demand	You pay us all damages, costs and expenses, including attorneys' fees, we incur to enforce the Franchise Agreement
Guaranty	Varies	On breach of Franchise Agreement	Your owners personally guarantee and comply with all terms and are liable for performance and breach of Franchise Agreement

All fees are imposed by and are payable to Company unless otherwise noted

Interest owed begins from date of underpayment You do not have to pay other fees to Company, or other fees to any third party Fees paid to Company are non-refundable unless otherwise noted Fees paid to third parties are refundable based on your agreements with the third parties

ITEM 7
ESTIMATED INITIAL INVESTMENT

You may incur the following estimated initial expenditures in the establishment of a Franchised Restaurant Factors regarding each expenditure category are described in the notes following the chart

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditures	Your Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment Is Made
Initial Franchise Fee (1)	$30,000	Check	On Signing Franchise Agreement	Us
Leasehold Improvements (2)	$150,000 - $600 000	As Arranged	As Arranged	Landlord, Approved Suppliers
Signage (3)	$12,000 - $18,000	Lump Sum	As Arranged	Approved Suppliers
Rent (4)	$15 000 - $50 400	As Arranged	As Arranged	Landlord
Utility Security Deposits (5)	$1 600 $2 300	As Arranged	As Arranged	Utility Companies
Furniture, Fixtures & Equipment (6)	$175,000 - $275,000	As Arranged	As Arranged	Us, Approved Suppliers
Office Equipment/ Supplies (7)	$2,500 - $5,000	As Arranged	As Arranged	Approved Suppliers
Intranet/Internet (8)	$500	As arranged	Before opening	Us
Initial Inventory (9)	$7,000 $10,000	As Arranged	As Arranged	Us, Approved Suppliers
Insurance (10)	$2,500 $6,000	As Arranged	As Arranged	Company Approved Suppliers
Training (11)	$9,600 - $14,400	As Incurred	As Incurred	Us, Transportation Lines, Hotels and Restaurants
Licenses/Permits (12)	$500 $1,500	Lump Sum	As Arranged	Licensing Authorities
Grand Opening Promotion (13)	$5 000	As Arranged	First Month of Operation	Us, Approved Suppliers
Professional Advisors (14)	$1,750 $5000	As arranged	As arranged	Professional advisors

Type of Expenditures	Your Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment Is Made
Addt l Funds/ Capital (15)	$75,000 – $150,000	As Arranged	As Required	You Determine
TOTAL (16)	$487 950 $1,170 700			

Notes

(1) Initial Franchise Fee The initial Franchise Fee is $30,000 If you do not lease a site for your restaurant that is acceptable to us, within 90 days after signing the Franchise Agreement, or if we determine you cannot satisfactorily complete the training program, we can terminate the Franchise Agreement If so, we'll return the initial franchise fee, less $3,500 which we will keep If we extend the time to locate a site, and you do not get a site acceptable to us within 180 days, we can terminate, and we ll return the initial franchise fee, less $7,000, which we will keep

(2) Leasehold Improvements Some factors that impact costs of construction and leasehold improvements are size and condition of premises, required improvements, location, local cost of contract work, choice of contractor, timing, and design and work choices Costs may be less if the landlord provides a construction allowance The low estimate assumes your restaurant is about 1,500 square feet with a construction cost of about $100 per square foot less a $10 per square foot contribution from your landlord (1,500 x [$100-$10] = $135,000) The high estimate assumes your restaurant is about 3,000 square feet with a construction cost of about $200 per square foot and no landlord contribution (3,000 x $200 = $600,000) These are only estimates Some ways your cost could differ are if you have a larger location or higher cost per square foot or less or no contribution from your landlord, or other factors that increase your costs

(3) Signage This estimate is for exterior signage consisting of one or more of a pole, awning, channel letter and/or monument sign(s) and interior menu boards

(4) Rent You obtain premises for your restaurant This estimate assumes you rent or lease The low estimate assumes a lease rate of $2 50 per square foot per month for premises of 1,500 square feet The estimate is for three months rent and a lease security deposit equal to one months rent ($2 50 x 1,500 x 4 = $15,000) The high estimate assumes a lease rate of $4 00 per square foot per month for premises of 3,000 square feet ($4 00 x 3,000 x 4 = $48,000) Both estimates assume no free rent period in the first three months

(5) Utility Security Deposits You may have to pay deposits before installation or start of service of telephone, gas, electric, water and other utilities The low-end assumes some utility providers require lower or no security deposit

(6) Furniture, Fixtures & Equipment The estimate is for restaurant equipment, furniture and furnishings and point of sale system (currently the Aloha Quick Service 6 7 system which we estimate will cost you about $15,000) Some factors that affect these costs are size of the restaurant, and some choices within the framework of our specifications The lower estimate assumes a restaurant closer to 1,500 square feet and other choices resulting in lower costs for equipment and furniture The higher estimate assumes a restaurant closer to 3,000 square feet and other choices

resulting in larger equipment and furniture costs If you choose more costly choose furniture and furnishings your costs could exceed our high estimate

(7) Office Equipment and Supplies These estimates are for a desk, chairs, cabinets, computer, printer, desk items and office supplies The low and high estimates represent a purchase of all equipment and supplies

(8) Internet/Internet This amount is a one time charge paid to us to assist in connecting and integrating your restaurant into our intranet

(9) Initial Inventory Estimate for an initial inventory of food and beverage items, paper products and other restaurant supplies The lower estimate assumes a restaurant that is smaller in its physical size and/or lower anticipated volume The higher estimate assumes the restaurant is larger in its physical size and/or anticipated volume This is not a representation as to volume

(10) Insurance You must obtain insurance including replacement cost coverage on the restaurant and its fixtures, equipment, supplies, products and other property used in the restaurant, flood and/or earthquake coverage where applicable for full repair and replacement value workers' compensation and employer's liability insurance of $1,000,000, $500,000 of employment practices liability insurance, comprehensive general liability insurance including broad form contractual liability, personal and advertising injury, products/completed operation and, if applicable, liquor liability with coverage of at least $1,000,000 per occurrence and $2,000,000 aggregate, fire damage liability of at least $300,000 per fire and medical expense coverage of at least $5,000 per person Each policy must insure us and you You also must obtain business interruption insurance, automobile liability insurance, including owned, hired and non-owned vehicle coverage, of at least $1,000,000, insurance required by your lease, and umbrella coverage of at least $1,000,000 The lower estimate represents a less expensive package of insurance or a quarterly payment of an annual premium The higher figure represents an approximate annual premium and assumes you pay this in full in a lump sum It is possible to purchase additional insurance or more costly insurance and thus to exceed the high estimate

(11) Training You arrange transportation and pay for meals and lodging for you and your personnel who attending training You compensate your personnel during training The amount will depend on distance you travel, type of travel and lodging you choose, and rate of compensation You come to our headquarters or other location we designate for approximately 4-5 weeks The low estimate assumes aggregate expenses of about $400 per day and the high estimate assumes aggregate expenses of about $600 per day for any travel, food, lodging and compensation for about 24 days

(12) Licenses/Permits These amounts are estimated costs of local licenses and permits and permit for on-premises sale of beer and wine

(13) Grand Opening You must spend at least $5,000 in the period from one month before opening through the first sixty (60) days of operation of the Franchised Restaurant, on newspaper, direct mail advertising and/or promotion through other media The Grand Opening Advertising must be conducted according to the program outline in a Grand Opening Advertising Plan we will provide you and any plan that you prepare and submit to us for our approval

(14) Professional Advisors You should consult with professional advisors like a lawyer and accountant

(15) Working Capital We considered that some time will be needed to generate revenue and the possibility of unexpected expenses The Franchise Agreement states you are required to maintain a cash reserve in the bank of the greater of $75,000 or one month's expenses We cannot assure these amounts will be enough especially in the first few months You may need additional working capital if sales are low or costs are high We relied on our officers' experience of more than 20 years, who worked with a consultant in developing these estimates You should review these estimates carefully with a business advisor before making any decision to purchase the franchise

(16) Totals Your actual costs may vary significantly from the estimates provided in this Item 7 You should review these figures carefully with a business advisor before making any decision to purchase the Franchised Restaurant The Item 7 chart is only an estimate of initial start-up expenses You may have additional expenses, or other categories of expenses, to start the Franchised Restaurant Additional expenses and other categories of expenses could be significant You should not plan to draw income from operations during the start-up and development stage of your franchise, which could exceed three-months " You should plan to have reserves to cover other expenses, losses or unanticipated events during the start-up and development stage or beyond Generally none of the expenses in this table is refundable, except that the initial franchise fee is partly refundable in the circumstances in Note 1 above, security deposits may be refundable and some of the premium may be refunded when an insurance policy is cancelled before its term ends We do not provide direct or indirect financing

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Premises

We require you to obtain premises for the restaurant and purchase various merchandise, services, supplies, fixtures, equipment, and computer hardware and software and other items either from us or from supplies we approve or under our specifications

The location of your restaurant must first be consented to by us You propose a location If it is acceptable to us, the location address will be stated in Section 1(B) of the Franchise Agreement If you do not have or we have not approved a location when the Franchise Agreement is entered into, then the location will be designated later

You must purchase or lease the premises for the location You must get our consent to any proposed lease We can impose conditions to giving our consent Among the conditions we can impose are that the lease provide us the right, if we want, to receive an assignment of the lease on termination or expiration of the franchise, require the lessor to provide us a copy of any default notice sent to you and grant us the right (but not obligation) to cure any deficiency or default within 15 business days after your time ends to cure the default if you fail to do so, authorize you to display the marks according to our specifications, allows construction of improvements meeting our requirements, and assures you will be free from disturbance or interference by the lessor's lender, lienholder, mortgagee or anyone having an interest or claim in the premises

Our review or consent to a proposed lease is not an endorsement or approval of its terms or assurance of any results from the lease or location

We can require you to remodel, modernize, redecorate and make replacements These actions must be done according to our standards and specifications We won't require major modifications or replacements during the first three years of the term

Advertising

You must spend at least $5,000 from a month before opening through the first 60 days of operating the restaurant, on newspaper, direct mail and/or promotion through other media You must do the grand opening advertising according to a program outline we provide and any plan you submit to us that we have consented to

Each month you must spend at least 3% of your net sales on local advertising and promotion Your expenditures are subject to approval from us or our designated advertising agency You must comply with our rules, restrictions and guidelines for advertising

You must enroll and participate in any gift card program we have in effect and as we revise any such program

You must participate in promotion and marketing programs we establish

You must cooperate and when we require participate in additional programs we establish and designate, including coupons, smartphone, tablet and other mobile device applications, rewards and loyalty programs, and other programs, and comply with our rules and regulations

Insurance

You must obtain and maintain insurance protecting you and us and our officers, directors and employees against any loss, liability, injury, death, property damage or expense arising or occurring on or in connection with your restaurant The policy(s) must name us and our shareholders, directors, officers and personnel as additional insureds The insurance company(s) must be licensed in the state where you operate and have an A M Best rating of A-VIII or better

The policy(s) must include replacement cost coverage insurance on the restaurant and all fixtures, equipment, supplies, products and other property used in operating the restaurant for full repair and replacement value without any co-insurance clause, $1,000,000 of workers' compensation and employer's liability insurance, $500,000 of employment practices liability insurance, other insurance required by law where your restaurant is located, comprehensive general liability insurance including a per premises aggregate with at least the following coverages and at least the following limits broad form contractual liability, personal and advertising injury, products/completed operation and, if applicable, liquor liability of at least $1,000,000 per occurrence and $2,000,000 aggregate, fire damage liability of at least $300,000 per fire and medical expense coverage of at least $5,000 per person, with each policy insuring us and you against claims, suits, obligations, liabilities and damages, including attorneys' fees, based on or arising out of actual or alleged bodily injuries or property damage resulting from, occurring in the course of, on or about or otherwise relating to the restaurant, business interruption insurance, auto liability insurance, including owned, hired and non-owned vehicle coverage, of at least 1,000,000, and insurance required by your lease, umbrella coverage of at least $1,000,000

Deductibles in the above coverages must not exceed $5,000 We can modify these required coverages and amounts and deductible limits

Within 90 days after signing the Franchise Agreement, but in any event not later than the date you lease or acquire an interest in premises you must provide us a certificate of insurance showing compliance with the above requirements The certificate must state that the policy(s) will not be canceled or altered without at least 30 days prior written notice to us and must show proof of payment of premiums

If you don't obtain and maintain all required insurance, we can get all or part of the insurance or comparable coverage that we are able or choose to obtain You pay the charges for the insurance and a reasonable fee for expenses incurred by us

Goods and Services

We'll provide you one or more lists of approved manufacturers, suppliers, distributors and approved inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services for the restaurant The lists will specify the manufacturer, brand name, supplier, distributor and inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and services we approve for your use We can revise these lists For some or potentially all items we can designate ourself as an approved supplier or as sole approved supplier

We can manufacture, supply and sell food products to you and other franchisees and/or disclose formulas for and methods and preparation of food products to suppliers who we will authorize to manufacture food products to our specifications and sell them to you and other franchisees You may be required to purchase and use food products from us or a limited number of suppliers authorized by us For some or potentially all products we could designate ourself as an approved supplier or as the sole approved supplier

If you propose to offer for sale at the restaurant any brand of product, or use any brand of food ingredient or other material or supply which is not approved by us, or to buy from a supplier not designated by us as an approved supplier, you must first notify us and submit samples and other information we require for examination, testing or to otherwise determine if the product, material or supply or proposed supplier, meets our specifications and standards We can charge you or the proposed supplier the cost of inspection, evaluation and testing We expect this charge would not exceed $1,000 We will try to let you know our decision within 45 days after we obtain all the information we need We can re-inspect facilities and products of any supplier and revoke approval

All other inventory, products, materials and other items and supplies used in operating the restaurant, which are not specifically required by us to be purchased according to lists we provide, must meet specifications and quality standards we establish

You must use only displays, trays, napkins, boxes, bags, wrapping paper, labels, forms and other paper and plastic products imprinted with the marks and colors prescribed from time to time by us You must purchase such items only from third parties licensed by us to place the marks on such items

Items Not Permitted

You must not install or maintain any newspaper rack, video game, juke box, gaming machine, gum machine, game, ride, vending machine or other similar devices without our written consent

Software

We could develop and design software or select or designate third-party software, or a combination of these, for accounting, inventory, point-of-sale and other activities The software may be all or partly proprietary to and confidential information of us If we do this, we can require you to implement and use the software and comply with our specifications and standards regarding the software We can require you to pay reasonable license and maintenance fees to us and/or third party(s)

Branded Products

We can require you to buy trademarked products from us or other sources we designate You must promote, offer and sell all merchandise including trademarked products and all other food and other services prescribed by us

Other Matters Regarding Sources of Products and Services

Our officers do not own an interest in any supplier However, Epic Wings Restaurants may serve particular brands of soft drinks or could obtain chicken products or other products from companies that are publicly traded Any of our officers could own stock in publicly traded companies

Our criteria for approving suppliers are not made available to you

We may negotiate purchase arrangements with some suppliers These may require that our system meet minimum volume, percentage of purchase and other requirements Some suppliers may pay us rebates or other consideration based on sales to you If we receive these payments we will have the option to pay the funds or a portion of the funds to you (and/or other franchisees) and/or place them in the Promotion Fund, allocated as we determine We believe you will benefit from these arrangements, however, we can't assure that you will agree you have benefited There are no such arrangements at present specifically for the Epic Wings system, but such arrangements do exist for Wings N' Things

We could in the future seek to negotiate group rates for purchases of products and materials with suppliers in our discretion We have not done so yet

There are no purchasing or distribution cooperatives at this time

We estimate that approximately 50% of your expenditures for leases and purchases in establishing your Franchised Restaurant and approximately 75% on an ongoing basis will be for goods and services for which suppliers must be approved by us, or which must meet our standards or specifications

We do not provide or withhold material benefits to you (like renewal rights or the right to open additional restaurants) based on whether or not you purchase through the sources we designate or approve But purchases of unapproved products or services or from unapproved suppliers violates the Franchise Agreement, for which we could terminate the Franchise Agreement and seek damages

We do not derive revenue from your purchases from approved or designated suppliers other than as stated above

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 the Disclosure Document

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a	Site selection and acquisition/ lease	1 and 3	8 and 12
b	Pre opening purchases/leases	3 and 12	7 and 8
c	Site development and other pre opening requirements	3 and 12	6 and 11
d	Initial and ongoing training	4	5 and 6
e	Opening	12(D)	7(11) 8 and 11(b)
f	Fees	1(I) 2(B)(8) 3(A) 10 11(H) 15(I) and 18(B)(2)(b)(7)	5, 6 and 7
g	Compliance with standards and policies/operating manuals	6 7, 12 and 22	11
h	Trademarks and proprietary information	5 6 7 and 15(D)	13 and 14
i	Restrictions on products/services offered	1 and 12	8 and 16
j	Warranty and customer service requirements	12	N/A
k	Territorial development and sales quotas	3	12
l	Ongoing product/service purchases	12	8 and 11
m	Maintenance appearance and remodeling requirements	3, 12	6 and 8
n	Insurance	14	6 7 and 8
o	Advertising	9 12	6 8 and 11
p	Indemnification	14 16(E) 18(B)(4) 21 and 23(C)	6

	Obligation	Section in Franchise Agreement	Disclosure Document Item
q	Owner s participation/ management/ staffing	12, 15 21 and 32	15
r	Records and reports	10 11 12 and 16(B)(8)	9 and 11
s	Inspection and audits	5(E) 11(E) 12(O) 13(C) and 15(I)	6 and 11
t	Transfer	18 19 20	6 and 17
u	Renewal	2	6 and 17
v	Post termination obligations	15 and 17	17
w	Non competition covenants	15	6 and 17
x	Dispute resolution	26 30	17

ITEM 10
FINANCING

Neither we nor any agent or affiliate of ours offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours

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

Except as listed below we are not required to provide you with any assistance

(a) Our Obligations Before You Start Operating the Restaurant

1 Agree on a location for your restaurant or territory in which you'll seek to find a location, and state these in the Franchise Agreement (Franchise Agreement Section 1) You are responsible to purchase or lease a suitable site for your restaurant, subject to our approval (Franchise Agreement Section 3)

Factors we consider in approving or withholding approval of a proposed location include population density, demographics, traffic and traffic patterns, convenience, parking, safety, zoning, neighborhood, physical characteristics of the premises such as size and layout We evaluate each proposed site case-by-case and will try to notify you in writing of our acceptance or rejection within 15 business days after we receive your request and all information

We do not assist in locating premises, negotiating a lease, construction or build-out, conforming the location to meet local rules or zoning requirements or recruiting or hiring employees We don't have special knowledge in selecting sites Our approval does not mean your restaurant will achieve particular results

2 Provide initial training to you and one other supervisorial or managerial personnel (Franchise Agreement Section 4) More information on the training is provided below in this Item 11 If you previously completed training for an Epic Wings restaurant, then we can elect to provide approximately one week of refresher training (Franchise Agreement Section 4(E))

3 We'll loan you or provide you electronic access to our Confidential Operating Manual It will contain specifications, standards, operating procedures and rules for Epic Wings franchised restaurants and information relative to your obligations We can add to and modify the Manual You must keep the manual confidential (Franchise Agreement Section 6) You must operate your Franchised Restaurant in compliance with the terms of your Franchise Agreement and the Manuals You alone will exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant, including over your employees Under no circumstances will we do so or be deemed to do so The various requirements, restrictions, prohibitions, specifications and procedures of the system with which you must comply under the Franchise Agreement and the Manuals do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Restaurant, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your Franchised Restaurant consistent with our policies (Fran Agrmt Sec 6 D) Until our manual is developed and completed, policy statements and operations memoranda we provide will be a temporary operating manual

4 We'll provide you lists of approved manufacturers, suppliers and distributors and approved inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the restaurant The lists will specify manufacturers, brand names, suppliers and distributors and inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and services we approve We can revise these lists For some or potentially all products or services we could designate ourself or our affiliate as an approved supplier or the sole approved supplier (Franchise Agreement Section 12(L)) We don't purchase, deliver or install items for you

5 We'll provide you an outline for a Grand Opening Advertising Campaign You must spend at least $5,000 for grand opening advertising in the period from one month before opening through the first 60 days of operation of the Franchised Restaurant You do this according to the outline we provide you and your plan that you submit and is subject to our approval (Franchise Agreement Section 9(C))

6 We'll provide one representative to assist in opening the restaurant The representative will provide up to one week of additional training at the restaurant around the time of the start of operations During this time the representatives will assist in establishing and standardizing procedures and techniques for operating the restaurant and assist in training personnel But we aren't obligated to do this if you are already a franchisee (Franchise Agreement Section 4(C))

(b) <u>Length of Time Between Signing and Opening</u>

We started offering franchises at the effective date of this Disclosure Document So there is not yet a typical length of time between signing the franchise agreement and opening the restaurant

Within 6 months of obtaining possession you must submit for our consent a site survey, and any proposed modifications to our basic architectural plans, but we have the right to limit changes to those needed to comply with ordinances, building codes and permit requirements, obtain all required zoning changes, building, utility, health, sanitation, sign and other permits and licenses, purchase or lease equipment, fixtures, furniture and signs, complete the construction and/or remodeling and installation of equipment, fixtures, furniture and signage and decorating in compliance with plans and specifications we have consented to in writing and applicable ordinances, building codes and permit requirements, obtain all contractors' statements and waivers of liens for construction, remodeling, decorating and installations, obtain required insurance, complete development and have the restaurant ready to open and start conducting its business The Franchise Agreement says you must start operating the restaurant within six (6) months after signing the Franchise Agreement

Factors that may affect this length of time include obtaining a location that meets our approval, leasehold improvements and build-out, time of year, completion of our initial training, availability of equipment, products and supplies, obtaining government inspections and occupancy permits if needed, and any other circumstances, some beyond ours or your control, that could cause delay

(c) Our Obligations to You After You Start Operating the Restaurant

1 For your first restaurant, we'll provide one representative to assist in opening the restaurant The representative will provide up to one week of additional training at the restaurant around the time you start operating the restaurant During this period, our representatives will also assist you in establishing and standardizing procedures and techniques for operating the restaurant and assist in training personnel (Franchise Agreement Section 4(c))

2 We may advise or offer guidance relative to prices for food and other products offered for sale This will be based on our experience and other factors we take into consideration You must follow our guidance when not against the law to do so (Franchise Agreement Section 13(A))

3 We'll provide you assistance in operating the restaurant as we deem necessary or useful This may be advice and guidance regarding service and selling food, service and merchandise, additional products and services we authorize, purchases, bookkeeping, accounting, inventory control, other administrative matters, supervisory and operating procedures, advertising and promotion programs, and research and development (Franchise Agreement Section 13(C))

4 We may make visits to the restaurant for consultation, assistance, inspection and guidance We may prepare written reports of the visits, outlining observations and suggested changes or improvements and detailing defaults We can decide whether or not to provide a copy of the report to you We'll tell you of problems disclosed by the reports We can also use the reports for other purposes (Franchise Agreement Section 13(D))

(d) Advertising

You may use your own advertising in the following circumstances You must first get our written approval You submit to us or our designated agency, for prior consent, all promotion materials and advertising you propose to use, such as advertising proposed for use in newspapers, radio and tv, online advertising and social networking (if we allow), specialty and novelty items, signs, containers and boxes If we don't respond within one week with our consent or disapproval then the proposed advertising is not approved

You must contribute an amount we specify, not exceeding 3% of Net Sales to the Epic Wings Promotion Fund These payments will be made together with royalty payments These payments will be credited toward amounts you are required to spend on local advertising, described below

If and when we establish the Promotion Fund, we or our designee will direct all advertising programs with sole discretion over the creative concepts, materials and media and their placement and allocation We will administer the Promotion Fund The fund is intended to help develop general public recognition and acceptance of the Epic Wings trademarks to benefit the system We don't promise that the fund's expenditures will be equivalent or proportionate in some way or any way to your contribution, nor that you or any franchisee will benefit directly or pro rata from placement of advertising by the fund

Monies in the Promotion Fund may be used to for a wide range of purposes, among them to maintain, administer, direct, produce and prepare promotions and advertising, costs of conducting public relations, advertising and producing promotion brochures and other marketing materials These monies may be commingled with our other funds or kept in a separate account from our other monies

The Promotion Fund won't be used to solicit selling franchises or to defray our general operating expenses, except for reasonable administrative costs and overhead, not to exceed 20% of the amounts contributed to the fund, that we incur in activities reasonably related to the administration or direction of the fund and advertising programs including, without limitation, market research, preparing marketing and advertising materials and collecting and accounting for assessments for the fund

We can spend, for the fund, in a fiscal year or other period more or less than the aggregate contributions to the fund in a time period The fund may borrow to cover deficits or invest surplus for future use If we lend money to the fund, we can charge interest at 1% above the rate we pay lenders, or other reasonable rate We have the right but are not obligated, to cause the fund to be incorporated or operated through a separate entity

We can terminate the fund We won't terminate the fund until all monies in the fund have been expended for advertising and promotion purposes or returned to franchisees If terminated, we can restart the fund or a new Promotion Fund

An accounting will be prepared annually and made available to you on request We can require that the annual accounting include an audit prepared by an independent CPA, prepared at the expense of the fund

We'll contribute to the fund any rebates paid to us by suppliers on account of your purchases For each Epic Wings restaurant we own similar to your franchised restaurant, we'll contribute similarly to what is required of you For Epic Wings restaurants operated by affiliates of us, we'll try to get them to contribute, Contributions by us or affiliates need not be the same amounts or according to the same formula as required of you

Each month, you must spend at least 3% of Net Sales on local advertising and promotion This expense is in addition to labor costs for your personnel and does not include disposable menus To the extent you advertise by bartering and/or giving away food or merchandise promoting Epic Wings or the restaurant, only your costs for the bartered food or merchandise will count toward the local advertising and promotion expense The expenditures must be made directly by you, subject to approval from us or our designated ad agency Within 10 days after the end of each calendar month, you must provide us an accounting of your expenditures on local advertising and promotion for the month just ended You must comply with our rules, restrictions and guidelines for local advertising

We can establish regional advertising cooperatives in one or more areas having franchised Epic Wings restaurants You must participate in and contribute to the cooperative according to rules and procedures determined by a majority of its members Your contributions will be additional to required contributions to the Promotion Fund, but will be credited toward your required expenditures for local advertising We can require that the organizational documents (articles of incorporation and bylaws or the like) and operating procedures be consented to by us We can participate in deliberations of the cooperative and veto any decision we object to or consider detrimental to the interests of the system We can require cooperatives to be formed, changed, dissolved or merged

At the effective date of this Disclosure Document we had not established the Promotion Fund, so no monies were contributed to a fund and no fund monies were used in the most recent year We are not required to spend any amount on advertising in any particular area or at all There is no council of franchisees that advises us on advertising policies

(e) Website and Internet

We can, but we are not obligated to, establish and maintain one or more websites promoting the trademarks and system We have sole control over the website and social media We can stop its operation at any time without notice Unless you get our prior written consent, you are not allowed to establish or maintain a separate website, splash page, any kind of presence on the Internet or presence through any social networking site relating to the operation of the business If we grant you a right to operate a separate website and/or a splash page, maintain an internet presence or presence through any social networking site, you must do so according to our standards and policies in the Manual or otherwise in writing from time to time We can modify or supplement our policies regarding social media and internet use at any time in writing, whether as part of the Manual or otherwise

(f) Required Electronic Cash Registers/Computer Systems

You must record all sales and related activities on computer-based point-of-sale cash registers which are compatible with any program or system we use You must get a computer system, including royalty calculation software, anti-virus software and other software and hardware we deem necessary, meeting specifications and standards we set All Net Sales and sales information must be recorded on this equipment We will have full access to the data, system and related information by direct access in the form we want, including in-person or by remote access via telephone or other network connection You must supply us with the server, IP, or other network connection information including passwords or passcodes so we can remotely access your data We will have independent access to information and data from your computer-based point-of-sale cash registers and computer system

We have designated/approved the Aloha Quick Service 6 7 point of sale system for use in Epic Wings restaurants The system cost to you is approximately $15,000

In the future could (but are not obligated to), develop and/or design software and/or select and designate third-party software, or a combination of these, for accounting, inventory, point-of-sale functions and other activities The software may be entirely or partly proprietary to and confidential information of us We will have the right to require you to implement and use the software and comply with specifications and standards we prescribe We can require you to pay reasonable amounts to license of for maintenance of the software whether to us or third party(s) or a combination of them

You must upgrade any hardware or software to ensure compatibility with the software we designate

We can require you to upgrade, replace or make other changes to the POS System, there is no restriction on how much this may cost you or how often we require this

(g) Manuals The table of contents for the Manual is attached as Exhibit E to this Disclosure Document

(h) Training

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Epic Wings History and Philosophy	1	0	Carmel Mountain Road
Safety Health Sanitation, Cleanliness and Hygiene	8	0	County Certified Training Facility
Overview of Products	8	0	Carmel Mountain Road
Customer Service	2	16	Carmel Mountain Road
Kitchen Equipment Specifications and Operation	4	16	Carmel Mountain Road
Ordering Inventory and Controlling Food Cost	4	4	Carmel Mountain Road
Certified Manager Duties	8	24	Carmel Mountain Road
Daily Operations Checklist	2	8	Carmel Mountain Road
Handling Complaints	1	4	Carmel Mountain Road
POS System and Software	1	8	Carmel Mountain Road
Advertising and Promotion	1	8	Carmel Mountain Road
Administration Bookkeeping Recordkeeping	8	22	Carmel Mountain Road
Review	2	0	Carmel Mountain Road
Total	50	110	

You and one additional supervisorial or managerial personnel must successfully complete our training approximately 6 weeks before your location is ready to start operating If you previously completed our training, then in lieu of the initial training program we may instead elect to provide approximately one week of refresher training

We plan to schedule initial training as needed Training will be conducted at or near our headquarters in San Diego, California, or other place we designate The training may include a combination of classroom and on-the-job training as well as self-study online or review of videos or other materials We don't charge separately for training You pay all travel, living and compensation expenses of your personnel We don't pay you or your personnel even if some of the training involves working and performing service at an existing restaurant

Training will be supervised by Greg Sacco, who has operated Wings N' Things Restaurants since 1992 The instructional materials for the initial training program will consist of an Epic Wings training manual

If we determine you or a person associated with you are unable, or we come to doubt your or their ability to satisfactorily complete any part of training, we can require attendance at additional training to prove the ability to operate the restaurant to our satisfaction, or require you or a new approved designee to complete the training subject to our then-current training requirements, or terminate the Franchise Agreement If we terminate the Franchise Agreement we will return the initial franchise fee you paid, less $7,000, which we will keep On doing so, we will be deemed to be fully released from any and all claims or causes of action you may have or claim to have against us, our shareholders, directors, officers and personnel

We can require you and your personnel to attend and successfully complete new or refresher training These may be at locations we designate These may be conducted specifically for such persons or for a broader range of persons While you are in full compliance with the Franchise Agreement, attendance won't be mandatory at more than one such additional or refresher training program in any calendar year and any such program shall not exceed five (5) business days in a calendar year You bear all expenses, including, without limitation, travel, lodging, meals and salaries

ITEM 12
TERRITORY

The franchise will be for a specific location, which is subject to our approval You propose a location If it is acceptable to us, the location address will be stated in the Franchise Agreement If you do not have or we have not approved a location when the Franchise Agreement is entered into, then the location will be designated later The Franchise Agreement will state a geographic area in which your restaurant will be located

You lease or purchase premises for the location You must get our consent to any proposed lease We can impose conditions to giving consent Among the conditions we can impose are that the lease provide us the right, if we want, to receive an assignment of the lease on termination or expiration of the franchise, require the lessor to provide us a copy of any default notice sent to you and grant us the right (but not obligation) to cure any deficiency or default within 15 business days after your time ends to cure the default if you fail to do so, authorize you to display the marks according to our specifications, allows construction of improvements meeting our requirements, and assures you will be free from disturbance or interference by the lessor's lender, lienholder, mortgagee or anyone having an interest or claim in the premises

Our review or consent to a proposed lease is not an endorsement or approval of its terms or assurance of any results from the lease or location

You must operate the restaurant only at the location stated in the Franchise Agreement If the lease ends without your fault or the location is destroyed, condemned or otherwise rendered unusable, we will be willing to consent to your relocating the restaurant to a location and site acceptable to us That relocation would be at your expense and we have the right to charge you a relocation fee of $5,000 The proposed new location would be subject to the procedures and our consent, described above

So long as the Franchise Agreement is in force and effect and you are in full compliance with the Franchise Agreement and with all other Agreement between you and us, we will not grant a franchise to someone else for and will not operate any other Epic Wings restaurant within an area of approximately a 2 mile radius from your Restaurant The specific area may alternatively be marked by street, political or other boundaries (rather than a circular radius) The area may be larger for a rural or less densely populated area and may be smaller for a more densely populated area like a metropolitan or downtown area We do not currently envision the designated area to be smaller than a 1/4 mile or larger than a 5 mile radius This designated area may be described more specifically in writing or on a map attached to the Franchise Agreement, or both

Regardless of the exclusivity described above, we reserve several rights We reserve the rights to

1 grant franchises or operate franchised restaurants in military bases, schools, universities, airports, amusement parks, hospitals, stadiums, arenas, convention centers, fairgrounds, business campuses, and also facilities that restrict entry or admission even if these locations are within the two mile radius granted to you, and the right to grant other franchises or operate franchised restaurants outside that area as we deem appropriate

2 ourself or any parent, subsidiary or affiliate of us to offer and sell and advertise and market and promote, at wholesale or retail, including the Internet or Internet web site, mail order catalogs, direct mail advertising or through any other distribution system or channels, within and outside the 2 mile radius, Epic Wings products and services which comprise or may in the future comprise a part of our system

3 ourself and for any parent, subsidiary or affiliate of us, within and outside the area granted to you, to market products comprising or not comprising parts of our system under formats, trademarks and service marks distinct from Epic Wings, whether at supermarkets, membership stores or other outlets or distribution channels

For example, there is no restriction against us or our affiliates establishing additional Wings N' Things locations in the territory granted to you

We and others are not restricted from soliciting or accepting orders from consumers inside the area granted to you You do not receive any compensation on account of orders solicited or accepted from consumers in the territory granted to you You are not restricted from soliciting or accepting orders from consumers outside the territory

Based on the above, you do 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

Continuation of your territory does not depend on achieving a certain sales volume or market penetration or other contingency, but does require you to remain in compliance with the Franchise Agreement

Relatives of our owners and officers (various members of the Sacco family) own and operate 17 Wings N' Things restaurants in Southern California from San Diego north to Murrieta These restaurants offer and sell menu items focused on chicken products Those restaurants could advertise in the territory granted to you and could accept orders from customers in the area granted to you The principal address for the head office of Wings N' Things is 12075 Carmel Mountain Road #201, San Diego California 92128 We do not plan to separate that office from our office

We do not have a specific plan for resolving conflicts between you and operators of Wings N' Things We do not anticipate any such conflict and would address any such conflict based on its own circumstances, if it occurred

You do not receive any right of first refusal or other right to acquire additional franchises

ITEM 13
TRADEMARKS

We will grant you the right to operate a franchised restaurant under the name "Epic Wings" and other marks we may authorize you to use

We own the following marks which we applied to register on the Principal Register of the United States Patent and Trademark Office ("USPTO")

MARK	REGISTRATION NUMBER	REGISTRATION DATE
Epic Wings	5137948	February 7, 2017
Epic Wings	5096661	December 6, 2016
	5074658	November 1, 2016

The above are the principal trademarks to be licensed to you There are currently no effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, pending infringement, opposition or cancellation, or pending material litigation involving the marks

We are not aware of anyone having superior rights in the mark "Epic Wings" or any infringing use or anyone making a claim regarding our use, that could materially affect the use of the marks in this state or any state in which the franchised restaurant will be located

As between you and us, we own the trademarks Your right to use the marks comes only from the Franchise Agreement and is limited to conducting business pursuant to and in compliance with the Franchise Agreement All your use of the marks and goodwill established by that use is for our benefit and does not confer in you any goodwill or other interest in the marks You must not ever contest the validity or ownership of any of the marks or help anyone else to do so

You must not use any of the marks or portion of any mark as part of a corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols or any modified way You must no use any of our marks in selling any unauthorized product or service or in any way not expressly authorized in writing by us You must give notices of trademark and service mark registrations as we specify You must obtain fictitious or assumed name registrations as required by law

You must promptly notify us of any claim, demand or cause of action based on or arising from someone else using our marks or imitation of our marks You must notify us of any action, claim or demand against you relating to our marks within 3 days after you find out

After we receive timely notice from you, we will have the right, but not the duty, to defend any such action We can contest or bring action against a third party regarding their use of any of the marks In the defense or prosecution of any litigation relating to the marks or parts of our system, you must cooperate with us and sign any documents and take actions that we ask

If we think it advisable for to modify or stop using any mark, and/or use one or more additional or substitute names or marks or symbols, you must comply with our direction to do so We won't be liable with regard to such modification or discontinuance of any mark

There are no other agreements currently in effect which significantly limit the rights of Company to use or license the use of the Marks in any manner material to the franchise

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not claim to own any patent or registered copyrights which are material to the franchise However, we claim common law copyright and trade secret protection for several aspects of our system, methods, techniques and operational procedures, products, product specifications, recipes, menus, design, decor, signage, manuals and all related materials including advertisement and promotion materials though such materials may not be registered in the Copyright Office These materials are proprietary and confidential and are our property and may be used by you only as provided in your Franchise Agreement We reserve the right to register any of our copyrighted materials any time we deem appropriate

There are no effective determinations of the Copyright Office or any court regarding any materials as to which we claim copyright rights There are no agreements in effect that significantly limit our right to use or license the copyrighted materials There are no infringing uses known to us, which could materially affect your use of the copyrighted materials in any state

We may authorize you to use certain works we claim copyright rights to These include the Operating Manual, advertisements, promotion materials, packaging, posters and signs and may include all or parts of the marks, software, trade dress and other portions of the system These are our property

If you develop any methods, recipe, formula, specification, process, procedure, program, project, work of art or other materials in the course of operating the Epic Wings Restaurant which we approve for use and/or sale in the restaurant, it will be deemed to be a work-made-for-hire belonging to us, and automatically become our property To the extent it is not deemed to be a work-made-for-hire, you assign all rights and ownership to us At our request you must sign documents and take action we ask to enable us to secure all rights in us If don't, then we can sign and act on your behalf as your attorney-in-fact

We will provide you proprietary, confidential and trade secret information Any improvements you develop or customer lists and databases you obtain will be our proprietary information Our trade secrets include methods, recipes, formulas, specifications, processes, procedures and/or improvements regarding an Epic Wings restaurant, our system and any information that is valuable and secret in the sense that it is not generally known to competitors of us You must maintain absolute confidentiality of all such information during and after the term of the franchise and must not use any such information in any other business or in any manner not specifically authorized or consented to in writing by us

You may provide confidential information only to the extent and only to those of your employees who must have access to that information to operate the restaurant

The goodwill associated with all phone and fax numbers, email addresses, domain names and social media and other Internet addresses used in operation of the restaurant is an asset that belongs to us On cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or service associated with these You must sign instruments we request to further confirm the assignments and transfers to us On our request you must notify the phone companies, internet service providers, listing agencies, websites and others whom we request that you notify, of the termination, cancellation or expiration and transfer to us of all right to use of these and any regular, classified or other phone directory listing associated with the marks and give notice of making the transfer to us

We will be entitled to obtain restraining orders and injunctive relief to safeguard our proprietary and confidential information

Your owners, directors, shareholders, partners and employees having access to our confidential and proprietary information must sign Franchisor's form of Non-Disclosure and Confidentiality Agreement attached to this Disclosure Document as Exhibit C You must submit a copy of each signed non-disclosure agreement to us on signing and submit annual updates to us listing those individuals having access to our confidential and proprietary information

We can change, update or modify the system, adopt and using new or modified trade names, trademarks, service maiks or copyrighted materials, new menu items, recipes, products, equipment, point-of-sale system, computers, technologies, techniques, marketing, promotion and any other aspects or elements We'll tell you of modifications through the Operating Manual or other means we select You must comply with modifications we make You must not modify or alter our system

As further protection for our trade secrets and other proprietary information you must not directly or indirectly, yourself or through, on behalf of or in conjunction with any person or entity, divert or try to divert any business or customer to a competitor, or do any other act injurious or prejudicial to the goodwill associated with our marks or system, and you must not employ or seek to employ any person who is at the time employed by us, or by any other franchisee of us, or otherwise, directly or indirectly, induce or seek to induce such person to leave his or her employment with us or another franchisee of us, and you must not own, maintain, engage in or have an interest in any business or division of any business (including any business operated by you before entering into the Franchise Agreement) engaged in preparation and sale of chicken and/or chicken products or services, where revenues from the sale of chicken and/or chicken products equal or exceed thirty percent (30%) of revenue of the business or of the division of the business

As further protection for our trade secrets and other proprietary information, you agree that, for one year after transfer, cancellation, expiration or termination of the Franchise Agreement, you will not, directly or indirectly, yourself or through, on behalf of or in conjunction with any person, persons, or entity, own, maintain, engage in, consult with or have any interest in any restaurant business or prepared food business or division of any such business, engaged in preparation and sale of chicken and/or chicken products or services, where revenues from the sale of chicken and/or chicken products equal or exceed thirty percent (30%) of either revenue or volume of the business or division of the business that is located or has a location or operates within a distance of twenty (20) miles of the Franchised Restaurant, or within a distance of twenty (20) miles of the location of any other business using our system, whether franchised or owned by us

You must never, in perpetuity, divulge to any person or entity any information, trade secrets, ingredients, recipes, cooking techniques and processes, used in our food products, menu items and other food and beverage products used in our system or any information stated in our Operating Manual

The above restrictions do not apply to ownership of less than 2% of a class of outstanding stock of a business listed on the New York Stock Exchange or NASDAQ

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

You are responsible for the operation of the restaurant The restaurant must always be under your direct, on-premises supervision You must devote full time and attention to managing and supervising all administrative and operational activities of the restaurant, both development obligations and store operations

If we consent to you assuming these responsibilities less than full time, you must employ and retain an individual who will be vested with authority and responsibility for day-to-day operations We don't have to consent The certified manager must actively supervise and manage the restaurant full time and devote full time and best efforts solely to operation of the restaurant and no other business, meet our education, experience, and other criteria for the position, be an individual acceptable to us, and successfully complete the initial training program to our satisfaction

If you are a business entity, you must designate a certified manager acceptable to us who will be principally responsible for communicating with us about the operational and other ongoing matters concerning the restaurant

If you operate more than one franchise, you must personally divide at least a 40 hour work week among all the Epic Wings restaurants you operate, and employ at least the number of certified managers for each restaurant to meet our requirements for certified managers We are not obligated to permit or consent to you operating more than one or any additional restaurants

You must supervise the operations of the restaurant at all times You must keep us informed at all times of the identity(s) of employee(s) acting as manager(s) of the restaurant If you select a substitute or additional supervisorial or managerial personnel, you must make sure the supervisorial or managerial personnel becomes a certified manager by successfully completing our initial training and a six month qualification period If your supervisorial or managerial personnel fails to complete the initial training and qualification period, you must designate a new supervisorial or managerial personnel to become a certified manager

Employees you hire or employ at your Franchised Restaurant will be your employees and your employees alone They are not, for any purpose, to be deemed to be our employees, or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations We will not have the power to hire or fire your employees Our authority under the Franchise Agreement to train and approve your supervisorial or managerial personnel for qualification to perform certain functions at your Franchised Restaurant does not directly or indirectly vest us with the power to hire, fire or control any of your personnel You and you alone will be solely responsible for all hiring and employment decisions and functions relating to the Franchised Restaurant, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, including minimum wage compliance, personnel policies, benefits, recordkeeping, including authorization of persons to work in the United States, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not Any guidance we may give you regarding employment policies should be considered merely examples You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell at the restaurant all items and categories of food and beverage products that we authorize and introduce You must not offer for sale or sell any other category of products or use the premises for any purpose other than operating the restaurant in compliance with the Franchise Agreement

You must not offer catering services, except with our prior written consent, and only in the manner and subject to any restrictions we set in the Operating Manual or otherwise in writing You must not offer for sale or sell at any location other than the restaurant premises, including without limitation seasonal venues such as stadiums, fairs, resorts, etc without our prior written consent We don't have to consent You must not operate a food truck, vehicle, mobile delivery or the like, except with our prior written consent, and only in the manner and always subject to restrictions we set If we consent, the revenues will be included in determining Net Sales

All food products, menu items and other food products shall be prepared only by properly trained personnel strictly according to our recipes, cooking techniques and processes and sold only at retail to customers in conformity with our marketing plan and concept

We can change, update or otherwise modify our system including, new menu items, recipes, products, and any other aspects or elements You must comply with all changes we make There are no limits on our right to make changes to any goods or services you may offer for sale

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

FRANCHISE AGREEMENT

	Provision	Section in Franchise Agreement	Summary
a	Length of the term of the franchise	2(A)	Term is ten years from date Franchise Agreement is signed
b	Renewal or extension of term	2(B)	You can renew for up to two additional term five years each You must be in compliance with all provisions in the Franchise Agreement
c	Requirements for you to renew or extend	2(B) 2(C)	For each renewal comply with Franchise Agreement during term, at time of giving notice of renewal not be in default not have been in material default during term maintain possession of restaurant premises bring restaurant into compliance with our specifications and standards give us written notice that you want to renew satisfy all money obligations owed to us timely meet these obligations throughout the term sign our then current form of Franchise Agreement (with changes to be for a renewal its terms may materially differ from current Franchise Agreement including different fees and other materially different terms) comply with our then current qualifications and training requirements sign a general release pay a renewal fee of 25% of the then initial franchise fee
d	Termination by you	16(A)	You may not terminate the Franchise Agreement before its term ends
e	Termination by Company without cause	None	We don t have the right to terminate the Franchise Agreement without cause
f	Termination by Company with cause	16(B) 16(C)	We can terminate the Franchise Agreement on delivering notice if you are in default

	Provision	Section in Franchise Agreement	Summary
g	'Cause" defined curable defaults	16(B), 16(C)	Lack required working capital and not cure within 30 days of notice not pay amount due and not cure within 7 days of notice not comply with other provision of Franchise Agreement or specification standard or operating procedure in manual or otherwise in writing and not cure within 30 days or lesser reasonable time we specify or fail to make all reasonable efforts to cure or to continue to make all reasonable efforts until cured for failure that can t be corrected in stated time
h	'Cause' defined non curable defaults	16(B) 16(C)	Fail to complete training misrepresentation or omission conviction or plead no contest to felony or crime or offense likely to adversely affect our reputation or reputation of restaurant become subject of media attention for act omission conduct or behavior or risk of media attention that may injure reputation or goodwill of the marks, unauthorized use disclosure or duplication of any part of the manual or duplicate disclose or make unauthorized use of any trade secret or confidential information abandon fail or refuse to actively operate restaurant for 2 business days in 12 months surrender or transfer control of operation of restaurant unauthorized assignment of franchise or ownership interest fail or refuse to assign franchise or interest in franchisee of a deceased or disabled controlling owner 2 or more times any submission understates net sales by more than 2% bankruptcy insolvency, act of insolvency file action or petition of insolvency, appointment of receiver assignment for benefit of creditors final judgment unsatisfied for 30 days suit to foreclose lien or mortgage against premises or equipment not dismissed in 30 days or not in process of being dismissed misuse or make unauthorized use of any mark or commit act that may materially impair goodwill of marks, misuse or unauthorized use of software fail 2 or more times in 12 months to submit reports or other information or supporting records on time or to pay amounts when due or fail to comply with Franchise Agreement whether or not corrected after notice violate health safety or sanitation law ordinance or regulation fail health department inspection which results in permanent or temporary closure or operate restaurant in a way that presents health or safety hazard to customers or public fail 2 or more times within 12 months to maintain required working capital
i	Your obligations on termination/non renewal	17	Stop operating not hold self as present or former franchisee provide all information we request re lease assign lease to us if we ask stop using our confidential methods procedures and techniques marks forms slogans signs symbols logos or devices associated with the system stop using advertising stationery and other articles that display the marks cancel or assign to us or our designee assumed name rights or registration for Epic Wings or any mark alter premises (and change phone and fax) to prevent association with us make additional changes we ask If you don t comply with these requirements we can do so at your expense You must not use any version of our marks and nothing that suggests association or connection with us You must pay all sums owing to us In a termination for default pay us liquidated damages of (i) 2 times royalties payable to us for prior 12 months (if restaurant operated less than 12 months then average monthly royalties for actual operating period times 12) and (ii) number of months remaining until end of term times average monthly royalties payable to us for prior 12 months Pay us all damages costs and expenses including attorneys' fees to enforce Agreement turn over manuals customer lists databases records files instructions brochures agreements and all materials provided by us and not keep any copy Provide us access to take possession of sign sign faces or other items bearing the marks and graphics memorabilia stickers wraps banners or novelty items sell us restaurant assets if we exercise our option to purchase comply with post term restrictive covenants
j	Assignment of contract by Company	18(A)	We can assign and transfer the Franchise Agreement We can sell our assets marks or system make a public offering of securities do a private placement of securities merge acquire other entities or be acquired even if

Provision	Section in Franchise Agreement	Summary
		competitive with you and/or the system We can refinance recapitalize do a leveraged buyout or other restructuring We can merge acquire or affiliate with a competitive or non competitive franchise network chain or other business regardless of location(s) and operate franchise or license those businesses and/or facilities as parts of our franchise regardless of effect on you You waive claims for this
k Transfer by you – defined	18(B)	Sale assignment transfer conveyance gift, encumbrance voluntary or involuntary or by operation of law of control (power to direct or cause direction of management or policies whether through voting securities or general partnership or managing member interests by contract or otherwise) or of all or any part of your interest in your entity the Franchise Agreement any interest in you or the restaurant or any interest in or ownership of proprietorship partnership, limited liability company corporation or other organization which owns any interest in you or the Franchise Agreement the franchise or the restaurant This also includes any purported transfer through a shell or through divorce or separation proceedings
l Company s approval of transfer by you	18(B)	You cannot assign or transfer without first obtaining our written consent You must not advertise a sale or list for sale with any broker or agent or attorney without our prior written consent A purported transfer not meeting the conditions and requirements in the Franchise Agreement (summarized in Row m below) will be null and void and without effect and will be a breach of the Franchise Agreement
m Conditions for Company's approval of transfer	18	You must give us 90 days written notice prior to any proposed sale or assignment Transferee must be individual or new entity charter must limit activities to Epic Wings franchisee no change in control no change in president and/or chief executive officer manager general partner or person holding highest position of power in franchisee transferee must assume and agree to joint and several liability for all franchisee s obligations each 10% or larger owner must enter into written agreement satisfactory to us guaranteeing full payment and performance each formation management and ownership document and certificate must restrict transfer no issuance of new shares/membership interests without our prior written consent and then only on disclosure of terms and conditions described all monetary obligations to us and our affiliates must be paid and cannot be in default For a transfer other than above or that alone or with others changes control to someone other than original signer of franchise agreement we can withhold consent in our discretion We may consent if the above conditions and following are satisfied transfer is subject to our right of first refusal (Row n) proposed transferee(s) have good moral character and reputation good credit rating good business qualifications acceptable to us and you provide us information we require to make these determinations proposed transferee(s) or other individual(s) who will manage the franchise successfully completed our training or satisfied us of ability to operate the business proposed transferee(s) (including their shareholders officers directors members managers and partners) jointly and severally sign a Franchise Agreement and other ancillary agreements and written assignment You must sign a general release in a form we set in favor of us and our officers directors agents and employees You must have paid and satisfied all obligations to us Transferee must have paid a transfer fee equal to 50% of then current initial franchise fee Sale price must not be so high or terms so onerous, that in our judgment a significant risk exists that the transferee will not be able to meet the financial and other obligations to us or others If proposed transferee is an entity each owner and spouse must jointly and severally guarantee performance You remain subject to all obligations in the Franchise Agreement that survive transfer termination or expiration You must transfer your rights to all contracts for which

	Provision	Section in Franchise Agreement	Summary
			continuation is necessary to operate the Franchised Restaurant and satisfy any conditions to obtain third party consents The proposed transferee must sign all documents and agreements required by us We can require you to sign a guarantee of the performance and payment by the transferee All third party consents must be obtained
n	Company's right of first refusal to acquire your business	20	In a transfer or proposed transfer or third party offer to buy that you are interested to accept you must obtain and provide us an executed written offer to purchase We have 30 business days to notify you if we wish to purchase on the terms in the offer We can substitute cash for any consideration offered and we have 90 days to close the transaction
o	Company s option to purchase your business	17(K)	We have the right but no obligation to notify you within 30 days after cancellation termination or expiration of the Franchise Agreement to purchase for cash any or all assets we select including leasehold improvements equipment supplies and other inventory advertising materials and all items bearing the marks based on depreciated value of the assets using 5 year straight line depreciation formula, but not less than 10% of original book value of the assets We can set off all amounts due from you against any payment On cancellation termination or expiration of Franchise Agreement you are deemed to have assigned to us or our designee all your right title and interest in and to the phone and facsimile numbers and e mail addresses domain names social media and Internet addresses and/or service associated with these You must sign instruments we ask to confirm these assignments and transfers On our request you must notify phone companies internet service providers listing agencies and websites and others whom we request you to notify of termination cancellation or expiration and transfer to us of these
p	Your death or disability	19 21	If you or your partner or 25% owner or someone whose death would result in a change of control dies or becomes incapacitated the heirs beneficiaries devisees or legal representatives will have 90 days to (1) if they wish apply to us for the right to continue operating the franchise for the rest of the term and any renewals and we will grant the right if they fulfill all conditions for a change of control transfer (described in Row m above) or (2) sell and transfer the interest in compliance with Franchise Agreement transfer provisions If a proper timely application for the right to continue operating has been made and rejected the 90 days to sell assign transfer or convey will be computed from date of rejection Our silence on an application will be deemed a rejection made on the last day In the death or incapacity of an individual franchisee or any partner, shareholder or member of a franchisee that is an entity if the above provisions have not been fulfilled within the time provided all rights granted to the franchisee by the Franchise Agreement will at our option terminate and revert to us Incapacity means inability of you any partner shareholder or member of an entity franchisee to operate or oversee operation of the Franchised Restaurant on a regular basis due to a continuing physical mental or emotional incapacity chemical dependency or other limitation Any dispute about the existence of an incapacity will be resolved by majority decision of 3 licensed physicians practicing in the state where the Franchised Restaurant is located with you and us each selecting 1 and the 2 physicians so designated selecting the third physician The determination of the majority of the 3 physicians will be binding and all costs of making the determination will be borne by the party against whom it is made
q	Non competition covenants during the term of the franchise	15	During the term you must not directly or indirectly for yourself or in relation to any person or entity divert or try to divert any business or customer of the Franchised Restaurant to any competitor or do or perform any act injurious or prejudicial to the goodwill associated with our marks or system employ or seek to employ anyone who is at the time employed by

Provision	Section in Franchise Agreement	Summary
		us or by any other franchisee of us or induce or seek to induce anyone to leave employment with us or another franchisee of us or own maintain engage in or have an interest in any business or division of a business (including any business operated by you prior to entering into the Franchise Agreement) engaged in preparing and selling chicken and/or chicken products or services, where revenues from the sale of chicken and/or chicken products equal or exceed 30% of revenue of the business or of the division of the business You must never divulge any information trade secrets ingredients, recipes cooking techniques and processes used in the food products menu items and other food and beverage products used in the system or any information stated in the manual We can require your officers directors owners managerial and other personnel receiving training from us to sign similar covenants in favor of and in a form satisfactory to us You must not take any action, or omit to take any action or cooperate or allow any action by a restricted person with the purpose or effect of circumventing these provisions
r Non competition covenants after the franchise is terminated or expires	15	For 1 year after transfer cancellation expiration or termination of the Franchise Agreement you must not directly or indirectly for yourself or in relation to any entity own maintain engage in consult or have an interest in any restaurant or prepared food business or division of such business engaged in preparation and sale of chicken and/or chicken products or services where revenues from the sale of chicken and/or chicken products equal or exceed 30% of revenue or volume of the business or division located or operating within 20 miles of your restaurant or 20 miles of any other business using our system whether franchised or owned by us You must never divulge any information Trade Secrets ingredients recipes cooking techniques and processes used in the food products menu items and other food and beverage products used in the system or any information in the manual If all or any portion of a covenant is held unreasonable or unenforceable by a tribunal having jurisdiction you will be bound by any lesser covenant within the terms of the covenant that imposes the maximum duty permitted by law We can require your officers, directors owners managerial and other personnel receiving training from us to sign similar covenants in favor of and in a form satisfactory to us If you or any of your owners or affiliates or officers directors, managers or spouses or family violates these covenants whether during the term or in the 1 year period after transfer expiration, cancellation or termination of this Agreement or the cessation of the Restricted Person s relationship with you in addition to all other remedies you and the restricted person must pay us throughout the 1 year period 10% of the revenue from that activity The restrictions don't apply to ownership of less than 2% of a class of the outstanding equity securities of a business listed on the New York Stock Exchange or NASDAQ On cancellation termination or expiration of the Franchise Agreement, you are deemed to have assigned to us or our designee all your right title and interest in and to the phone and facsimile numbers and e mail addresses domain names social media and Internet addresses and/or service associated with these You must sign instruments we ask to confirm these assignments and transfers On our request you must notify phone companies internet service providers listing agencies and websites and

Provision		Section in Franchise Agreement	Summary
			others whom we request you to notify of the termination cancellation or expiration and transfer to us of these You must not take any action or omit to take action or cooperate or allow any action by a Restricted Person with the purpose or effect of circumventing these provisions
s	Modification of the agreement	27	The Franchise Agreement can be modified only by written agreement between you and Company Company can modify or change the System through changes in the Manuals
t	Integration/merger clause	28	Nothing in the Franchise Agreement or any related agreement is intended to disclaim representations made to you in this Disclosure Document Any representations or promises made outside of this Disclosure Document and other agreements may not be enforceable
u	Dispute resolution by arbitration or mediation	19(c)	Disputes about existence of incapacity are decided by majority of three physicians Otherwise, agreement does not provide for arbitration or mediation
v	Choice of forum	30	Any action must be brought in an appropriate federal or state court in San Diego County California
w	Choice of law	30	California law applies subject to the exception in Section 29(A) of Franchise Agreement and applicable state law

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote its 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 this Item 19 may be given only if (1) a franchisor provides the actual records or an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances We do not make any representations about a franchisee's future financial performance or past financial performance of company-owned, affiliate-owned or franchised restaurants We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing restaurant, however, we may provide you with the actual records of that restaurant If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Sam Sacco, Sacco Restaurants Inc , 12075 Carmel Mountain Road #201, San Diego, California 92128, phone 760-722-8895, the Federal Trade Commission and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1
Systemwide Outlet Summary

For years 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Company-Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	0	0	0
	2015	0	0	0
	2016	0	0	0

Note The above table provides data for Epic Wings restaurants Members of the Sacco family operate Wings N Things restaurants, for which the above table would appears as follows

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
CA	2014	16	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16
	2016	16	1	0	0	0	0	17
Totals	2014	6	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16
	2016	16	1	0	0	0	0	17

No 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014 to 2016

State	Year	Number of Transfers
Total	2014	0
	2015	0
	2016	0

Table No 3
Status of Franchise Outlets For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
CA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Totals	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0

Note The above table provides data for Epic Wings restaurants Members of the Sacco family operate Wings N Things restaurants, for which the above table would appears as follows

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
CA	2014	16	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16
	2016	16	1	0	0	0	0	17
Totals	2014	16	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16
	2016	16	1	0	0	0	0	17

Table No 4
Status of Company-Owned Outlets
For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Totals	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Note The above table provides data for Epic Wings restaurants Members of the Sacco family operate Wings N' Things restaurants, for which the above table would appears as follows

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
CA	2014	16	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16
	2016	16	1	0	0	0	0	17
Totals	2014	16	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16
	2016	16	1	0	0	0	0	17

Table No 5
Projected Openings as of December 31, 2015

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
California	0	1	0
Total	0	1	0

If you buy this franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system

During the last three fiscal years, no current or former franchisees signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system

At this time there are no trademark specific franchisee organizations representing Epic Wings franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements as of December 31, 2016 and December 31, 2015, and reviewed financial statements for the year ending December 31, 2014 Our fiscal year end is December 31

ITEM 22
CONTRACTS

The Franchise Agreement is attached to this Disclosure Document as Exhibit B

The Non-Disclosure and Confidentiality Agreement is attached to this Disclosure Document as Exhibit C

There are no other contracts or agreements provided by Company to be signed by you

ITEM 23
RECEIPTS

Two (2) copies of a detachable receipt acknowledging your receipt of this disclosure (one copy is for you and the other is to be signed by you and given to us) appear as Exhibit I

EXHIBIT B

FRANCHISE AGREEMENT

EPIC WINGS

FRANCHISE AGREEMENT

BETWEEN

SACCO RESTAURANTS INC

AND

____

____

____

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FRANCHISE AGREEMENT

This Franchise Agreement ("this Agreement"), made this _____ day of ______________, 201___ ("Effective Date"), by and between Sacco Restaurants Inc , a California corporation, with its office at 12075 Carmel Mountain Road #201, San Diego, California 92128 ("Franchisor"), and ____ ("Franchisee"), with its address at ____, with reference to the following facts

RECITALS

A Franchisor developed and owns a unique system (the "System") for establishing, developing and operating restaurants which, at the time of entering into this Agreement, feature fresh never frozen wings, strips, boneless wings, other food items and beverages, and, at some locations, beer and wine, prepared according to specified recipes and procedures ("Menu Items"), with seating for on-premises dining and carry-out services, as well as presentation, packaging and marketing standards and techniques, all identified or to be identified by the trademark Epic Wings and related marks (the "Marks")

B Among the System's distinguishing characteristics are distinctive exterior and interior layout, design and color scheme, distinctive signage, decor and furnishings, special recipes, menus and food and beverage designations, the Epic Wings Confidential Operations Manual ("Manual"), storage, preparation, service and other operating procedures and techniques

C Some elements of the System may remain and some will be changed, improved and further developed by Franchisor from time to time and over time

D Franchisor grants to qualified persons franchises to own and operate Epic Wings Franchised Restaurants offering food products and services authorized and approved by Franchisor and utilizing the System and Marks

E Franchisee wants to operate an Epic Wings Franchised Restaurant using the System and Marks Franchisor is willing to grant a franchise to Franchisee, in reliance on the truth, accuracy and completeness of all statements and information that Franchisee provided to Franchisor, including but not limited to an application that Franchisee submitted, and the Entity Information Disclosure attached as Exhibit A to this Agreement Franchisor is willing to enter into this Agreement, in reliance on Franchisee's statements in these Recitals and Franchisee's full performance of this Agreement

Accordingly, the parties now agree as follows

AGREEMENT

1 <u>APPOINTMENT AND INITIAL FRANCHISE FEE</u>

A Franchisor grants to Franchisee, on the terms and conditions in this Agreement, the right, license and privilege to use the Mark "Epic Wings' and the other Marks and Franchisee undertakes the obligations to continuously operate an Epic Wings Franchised Restaurant and to use only in the operation of the Franchised Restaurant, the System as currently established and as changed, improved and developed by Franchisor from time to time, at one (1) location only

B The location is ____
____ ("Premises"), or

C The location will be designated, as provided in Section 3 within the following area
____

____

____________________________________, provided, that when a specific location within this area has been designated and agreed to by the parties, the location shall be deemed to be stated in Section 1(B), as if originally stated there and the area described in this Section 1(C) shall have no further significance in relation to this Agreement Franchisee shall not relocate its Franchised Restaurant without the prior written consent of Franchisor

D So long as this Agreement is in force and effect and Franchisee is in full compliance with this Agreement and with all other Agreements between Franchisee and Franchisor, then Franchisor will not grant a franchise for and will not operate any other Epic Wings restaurant within a radius of two (2) miles from the Franchised Restaurant ("Designated Area") This Designated Area may be described more specifically in writing and on a map attached as Exhibit B In any conflict between this Section 1(D) and Exhibit B, the contents of Exhibit B will control

E Regardless of Section 1(D), Franchisor reserves the right to grant franchises or operate Franchised Restaurants within military bases, schools, universities, airports, amusement parks, hospitals, stadiums, arenas, convention centers, fairgrounds, business campuses, and also facilities that restrict entry or admission ("Reserved Sites") within or outside the Designated Area and to grant other franchises or operate Franchised Restaurants outside of the Designated Area as Franchisor, in its sole and exclusive discretion, deems appropriate

F Franchisor reserves the rights to itself and to any parent, subsidiary or affiliate of Franchisor to offer and sell and advertise and market and promote, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising or through any other distribution system or channels, within and outside the Designated Area, Epic Wings products and services which comprise or may in the future comprise a part of the System

G Franchisor reserves the rights to itself and to any parent, subsidiary or affiliate of Franchisor, within and outside the Designated Area, to market products comprising or not comprising parts of the current System under formats, trademarks and service marks distinct from the Epic Wings System, whether at supermarkets, membership stores or other outlets or distribution channels

H Franchisee shall engage only in the retail sale of Menu Items and Franchisee agrees not to engage in wholesale sale and/or distribution of any product offered for sale through the Franchised Restaurant, unless consented to in writing by Franchisor "Wholesale Sale and/or Distribution" shall mean a sale and/or distribution of any product by Franchisee directly or indirectly to a third party for resale, retail sale or further distribution by such third party

I In consideration of the franchise granted, Franchisee shall pay to Franchisor, on the Effective Date, an initial franchise fee of thirty thousand dollars ($30,000) This fee shall be deemed fully earned and non-refundable when paid

J Franchisee acknowledges that complete uniformity under many varying conditions may not be possible or practical Franchisor reserves the right, at its discretion and as it may deem appropriate for any business-related reasons, to vary standards for any System franchisee based on such factors or considerations as are presented to Franchisor or that Franchisor deems appropriate to consider, even though such decision or variance may or may not be applied to or may not be available to all or multiple franchisees or to Franchisee, or may be imposed on Franchisee but not others Franchisee shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation hereunder or to impose on others a variance required of Franchisee

K In consideration of Franchisor's agreement not to grant another franchise in the Designated Area, except with respect to Reserved Sites, Franchisee shall at all times use Franchisee's best efforts to promote and increase the sales and service of Menu Items and to effect the widest and best possible distribution throughout the Designated Area, soliciting and servicing all potential customers for Epic Wings food products and services Failure of Franchisee to devote its best efforts to adequately represent its Epic Wings Franchised Restaurant in the Designated Area through its sales and service efforts shall be deemed good cause for termination

2 TERM AND RENEWAL

A This Agreement shall be effective and binding for an initial term of ten (10) years starting on the Effective Date Franchisee must secure a lease for the Premises of at least ten (10) years including lease renewal periods unless otherwise consented to by Franchisor in writing

B Franchisee shall have the right to renew this franchise for up to two (2) additional successive terms of five (5) years each, provided, that on each occasion all the following conditions for renewal have been fulfilled

1 Franchisee has, during the entire term of this Agreement, complied with all its provisions,

2 At the time of giving notice of renewal to Franchisor, Franchisee is not in default under any terms of this Agreement nor has Franchisee, at any time during the term of this Agreement, been in material default under any provisions of this Agreement,

3 Franchisee maintains possession of the Franchised Restaurant and, before expiration of the term, has brought the Franchised Restaurant into full compliance with the specifications and standards then applicable for new or renewing Epic Wings Franchised Restaurants and proves to Franchisor's satisfaction that Franchisee has the right to remain in possession of the Premises for the duration of any renewal term,

4 Franchisee has given written notice of desire to renew as stated below,

5 Franchisee satisfied all monetary obligations owed by Franchisee to Franchisor and timely met these obligations throughout the term of this Agreement,

6 On renewal, Franchisee has executed Franchisor's then-current form of the Franchise Agreement (with modifications to reflect that the Franchise Agreement relates to the grant of a renewal franchise), which Franchise Agreement shall supersede this Agreement, and the

terms of which may materially differ from this Agreement including, without limitation, different fees, fees at different rates and other terms materially different from this Agreement,

7 Franchisee complied with Franchisor's then-current qualifications and training requirements, and

8 Franchisee executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its respective officers, directors, agents, shareholders and employees

9 Franchisee has paid to Franchisor a "Renewal Fee" equal to twenty five percent (25%) of the applicable initial franchise fee Franchisor then charges to new franchisees at the time of Franchisee requesting to enter into a renewal agreement

C If Franchisee wants to renew this franchise, then Franchisee shall give Franchisor written notice of its desire to renew at least six (6) months, but not more than twelve (12) months, prior to expiration of the then-current term of this Agreement, accompanied by the payment referenced in Section 1(c)(9) Within sixty (60) days after receipt of timely notice, Franchisor shall furnish Franchisee with written notice of (i) reasons which could cause Franchisor not to grant a renewal to Franchisee including, but not limited to, deficiencies which require correction and a schedule for correction by Franchisee, and (ii) Franchisor's then-current requirements relating to image, appearance, decor, furnishing, equipping and stocking of Epic Wings Franchised Restaurants and a schedule for effecting upgrades or modifications to bring the Franchised Restaurant into compliance, as conditions of renewal Any renewal shall be conditioned on Franchisee's compliance with such requirements and continued compliance with all the terms and conditions of this Agreement

3 <u>LOCATION</u>

A Franchisee shall operate the Franchised Restaurant only at the location specified in Section 1 If the lease for the site of the Franchised Restaurant ends without fault of Franchisee or if the site is destroyed, condemned or otherwise rendered unusable, Franchisor shall be willing to consent to the relocation of the Franchised Restaurant to a location and site acceptable to Franchisor Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee a relocation fee in the amount of five thousand dollars ($5,000), to approximately compensate Franchisor for costs incurred by Franchisor in relation to the relocation Any such relocation shall be subject to obtaining Franchisor s consent as to the location and lease, as provided in this Section 3

B Franchisee will be solely responsible to locate, lease or purchase a suitable site for the Franchised Restaurant Nothing in this Agreement shall be interpreted as assurance of any level of revenues, sales or other measure of business or measure of performance for the location nor shall any site recommendation or consent by Franchisor be deemed a representation that a site is available for use as a Franchised Restaurant Prior to the acquisition by lease or purchase of any site, Franchisee shall submit a description of the proposed site to Franchisor, together with a landlord's letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the proposed site Franchisor shall try to notify Franchisee within fifteen (15) business days after receiving Franchisee's proposal and all needed information, whether Franchisor consent to or withholds consent to the proposed site Any site for the Premises must comply with Franchisor's requirements set forth in the Manual

C After receiving Franchisor's written consent to the location of the Franchised Restaurant as provided in Section 3(B), Franchisee shall, subject to obtaining the prior written consent to the lease terms from Franchisor, execute a lease for the site Franchisor's consent to the lease may be conditioned on the lease including terms Franchisor requires, including, but not limited to the following

1 Reservation to Franchisor of the right, at Franchisor's election, to receive an assignment of the leasehold interest on termination or expiration of the franchise,

2 Requirement that the lessor concurrently provide Franchisor a copy of any written notice of deficiency or default under the lease sent to Franchisee and granting Franchisor the right (but not obligation) to cure any deficiency or default within fifteen (15) business days after expiration of the period which Franchisee had to cure such default if Franchisee fails to do so,

3 A provision authorizing Franchisee to display the Marks in accordance with specifications required by Franchisor,

4 A provision allowing construction of leasehold improvements meeting requirements of this Agreement and Manual, and

5 A provision assuring that Franchisee will be free from disturbance or interference by the lessor's lender, lienholder, mortgagee or other person or entity having an interest or claim in the Premises

D Franchisor's review of any proposed lease, and any consent, will not be construed as an endorsement or approval of its terms nor assurance of any particular results in the lease or at the location

E If no acceptable site is found and agreed to by the parties and a lease signed by Franchisee within ninety (90) days from the date of this Agreement, then on written notice from either party, this Agreement shall be terminated and Franchisor shall return the initial franchise fee, less three thousand five hundred dollars ($3,500), which Franchisor shall retain If no acceptable site has been found, agreed to by the parties and a lease signed by Franchisee within one hundred eighty (180) days from the date of this Agreement, and this Agreement was not previously terminated, then on written notice from either party, this Agreement shall be terminated and Franchisor shall return the initial franchise fee, less seven thousand dollars ($7,000), which Franchisor shall retain On return of the balance of the initial franchise fee less the amount to be retained by Franchisor, as provided above, Franchisor shall be deemed to be fully released from any and all claims or causes of action Franchisee may have or claim to have against Franchisor or Franchisor's shareholders, directors, officers and personnel

F Franchisee shall within six (6) months after obtaining possession of the site for the Franchised Restaurant (i) cause to be prepared and submit for Franchisor's consent a site survey and any proposed modifications to Franchisor's basic architectural plans and specifications for the development of an Epic Wings Franchised Restaurant at the site, provided that Franchisor shall have the right to require that proposed modifications be limited to those necessary to comply with ordinances, building codes and permit requirements, (ii) obtain all required zoning changes, building, utility, health, sanitation, sign and any other required permits and licenses, (iii) purchase or lease equipment, fixtures, furniture and signs as provided herein, (iv) complete the construction and/or remodeling and installation of equipment, fixtures, furniture and signage and decorating of the Franchised Restaurant in full and strict compliance with plans and specifications consented to in writing by Franchisor and all applicable ordinances, building codes and permit requirements, (v) obtain all customary contractors' statements and partial and final waivers of liens for construction, remodeling, decorating and installation services, (vi) obtain all insurance required by this Agreement, and (vii) complete development of and have the Franchised Restaurant ready to open and start conducting its business according to Section 12

G Franchisor shall have the right to require Franchisee to remodel, modernize and redecorate the Franchised Restaurant and its Premises from time to time All remodeling, modernization and redecoration must be according to standards and specifications prescribed by Franchisor from time to time and with the prior written consent of Franchisor All replacements must conform to Franchisor's then-current quality standards and specifications and must be consented to by Franchisor in writing

H Franchisee acknowledges that maintenance of the Premises and major modification or replacement of working equipment may require significant expenditures These major additional investments will not be required during the first three (3) years of the term They may be required during the last three (3) years of the term and at any earlier time after the first three (3) years Minor modifications and replacements may be required at any time, even including the first three years, and proper maintenance (including replacements when necessary) shall be required at all times, including the first three (3) years Franchisee may avoid making the additional investment, if required in the last year, by giving notice of nonrenewal

4 <u>TRAINING AND ASSISTANCE</u>

A Prior to Franchisee's start of operations, Franchisor shall make an initial training program available to Franchisee Franchisor expects the initial training program will consist of approximately four (4) weeks of training but it may be longer or shorter Training shall start approximately six (6) weeks prior to site completion Franchisee and one other person (Franchisee's supervisorial or managerial personnel as examples) shall attend and successfully complete such program On successful completion of the training program, six (6) months of operation in compliance with training and this Agreement, and passing of any inspections and/or tests that Franchisor deems appropriate, Franchisee and the other supervisorial or managerial personnel who was trained will be designed as Certified Managers

B Training shall be at or near Franchisor's headquarters in San Diego, California, or other place that Franchisor designates The training program may include a combination of classroom and on-the-job training as well as self-study online or review of videos or other materials All expenses incurred by Franchisee and Franchisee's personnel in attending training including, without limitation, travel costs, room and board expenses and salaries, shall be solely Franchisee's responsibility

C Franchisor shall furnish to Franchisee, at the Premises and at Franchisor's expense, one representative to assist in opening the Franchised Restaurant The representative shall provide up to one week of additional training at the Franchised Restaurant around the time of the start of operations of the Franchised Restaurant During this period, the representatives shall also assist Franchisee in establishing and standardizing procedures and techniques essential to the operation of an Epic Wings Franchised Restaurant and assist in training personnel This Section 4(C) does not apply if Franchisee or its affiliate is already an existing franchisee of Franchisor

D If Franchisor determines Franchisee is not prepared for opening the Franchised Restaurant due to non-compliance with this Agreement or requirements in the Manual or if Franchisor determines that Franchisee requires additional training and/or assistance to open the Franchised Restaurant, Franchisor shall have the right to defer the training described in Section 4(C) and/or defer consent to Franchisee opening, until Franchisee demonstrates readiness to open, or Franchisor may elect to send additional representatives to the Premises Franchisee shall bear the cost of increased travel, lodging and meal expenses of Franchisor's personnel If Franchisee requests additional assistance from Franchisor to facilitate opening and if Franchisor, in its discretion, deems it appropriate to comply with the request, Franchisee shall reimburse Franchisor for the additional travel, lodging and meal expenses In any circumstances described in this Section 4(D) Franchisee shall also pay Franchisor's then-current training

E If Franchisee previously completed training in relation to a prior Franchised Restaurant, then in lieu of the initial training program and additional training described Sections 4(A)-4(C), Franchisor may instead elect to provide approximately one week of refresher training This may include new methods or programs not previously covered Any additional training requested by Franchisee will be at Franchisee's cost Section 4(D) remains applicable

F At any time during training, if, in Franchisor's sole judgment or discretion, Franchisor determines that Franchisee or other person affiliated with Franchisee is unable, or comes to doubt Franchisee's or the other person's ability to satisfactorily complete any part of training, Franchisor shall have the right to (i) require Franchisee to attend additional training to demonstrate its ability to operate the Franchised Restaurant to Franchisor's satisfaction, at Franchisee's expense, (ii) require Franchisee or a new approved designee to complete the training program subject to Franchisor's then-current training requirements, or (iii) terminate this Agreement immediately on written notice to Franchisee If Franchisor elects to terminate this Agreement, Franchisor will return the initial franchise fee paid by Franchisee, less seven thousand dollars ($7,000), which Franchisor will retain On return of the balance of the initial franchise fee less the amount to be retained by Franchisor, provided above, Franchisor shall be deemed to be fully released from any and all claims or causes of action Franchisee may have or claim to have against Franchisor or Franchisor's shareholders, directors, officers and personnel

G Franchisor from time to time may require Franchisee and personnel of Franchisee, though previously-trained and experienced, to attend and successfully complete new or refresher training programs or seminars These may be at location(s) designated by Franchisor These may be conducted specifically for such person(s) or for a broader range of persons While Franchisee is in full compliance with this Agreement, attendance shall not be made mandatory at more than one such additional or refresher training program in any calendar year and any such program shall not exceed five (5) business days in duration in a calendar year All expenses incurred by Franchisee and its personnel in attending such program including, without limitation, travel, lodging, meals and salaries, shall be the sole responsibility of Franchisee

H Franchisee shall assure that at all times the premises are under the on-site supervision of a Certified Manager This could be Franchisee or a supervisorial or managerial staff member who has been certified by Franchisor If Franchisee designates new or additional supervisorial or managerial personnel after the initial training program, Franchisee shall provide training to those supervisorial or managerial personnel at Franchisee's location and expense Within a period of time designated by Franchisor, such persons shall be considered for certification by Franchisor At Franchisor's request Franchisee shall have such personnel successfully complete training at Franchisor's headquarters or other location designated by Franchisor Franchisee shall pay Franchisor s then standard rate for training and shall bear all travel, lodging and meal expenses incurred

I Franchisee acknowledges and agrees that (a) Franchisor could at any particular time be assisting in opening multiple franchise restaurants and training several prospective or existing franchisees and may have other matters needing attention, (b) if Franchisee does not meet or properly respond to a time deadline or notice requirement, whether stated in this Agreement or otherwise requested by Franchisor, Franchisee's scheduled training and/or other Franchisor assistance may, in Franchisor's discretion, be delayed so as not to interfere with Franchisor's other scheduled training, assistance to be provided to others, and other matters calling for Franchisor's attention

5 PROPRIETARY MARKS

To protect the System, the Marks, the Trade Secrets and the goodwill associate with the same

A Franchisee acknowledges that Franchisor owns all right, title and interest, together with all the goodwill, of the Marks Franchisee acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to conducting business pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and infringement of the rights of Franchisor in and to the Marks Franchisee acknowledges that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall be for the exclusive benefit of Franchisor and that this Agreement does not confer any goodwill or other interests in the Marks on Franchisee Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, cancellation or transfer, contest the validity or ownership of any of the Marks or assist any other person in contesting validity or ownership of the Marks All provisions of this Agreement applicable to the Marks apply to any and all additional trademarks, service marks and commercial symbols authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement

B Franchisee shall not use any Mark or portion of any Mark as part of a corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any manner not expressly authorized in writing by Franchisor Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain fictitious or assumed name registrations as may be required under applicable law

C Franchisee shall promptly notify Franchisor of any claim, demand or cause of action based on or arising from any attempt by any other person, firm or corporation to use the Marks or any imitation Franchisee shall notify Franchisor of any action, claim or demand against Franchisee relating to the Marks within three (3) days after Franchisee receives notice of the action, claim or demand After receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor shall have the right, but not the duty, to defend any such action Franchisor shall have the right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in Franchisor's sole discretion In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions as may be desirable or necessary, in the opinion of Franchisor's counsel, to carry out such defense or prosecution

D If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor to modify or discontinue use of any Mark, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's direction to modify or discontinue use of any Mark, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols promptly after notice to Franchisee by Franchisor Franchisor shall have no liability or obligation whatsoever with regard to such modification or discontinuance of any Mark

E To preserve the validity and integrity of the Marks and copyrighted material licensed to Franchisee, and to ensure that Franchisee is properly using these in the operation of the Franchised Restaurant, and to assess compliance with this Agreement, Franchisor or its agents shall have the right of entry and inspection of Franchisee's Premises and operating procedures at all reasonable times, with or without prior notice Franchisor shall have the right to observe the manner in which Franchisee provides its Epic Wings services and conducts operations, to confer with Franchisee's employees, customers, vendors, suppliers and others, and to select Menu Items, ingredients, food and non-food products, beverages and other items, products and supplies for test of content and evaluation purposes to make certain that the Menu Items, ingredients, food and non-food products, beverages and other items, products, materials and supplies are satisfactory and meet the quality control provisions and performance standards established by Franchisor

F Franchisee shall not establish a website on the Internet or other electronic or social media presence using any domain name containing the words "Epic Wings" or similar words Franchisor retains the sole right to advertise on the Internet and/or other electronic or social media and/or create a website or the like using "Epic Wings" as, in or as part of the domain name Franchisee acknowledges that Franchisor is the owner of all right, title and interest in and to such domain name(s) or the like as Franchisor designates in the Manual Franchisor retains the right to pre-approve Franchisee's use of linking and framing between Franchisee's web pages and all other websites If requested by Franchisor, Franchisee shall, within five (5) days, dismantle any frames and links between Franchisee's web pages and any other websites, as requested by Franchisor

6 CONFIDENTIAL OPERATIONS MANUAL

A Franchisor shall loan to Franchisee one (1) copy of the Manual, or provide Franchisee electronic access to the Manual The Manual contains and will contain specifications, standards, operating procedures and rules prescribed from time to time by Franchisor for Epic Wings

Franchised Restaurants and information relative to other obligations of Franchisee Franchisor shall have the right to add to and otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor for Epic Wings Franchised Restaurants

B The Manual shall at all times remain the sole property of Franchisor and shall promptly be returned on the expiration or other termination of this Agreement At no time shall Franchisee or its personnel make any copy or reproductions of all or part of the Manual

C The Manual comprises proprietary information of Franchisor and shall be kept confidential by Franchisee both during the term of the franchise and after its expiration and/or termination Franchisee shall at all times ensure that its copy of the Manual, if any, is maintained only at and is available at the Premises in current and up-to-date manner At all times that the Manual is not in use by authorized personnel, Franchisee shall maintain the Manual in a locked receptacle at the Premises and only grant authorized personnel, as defined in the Manual, access to the key or lock combination of such receptacle In any dispute as to contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling

D Franchisee shall operate the Franchised Restaurant in compliance with the terms of this Agreement and the Manuals Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the System with which Franchisee must comply under this Agreement, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Restaurant, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the Franchised Restaurant consistent with the policies of Franchisor

E Until Franchisor's formal Manual is developed and completed, policy statements and operations memoranda Franchisor provides to Franchisee shall comprise a temporary operating manual

7 CONFIDENTIAL INFORMATION

To protect the System, the Marks, the Trade Secrets and the goodwill associated with the same

A Franchisee acknowledges that its entire knowledge of the operation of an Epic Wings Franchised Restaurant including, without limitation, methods of preparation of Menu Items, food products and other specifications, product formulas, standards and operating procedures of an Epic Wings Franchised Restaurant is derived from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential and the Trade Secret of Franchisor Any improvements developed by Franchisee or customer lists and databases obtained by Franchisee pursuant to Franchisee's operation of the Franchised Restaurant shall constitute proprietary information of Franchisor "Trade Secrets" refers to the whole or any portion of know-how, knowledge, methods, recipes, formulae, specifications, processes, procedures and/or improvements regarding the Epic Wings Franchised Restaurant, the System and any information that is valuable and secret in the sense that it is not generally known to competitors of Franchisor Franchisee shall maintain the absolute confidentiality of all such information during and after the term of the franchise and Franchisee shall not use any such information in any other business or in any manner not specifically authorized or consented to in writing by Franchisor

B Franchisee shall divulge confidential information only to the extent and only to such of its employees as must have access to it to operate the Franchised Restaurant Any and all information, knowledge and know-how including, without limitation, drawings, materials, equipment, techniques, restaurant systems, product formulae, recipes and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate lawfully came to Franchisee's possession prior to disclosure by Franchisor, or which, at the time of disclosure by Franchisor to Franchisee, had lawfully become part of the public domain, through publication or communication by others, or which, after disclosure to Franchisee by Franchisor, lawfully becomes a part of the public domain, through publication or communication by others without fault or involvement of Franchisee

C Due to the special and unique nature of the confidential information, Marks and Manual of Franchisor, Franchisee acknowledges that Franchisor shall be entitled to immediate equitable remedies including, but not limited to, restraining orders and injunctive relief to safeguard such proprietary, confidential, unique and special information of Franchisor and that money damages alone would be an insufficient remedy to compensate Franchisor for any breach of Sections 5, 6, 7 and 15 of this Agreement All owners, directors, shareholders, partners and employees of Franchisee having access to the confidential and proprietary information of Franchisor shall be required to execute Franchisor's form of Non-Disclosure and Confidentiality Agreement Franchisee shall submit a copy of each executed Non-Disclosure and Confidentiality Agreement to Franchisor on execution and shall submit annual updates to Franchisor listing those individuals having access to the confidential and proprietary information of Franchisor

D Franchisor may authorize Franchisee to use certain copyrighted or copyrightable works ("Copyrighted Works") Franchisee and Franchisor acknowledge and agree, that (i) as between Franchisee and Franchisor, the Copyrighted Works are the valuable property exclusively of Franchisor, and (ii) Franchisee's rights to use the Copyrighted Works are granted to Franchisee solely on the condition that Franchisee complies with the terms of this Section 7

E Franchisee acknowledges and agrees that Franchisor owns (or is licensee of the owner) of the Copyrighted Works Franchisor may further create, acquire or obtain licenses for certain copyrights in various works of authorship used in the operation of Epic Wings Franchised Restaurants including, but not limited to, all categories of works eligible for protection under United States copyright law, all of which shall be deemed to be Copyrighted Works under this Agreement Copyrighted Works include, but are not limited to, the Manual, advertisements, promotion materials, packaging, posters and signs and may include all or part of the Marks, software, trade dress and other portions of the System

F If Franchisee develops any new methods, recipes, formulas, specifications, processes, procedures, programs, projects, works of art or other materials in the course of operating its Epic Wings Franchised Restaurant which Franchisor approves for the use and/or sale in the Franchised

Restaurant, the method, recipe, formula, specification, process, procedure, program, project, work of art or other material ("Work") shall be deemed to be a work-made-for-hire and shall automatically become the property of Franchisor as though Franchisor developed the Work To the extent any such Work may not, by operation of law or otherwise, be a work-made-for-hire, Franchisee hereby assigns to Franchisor the ownership of and all rights and copyrights in and to such Work At Franchisor's request Franchisee shall execute specific assignments or instruments and take any action necessary to enable Franchisor to secure all rights in such Work If Franchisee fails to do so on Franchisor's request, then Franchisor shall be deemed to be Franchisee's attorney-in-fact to execute such instrument for an on behalf of Franchisee in favor of Franchisor or Franchisor's designee

8 UPDATING AND MODIFICATION OF SYSTEM

Franchisee acknowledges that from time to time, Franchisor may change, update or otherwise modify the System including, without limitation, adopting and using new or modified trade names, trademarks, service marks or copyrighted materials, new Menu Items, recipes, products, equipment, point-of-sale system, computers, technologies, techniques, marketing, promotion and any other aspects or elements Modifications shall be communicated to Franchisee through the Manual or other means that Franchisor selects Franchisee shall accept, comply with, use and display any changes in the System, as if they were part of this Agreement at the time of signing this Agreement Franchisee shall make such expenditures as are reasonably required by such changes or modifications in the System Franchisee shall not change, modify or alter the System in any way

9 ADVERTISING

Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the goodwill and the public image of Epic Wings Franchised Restaurants, Franchisee agrees to the following provisions relating to advertising consents and expenditures

A Franchisee shall submit to Franchisor or its designated agency, for its prior consent, all promotion materials and advertising proposed to be used by Franchisee including, but not limited to, newspapers, radio and television advertising, online advertising and social networking (if permitted by Franchisor), specialty and novelty items, signs, containers and boxes If written withholding of consent or disapproval of the proposed advertising and promotion material is not given by Franchisor to Franchisee within one week from the date the material is received by Franchisor, the materials shall be deemed to be not consented to/approved

B Failure by Franchisee to conform to the provisions of this Section 9 and subsequent non-action by Franchisor to require Franchisee to cure or remedy this failure and default shall not be deemed a waiver of future or additional failures and defaults of any other provision of this Agreement The submission of advertising to Franchisor for consent shall not affect Franchisee's right to determine prices at which Franchisee sells its products or services

C Franchisee shall spend at least five thousand dollars ($5,000) in the period from one month before opening through the first sixty (60) days of operation of the Franchised Restaurant, on newspaper, direct mail advertising and/or promotion through other media ("Grand Opening Advertising") The Grand Opening Advertising shall be conducted in accordance with any Grand

Opening Advertising Program outline that Franchisor provides to Franchisee and any Grand Opening Advertising Plan that Franchisee shall submit to Franchisor and as to which Franchisee shall first obtain Franchisor's consent

D Franchisee shall contribute an amount of up to three percent (3%) of the Net Sales (as defined in Section 10(A)(2) of this Agreement) from the Franchised Restaurant to the Epic Wings Promotion Fund ("Promotion Fund") Franchisee's required payments to the Promotion Fund, if any, shall be made at the same time and in the same manner as, and in addition to, the Royalty Fee provided in Section 10(A) Such payment shall be credited against any sums Franchisee is required to spend on local advertising and promotion, required by Section 9(F)

E The Promotion Fund, if and when established, shall be maintained and administered by Franchisor or its designee, as follows

1 Franchisor or Franchisor's designee shall direct all advertising programs with sole discretion over the creative concepts, materials and media used in such programs and their placement and allocation Franchisee agrees and acknowledges that the Promotion Fund is intended to assist in developing general public recognition and acceptance of the Marks for the benefit of the System and that Franchisor and its designee undertake no obligation in administering the Promotion Fund to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from placement of advertising

2 The monies may be used to meet any and all costs of maintaining, administering, directing, producing and preparing promotions and advertising including, without limitation, the cost of conducting public relations activities, advertising and producing promotional brochures and other marketing materials to franchisees in the System Funds paid by Franchisee to the Promotion Fund may be commingled with Franchisor's other funds or may be maintained in a separate account from the other monies of Franchisor, as Franchisor elects

3 The Promotion Fund shall not be used to solicit the sale of franchises or to defray Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, not to exceed twenty percent (20%) of the amounts contributed to the Promotion Fund, as Franchisor may incur in activities reasonably related to the administration or direction of the Promotion Fund and advertising programs including, without limitation, conducting market research, preparing marketing and advertising materials and collecting and accounting for assessments for the Promotion Fund

4 Franchisor may spend, on behalf of the Promotion Fund, in any fiscal year or other period, an amount greater or less than the aggregate contributions to the Promotion Fund in that time period The Promotion Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use If Franchisor lends money to the Promotion Fund, Franchisor may charge interest at an annual rate one percent (1%) greater than the rate Franchisor pays lenders or other reasonable rate Franchisor shall have the right but is not obligated, to cause the Promotion Fund to be incorporated or operated through a separate entity at such time as Franchisor deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement

5 Franchisor maintains the right to terminate the Promotion Fund The Promotion Fund shall not be terminated, however, until all monies in the Promotion Fund have been expended for advertising and promotional purposes or returned to franchisees If terminated, Franchisor reserves the right to restart the Promotion Fund or new Promotion Fund

6 An accounting of operation of the Promotion Fund shall be prepared annually and made available to Franchisee on request Franchisor reserves the right, at its option, to require that the annual accounting include an audit of the operation of the Promotion Fund prepared by an independent certified public accountant selected by Franchisor and prepared at the expense of the Promotion Fund

7 Any rebates paid to Franchisor by suppliers on account of purchases by Franchisee shall, at Franchisor's election be allocated and paid, in whole or in part, to Franchisee (and other franchisees) and/or the Promotion Fund, all in such proportion(s) as Franchisor determines For each Epic Wings restaurant offering products and services similar to the Franchised Restaurant, owned by Franchisor, such entity shall make contributions to the Promotion Fund similar to contributions required of Franchised Restaurants within the System For Epic Wings restaurants operated by affiliates of Franchisor, Franchisor shall use reasonable efforts to cause them to make similar contributions Such contributions of Franchisor or affiliates need not be the same amounts or according to the same formula as required of Franchisee

F Each calendar month, Franchisee shall spend at least an amount equal to three percent (3%) of Franchisee's Net Sales for such calendar month on local advertising and promotion This local advertising and promotion expense shall be exclusive of labor costs for personnel employed by Franchisee and shall not include expenses of disposable menus To the extent Franchisee conducts local advertising and promotion by bartering and/or giving away food or merchandise promoting Epic Wings or the franchised restaurant, only Franchisee's costs for such food items or merchandise shall count toward satisfying the required local advertising and promotion expense Such expenditures shall be made directly by Franchisee, subject to approval of Franchisor or Franchisor's designated advertising agency Within ten (10) days after the end of each calendar month, Franchisee shall provide Franchisor, in a manner approved by Franchisor, an accurate accounting of Franchisee's expenditures on local advertising and promotion for the calendar month just ended Franchisee shall comply with rules, restrictions and guidelines for local advertising established by Franchisor

G Franchisoi shall have the right from time to time, to establish one or more local, regional or national advertising areas in which the Franchised Restaurant and at least one (1) other franchised Epic Wings restaurant are located, as cooperative advertising region(s) Franchisor shall have the right to require any one or more cooperatives to be formed, changed, merged or dissolved Franchisee shall participate in and contribute to the cooperative according to rules and procedures of the cooperative, as determined by a majority of the cooperative's members Franchisee's contributions to the cooperative shall be additional to required contributions to the Promotion Fund, but shall be credited toward the required expenditures for local advertising required by Section 9(F) Fianchisor shall have the right to require that proposed organizational documents of the cooperative (such as articles of incorporation and bylaws or the like) and operating procedures be consented to by Franchisor before adoption and conform to specifications and guidelines established by Franchisor Franchisor shall have the right but no obligation, to participate in deliberations of the cooperative and to veto any decision of the cooperative that Franchisor objects to or considers detrimental to the interests of the System

H Franchisee shall not advertise or use in advertising or any other form of promotion, the copyrighted materials, trademarks, service marks or commercial symbols of Franchisor without the appropriate © or ® registration marks or the designation TM or SM where applicable The registered marks and designations shall be used in conjunction with "Epic Wings", the Epic Wings logo, the Manual and any other copyright materials, trademark, service mark, or commercial symbols as may be developed

10 ROYALTY

A Franchisee shall pay Franchisor, without offset, credit or deduction of any nature, so long as this Agreement shall be in effect, a weekly fee equal to four percent (4%) of Net Sales derived from the Franchised Restaurant (the "Royalty Fee") The Royalty Fee shall be paid weekly, in the manner specified below, or as otherwise prescribed in the Manual

1 Each week, Franchisee shall submit to Franchisor, on a form approved by Franchisor, a true statement, signed by Franchisee, of Franchisee's Net Sales for the preceding week just ended Each weekly Net Sales statement shall be accompanied by the Royalty Fee payment based on the Net Sales reported in the statement Franchisee shall make available to Franchisor all original books and records that Franchisor may deem necessary to ascertain Franchisee's Net Sales for inspection

2 Franchisor reserves the right to collect Royalty Fees more frequently on fifteen (15) days prior written notice to Franchisee If Franchisee fails to report Net Sales for any reporting period(s), for each such period, Franchisor is authorized to debit Franchisee's account in an amount equal to one hundred twenty percent (120%) of the Royalty Fee paid for the last reported period or the equivalent period in a prior year or one hundred twenty percent (120%) of Franchisor's estimate of royalties Once Franchisor receives the actual Net Sales report(s), any overpayments will be credited, without interest, against future Royalty Fees, and any underpayments shall be paid immediately by Franchisee plus interest If at any time Franchisor determines that Franchisee under-reported Net Sales or underpaid any Royalty Fees, then Franchisor will be authorized to initiate immediately a debit to Franchisee's account in the appropriate amount, plus applicable interest The foregoing rights provided to Franchisor are in addition to any other rights and remedies of Franchisor under this Agreement or the Manual and does not permit late payment or excuse the failure to pay in full and on time

B For this Agreement "Net Sales" means the total of all revenues and income from the sale of all Menu Items, food products, beverages and other merchandise, products and services whether to customers or others, or any other source or payor, whether or not sold or performed at or from the Franchised Restaurant and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received therefore) or otherwise There shall be deducted from the total revenues for purposes of computing Net Sales, but only to the extent they were included, the amount of all sales tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and are paid to the appropriate taxing authority There shall be further deducted from total revenues the amount of any documented refunds given in good faith to customers by Franchisee All barter and/or exchange transactions pursuant to which Franchisee furnishes services and/or products in exchange for goods or services from a vendor, supplier or customer shall, for the purpose of determining Net Sales, be valued at the full retail value of the goods and/or services provided to Franchisee

C All Royalty Fees, advertising contributions, amounts due for purchases from Franchisor, and other amounts which Franchisee owes to Franchisor, if not paid when due, shall bear interest after the due date at one-and-one-half percent (1½%) per month Franchisee acknowledges this Section 10(B) does not permit or excuse late payment Franchisee acknowledges that failure to pay all amounts when due shall be grounds for termination of this Agreement, as provided in Section 16

D Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, advertising contributions, purchases from Franchisor, interest or any other indebtedness as Franchisor elects

E All Royalty Fees, advertising contributions, amounts due for purchases by Franchisee from Franchisor and other amounts which Franchisee owes to Franchisor shall be paid through an Automated Clearinghouse (ACH) payment method or other payment method for weekly automatic debits or otherwise as Franchisor prescribes Franchisee shall set up procedures to implement the payment method specified by Franchisor, in accordance with policies and procedures Franchisor establishes Franchisor shall have access to the account for the purpose of receiving payment for Royalty Fees, advertising contributions, amounts due for purchases by Franchisee from Franchisor and any other amounts which Franchisee owes to Franchisor This may, if Franchisor elects, include procedure for Franchisor to initiate and implement withdrawal of funds from Franchisee's account

F On or before 11 30 a m (PST) of the first day after each weekly close, Franchisee shall send a report of Net Sales to Franchisor by email to an email address Franchisor shall provide, or by other means Franchisor designates On or before 4 30 p m (PST) of the first day after each weekly close, Franchisee shall make payments sufficient to cover amounts owed to Franchisor for Royalty Fees, advertising contributions and other monies owed to Franchisor Deposits for all other amounts owed to Franchisor shall be in accordance with the procedures set forth in the Manual

11 ACCOUNTING, RECORDS AND REQUIRED WORKING CAPITAL

A Franchisee shall maintain and preserve, full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing Franchisee shall retain for a period of at least four (4) years all books and records related to the Franchised Restaurant including, without limitation, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals and general ledgers

B Franchisee shall supply to Franchisor on or before the fifteenth (15th) day of the following calendar month and/or the established accounting period (e g thirteen (13) period accounting if elected by Franchisor), in a form prescribed by Franchisor, a balance sheet as of the end of the last preceding calendar month and a profit and loss statement for such month and Franchisee's fiscal year-to-date Franchisee shall, at its expense, submit to Franchisor within forty five (45) days after the end of each fiscal year, a profit and loss statement for such fiscal year and a balance sheet as of the last day of such fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements Such financial statements will be certified to be true and correct by Franchisee Franchisor reserves the right to require audited or reviewed financial statements and/or compilation reports prepared by a certified public accountant at Franchisee's expense

C Franchisee shall submit to Franchisor periodic reports, forms and records, including but not limited to federal, state and local income, sales and other tax returns relating to the business, as specified, in the manner and at the times specified in the Manual or as Franchisor shall otherwise require in writing from time to time Franchisor shall have the right to require Franchisee to provide tax returns concurrently with filing with the taxing authority If Franchisee fails to submit any required reports or other items, or submits reports or other items that are incomplete or contain errors, Franchisor shall have, in addition to any other rights granted in this Agreement or the Manual, or at law or equity for the breach, the rights to (i) obtain and/or correct such reports or other items and charge Franchisee for all expenses incurred by Franchisor in doing so, including without limitation the costs of any outside service providers engaged by Franchisor for such purposes, and/or (ii) require Franchisee to engage an outside service provider designated or consented to by Franchisor to obtain and/or correct such reports and other items at Franchisee's sole expense

D Franchisee shall record all sales and related activities on computer-based point-of-sale cash registers which are fully compatible with any program or system which Franchisor, in its discretion, may now or in the future employ Franchisee must obtain a computer system, including royalty calculation software, anti-virus software and all other software and hardware we deem necessary, meeting the specifications and standards prescribed by Franchisor All Net Sales and sales information shall be recorded on such equipment Franchisor shall have full access to all data, system and related information by means of direct access in the form desired by Franchisor, including in-person or by remote access via telephone or other network connection Franchisee shall immediately on request of Franchisor, supply Franchisor with the server, IP, or other network connection information (including passwords or passcodes) necessary for Franchisor to remotely access the sales, related sales activities and all other data

E Franchisor or its designated agents shall have the right at all reasonable times and without advance notice to examine and copy, the business records, bookkeeping and accounting records, sales and income tax records and tax returns of Franchisee Franchisor shall have the right, at any time, to have an independent audit made of the books and records of Franchisee at Franchisor's expense Franchisee shall fully cooperate with such inspection and audit If an inspection or audit reveals any understatement in a report to Franchisor, or underpayment for any reason, then Franchisee shall immediately pay to Franchisor the amount understated or underpaid on demand, and interest from the date such amount was due until paid, at the rate in Section 10(C) If an inspection discloses an understatement or underpayment of two percent (2%) or more in any period, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection or audit These remedies shall be in addition to any other remedies Franchisor may have

F Franchisee acknowledges that nothing in this Agreement consents to late or untimely payment Franchisee acknowledges that failure to pay all amounts when due shall be a breach of and grounds for termination of this Agreement

G At all times, Franchisee shall maintain a cash reserve in its bank account(s) of not less than the greater of seventy five thousand dollars ($75,000) or the amount necessary to cover one month's expenses of the Franchised Restaurant, as determined in good faith based on the average expenses for prior months On request by Franchisor, Franchisee shall submit monthly balance sheets verifying such working capital Franchisor or its designated agents shall have the right at all reasonable times to examine the books, records and accounts of Franchisee to ensure Franchisee maintains the required amount of working capital

H Franchisee shall pay Franchisor a fee of $500 at such time as Franchisor assists in connecting and integrating Franchisee into Franchisor's intranet system

12 STANDARDS OF QUALITY AND PERFORMANCE

To protect the System, the Marks, the Trade Secrets and the goodwill associated with the same

A Franchisee shall comply with the entire System including, but not limited to, the requirements of this Section 12 Franchisee shall comply with all requirements in this Agreement, the Manual and other written policies supplied to Franchisee by Franchisor Mandatory specifications, standards, operating procedures and rules prescribed from time to time by Franchisor in the Manual or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if stated herein Changes to these shall be deemed to be made pursuant to this Agreement and are not modifications of this Agreement All references herein to this Agreement shall include all mandatory specifications, standards and operating procedures and rules

B Franchisee shall operate the Franchised Restaurant in compliance with the terms of this Agreement and the Manuals Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the System with which Franchisee must comply under this Agreement, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Restaurant, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the Franchised Restaurant consistent with the policies of Franchisor

C Franchisor may, when not prohibited by law, establish and revise fixed, minimum or maximum standard and/or promotion prices to be charged for food and other products and services offered by the Franchised Restaurant and other policies relating to pricing, discounting, promotional pricing, advertising of prices and other price-related matters This may include but is not limited to restricting or prohibiting discounting, limitations or prohibitions of certain kinds of advertising and other pricing-related restrictions Franchisee shall be obligated to abide by pricing and related specifications established by Franchisor when not prohibited by law Until such time as Franchisor establishes pricing specifications, Franchisee shall have the right to determine prices to be charged by the Franchised Restaurant Franchisee shall notify Franchisor in writing on determining such prices and shall notify Franchisor in writing at least thirty (30) days prior to making any changes to such prices

D Franchisee shall start operating the Franchised Restaurant not later than six (6) months after the Effective Date Prior to opening, Franchisee shall obtain all necessary licenses, permits and approvals and complied with all pre-opening standards and specifications prescribed by Franchisor

E Franchisee shall maintain the condition and appearance of the Premises in compliance with Franchisor's quality controls and standards Franchisee shall effect reasonable maintenance of the Franchised Restaurant as required to maintain or improve the appearance and efficient operation of the Franchised Restaurant including, but not limited to, replacement of worn out or obsolete furniture, fixtures, equipment and signs, repair of the exterior and interior and purchasing and installation of new or modified equipment If at any time in Franchisor's judgment the state of repair or appearance of the Premises or its equipment, furniture, fixtures, signs or decor does not meet Franchisor's quality control and standards, Franchisor shall have the right to notify Franchisee, specifying action to be taken by Franchisee to correct the deficiency If Franchisee fails or refuses to initiate within thirty (30) days after receipt of notice, and thereafter continue, a bona fide program to complete required maintenance, Franchisor shall have the right, in addition to all other remedies, to enter the Premises and effect the repairs, painting, maintenance or replacements on behalf of Franchisee and Franchisee shall pay the costs on demand Any maintenance or replacement under this Section 12(E) shall be additional to any requirement to remodel, modernize or redecorate costs in Section 3(F)

F Franchisee shall make no material alterations to the Premises nor make material replacements of or alterations to the equipment, fixtures or signs of the Franchised Restaurant without the prior written consent of Franchisor

G The location of the Franchised Restaurant consented to by Franchisor in accordance with Section 3 shall be used only for operating an Epic Wings Franchised Restaurant

H Franchisor developed food products and will continue to further develop and own proprietary recipes To protect its Trade Secrets and monitor the manufacture, packaging, processing and sale of food products, at such time as the food products are introduced into the System, if ever, Franchisor may (i) manufacture, supply and sell food products to franchisees of Franchisor, and/or (ii) disclose the formulas for and methods and preparation of food products to suppliers who shall be authorized by Franchisor to manufacture food products to Franchisor's specifications and sell food products to franchisees of Franchisor Franchisee acknowledges that Franchisee shall be required to purchase and use food products from Franchisor or a limited number of suppliers authorized by Franchisor For some or potentially all products Franchisor may designate itself as an approved supplier or as the sole approved supplier

I Franchisee shall offer for sale and sell at the Franchised Restaurant all the Menu Items and other categories of food and beverage products that Franchisor from time to time authorizes and introduces and shall not offer for sale or sell at the Franchised Restaurant or the Premises, any other category of products or use the Premises for any purpose other than the operation of the Franchised Restaurant in full compliance with this Agreement

J Franchisee shall not offer catering services, except with Franchisor's prior written consent, and only in the manner and always subject to any and all restrictions prescribed by Franchisor in the Manual or otherwise in writing Franchisee shall not offer for sale or sell any Menu Items offsite (i e , at any location other than the Premises, including without limitation seasonal venues such as stadiums, fairs, resorts, etc) without the prior written consent of Franchisor, which consent may be withheld in Franchisor's absolute discretion Franchisee shall not operate any food truck, vehicle, mobile delivery or the like, except with Franchisor's prior written consent, and only in the manner and always subject to any and all restrictions prescribed by Franchisor in the Manual or otherwise in writing If Franchisor does consent, the revenues from such activities shall be included in determining Net Sales

K To ensure that all Menu Items produced by Franchisee meet Franchisor's high standards of taste, texture, appearance, freshness and ingredients, and to protect Franchisor's goodwill and Marks, all food products, Menu Items and other food products shall be prepared only by properly trained personnel strictly according to Franchisor's recipes, cooking techniques and processes as designated by Franchisor in the Manual, and shall be sold only at retail to customers in conformity with Franchisor's marketing plan and concept Franchisee acknowledges that recipes, cooking techniques and processes are integral to the System and failure to adhere to the recipes, cooking techniques and processes (including handling and storage of ingredients and fully prepared Menu Items) shall be detrimental to the System and Marks

L From time to time, Franchisor shall provide to Franchisee 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 the Franchised Restaurant ("Approved Supplies List") The list shall specify the manufacturer, brand name, supplier and distributor and inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and services which Franchisor approved to be carried or used in the System Franchisor may revise the Approved Suppliers List and Approved Supplies List from time to time, in its sole discretion, and such lists shall be submitted to Franchisee as Franchisor deems advisable For any, some or potentially all products or services Franchisor may designate itself or Franchisor's affiliate as an approved supplier or as the sole approved supplier(s)

M If Franchisee proposes to offer for sale at the Franchised Restaurant any brand of product, or use in the operation of the Franchised Restaurant any brand of food ingredient or other material or supply which is not then approved by Franchisor as meeting its minimum specifications and quality standards, or to purchase any product from a supplier that is not then designated by Franchisor as an approved supplier, Franchisee shall first notify Franchisor and shall, on request by Franchisor, submit samples and such other information as Franchisor requires for examination and/or testing or to otherwise determine whether such product, material or supply or such proposed supplier, meets its specifications and quality and other standards A charge not to exceed the reasonable cost of the inspection and evaluation, and the actual cost of the test shall be paid by Franchisee or the supplier Franchisor reserves the right, at its option, to re-inspect the facilities and products of any supplier of an approved item and to revoke its approval of any item which fails to continue to meet any of Franchisor's criteria Franchisor reserves the right, in its sole discretion, to approve any and all supplies, suppliers, brand name products and other products and services, whether currently approved by Franchisor or submitted to Franchisor by Franchisee for approval, authorized for use by or sale from Franchised Restaurant

N All inventory, products, materials and other items and supplies used in the operation of the Franchised Restaurant which are not specifically required to be purchased in accordance with Franchisor's Approved Supplies List and Approved Suppliers List shall conform to the specifications and quality standards established by Franchisor from time to time

O Franchisee shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Restaurant and shall operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations including, without limitation, all government regulations relating to occupational hazards and health, dispensing of food products, dispensing of beer and wine or alcoholic beverages (if applicable), consumer protection, trade regulation, workers' compensation, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales, use and property taxes If Franchisee fails any health department inspection which results in the closure of the Franchised Restaurant, Franchisee shall submit a written plan of corrective action to Franchisor and shall comply with any health department orders

P Franchisee shall refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to the business of Franchisor and/or other Franchised Restaurants or to the goodwill associated with the Marks

Q Franchisee shall use only displays, trays, napkins, boxes, bags, wrapping paper, labels, forms and other paper and plastic products imprinted with the Marks and colors as prescribed from time to time by Franchisor and shall purchase such items only from such third parties licensed by Franchisor to duplicate the Mark on such items

R Franchisee acknowledges that the Franchised Restaurant shall at all times maintain an inventory of ingredients, food and beverage products and other products, materials and supplies that shall permit operation of the Franchised Restaurant at maximum capacity

S Franchisee shall be solely responsible for the operation of the Franchised Restaurant The Franchised Restaurant shall at all times be under the direct, on-premises supervision of Franchisee and Franchisee shall devote its full time and attention to managing and supervising all administrative and operational activities of the Franchised Restaurant, both development obligations and store operations If Franchisor consents to Franchisee assuming these responsibilities less than full time, Franchisee must employ and retain an individual who shall be vested with the authority and responsibility for the day-to-day operations of the Franchised Restaurant (the "Certified Manager') Franchisor has no obligation to grant this consent The Certified Manager shall, during the entire period he or she serves as such, meet the following qualifications (a) actively supervise and manage the Franchised Restaurant on a full time basis and devote his or her full time and best efforts solely to operation of the Franchised Restaurant and to no other business activities, (b) meet Franchisor's education, experience, and other reasonable criteria for such position, set forth in the Manual or otherwise in writing by Franchisor, (c) be an individual acceptable to Franchisor, and (d) successfully complete the initial training program to Franchisor's satisfaction If Franchisee is a business entity, Franchisee must also designate a Certified Manager acceptable to Franchisor who will be principally responsible for communicating with Franchisor about the operational and other ongoing matters concerning the Franchised Restaurant

T If Franchisee operates more than one (1) franchise, Franchisee shall personally divide at least a forty (40) hour work week among all the Epic Wings Franchised Restaurants it operates, and shall employ at least the number of Certified Managers for each Franchised Restaurant to meet the requirement in Sections 4(H) and 12(S) Franchisor is not obligated to permit or consent to Franchisee operating more than one (1) or any additional Franchised Restaurant

U Franchisee shall at all times supervise the operations of the Franchised Restaurant Franchisee shall keep Franchisor informed at all times of the identity(s) of employee(s) acting as manager(s) of the Franchised Restaurant If Franchisee selects a substitute or additional supervisorial or managerial staff member, Franchisee shall make sure such supervisorial or managerial staff member becomes a Certified Manager by successfully completing the initial training and a six month qualification period If Franchisee's manager fails to complete the initial training and qualification period, Franchisee must designate a new supervisorial or managerial staff member to become a Certified Manager Franchisor shall make training available, as is reasonable and necessary, for all managers designated by Franchisee Franchisor shall provide such training at the then-current published rates Franchisor shall have no obligation to provide individual training to Franchisee's managers Franchisee shall, at all times, faithfully, honestly and diligently perform its obligations hereunder and shall not engage in any business or other activities that shall conflict with its obligations hereunder

V Franchisee shall not install or maintain on the Premises, any newspaper rack, video game, juke box, gaming machine, gum machine, game, ride, vending machine or other similar devices without the written consent of Franchisor

W Franchisor may, in the future (but is not obligated to), develop and/or design software and/or select and designate third-party software, or a combination of these, for accounting, inventory, point-of-sale functions and other activities The software may be entirely or partly proprietary to and confidential information of Franchisor At such time(s) as Franchisor introduces such software to the System (if ever), Franchisor shall have the right to require that Franchisee implement and utilize the software in the operation of the Franchised Restaurant and comply with all specifications and standards prescribed by Franchisor regarding the software Franchisor shall have the right to require Franchisee to pay reasonable amounts for the license of and maintenance of the software whether to Franchisor or one or more third party(s) or a combination of them

X Franchisor may develop trademarked products consisting of certain private label novelty items and other products bearing the Marks Franchisee shall carry and maintain a representative inventory of the trademarked products as required by Franchisor Franchisee shall allocate sufficient display space in the Premises to the trademarked products for the Franchised Restaurant as described in the Manual Franchisee shall purchase trademarked products for the Franchised Restaurant from Franchisor or other designated sources which manufacture or supply the trademarked products to Franchisor's specifications Franchisee shall promote, offer and sell through the Franchised Restaurant all merchandise including the trademarked products and all other food and other services prescribed by Franchisor as part of the System

Y Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Restaurant

Z Franchisee shall not engage in, and shall not permit its personnel to engage in, any form of online social networking (e g Facebook, MySpace, Twitter, others) using any of the Marks or otherwise referring to the Franchised Restaurant without Franchisor's prior written consent Franchisee shall take all steps needed to ensure that its personnel refrain from using the Marks or otherwise referring to the Franchised Restaurant in online social networking

AA Franchisee shall enroll and participate in Franchisor's gift card program as in effect and revised from time to time and shall set up and maintain all necessary accounts in connection therewith, all in accordance with the Manual However, Franchisor has no obligation to maintain a gift card program or any particular gift card program

BB Franchisee shall participate in all promotion and marketing programs established by Franchisor and shall update its menus and promotion materials as mandated by Franchisor from time to time

CC Franchisee shall cooperate and when required by Franchisor, participate in any additional programs which may be established and designated by Franchisor from time to time, including coupons, smartphone, tablet and other mobile device applications, rewards and loyalty programs, and other programs seeking to benefit of the System, and comply with Franchisor's rules and regulations established from time to time Franchisee shall redeem and accept all rewards and coupons issued by any programs designated by Franchisor, including any rewards or coupons issued by mobile, tablet and other mobile device applications

DD Franchisee shall refrain at all times from any and all forms of disparagement of Franchisor, Franchisor's personnel and affiliates of Franchisor, and from encouraging or supporting disparagement by others, including but not limited to disparaging communications to the public, to franchisees, and others, whether in social media, news media, or elsewhere

13 FRANCHISOR'S OPERATIONS ASSISTANCE

A Franchisor may from time to time advise or offer guidance to Franchisee relative to prices for the food and other products offered for sale by the Franchised Restaurant Such guidance shall be based on the experience of Franchisor and analysis of the costs and prices charged for competitive products and other factors Franchisor takes into consideration Franchisee shall be obligated to accept any such advice or guidance and related matters as provided in Section 12(C)

B Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate a Business rest solely with Franchisee Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts However, Franchisee alone shall establish all requirements, consistent with the policies of Franchisor, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, including minimum wage requirements, record keeping, including authorization of persons to work in the United States, supervision, and discipline of employees, (ii) the individuals to whom Franchisee will offer and sell its products and services, and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Business for which Franchisor has not established approved suppliers

C Franchisor shall furnish Franchisee with such assistance in the operation of the Franchised Restaurant as Franchisor deems to be necessary or useful from time to time Operations assistance may consist of advice and guidance regarding (1) adherence to procedures regarding the service and sale of Menu Items, other food and beverage items and related items and materials as approved by Franchisor, (2) additional products and services authorized for sale from Epic Wings Franchised Restaurants, (3) purchase of ingredients and other food and beverage items, materials and supplies, (4) administrative, bookkeeping, accounting, inventory control, supervisory and genera

D l operating procedures for the operation of the Franchised Restaurant, (5) advertising and promotion programs, and (6) research and development of procedures and techniques, products and materials and other enhancements to the System

E Franchisor may make periodic visits to the Franchised Restaurant for consultation, assistance, inspection and guidance as Franchisor deems appropriate Franchisor or Franchisor's representatives who visit the Franchised Restaurant may prepare written reports with respect to such visits, outlining observations and any suggested changes or improvements in the operations of the Franchised Restaurant and detailing any defaults in operations observed in or based on of any such visit Franchisor shall have the right to determine whether or not to provide a copy of such written report(s) to Franchisee Franchisor shall advise Franchisee of problems arising out of the operation of the Franchised Restaurant as disclosed by reports submitted to Franchisor by Franchisee or by inspections conducted by Franchisor of the Franchised Restaurant Franchisor shall have the right to use the reports and information therein for any purposes Franchisor deems useful, which may extend well beyond matters relating to the particular restaurant

F Specifications, Approved Suppliers Lists, Approved Supplies Lists, training and operations manuals to be provided by Franchisor to Franchisee pursuant to this Agreement shall be delivered after the conclusion of training

G Franchisor is not and shall not be obligated to provide any services to Franchisee other than those, if any, expressly stated in this Agreement

14 INSURANCE

A Franchisee shall obtain, at its expense, and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors and employees against any loss, liability, injury, death, property damage or expense whatsoever arising or occurring on or in connection with the Franchised Restaurant, as Franchisor may reasonably require for its own and Franchisee's protection Franchisor and Franchisor's shareholders, directors, officers and personnel shall be named as additional insureds in such policy or policies

B The policy(s) shall be written by one or more insurance company(s) licensed in the state in which Franchisee operates and having at least an A M Best rating of A-VIII in accordance with standards and specifications in the Manual

C The policy(s) shall include, at a minimum (except as different coverages and policy limits may reasonably be specified from time to time by Franchisor in the Manual or otherwise in writing), the following

1 Special Form with replacement cost coverage insurance on the Franchised Restaurant and all fixtures, equipment, supplies, products and other property used in the operation

of the Franchised Restaurant (which coverage may include flood and/or earthquake coverage where applicable) for full repair and replacement value without any applicable co-insurance clause, except that an appropriate deductible clause shall be permitted

2 Workers' compensation and employer's liability insurance with a limit of One Million Dollars ($1,000,000), as well as other insurance as may be required by law where the Franchised Restaurant is located

3 Employment practices liability insurance with a limit of at least Five Hundred Thousand Dollars ($500,000) not counting defense costs

4 Comprehensive general liability insurance including a per premises aggregate with at least the following coverages and at least the following limits broad form contractual liability, personal and advertising injury, products/completed operation and, if applicable, liquor liability with coverage of at least one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate, fire damage liability of at least three hundred thousand dollars ($300,000) per fire and medical expense coverage of at least five thousand dollars ($5,000) per person), with each policy insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based on or arising out of actual or alleged bodily injuries or property damage resulting from, occurring in the course of, on or about or otherwise relating to the Franchised Restaurant

5 Business interruption insurance for actual losses sustained

6 Automobile liability insurance, including owned, hired and non-owned vehicle coverage, with a combined single limit of at least One Million Dollars ($1,000,000)

7 Such insurance and types of coverage as may be required by the terms of any lease for the Franchised Restaurant, or as may be required from time to time by Franchisor

8 Umbrella coverage with a one million dollar ($1,000,000) limit per occurrence

D Deductibles in the above coverages shall not exceed five thousand dollars ($5,000) The coverages and amounts required in this Section 14 and deductible limits may be increased, enlarged, or otherwise modified from time to time by Franchisor

E The liability and other insurance shall not be limited by reason of insurance which may be maintained by Franchisor Within ninety (90) days after signing this Agreement, but in any event not later than the date Franchisee leases or acquires an interest in real property for the Franchised Restaurant location, Franchisee shall provide Franchisor a Certificate of Insurance showing compliance with the above requirements The certificate shall state that the policy(s) shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums Maintenance of the insurance and performance by Franchisee of the obligations in this Section 14 shall not relieve Franchisee of liability under any indemnity provisions in this Agreement Minimum limits as required above may be modified from time to time by written notice to Franchisee

F If Franchisee fails to obtain and maintain all insurance required by this Agreement, Franchisor shall have the right, but not any obligation, to obtain all or part of the insurance coverage or comparable coverage that Franchisor is able or chooses to obtain Franchisee shall pay the charges for the insurance together with a reasonable fee for expenses incurred by Franchisor immediately on demand

15 <u>COVENANTS</u>

A Franchisee acknowledges and agrees that prior to becoming a franchisee of Franchisor, Franchisee had no material experience, information or knowledge about a fast-casual restaurant that advertises or serves or emphasizes chicken or chicken products and related food items and beverages or an Epic Wings Restaurant and that Franchisee's knowledge of the confidential information described in Section 7 will be obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Franchised Restaurant under this Agreement Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, confidential information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy

B Franchisee covenants that Franchisee (if Franchisee is an individual), a shareholder of a beneficial interest of ten percent (10%) or more of the securities of Franchisee (if Franchisee is a corporation), a member or manager owning ten percent (10%) or more of the membership interests of Franchisee (if Franchisee is a limited liability company), a general partner of Franchisee (if Franchisee is a partnership) or Franchisee's full-time manager shall devote full-time energy and best efforts to the management and operation of the Franchised Restaurant

C Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, it shall not, either directly or indirectly, for itself, or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other entity

1 Divert or attempt to divert any business or customer of the Franchised Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System

2 Employ or seek to employ any person who is at that time employed by Franchisor, or by any other franchisee of Franchisor, or otherwise, directly or indirectly, induce or seek to induce such person to leave his or her employment with Franchisor or another franchisee of Franchisor

3 Own, maintain, engage in or have an interest in any business or division of any business (including any business operated by Franchisee prior to entry into this Agreement) engaged in the preparation and sale of chicken and/or chicken products or services, where revenues from the sale of chicken and/or chicken products equal or exceed thirty percent (30%) of revenue of the business or of the division of the business

D Franchisee acknowledges that, pursuant to this Agreement, Franchisee shall receive valuable training and confidential information including, without limitation, information regarding the promotional, operational, sales and marketing methods and techniques of Franchisor and the System Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a period of one (1) year after the transfer, cancellation, expiration or termination of this Agreement, regardless of the cause of the transfer, cancellation or termination or expiration, either directly or indirectly, for him/her-self or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity, own, maintain, engage in, consult with or have any interest in any restaurant business or prepared food business or division of any such business, engaged in the preparation and sale of chicken and/or chicken products or services, where revenues from the sale of chicken and/or chicken products equal or exceed thirty percent (30%) of either revenue or volume of the business or division of the business that is located or has a location or operates (1) within a distance of twenty (20) miles of the Franchised Restaurant, or (2) within a distance of twenty (20) miles of the location of any other business using the System, whether franchised or owned by Franchisor

E Franchisee shall not at any time, in perpetuity, divulge to any person, partnership, corporation or any other entity, or use in any other business or venture or for any purpose, any information, Trade Secrets, ingredients, recipes, cooking techniques and processes, used in the food products, Menu Items and other food and beverage products used in the System or any information stated in the Manual

F Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of a covenant in this Section 15 is held unreasonable or unenforceable by a tribunal having valid jurisdiction in a final decision to which Franchisee and Franchisor is a party, Franchisee shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 15

G Franchisee acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant in Sections 15(C) and 15(D) or any portion, without Franchisee's consent, effective immediately on receipt by Franchisee of written notice, and Franchisee shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 27

H Franchisor shall have the right to require all of Franchisee's officers, directors, shareholders, general partners, limited partners, personnel performing managerial or supervisory functions and all personnel receiving training from Franchisor, to execute similar covenants in favor of and in a form satisfactory to Franchisor

I If Franchisee or any of its owners and/or affiliates, and/or the respective officers, directors, managers and affiliates of each of them, and/or the spouse and/or family members of any of the foregoing ("Restricted Person") commits any violation of Section 15(D) during the term of this Agreement or in the one (1) year period after the transfer, expiration, cancellation or termination of this Agreement or the cessation of the Restricted Person's relationship with Franchisee, in addition to all other remedies available to Franchisor, Franchisee and the Restricted Person shall, jointly and severally, pay Franchisor, throughout the one (1) year period, ten percent (10%) of the revenue (a "Post Termination Fee") derived by Franchisee and/or the Restricted

Person from the sale of all products and services and all other income of every kind and nature ("Post Termination Gross Revenue") of the restaurant business or prepared food business engaged in the preparation and sale of food products or services, the same as or similar to the type sold in the System Franchisee and the Restricted Person shall account for and pay the ten percent (10%) of the Post Termination Gross Revenue to Franchisor on the fifteenth (15th) day of each month on the Post Termination Gross Revenue of the competitive business during the previous month Franchisor shall have the right to audit the books and records of the competitive business to confirm Franchisee's and the Restricted Person's compliance with this Section 15(I)

J Sections 15(C) and 15(D) shall not apply to ownership by Franchisee or by a Restricted Person of less than two percent (2%) of a class of the outstanding equity securities of a business listed on the New York Stock Exchange or NASDAQ stock market

K Franchisor and Franchisee acknowledge and agree that it would be impracticable and very difficult to determine the precise amount of damages and expenses Franchisor will incur if Franchisee or any Restricted Person violates Section 15(D) due to complications in determining revenue lost by Franchisor, uncertainty regarding number of months left to complete the then-current term, uncertainty regarding Royalty Fees that would have been payable by the Franchised Restaurant during the remainder of the then-current term, and/or damages caused by Franchisee to Franchisor and the System on the occurrence of the circumstances described in Section 15(D) Franchisor and Franchisee acknowledge and agree that the Post Termination Fees are a reasonable, good faith estimate of those damages

L Franchisee acknowledges that the goodwill associated with all telephone and facsimile numbers, email addresses, domain names and social media and other Internet addresses used in the operation of the Franchised Restaurant is an asset of Franchisor On cancellation, termination or expiration of this Agreement, Franchisee shall be deemed to have assigned to Franchisor or its designee, all Franchisee's right, title and interest in and to the telephone and facsimile numbers and electronic mail addresses, domain names, social media and Internet addresses, and/or service associated with these Franchisee shall sign instruments requested by Franchisor to further confirm the assignments and transfers On Franchisor's request Franchisee shall notify the telephone companies, internet service providers, listing agencies and websites and others whom Franchisor requests that Franchisee notify, of the termination, cancellation or expiration and transfer to Franchisor of Franchisee's right to use any telephone and facsimile numbers and electronic mail addresses, and domain names and social media and internet addresses and any regular, classified or other telephone directory listing associated with the Marks and to give notice of transfer of same to Franchisor

M Franchisee shall not take any action, or omit to take any action, or cooperate or allow any action by a Restricted Person, with the purpose or effect of circumventing the provisions of this Section 15

16 DEFAULT AND TERMINATION

A Franchisee shall have no right to terminate this Agreement prior to expiration of its term If Franchisee is in substantial compliance with this Agreement and claims that Franchisor has materially breached, and failed to cure the breach within a reasonable time after written notice is delivered to Franchisor, Franchisee's exclusive remedy shall be a claim, if justified, for foreseeable damage caused by that breach Any purported termination of this Agreement by Franchisee for any reason shall constitute breach of this Agreement by Franchisee

B This Agreement shall terminate automatically on delivery of written notice of termination to Franchisee, unless otherwise indicated by Franchisor, if Franchisee or its owner(s), member(s), shareholder(s), officer(s), director(s) or manager(s)

1 Fails to satisfactorily complete the training program as provided in Section 4 of this Agreement,

2 Made any material misrepresentation or omission in its application for the Franchised Restaurant even if not discovered until later,

3 Is convicted of or pleads no contest, where such plea is applicable, to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisee or the Franchised Restaurant,

4 Is or becomes a subject of media attention for any act, omission, conduct or behavior of any kind whatsoever, or there is a risk of media attention, which may injure the reputation or goodwill of the Marks (regardless of whether the matter that is the basis of the media attention is true or not),

5 Makes any unauthorized use, disclosure or duplication of any portion of the Manual or duplicates or discloses or makes any unauthorized use of any Trade Secret or confidential information provided to Franchisee by Franchisor,

6 Abandons, fails or refuses to actively operate the Franchised Restaurant for two (2) business days in any twelve (12) month period, unless the Franchised Restaurant has been closed for a purpose consented to by Franchisor or due to force majeure, or fails to relocate to approved premises within an approved period of time following expiration or termination of the lease for the Premises,

7 Surrenders or transfers control of the operation of the Franchised Restaurant, makes an unauthorized direct or indirect assignment of the franchise or an ownership interest in Franchisee or fails or refuses to assign the franchise or the interest in Franchisee of a deceased or disabled controlling owner, as herein required,

8 Submits to Franchisor on two (2) or more separate occasions at any time during the term of the franchise, any reports or other data, information or supporting records which understate by more than two percent (2%) the Net Sales for any period or periods,

9 If Franchisee shall be adjudicated a bankrupt, becomes insolvent, commits any affirmative act of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of its property or any part is appointed by a court of competent authority, or if it makes a general assignment for the benefit of its creditors, or if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed), or if execution is levied against Franchisee's business or property, oi if suit to foreclose any lien or mortgage against its Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days, or is not in the process of being dismissed, provided, however, that Franchisor reserves

the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by Franchisee,

10 Materially misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to materially impair the goodwill associated with any of the Marks,

11 Materially misuses or makes an unauthorized use of software licensed by Franchisor or be a third party designated by Franchisor,

12 Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other information or supporting records, to pay when due the Royalty Fees, advertising contributions, amounts due for purchases from Franchisor or other payments due to Franchisor, or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice is delivered to Franchisee,

13 Violates any health, safety or sanitation law, ordinance or regulation, fails any health department inspection which results in a permanent or temporary closure of the Franchised Restaurant, or operates the Franchised Restaurant in a manner that presents a health or safety hazard to its customers or the public, or

14 Fails to maintain the required amount of working capital as provided by Section 11(G) and does not cure such deficiency within thirty (30) days of written notice from Franchisor or fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to maintain the required amount of working capital

C This Agreement shall terminate on the election of Franchisor without further notice to Franchisee if Franchisee

1 Fails or refuses to make payments of any amounts due Franchisor for Royalty Fees, advertising contributions, purchases from Franchisor or any other amounts due to Franchisor, and does not correct such failure or refusal within seven (7) days after written notice of the failure is delivered to Franchisee,

2 Fails or refuses to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise in writing, and does not correct such failure within thirty (30) days, or lesser time specified by Franchisor that is reasonable in the circumstances (or provide proof acceptable to Franchisor that it has made all reasonable efforts to correct such failure and shall continue to make all reasonable efforts to cure until a cure is effected, if such failure cannot reasonably be corrected within thirty (30) days or lesser time specified by Franchisor that is reasonable in the circumstances) after written notice of such failure to comply is delivered to Franchisee

D To the extent a provision of this Agreement provides for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like, other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be subject to the period of time provided by applicable law

E In addition to Franchisor's right to terminate this Agreement and not in lieu of such right or other rights against Franchisee, Franchisor, in the event Franchisee has not cured a default under this Agreement within ten (10) days after receipt of a written notice to cure from Franchisor, may, at its option, enter on the Premises and exercise complete authority with respect to the operation of the Franchised Restaurant until such time as Franchisor determines that the default of Franchisee has been cured and there is compliance with the requirements of this Agreement or until termination, or until Franchisor elects to have Franchisee resume operating the Restaurant Franchisee acknowledges and agrees that a designated representative of Franchisor may take over, control and operate the Franchised Restaurant (or exercise any lesser level of control and operation, at such representative's discretion) Franchisee shall pay Franchisor the then-current Royalty Fee plus all travel expenses, food, lodging and other expenses incurred by the representative, and a management fee equal to five hundred ($500) per day for the duration of time in which Franchisor exercises such right Franchisee shall indemnify, defend and hold harmless Franchisor and any representative of Franchisor who may act under this Section 16(E), with regard to any and all acts and omissions which Franchisor may perform, or fail to perform as regards the interests of Franchisee or third parties

F Any default by Franchisee under the terms and conditions of this Agreement or any other agreement between Franchisor, or its affiliates, and Franchisee, or its owners or affiliates, shall be deemed to be a default of each and every agreement In the event of termination or cancellation for any cause, of this Agreement or any other agreement between the parties, Franchisor may, at its option, terminate any or all of the agreements

17 RIGHTS AND DUTIES AT AND AFTER END OF AGREEMENT

To protect the System, the Marks, the Trade Secrets and the goodwill associated with the same

On cancellation, termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall forthwith terminate, and

A Franchisee shall immediately stop operating the Franchised Restaurant under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor

B On written demand by Franchisor, if Franchisor elects to make such demand, Franchisee shall within three (3) days provide all information that Franchisor requests regarding the lease for the Premises including but not limited to a copy of the lease, and on further written demand by Franchisor, if Franchisor elects to make such demand, Franchisee shall in writing assign all Franchisee's interest in the lease for the Premises to Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation to assign the lease, within seven (7) days after Franchisor's written demand

C Franchisee shall immediately and permanently stop using, whether by advertising or in any other manner whatsoever, any confidential methods, procedures and techniques associated with the System, the Marks, any distinctive forms, slogans, signs, symbols, logos or devices associated with the System In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms and any other articles which display the Marks associated with the System

D Franchisee shall take such action as may be necessary to cancel or assign to Franchisor or Franchisor's designee, at Franchisor's option, any assumed name rights or equivalent registration filed with state, city or county authorities which contains the name "Epic Wings" or any Mark Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement

E Franchisee shall make such modifications or alterations to the Premises (including, without limitation, changing telephone and facsimile numbers) immediately on termination or expiration of this Agreement, as may be necessary to prevent any association between Franchisor or the System and any business thereon subsequently operated by Franchisee or others, and shall make such specific additional changes as Franchisor may reasonably request for this purpose including, without limitation, removal of all distinctive physical and structural features identifying the System If Franchisee fails or refuses to comply with the requirements of this Section 17, Franchisor shall have the right to enter the Premises, without liability for trespass, interference or other tort or claim, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay on demand

F Franchisee shall, in the event it continues to operate or subsequently begins to operate any other business (subject to the covenants in Section 15), not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or promotion of such business, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and shall not utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition

G Franchisee shall promptly pay all sums owing to Franchisor In the event of termination for default of Franchisee, Franchisee shall pay Franchisor as liquidated damages an amount equal to the lesser of (i) two (2) times the amount of Royalty Fees payable to Franchisor for the immediately preceding twelve (12) months (or if the Franchised Restaurant has been operating for less than twelve (12) months, the average monthly Royalty Fees payable over the actual operating period multiplied by twelve (12)), and (ii) the number of months remaining until the expiration of then-current term times the average monthly Royalty Fees payable to Franchisor for the immediately preceding twelve (12) months Franchisee and Franchisor agree that the actual damages that Franchisor would suffer for the loss of prospective fees and other amounts payable to Franchisor under this Agreement would be difficult if not impossible to ascertain and that the above calculation of liquidated damages represents a reasonable estimation of Franchisor's actual damages Payment of the liquidated damages will not limit any other remedy Franchisor may have at law or in equity resulting from Franchisee's failure to perform its obligations under this Agreement

H Franchisee shall pay Franchisor all damages, costs and expenses, including attorneys' fees, incurred by Franchisor to enforce the terms of this Agreement, including but not limited to matters relating to termination or expiration of the franchise, and/or obtaining injunctive or other relief pertaining to Section 15

I Franchisee shall immediately turn over to Franchisor all manuals, including the Manual, customer lists and databases, records, files, instructions, brochures, agreements and any and all materials provided by Franchisor to Franchisee relating to the operation of the Franchised

Restaurant (all of which are acknowledged to be Franchisor's property) Franchisee shall not retain any copies of the Manual on or after expiration or termination or cancellation of this Agreement

J Franchisor shall have the right, title and interest to any sign, sign faces or other items bearing the Marks and any graphics, memorabilia, stickers, wraps, banners or novelty items supplied by Franchisor Franchisee shall provide Franchisor access to the Premises to take possession of such signs or items, or, on Franchisor's election, Franchisee agrees to destroy such signs or items

K Franchisor shall have the right (but not the obligation), to be exercised by written notice of intent to do so within thirty (30) days after cancellation, termination or expiration, to purchase for cash any or all assets of the Franchised Restaurant that Franchisor selects, including leasehold improvements, equipment, supplies and other inventory, advertising materials and all items bearing the Marks based on the depreciated value of such assets using a five (5) year straight line depreciation formula, but in no event shall such amount be less than ten percent (10%) of the original book value of the assets Franchisor shall have the right to set off all amounts due from Franchisee, if any, against any payment therefore

L Franchisee shall comply with the covenants in Section 15 of this Agreement

18 <u>TRANSFERABILITY OF INTEREST</u>

A This Agreement and all rights hereunder can be assigned and transferred by Franchisor and/or Franchisor's successors-in-interest, in whole or in part, on one or more occasions By way of example, and without limiting the foregoing, Franchisor may sell its assets, Marks or System to a third party, make a public offering of securities, engage in a private placement of some or all of its securities, merge, acquire other entities or be acquired by other entities even if competitive Franchisee and/or with the System, refinance, recapitalize, engage in a leveraged buy out or other restructuring Franchisor shall have the right to purchase, merge, acquire or affiliate with a competitive or non-competitive franchise network, chain or other business regardless of location(s) of the chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Franchised Restaurants operating under the Marks or any other marks regardless of effect(s) on Franchisee or the System Franchisee waives any claims, demands or damages arising from or related to the above transactions, activities and their effects including without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of implied covenant of good faith and fair dealing

B This Agreement and all rights hereunder may not be Transferred (as defined in Section 18(B)(1) below) by Franchisee without first obtaining Franchisor's written consent Franchisor may, as conditions to granting consent, require that Franchisee comply with the following conditions and requirements

1 No Franchisee, partner of Franchisee (if Franchisee is a partnership) member of Franchisee (if Franchisee is a limited liability company) or shareholder of Franchisee (if Franchisee is a corporation) (such Franchisee, partner, member or shareholder collectively referred to herein as a "Transferring Franchisee"), without Franchisor's prior written consent, such consent to be withheld pursuant to the terms of Section 18(B)(2) below, whether voluntarily or involuntarily, by operation of law or otherwise shall sell, assign, transfer, convey, give away or encumber, or sell, assign, transfer, convey, give away or encumber Control (as defined below) of

Franchisee (collectively "Transfer") to any Person (as defined below), all or any part of its interest in Franchisee, this Agreement, its interest in the franchise or the Franchised Restaurant, or its interest in or ownership of any proprietorship, partnership, limited liability company, corporation or other organization which owns any interest in Franchisee, this Agreement, the franchise, or the Franchised Restaurant, nor offer, permit or suffer the same to be Transferred in any way to any Person Franchisee may not, without the prior written consent of Franchisor, fractionalize any of the rights of Franchisee granted pursuant to this Agreement The foregoing restriction on transferability also applies to any purported transfers through a shell, or through divorce or separation proceedings Withholding consent to one or more Transfer(s) shall be deemed to be reasonable if Franchisee fails to meet any of the conditions on transferability in Section 18(B)(2),

2 Provided that the conditions and requirements in Section 18(B)(2)(a) below are first satisfied to Franchisor's satisfaction, Franchisor shall not unreasonably withhold consent to a Transfer by a Transferring Franchisee of less than Control of Franchisee, or any Transfer of less than Control of the rights of any Person in and to this Agreement, the franchise, and/or the Franchised Restaurant For this Article 18, "Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise The definition shall be construed to apply equally to variations of the word "Control" including "Controlled," "Controlling" or "Controlled by " Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of the ownership interests "Person" means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any government authority Franchisee, and any Person owning an interest in Franchisee, or this Agreement, whether an individual, partnership, limited liability company, corporation or other organization or entity, shall maintain adequate and accurate accounts, books and records of its business and the ownership interest of Franchisee All such accounts, books and records shall be kept at the principal executive office of Franchisee in the state of operation of the Franchised Restaurant, and Franchisor shall have the right, on 24 hours' notice, to inspect such records for compliance with the conditions and restriction contained in this Agreement

a If the Transferring Franchisee desires to make a Transfer as described in Section 18(B)(2)

(1) the transferee Person shall be either an individual or a newly organized entity, and if an entity, its charter and/or organizational documents shall provide that its activities are confined exclusively to acting as an Epic Wings franchisee as provided under this Agreement and owning an ownership interest in Franchisee,

(2) the Transfer shall not constitute nor result in a change in Control of Franchisee,

(3) the Transfer shall not cause a change to be made to the president and/or chief executive officer, sole manager, sole general partner, or Person otherwise holding the highest position of power in Franchisee,

(4) the transferee Person shall enter into a written assumption agreement (in a form satisfactory to Franchisor), in which the transferee Person assumes and agrees to be jointly and severally liable, as applicable, for all of the Transferring Franchisee's obligations hereunder,

(5) all owners, shareholders, members, or partners of such transferee Person who own ten percent (10%) or more of the equity interests in such transferee Person or each individual who becomes an owner of ten percent (10%) or more of Franchisee as a result of such Transfer, or through a series of Transfers, shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of Franchisee's obligations under this Agreement,

(6) each stock certificate of a transferee corporation shall have conspicuously endorsed on it a statement that it is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignments by this Agreement,

(7) the formation, operation, management, or ownership documents of the Person, and the certificates of membership interests, partnership interests, or ownership interests (if any) shall be in writing and shall conspicuously state that all such formation, operation, management, or ownership documents, and all such membership, partnership or ownership interests are held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignments by this Agreement,

(8) no new shares of common or preferred voting stock, membership interests, partnership interest, or other ownership interest (of whatever nature) in the transferee Person shall be issued to any person, partnership, trust, foundation, limited liability company, corporation or other organization without obtaining Franchisor's prior written consent and then only on disclosure of the terms and conditions contained herein being made to the prospective new holders of the stock, membership, partnership, or other ownership interests, and

(9) all accrued monetary obligations of Franchisee to Franchisor, its subsidiaries or assignees, shall be satisfied prior to assignment or transfer, and Franchisee shall not be in default under the terms of this Agreement

b If the Transferring Franchisee desires to make a Transfer, other than a Transfer authorized under Section 18(B)(2)(a) , or if a Transfer if consummated alone or together with other related previous, simultaneous or proposed transfers, would constitute a Transfer of Control of Franchisee or any Person with which Franchisor has entered into this Agreement, or the rights of any such Person in and to this Agreement to someone other than an original signatory of this Agreement, Franchisor may withhold its consent to such Transfer for any reason or for no reason, as determined in Franchisor's sole and absolute discretion Notwithstanding the foregoing, Franchisor may consent to such Transfer, provided that, in addition to the conditions and requirements described in Sections 18(B)(2)(a)(1)-(9) above, the Transfer and the Transferring Franchisee shall meet the following conditions

(1) The Transfer shall be subject to Franchisor's right of first refusal as described in Section 20,

(2) the proposed transferee(s) shall be of good moral character and reputation and shall have a good credit rating and good business qualifications reasonably

acceptable to Franchisor, and Franchisee shall provide Franchisor with such information as Franchisor may require to make the foregoing determinations concerning each such proposed transferee(s),

(3) the proposed transferee(s) or such other individual(s) who shall be the actual manager of the franchise shall have successfully completed the training course then in effect for franchisees, or otherwise demonstrated to Franchisor's satisfaction, sufficient ability to operate the business being transferred,

(4) the proposed transferee(s), including all shareholders, officers, directors, members, managers and partners of the transferee(s) shall jointly and severally execute any or all of the following, at Franchisor's sole discretion and as Franchisor shall direct

(a) a Franchise Agreement and other standard ancillary agreements with Franchisor on the current standard forms being used by Franchisor, except that an additional initial franchise fee shall not be charged and the term and any extensions or renewals shall be as provided in this Agreement, and/or

(b) a written assignment from Franchisee in a form satisfactory to Franchisor, wherein such proposed transferee shall assume all of Franchisee's obligations hereunder,

(5) consent by Franchisor to a Transfer by a Transferring Franchisee of such Transferring Franchisee's rights in and to the franchise, and/or the Franchised Restaurant herein granted or any of Franchisee's rights under this Agreement shall in no way be deemed a release by Franchisor of such Transferring Franchisee's obligations pursuant to this Agreement, and consent by Franchisor to a Transfer of the franchise shall not constitute or be interpreted as consent for any future Transfer,

(6) Franchisee, prior to the Transfer, shall execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor, and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law,

(7) Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor, and the transferee or Franchisee shall have fully paid to Franchisor a non-refundable transfer fee equal to fifty percent (50%) of the then-current initial franchise fee charged by Franchisor for start-up franchises The transfer fee shall be paid by Franchisee to Franchisor on Franchisee's request for Franchisor's consent to the proposed Transfer This transfer fee does not apply to a Transfer under Section 18(B)(2)(a) of this Agreement

(8) The sale price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in Franchisor's judgment, there is a significant risk that the proposed transferee will not be able to meet the proposed transferee's financial and other obligations to Franchisor, third party suppliers and creditors following the closing Franchisor shall have no liability to either Franchisee or the proposed transferee if Franchisor approves the Transfer and the proposed transferee thereafter experiences financial difficulties

(9) If the proposed transferee is an entity, each owner and each owner's spouse of the proposed transferee shall jointly and severally guarantee the proposed transferee's performance of its obligations in the then-current Franchise Agreement under Franchisor's form of a Guarantee and Assumption of Obligations

(10) Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the Transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of confidential information

(11) Franchisee must simultaneously transfer its rights to all contracts for which continuation is necessary for operation of the Franchised Restaurant to the proposed transferee and satisfy any separate conditions to obtain any third party consents required for the transfer of Franchisee's rights to the proposed transferee The proposed transferee must execute all other documents and agreements required by Franchisor to consummate the Transfer, and, at Franchisor's request, Franchisee, as transferor or assignor, shall execute a continuing guarantee in favor of Franchisor of the performance and payment by the proposed transferee, as transferee or assignee, of all obligations and debts to Franchisor and its Affiliate under the replacement Franchise Agreement All required third party consents to the Assignment must be obtained

3 No Transfer of Franchisee, any right in this Agreement, in the franchise, or in the Franchised Restaurant, shall relieve Franchisee or any Person participating in any Transfer, of the obligations of the covenants contained in Section 15, except where expressly authorized by Franchisor in writing

4 Franchisee must give Franchisor ninety (90) days written notice prior to any sale or assignment The purpose of this Section is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws or rules Franchisee shall indemnify and hold harmless Franchisor for Franchisee's failure to comply with this Section 18

5 Franchisee shall not, without prior written consent of Franchisor, place in, on or on the location of the Franchised Restaurant, or in any communication media, any form of advertising, or list with any business, real estate broker, agent or attorney any information relating to the sale of the Franchised Restaurant or the rights granted hereunder

6 Any purported Transfer of any ownership of Franchisee, or of Franchisee's rights in and to this Agreement, the franchise, or the Franchised Restaurant not meeting the conditions and requirements set forth in Section 18, shall be null and void and without effect, and shall constitute a material default hereunder

C Franchisee shall notify Franchisor within ten (10) days of any change in the information set forth in the Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Franchisee to be true, correct and complete in all material respects

19 DEATH OR INCAPACITY OF FRANCHISEE

A In the event of the death or incapacity of an individual Franchisee, any partner of a Franchisee which is a partnership, any member of a limited liability company owning twenty five percent (25%) or more membership interests of a Franchisee which is a limited liability company, any shareholder owning twenty five percent (25%) or more of the capital stock of a Franchisee which is a corporation, or any Person, which, on the death or incapacity of such Person, will result in a change in Control of Franchisee, the heirs, beneficiaries, devisees or legal representatives of said individual, partner, shareholder, or Person, shall, within ninety (90) days of such event

1 If such parties so desire, apply to Franchisor for the right to continue to operate the franchise for the duration of the term of this Agreement and any renewals, which right shall be granted on the fulfillment of all of the conditions in Section 18(B)(2)(b) of this Agreement (except that no transfer fee shall be required), or

2 Sell, assign, transfer or convey Franchisee's interest in compliance with the provisions of Sections 18(B) and 20 of this Agreement, provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the ninety (90) days to sell, assign, transfer or convey shall be computed from the date of said rejection For purposes of this Section 19, Franchisor's silence on an application made pursuant to Section 19(B) through the ninety (90) days following the event of death or incapacity shall be deemed a rejection made on the last day of such period

B In the event of death or incapacity of an individual Franchisee, or any partner, shareholder, or member of a Franchisee which is a partnership, corporation or limited liability company, where the aforesaid provisions of Section 19(A) have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of Franchisor, terminate forthwith and automatically revert to Franchisor, and all of the provisions set forth in Section 17 shall apply

C For this Agreement, "incapacity" means the inability of an individual Franchisee, or a partner, shareholder, or member of a Franchisee which is a partnership, corporation, or limited liability company, to operate or oversee the operation of the Franchised Restaurant on a regular basis by reason of any continuing physical, mental or emotional incapacity, chemical dependency or other limitation Any dispute as to the existence of an incapacity shall be resolved by majority decision of three (3) licensed medical physicians practicing in the state in which the Franchised Restaurant is located, with each party selecting one (1) medical physician and the two (2) medical physicians so designated selecting the third medical physician The determination of the majority of the three (3) medical physicians shall be binding on the parties and all costs of making the determination shall be borne by the party against whom it is made

20 <u>RIGHT OF FIRST REFUSAL</u>

In the event of a Transfer or proposed Transfer as described in Section 18(B)(2)(b) above, or in the event a bona fide third party offer is made to purchase the Franchised Restaurant, or Franchisee or any interest in any of these, which Franchisee is interested to accept, Franchisee shall obtain and deliver a bona fide, executed written offer to purchase the same to Franchisor, which shall, for a period of thirty (30) business days from the date of delivery of such offer, have the right to deliver written notice to Franchisee or its owners, that Franchisee elects to purchase the Franchised Restaurant or such ownership for the price and on the terms and conditions in the offer to Franchisor Franchisor shall have the right to substitute cash for any form of payment proposed in the offer and shall have at least ninety (90) days for closing the purchase If Franchisor does not exercise this right of first refusal, the offer may potentially be accepted by Franchisee or its owners, subject to the conditions and the prior written approval of Franchisor, as provided in Section 18, provided that if such offer is not so accepted within one hundred twenty (120) days of its date, Franchisor shall again have the right of first refusal under this Section 20 A transferee franchisee that assumes the rights and obligations under this Agreement shall be subject to Franchisor's right of first refusal under terms and conditions in this Section 20 This right of first refusal is a continuing right of first refusal Franchisor's failure to exercise or election not to exercise its right of first refusal shall not be deemed a waiver of future exercise of the right of first refusal

21 OPERATION IN EVENT OF ABSENCE, BREACH, INCAPACITY OR DEATH

To prevent or reduce disruption of the Franchised Restaurant which would cause harm to the Franchised Restaurant and depreciate its value and potentially injure the Marks, Franchisee authorizes Franchisor to operate the Franchised Restaurant for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement, in the event Franchisee is absent or incapacitated by reason of illness or death, or is breach of this Agreement, and/or, in the sole judgment of Franchisor, is or appears, for the foregoing or any other reason not able to operate the Franchised Restaurant However, Franchisor shall not be obligated to so operate the franchise This provision is an additional, optional course of action by Franchisor and shall in no way be an obligatory course of action or remedy If Franchisor elects to assume operation of the Franchised Restaurant, Franchisor will have the right to charge a reasonable fee for its management services, plus its costs All monies from the operation of the business during such period of operation by Franchisor shall be kept in a separate account and the expenses of the Franchised Restaurant, including reasonable compensation and expenses for Franchisor's representative, shall be charged to said account Franchisee shall indemnify and hold harmless Franchisor and any representative of Franchisor who may act pursuant to this Section 21, from any and all claims arising from the operation of the Franchised Restaurant including, without limitation, the acts and omissions of Franchisor and its representative if, as herein provided, Franchisor temporarily operates the Franchised Restaurant for Franchisee

22 FRANCHISOR'S EXERCISE OF BUSINESS JUDGMENT

Franchisee acknowledges and agrees that Franchisor may operate and change the System and its business in any manner that is not expressly and specifically prohibited by this Agreement Whenever Franchisor has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, Franchisor may make such decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including without limitation Franchisor's judgment of what is in the best interests of the System, at the time Franchisor's decision is made or its right or discretion is exercised, without regard to whether (a) other reasonable alternative decisions or actions, or arguably preferable alternative decisions or actions, could have been made by Franchisor, (b) Franchisor's decision or the action taken promotes Franchisor's financial or other individual interest, (c) Franchisor's decision or the action applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned or affiliate-owned operations, or (d) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests Franchisor will have no liability to Franchisee for any such decision or action Franchisor and Franchisee intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor a wide range of discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder

23 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A This Agreement does not constitute Franchisee as an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever Franchisee may not represent to third parties that it is an agent of Franchisor and it is understood between the parties that Franchisee shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on behalf of Franchisor Franchisor and Franchisee further agree that this Agreement does not create a fiduciary relationship between them

B Franchisee shall prominently display, by posting a sign within public view, and include in all printed material including business cards, stationary, fliers, circular ads, radio and television and internet advertising, a statement that clearly indicates that the Franchised Restaurant is independently owned and operated by Franchisee as an Epic Wings Franchised Restaurant of Franchisor and not as an agent

C Franchisee shall defend, at its own cost, and indemnify and hold harmless Franchisor, its shareholders, directors, officers, employees and agents, from and against any and all loss, costs, expenses (including attorneys' fees), damages and liabilities, however caused, resulting directly or indirectly from or pertaining to the use, condition or construction, equipping, decorating, maintenance or operation of the Franchised Restaurant including the sale of any food products, service or merchandise sold from the Franchised Restaurant Such loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Franchised Restaurant, whether or not discoverable by Franchisor, and those arising from the death or injury to any person or arising from damage to the property of Franchisee or Franchisor, their agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Franchisor or any of its agents or employees, or resulted from any strict liability imposed on Franchisor or any of its agents or employees

24 NON-WAIVER

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist on strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature, nor shall any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement

25 NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, delivered by messenger or delivery service, mailed by certified mail return receipt requested, or facsimile transmission, and shall be effective when received or confirmation of receipt is acknowledged to the respective parties at the addresses stated in the introductory paragraph of this Agreement unless and until a different address has been designated by written notice to the other party

26 COST OF ENFORCEMENT OR DEFENSE

If a claim for amounts owed by a party to another party is asserted in any legal proceeding before a court of competent jurisdiction, or if Franchisor or Franchisee is required to enforce this Agreement in a judicial proceeding, the prevailing party shall be entitled to reimbursement of its costs, including all accounting and attorneys' fees, in connection with such proceeding

27 APPROVALS

A Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing All approvals and consents shall be granted or withheld in the sole and absolute discretion of Franchisor, except as otherwise provided herein

B Franchisor makes no warranties or guarantees on which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor

28 ENTIRE AGREEMENT

This Agreement, any Exhibit to this Agreement and the documents referred to herein, shall be construed together and constitute the entire, full and complete agreement between the parties concerning the subject matter of this Agreement, and supersedes all prior discussions, correspondence, negotiations, drafts, and agreements No other representation has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not stated herein, which are of any force or effect with reference to this Agreement or otherwise No amendment, change or variance from this Agreement shall bind either party unless executed in writing by both parties Nothing in this or in any related agreement, however, is intended to disclaim representations made by Franchisor in the Franchise Disclosure Document provided to Franchisee

29 SEVERABILITY AND CONSTRUCTION

A Each Section, part, term and/or provision of this Agreement shall be considered severable and if, for any reason, any Section, part, term and/or provision herein is determined to be invalid and contrary to or in conflict with any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, sections, parts, terms and/or provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not part of this Agreement

B Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer on any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement

C Franchisee shall be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order

D All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof The singular usage includes the plural, where appropriate in the context, and the masculine and neuter usages include the other and the feminine

E This Agreement may be executed in multiple copies, and each copy so executed shall be deemed an original Signatures transmitted electronically or by facsimile will be deemed original signatures Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that the electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement

F The recitals set forth in this Agreement are specifically incorporated into the terms of this Agreement and hereby constitute a part thereof

30 APPLICABLE LAW, VENUE FOR LITIGATION

A THIS AGREEMENT AND THE RIGHTS OF THE PARTIES TAKE EFFECT ON ACCEPTANCE AND EXECUTION BY FRANCHISOR AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF CALIFORNIA, WHICH LAWS SHALL PREVAIL IN THE EVENT OF ANY CONFLICT OF LAW IF ANY PROVISION OF THIS AGREEMENT WOULD NOT BE ENFORCEABLE UNDER CALIFORNIA LAW, AND IF THE FRANCHISED RESTAURANT IS LOCATED OUTSIDE OF CALIFORNIA AND SUCH PROVISION WOULD BE ENFORCEABLE UNDER THE LAWS OF THE STATE IN WHICH THE FRANCHISED RESTAURANT IS LOCATED, THEN SUCH PROVISION SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THAT STATE NOTHING IN THIS SECTION IS INTENDED BY THE PARTIES TO SUBJECT THIS AGREEMENT TO

ANY FRANCHISE OR SIMILAR LAW, RULES, OR REGULATION OF THE STATE OF CALIFORNIA TO WHICH IT WOULD NOT OTHERWISE BE SUBJECT

B FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT IS ENTERED INTO IN SAN DIEGO COUNTY, CALIFORNIA, AND THAT ANY ACTION BY EITHER PARTY SHALL BE BROUGHT IN THE U S DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA OR THE SUPERIOR COURT OF CALIFORNIA IN AND FOR SAN DIEGO COUNTY, CALIFORNIA THE PARTIES CONSENT TO PERSONAL JURISDICTION AND VENUE IN THOSE COURTS

C NO RIGHT OR REMEDY CONFERRED ON OR RESERVED TO FRANCHISOR OR FRANCHISEE BY THIS AGREEMENT IS INTENDED TO BE, NOR SHALL BE DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY HEREIN OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH SHALL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY

31 FORCE MAJEURE

Whenever a period of time is provided in this Agreement for a party to do or perform any act or thing, except the payment of monies, that party shall not be liable or responsible for delay due to strike, lockout, casualty, act of God, war, government regulation or control, where the cause is beyond the reasonable control of that party, and in any event the time period for the performance of the obligation shall be extended for the amount of time of the delay but not more than forty-five (45) days This clause shall not apply to any obligation to pay money and shall not apply in any way that would result in the operation of this clause extending the term of this Agreement

32 "FRANCHISEE" DEFINED AND GUARANTEE

As used in this Agreement, the term "Franchisee" shall include all Persons who succeed to the interest of the original Franchisee by permitted transfer or operation of law and shall be deemed to include the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement and all partners of the entity that executes this Agreement (if the entity is a partnership), all shareholders, officers and directors of the entity that executes this Agreement (if the event is a corporation) and all members of the entity that executes this Agreement (if the entity is a limited liability company) In exchange for Franchisor granting the franchise to and entering into this Agreement with Franchisee, each person holding an ownership interest in Franchisee must sign and deliver Franchisor's form of Guarantee and Assumption of Obligations or if the ownership interest is acquired after the date of this Agreement, must do so within ten (10) days after obtaining the interest as an owner

33 DISCLAIMER

The success of the business venture contemplated to be undertaken by Franchisee by virtue of this Agreement is speculative and depends, to a large extent, on the ability of Franchisee as an independent businessperson and Franchisee's active participation in the daily affairs of the business as well as other factors Franchisor does not make any representation or warranty, express or implied, as to potential results of the business venture contemplated by this Agreement

34 ACKNOWLEDGMENTS

A Franchisee represents and acknowledges that Franchisee has received, read and understood this Agreement and Franchisor's Franchise Disclosure Document, and that Franchisee had ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement

B Franchisee acknowledges receiving a copy of this Agreement and its attachments, at least five (5) business days before the date on which this Agreement was executed Franchisee acknowledges that Franchisee received the Franchise Disclosure Document at least fourteen (14) calendar days before the date on which this Agreement was executed or any payment was made to Franchisor or any affiliate in connection with the proposed franchise sale

C Franchisee has been advised to consult with Franchisee's own advisors regarding the legal, financial and other aspects of this Agreement, the business franchised hereby, and the prospects for that business Franchisee eithei consulted with such advisors or deliberately declined to do so

D The covenants not to compete in this Agreement are fair and reasonable, and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors

E Franchisee represents and warrants that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying on the truthfulness, completeness and accuracy of such information

F Franchisee conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, an investment in an Epic Wings Franchised Restaurant involves business risks and that the results of the venture are primarily dependent on the business abilities and efforts of Franchisee

Executed as of the date stated in the introductory paragraph of this Agreement

FRANCHISEE	SACCO RESTAURANTS, INC
Signature ____________________	Signature ________________________
Printed Name ________________	Printed Name _____________________
Title _______________________	Title ___________________________

Signature ____________________

Printed Name ________________

Title ______________________

EXHIBIT A TO THE FRANCHISE AGREEMENT

ENTITY INFORMATION DISCLOSURE

Entity Name ________________________

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

(1) Franchisee is a (check as applicable)

[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify) ___________________________

State of incorporation/organization ___________________

(2) Franchisee shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the **Entity Documents**")

(3) Franchisee promptly shall provide all additional information that Franchisor may from time to time request concerning all persons who may have any, direct or indirect, financial interest in Franchisee

(4) The name and address of each Owner is

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) Franchisee hereby designates the individual named below as Franchisee's executive manager/officer ("Certified Manager") who shall at all times have all requisite authority to act on behalf of Franchisee, and Franchisor shall have the right to rely on any decision made or action taken by the Certified Manager as binding on Franchisee Franchisee agrees that such designation shall remain in effect until ten (10) days after Franchisor has received written notice from Franchisee of a substitute Certified Manager Franchisee further agrees to take all corporate or other entity action consistent with this designation

Certified Manager ____

(6) The address where Franchisee's financial records and Entity Documents are maintained____
____

The Parties have executed this Exhibit A on the Effective Date

FRANCHISEE	SACCO RESTAURANTS, INC
Signature ____________________	Signature ____________________
Printed Name ________________	Printed Name ________________
Title ______________________	Title ______________________
Signature ____________________	
Printed Name ________________	
Title ______________________	

EXHIBIT B TO THE FRANCHISE AGREEMENT

MAP OF DESIGNATED AREA

FRANCHISEE

Signature ____________________

Printed Name ________________

Title ______________________

Signature ____________________

Printed Name ________________

Title ______________________

SACCO RESTAURANTS, INC

Signature ______________________

Printed Name ___________________

Title _________________________

EXHIBIT C

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT (this "Agreement") is made this ___ day of ________, 201__ (the "Effective Date"), by and between ______________________________ ("Franchisee"), and ______________________ ("Recipient"), with reference to the following facts

A Sacco Restaurants Inc, a California corporation ("Franchisor"), developed a "System" for the establishment and operation of Epic Wings Restaurants which are fast-casual restaurants that serve chicken and chicken products and related food items and beverages, and, at some locations, beer and wine, prepared according to specified recipes and/or procedures ("Epic Wings Restaurants"), and use the trade name and service mark "Epic Wings" and related trademarks, service marks, logos and commercial symbols (the "Marks")

B The System includes, without limitation, the operations and training manuals and any other written directives related to the System (the "Manuals"), the operating methods and business practices related to Epic Wings Restaurants, the relationship between Franchisor and its franchisees, interior and exterior Epic Wings Restaurant design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and preparation methods, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website (collectively, the "Confidential Information"), all of which may be modified by Franchisor from time to time and may be disclosed to Recipient by Franchisee

C Franchisor has and continues to protect the confidentiality of the Confidential Information by, among other things, (i) not revealing the confidential contents of the Confidential Information to unauthorized parties, (ii) requiring Epic Wings franchisees to acknowledge and agree in writing that the Confidential Information is confidential, (iii) requiring Epic Wings franchisees to agree in writing to maintain the confidentiality of the Confidential Information, (iv) restricting and limiting access to the Confidential Information to authorized parties, and (v) requiring its franchisees to return all Confidential Information to Franchisor on the expiration and termination of their Franchise Agreements

D Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor granted Franchisee the right to own and operate an Epic Wings Restaurant (the "Franchised Restaurant') and to use the System, the Marks, the Manuals, and the Confidential Information in the operation of the Franchised Restaurant

E Franchisee is obligated under the Franchise Agreement to obtain a written agreement from each employee employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Confidential Information and who may be the recipient of disclosure of the Confidential Information to maintain the confidentiality of the Confidential Information, to obtain the written agreement of each employee and independent contractor to not use the Confidential Information other than in the course of their employment or engagement by Franchisee and to not disclose any of the Confidential Information to any unauthorized person or entity

THEREFORE, IT IS AGREED

1 ACKNOWLEDGMENTS OF RECIPIENT

1 1 No Prior Experience, Information or Knowledge Prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge whatsoever about a restaurant business that sells chicken and chicken products and related food items and beverages, and, at some locations, beer and wine Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee

1 2 Confidential Information The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information (whether in print, paper, electronic or other form) relating to Franchisor's business operations, styles, products and services, recipes, sources of materials and equipment, customer service management and other software, data, compilations, programs, processes, business relationships, contact information for suppliers, industry professionals, and other service providers, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements, marketing and selling methods and/or plans, business plans, budgets, unpublished financial information, licenses, prices and costs, vendors, current customer and prospective customer names and addresses, pricing strategies, designs, drawings, specifications, diagrams, flowcharts, research, development, marketing techniques and materials, sales/license techniques, inventions, copyrightable material, databases, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable in the circumstances to maintain secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding disclosure, would be considered confidential Confidential Information also includes negative confidential information consisting of information, and other matters developed and not used Confidential Information may also include information that, although available publicly, is not publicly known to be in existence or used by Franchisor Confidential Information does not include information that was in the lawful and unrestricted possession of Recipient prior to disclosure by Franchisee to Recipient, or that is lawfully and in good faith received by Recipient, without purpose of circumventing this Agreement, from a third party who did not derive it from Franchisor, Franchisee or Recipient

1 3 Independent Value The Confidential Information (i) is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee, (ii) derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee, and (iii) is the subject of efforts by Franchisor that are reasonable in the circumstances to maintain their secrecy

2 COVENANTS OF RECIPIENT

Recipient agrees that so long as Recipient is employed or engaged by Franchisee and forever after his or her employment or engagement by Franchisee ends

2 1 Maintain Confidentiality Recipient shall fully and strictly maintain the confidentiality of the Confidential Information, exercise the highest degree of diligence in safeguarding the Confidential Information and not disclose or reveal the Confidential Information to any person or entity other than Franchisee or another person employed or engaged by Franchisee while an employee or independent contractor of Franchisee and will then do so only to the degree necessary to carry out Recipient's duties as an employee or independent contractor of Franchisee

2 2 No Reproduction or Use Recipient shall not directly or indirectly reproduce or copy any Confidential Information and shall not use any Confidential Information for any purpose whatsoever except as required while Recipient is employed or engaged by Franchisee and then shall do so only according to the provisions of this Agreement and only to the degree necessary to carry out Recipient's duties as an employee or independent contractor of Franchisee

2 3 Restrictions Recipient acknowledges and agrees Recipient may receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotion, and marketing methods and techniques of Franchisor and the System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable in the circumstances to maintain their secrecy Recipient shall not, directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, or legal entity (a) divert or attempt to divert any present or prospective Epic Wings customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, (b) employ or seek to employ any person who is or has been within the prior thirty (30) days employed by Franchisor, Franchisee or an affiliate of Franchisor or Franchisee as a salaried managerial employee, or otherwise directly or indirectly induce the person to leave his or her employment, or (iii) own (beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any restaurant business that derives 30% or more of its revenue from chicken and/or chicken products as menu item and/or any restaurants business that looks like, copies, imitates, or operates similarly to an Epic Wings Restaurant

2 4 Third Party Beneficiary This Agreement is for the benefit of Franchisor Franchisor is, and shall be and remain, a third party beneficiary of this Agreement and will have the independent right to enforce the terms of this Agreement even though Franchisor may not have signed this Agreement

3 GENERAL TERMS

3 1 Injunction Recipient acknowledges and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential

Information by Recipient will cause irreparable damage to Franchisor and its franchisees Recipient agrees that if Recipient engages in any unauthorized or improper use or disclosure of any of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to permanent and temporary injunctive relief from any court having jurisdiction, without notice or posting of a bond, to prevent unauthorized or improper use or disclosure of the Confidential Information, in addition to other available remedies Due to irreparable damage that would result to Franchisor and Franchisee from violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement

3 2 Heirs and Successors, Entire Agreement This Agreement shall bind and benefit the parties, their heirs, successors and assigns This Agreement represents the entire understanding between the parties regarding its subject matter and supersedes all other negotiations, agreements, representations and covenants, oral or written This Agreement may not be modified except by a written instrument signed by Franchisor and Recipient that expressly modifies this Agreement The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject of this Agreement No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties

3 3 No Right to Use Marks or System This Agreement is not a license and does not grant Recipient any right to use or to license the use of, the Confidential Information, which right is expressly reserved by Franchisor

3 4 Waiver and Validity Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights Any waiver, including a waiver of default in any one instance, shall not constitute a continuing waiver or a waiver in any other instance Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect

3 5 Headings Headings in this Agreement are for convenience only and shall not be used in construing the provisions of this Agreement As used in this Agreement, the male gender includes the female and neuter genders, the singular includes the plural and vice versa

3 6 Attorneys' Fees If Franchisor becomes a party to any legal proceeding concerning this Agreement by reason of any act or omission of Recipient, Recipient shall be liable to Franchisor for reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceeding If any party to this Agreement commences any legal proceeding against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs of suit

3 7 Cumulative Remedies Any specific right or remedy in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies stated herein or allowed or allowable by law

3 8 Notices Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties under this Agreement shall be deemed delivered at the time delivered by hand, one (1) business day after transmission by fax or email (with a confirmation copy sent by regular United States mail), or three (3) days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows

Any notice or demand to Franchisee shall be given to

____

____

____

Fax ________________

With a copy to

Any notice or demand to Recipient shall be given to

____

____

____

Fax ________________

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party

3 9 Governing Law and Venue This Agreement shall be interpreted and construed under the laws of California If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then such provision shall be interpreted and construed under the laws of that state The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of California in the County of San Diego, and the parties all questions of personal jurisdiction or venue for the purpose of carrying out this provision

3 10 Counterparts and Electronic Copies This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument Signatures transmitted electronically or by facsimile will be deemed original signatures Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement

The parties have executed this Agreement on the Effective Date

FRANCHISEE

______________________________,
a ____________________________

By

Name ________________________

Title

____

RECIPIENT

____

EXHIBIT D

GUARANTEE AND ASSUMPTION OF OBLIGATIONS

GUARANTEE AND ASSUMPTION OF OBLIGATIONS

This GUARANTEE AND ASSUMPTION OF OBLIGATIONS is made and given this ____ day of ____________, 201___ by the undersigned

In consideration of and as an inducement to the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by Sacco Restaurants Inc ("Franchisor"), each of the undersigned personally and unconditionally (1) guarantees to Franchisor, its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ______________________________________ ("Franchisee") shall fully and punctually pay and perform each and every undertaking, agreement and covenant in the Agreement, and (2) shall be personally bound by and personally liable for breach of each and every provision in the Agreement, including monetary obligations and obligations to take or refrain from taking actions or to engage or refrain from engaging in activities including, without limitation, the provisions of Section 15 Each of the undersigned waives (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed, (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability, and (5) any and all other notices and legal or equitable defenses to which he/she may be entitled

Each of the undersigned consents and agrees that (1) his/her direct and immediate liability under this Guarantee shall be joint and several, (2) he/she shall render any payment or performance required under the Agreement on demand if Franchisee fails or refuses punctually to do so, (3) such liability shall not be contingent or conditioned on pursuit by Franchisor of any remedies against Franchisee or any other person, and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement

This Guarantee shall be interpreted and construed under the laws of California In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules If any provision of this Guarantee would not be enforceable under the laws of California, and if the Franchised Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then such provision shall be interpreted and construed under the laws of that state Nothing in this paragraph is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of San Diego

Each of the undersigned executed this Guarantee and Assumption of Obligations on the same day and year as the Agreement was executed

GUARANTOR(S) Name	Signature	PERCENTAGE OF OWNERSHIP
____________________	____________________	__________ %
____________________	____________________	__________ %
____________________	____________________	__________ %
____________________	____________________	__________ %
____________________	____________________	__________ %
____________________	____________________	__________ %

EXHIBIT E

TABLE OF CONTENTS OF OPERATING MANUAL

Table of Contents

EXHIBIT F

STATE ADDENDA

CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at WWW DBO CA GOV

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

1 The following language is added to the end of Item 3 of the Disclosure Document

> "Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U S C A 78a et seq, suspending or expelling such person from membership in such association or exchange "

2 The following paragraphs are added at the end of Item 17 of the Disclosure Document

> "Notwithstanding any provision of the Franchise Agreement that requires you to sign a general release of claims if you renew or transfer your franchise, California Corporations Code Section 31512 voids any waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516), and California Business and Professions Code Section 20010 voids any waiver of your rights under the Franchise Relations Act (California Business and Professions Code Sections 20000 through 20043)
>
> California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-

renewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

Any provisions of the Franchise Agreement that provide for termination upon bankruptcy may be unenforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

Any provisions of the Franchise Agreement that provide for liquidated damages may be unenforceable under California Civil Code Section 1671

Certain provisions of the Franchise Agreement may be unenforceable if they provide for (i) a covenant not to compete that extends beyond the termination of the franchise, (ii) a waiver of rights to punitive damages or to a trial by jury, (iii) forum selection or choice of law, (iv) binding arbitration, or (v) an interest rate greater than 10% per annum

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

EXHIBIT G

STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677	California Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu Hawaii 96813 (808) 586-2722	Commissioner of Securities, Department of Commerce & Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232 6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
MARYLAND	Office of the Attorney General Securities Division 200 St Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St Paul Place Baltimore Maryland 21202 2021 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn Franchise Section 525 West Ottawa G Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau P O Box 30054 6546 Mercantile Way Lansing, Michigan 48909 (517) 241-6345
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, Minnesota 55101-2198 (651) 296 4026	Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, Minnesota 55101-2198 (651) 296-4026
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway 23rd Floor New York, New York 10271-0332 (212) 416-8236 (Phone) (212) 416-6042 (Fax)	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany New York 12231-0001 (518) 473 2492

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Regulation Bldg 69 First Floor John O Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462 9582	Securities Division Department of Business Regulation Bldg 69, First Floor John O Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462-9582
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre South Dakota 57501 (605) 773-4823	Director, Department of Labor and Regulation Division of Securities 124 South Euclid Suite 104 Pierre, South Dakota 57501 (605) 773-4823
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
WASHINGTON	Department of Financial Institutions Securities Division P O Box 9033 Olympia Washington 98507 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, Washington 98501 (360) 902 8760
WISCONSIN	Franchise Registration Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064

EXHIBIT H

LIST OF FRANCHISEES AND ADDRESSES OF AFFILIATE RESTAURANTS

LIST OF FRANCHISEES

None

ADDRESSEES OF AFFILIATE RESTAURANTS

As of December 31, 2016

Store	Corp Entity	Owners
245 W El Norte Pkway Escondido, CA 92026	Wings N Things Inc	Kathy Russo
3904 Convoy St , Suite 100 San Diego, CA 92111	Wings N Things Inc	Kathy Russo
3194 Midway Dr San Diego, CA 92110	Wings N Things Inc	Kathy Russo
31045 Temecula Pkwy , Ste 140 Temecula, CA 92592	Wing Works LLC	Christopher & Cindy Sacco
40942 California Oaks Rd Murrieta, CA 92562	HotFoods Inc	Sam & Caryl Sacco
481 Broadway, Suite A Chula Vista, CA 91910	HotFoods Inc	Sam & Caryl Sacco
23125 Otay Lakes Rd , Suite 301 Chula Vista, CA 91915	Kick'n Wings Inc	Sam & Joe Sacco
39650 Winchester Rd , Suite A Temecula, CA 92591	Kick'n Wings Inc	Sam & Joe Sacco
35 Main Street, Suite C140 Vista, CA 92083	Fricken Franks Inc	Frank & Cierra Sacco
2525 Vista Way, Suite A Oceanside, CA 92054	Fricken Franks Inc	Frank & Cierra Sacco
6715 El Cajon Blvd San Diego, CA 92115	Hotwings Inc	Joe & Angela Sacco
528 North Second Street El Cajon, CA 92109	Wing-n-it Inc	Joe & Mike Sacco
9311 Mission Gorge Road Santee, CA 92071	Wing-n-it Inc	Joe & Mike Sacco
1499 E Plaza Blvd National City, CA 91950	Wing Biz Inc	Joe & Greg Sacco
12075 Carmel Mtn Rd , Suite 201 San Diego, CA 92128	California Wing Ventures, Inc	Greg & Dawn Sacco
9174 Mira Mesa Blvd San Diego, CA 92126	California Wing Ventures, Inc	Greg & Dawn Sacco
324 S Twin Oaks Valley Road San Marcos, CA 92078	Wings N Things Development Corp	Anthony & Christina Leighton

EXHIBIT I

RECEIPTS

RECEIPT
(Franchisor's Copy)

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 Sacco Restaurants Inc offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Sacco Restaurants Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agencies listed in Exhibit "G" above

The name, principal business address and phone number of the franchise seller offering this franchise is Sam Sacco, President, Sacco Restaurants Inc , 12075 Carmel Mountain Road #201, San Diego, California 92128 (858) 451-9464

This Disclosure Document is issued March 30, 2017

I received a disclosure document dated March 30, 2017 that included the following Exhibits

A Financial Statements
B Franchise Agreement
C Non-Disclosure And Confidentiality Agreement
D Guarantee And Assumption Of Obligations
E Table Of Contents Of Operating Manual
F State Addenda
G State Agents For Service Of Process And State Administrators
H Addresses Of Affiliate Restaurants
I Receipts

DATED ________________

SIGNED ________________________________, individually or as an officer, partner or _________
____ (a ____________________ corporation)
(a ____________________ partnership)
(a ____________________ limited liability company)

NAME ________________________________
ADDRESS ______________________________
____
PHONE ________________________________

Please return this Receipt to
SACCO RESTAURANTS INC
Attn Sam Sacco
12075 CARMEL MOUNTAIN ROAD #201, SAN DIEGO , CALIFORNIA 92128

RECEIPT
(Franchisor's Copy)

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

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Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Sacco Restaurants Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agencies listed in Exhibit "G" above

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A	Financial Statements	E	Table Of Contents Of Operating Manual
B	Franchise Agreement	F	State Addenda
C	Non-Disclosure And Confidentiality Agreement	G	State Agents For Service Of Process And State Administrators
D	Guarantee And Assumption Of Obligations	H	Addresses Of Affiliate Restaurants
		I	Receipts

DATED ________________

SIGNED ______________________________, individually or as an officer, partner or _________
_____________________________________ (a ____________________ corporation)
(a ____________________ partnership)
(a ____________________ limited liability company)

NAME ________________________________
ADDRESS ______________________________
____
PHONE ________________________________

Please return this Receipt to
SACCO RESTAURANTS INC
Attn Sam Sacco
12075 CARMEL MOUNTAIN
ROAD #201, SAN DIEGO ,
CALIFORNIA 92128