

FRANCHISE DISCLOSURE DOCUMENT



Dave's Hot Chicken Franchise Co. SPV LLC

a Delaware Limited Liability Company

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Dave's Hot Chicken restaurants feature Nashville-style hot chicken tenders and sliders with made-to-order spices and related food and drink items in a fun, fast-casual restaurant format ("Dave's Hot Chicken Restaurant(s)"). We offer multi-unit franchises ("Area Development Franchise(s)") for the rights to open a minimum of three Dave's Hot Chicken Restaurants in a designated area. We primarily offer Area Development Franchises, but we may offer single Dave's Hot Chicken Restaurant franchises in certain situations, such as non-traditional restaurants and branded food truck restaurants.

The total investment necessary to begin operation of a Dave's Hot Chicken Restaurant under a franchise agreement ranges from (i) \$989,800 and \$3,218,000 for a freestanding restaurant at a traditional venue; (ii) \$617,800 and \$2,170,000 for an in-line or endcap restaurant at a traditional or non-traditional venue, and (iii) \$208,150 and \$544,500 for branded food trucks. This includes between (i) \$51,000 and \$68,400 that must be paid to us or our affiliate(s) for traditional and non-traditional restaurants, and (ii) \$25,500 and \$26,000 that must be paid to us or our affiliate(s) for branded food trucks.

If you sign an area development agreement for an Area Development Franchise, you must pay us a development fee equal to \$40,000 (the initial franchise fee for the first Dave's Hot Chicken Restaurant) plus a deposit of \$20,000 for the second and each additional Dave's Hot Chicken Restaurant you will develop. These amounts will be credited against the initial franchise fee due for each Dave's Hot Chicken Restaurant included in the development schedule.

The total investment necessary to begin operation of an Area Development Franchise under an area development agreement is between \$1,853,400 and \$9,654,000, which assumes the development of a minimum of three Dave's Hot Chicken Restaurants at traditional venues. This includes \$153,000 to \$205,200 that must be paid to us or our affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact our Franchise Development Department at 600 Playhouse Alley, Unit 504, Pasadena, CA 91101, (626) 628-0850.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the



Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP, or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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How to Use This Franchise Disclosure Document

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

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



What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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



Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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



**The State of Michigan requires us to include the
following notice in the Disclosure Document:**

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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



- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

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

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



TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
ITEM 1	THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES 1
ITEM 2	BUSINESS EXPERIENCE..... 14
ITEM 3	LITIGATION 15
ITEM 4	BANKRUPTCY 16
ITEM 5	INITIAL FEES 17
ITEM 6	OTHER FEES 19
ITEM 7	ESTIMATED INITIAL INVESTMENT 27
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES..... 37
ITEM 9	FRANCHISEE’S OBLIGATIONS 41
ITEM 10	FINANCING 44
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING..... 44
ITEM 12	TERRITORY..... 58
ITEM 13	TRADEMARKS 61
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION..... 63
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS..... 65
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL..... 66
ITEM 17	RENEWAL, TERMINATIONS, TRANSFER, AND DISPUTE RESOLUTION 67
ITEM 18	PUBLIC FIGURES 74
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS 74
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION 74
ITEM 21	FINANCIAL STATEMENTS 83
ITEM 22	CONTRACTS 83
ITEM 23	RECEIPTS 83

EXHIBITS:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Financial Statements and Guaranty
Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit E	Operations Manual Table of Contents
Exhibit F	Franchise Disclosure Questionnaire
Exhibit G	List of Current and Former Franchisees/Area Developers
Exhibit H	State Addenda and Agreement Riders
Exhibit I	Contracts for use with the Dave’s Hot Chicken Franchise
Exhibit I – 1	Waiver and Release of Claims
Exhibit I – 2	System Protection Agreement
Exhibit I – 3	Sample Confidentiality Agreement
Exhibit I – 4	Automated Clearing House Payment Authorization Form
Exhibit I – 5	Credit Card Authorization Form
Exhibit I – 6	Lease Addendum
Exhibit I – 7	Non-Traditional Location Addendum to Franchise Agreement
Exhibit I – 8	Food Truck Addendum to Franchise Agreement
Exhibit J	State Effective Dates
Exhibit K	Receipts



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

To simplify the language in this Franchise Disclosure Document, “we,” “us” or “DHC” means Dave’s Hot Chicken Franchise Co. SPV LLC, the franchisor. “You” means the individual, corporation, partnership, limited liability company, or other entity who buys the franchise. If the franchisee will operate through a corporation, partnership, limited liability company or other entity, “you” also includes the franchisee’s owners or partners.

The Franchisor

We are a Delaware limited liability company organized on July 1, 2025. Our principal business address is 600 Playhouse Alley, Unit 504, Pasadena, CA 91101. We conduct business under our corporate name and Dave’s Hot Chicken. We do not do business under any other names. We began offering franchises (“Franchise(s)”) for Dave’s Hot Chicken Restaurants as of the date of this Franchise Disclosure Document. We have never offered franchises in any other line of business. We do not own or operate any Dave’s Hot Chicken Restaurants. We have no other business activities

Our agent for service of process in Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

Franchisor’s Parents, Predecessor and Affiliates

Parents

We are a direct, wholly-owned subsidiary of DHC STE Holdco LLC, a Delaware limited liability company (“DHC Holdco”). DHC Holdco is a direct, wholly-owned subsidiary of Hollywood Intermediate LLC, a Delaware limited liability company (“Hollywood Intermediate”). Hollywood Intermediate is a wholly-owned subsidiary of Hollywood Holdings LLC, a Delaware limited liability company (“Hollywood Holdings”). Hollywood Holdings is a wholly-owned subsidiary of Hollywood Parent LLC, a Delaware limited liability company (“Hollywood Parent”). DHC Holdco, Hollywood Intermediate, Hollywood Holdings and Hollywood Parent all share our principal address.

Predecessor

Our predecessor is Dave’s Hot Chicken Franchise Co. LLC, a Delaware limited liability company (“DHCFC LLC”). DHCFC LLC previously offered Franchises for Dave’s Hot Chicken Restaurants from March 2019 to September 2025. DHCFC LLC has also owned and operated 5 Dave’s Hot Chicken Restaurants since the following dates: (i) September 2020, (ii) March 2021, (iii) August 2021, (iv) March 2023, and (v) June 2023. In addition to the 5 Dave’s Hot Chicken Restaurants DHCFC LLC owns and operates, it also (i) manages 10 Dave’s Hot Chicken Restaurants that are owned by at least one of our founders, and (ii) is a minority owner through a joint venture of one Dave’s Hot Chicken Restaurant. It has no other business activities. We do not have any other predecessors. In September 2025, as part of the Securitization Transaction (defined below), DHCFC LLC transferred all existing franchise, area development and related agreements for Dave’s Hot Chicken Restaurants to us, and we became the franchisor of all existing and future franchise, area development and related agreements. Ownership and



control of all trademarks and certain intellectual property relating to the operation of Dave's Hot Chicken Restaurants were also transferred to us. DHCFC LLC also acts as our manager as described below.

Affiliates that Offer Products and Services to Franchisees

Our affiliate, Dave's Hot Chicken Supply Chain SPV LLC ("DHC Supply"), a Delaware limited liability company, manages and administers the supply chain for both company-owned and franchised Dave's Hot Chicken Restaurants. DHC Supply's principal business is the same as our address. DHC Supply has never offered franchises for Dave's Hot Chicken Restaurants or any other line of business, nor has DHC Supply operated any Dave's Hot Chicken Restaurants.

Affiliated Franchise Programs

Through control with private equity funds managed by Roark Capital Management, LLC, an Atlanta-based private equity firm, we are affiliated with the below franchise programs ("Affiliated Programs"). None of these affiliates operate a Dave's Hot Chicken franchise.

GoTo Foods Inc. ("GoTo Foods") is the indirect parent company to seven franchisors, including: Auntie Anne's Franchisor SPV LLC ("Auntie Anne's"), Carvel Franchisor SPV LLC ("Carvel"), Cinnabon Franchisor SPV LLC ("Cinnabon"), Jamba Juice Franchisor SPV LLC ("Jamba"), McAlister's Franchisor SPV LLC ("McAlister's"), Moe's Franchisor SPV LLC ("Moe's"), and Schlotzsky's Franchisor SPV LLC ("Schlotzsky's"). All seven GoTo Foods franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with GoTo Foods through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2024, there were 1,182 franchised and 11 affiliate-owned Auntie Anne's shops in the United States and 815 franchised Auntie Anne's shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2024, there were 336 franchised Carvel shoppes in the United States and 39 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2024, there were 1,002 franchised and 28 affiliate-owned Cinnabon bakeries in the United States, 1,040 franchised Cinnabon bakeries outside



the United States, and 193 franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2024, there were 726 franchised Jamba stores and one affiliate-owned Jamba store in the United States and 61 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants that feature deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2024, there were 524 franchised and 36 affiliate-owned McAlister's restaurants in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2024, there were 591 franchised and five affiliate-owned Moe's Southwest Grill restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants that feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2024, there were 280 franchised and 28 affiliate-owned Schlotzsky's restaurants in the United States.

Inspire Brands, Inc. ("Inspire Brands") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to six franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("Arby's"), Baskin-Robbins Franchising LLC ("Baskin-Robbins"), Buffalo Wild Wings International, Inc. ("Buffalo Wild Wings"), Dunkin' Donuts Franchising LLC ("Dunkin'"), Jimmy John's Franchisor SPV, LLC ("Jimmy John's"), and Sonic Franchising LLC ("Sonic"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("Inspire International"), DB Canadian Franchising ULC ("DB Canada"), DDBR International LLC ("DB China"), DD Brasil Franchising Ltda. ("DB Brasil"), DB Mexican Franchising LLC ("DB Mexico"), and BR UK Franchising LLC ("BR UK"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.



Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 29, 2024, there were 3,365 Arby's restaurants operating in the United States (2,286 franchised and 1,079 company-owned), including one multi-brand location. Additionally, as of December 29, 2024, there were 231 single-branded franchised Arby's restaurants operating internationally.

Baskin-Robbins is a franchisor of Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 29, 2024, there were 2,245 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,245 restaurants, 974 were single-branded Baskin-Robbins restaurants, two were Baskin-Robbins restaurants operating at a multi-brand location, and 1,269 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 5,651 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 29, 2024, there were 1,183 Buffalo Wild Wings Sports Bars operating in the United States (538 franchised and 645 company-owned) and 65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December 29, 2024, there were 140 BWW-GO Restaurants operating in the United States (90 franchised and 50 company-owned).

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December 29, 2024, there were 9,768 Dunkin' restaurants operating in the United States (9,734 franchised and 34 company-owned). Of those 9,768 restaurants, 8,480 were single-branded Dunkin' restaurants, 19 were Dunkin' restaurants operating at multi-brand locations, and 1,269 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 4,328 single-branded franchised Dunkin' restaurants operating internationally.



Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. As of December 29, 2024, there were 2,689 Jimmy John's restaurants operating in the United States (2,647 franchised and 42 affiliate-owned). Of those 2,689 restaurants, 2,668 were singled-branded Jimmy John's restaurants and 21 were Jimmy John's restaurants operating at multi-brand locations. Additionally, as of December 29, 2024, there were five franchised Jimmy John's restaurants operating internationally.

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 29, 2024, there were 3,461 Sonic Drive-Ins operating in the United States (3,144 franchised and 317 company-owned), including one multi-brand location.

Inspire International has, directly or through its predecessors, offered and sold franchises outside the United States for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants (since November 2019). **DB Canada** was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. **DB China** has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. **DB Brasil** has offered and sold Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. **DB Mexico** has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. **BR UK** has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

Primrose School Franchising SPE, LLC ("Primrose") is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, 2024, there were 525 franchised Primrose facilities in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC ("Massage Envy") is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2024, there were 1,009 Massage Envy locations operating in the United States, including 1,000 operated as total body care Massage Envy businesses and 9 operated as traditional Massage Envy



businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2024, there were nine regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. ("CKE"), through two indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.® and Hardee's® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's Restaurants offer Red Burrito® Mexican food products through a Dual Concept Restaurant. A small number of Carl's Jr. Restaurants offer Green Burrito® Mexican food products through a Dual Concept Restaurant. CKE Inc.'s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 27, 2025, there were 202 company-operated Hardee's restaurants and there were 1,369 domestic franchised Hardee's restaurants, including 129 Hardee's/Red Burrito Dual Concept restaurants. Additionally, there were 473 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 27, 2025, there were 50 company-operated Carl's Jr. restaurants, and there were 982 domestic franchised Carl's Jr. restaurants, including 218 Carl's Jr./Green Burrito Dual Concept restaurants. In addition, there were 687 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

Driven Holdings, LLC ("Driven Holdings") is the indirect parent company to nine franchisors, including Meineke Franchisor SPV LLC ("Meineke"), Maaco Franchisor SPV LLC ("Maaco"), Merlin Franchisor SPV LLC ("Merlin"), Econo Lube Franchisor SPV LLC ("Econo Lube"), 1-800-Radiator Franchisor SPV LLC ("1-800-Radiator"), CARSTAR Franchisor SPV LLC ("CARSTAR"), Take 5 Franchisor SPV LLC ("Take 5"), ABRA Franchisor SPV LLC ("ABRA") and FUSA Franchisor SPV LLC ("FUSA"). In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, Econo Lube, Merlin, CARSTAR, Take 5, Abra and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. None of these franchise systems have offered franchises in any other line of business.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints,



lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 28, 2024, there were 714 franchised Meineke centers, 18 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 28, 2024, there were 363 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 28, 2024, there were 14 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 28, 2024, there were eight Econo Lube N' Tune franchises and nine Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 28, 2024, there were 193 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 28, 2024, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 28, 2024, there were 471 franchised CARSTAR facilities and no company-owned facilities operating in the United States.



Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 28, 2024, there were 432 franchised Take 5 outlets and 710 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 28, 2024, there were 55 franchised Abra repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 28, 2024, there were 212 franchised Fix Auto repair shops operating in the United States.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012.

As of December 28, 2024, there were: (i) 14 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 317 franchised CARSTAR facilities and one company-owned CARSTAR facility in Canada; (v) 32 franchised Take 5 outlets and seven company-owned Take 5 outlets in Canada; (vi) 71 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and five franchised Uniglass Express businesses in Canada, and one company-owned UniglassPlus business and one company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 56 franchised VitroPlus/Ziebart businesses and three franchised Vitro Express businesses in Canada, and one company-owned VitroPlus business and one company-owned VitroPlus/Ziebart business in Canada; (viii) 31 franchised Docteur du Pare Brise businesses and two company-owned Docteur du Pare Brise businesses in Canada; (ix) 11 franchised Go! Glass & Accessories businesses and no franchised Go! Glass business in Canada, and 8



company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In January 2022, Driven Brands acquired Auto Glass Now's repair locations. As of December 28, 2024, there were more than 224 repair locations operating under the AUTOGLASSNOW® name in the United States ("AGN Repair Locations"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

ServiceMaster Systems LLC is the direct parent company to three franchisors operating five franchise brands in the United States: Merry Maids SPE LLC ("Merry Maids"), ServiceMaster Clean/Restore SPE LLC ("ServiceMaster") and Two Men and a Truck SPE LLC ("Two Men and a Truck"). Merry Maids and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021. The three franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

Merry Maids franchises residential house cleaning businesses under the Merry Maids® mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2024, there were 796 Merry Maid franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore® mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean® mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2024, there were 585 ServiceMaster Clean franchises, and 1,995 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck™ mark. Two Men and a Truck's predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2024, there were 339 Two Men and a Truck franchises and three company-owned Two Men and a Truck businesses in the United States. As of December 31, 2024, there were 62 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, **ServiceMaster of Canada Limited** offers franchises in Canada, **ServiceMaster Limited** offers franchises in Great Britain, and **Two Men and a Truck** offers franchises in Canada and Ireland.



NBC Franchisor LLC (“NBC”) franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC’s predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 5005 Lyndon B. Johnson Pkwy, Suite 600, Dallas, Texas 75244. As of December 31, 2024, there were 644 Nothing Bundt Cake franchises and 17 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Franchisor LLC (“Mathnasium”) franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium’s predecessor began offering franchises in late 2003. Mathnasium’s predecessor became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2024, there were 995 franchised and four affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Franchisor LLC also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2024, there were 100 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2024, there were 91 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

Youth Enrichment Brands, LLC is the direct parent company to three franchisors operating in the United States: i9 Sports, LLC (“i9”), SafeSplash Brands, LLC also known as “Streamline Brands”), and School of Rock Franchising LLC (“School of Rock”). i9 became an Affiliated Program through an acquisition in September 2021. Streamline Brands became an Affiliated Program through an acquisition in June 2022. School of Rock became an Affiliated Program through an acquisition in September 2023. The three franchisors have never offered franchises in any other line of business.

i9 franchises businesses that operate, market, sell, and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products, and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 has its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2024, there were 264 i9 Sports franchises in the United States.

Streamline Brands offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide “learn to swim” programs for children and adults, birthday parties, summer camps, and other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand since August 2015 through March 2023



and under the SwimLabs brand from February 2017 through March 2023. Streamline Brands became an Affiliated Program through an acquisition in June 2022 and has its principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2024, there were 102 franchised and 29 affiliate-owned SafeSplash Swim School outlets (including 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools, and one dual-branded Swimtastic and SwimLabs swim school operating in the United States.

School of Rock franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, MA 02021. As of December 31, 2024, there were 254 franchised and 49 affiliate-owned School of Rock schools in the United States and 92 franchised School of Rock schools outside the United States.

Doctor's Associates LLC ("Subway") franchises retail eating establishments which sell foot-long and other sandwiches, salads and other food items under the Subway® mark. Subway began offering franchises in 1974. Subway became an Affiliated Program through an acquisition in April 2024. Subway has its principal place of business at 1 Corporate Drive, Suite 1000, Shelton, Connecticut 06484. As of December 31, 2024, there were 19,502 Subway franchises and no company-owned locations operating in the United States and an estimated 16,120 franchises operating outside the United States. Subway has never offered franchises in any other line of business.

Except as otherwise described above, none of our affiliates listed in this Item are obligated to provide products or services to you; however, you may purchase products or services from the franchisors detailed above if you choose to do so. Other than the franchisor affiliates listed above that offer the Affiliated Programs, none of our affiliates offer franchises in any line of business.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item,

Securitization Transaction

Under a securitization financing transaction which closed in September 2025 (the "Securitization Transaction"), Hollywood Intermediate and its affiliates were restructured. As part of the Securitization Transaction, our predecessor, DHCFC LLC, transferred all existing franchise, area development and related agreements for Dave's Hot Chicken Restaurants to us, and we became the franchisor of all existing and future franchise, area development and related agreements. Ownership and control of all trademarks and certain intellectual property relating to the operation of Dave's Hot Chicken Restaurants were also transferred to us.

At the time of the closing of the Securitization Transaction, DHCFC LLC entered into a management agreement (the "Management Agreement") with us to provide the required support and services to Dave's Hot Chicken Restaurant franchisees under their franchise and area development agreements with us. DHCFC LLC also acts as our franchise sales agent. We will pay management fees to DHCFC LLC for these services. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your franchise or area development agreement



or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

The Franchise

Dave's Hot Chicken Restaurants serve Nashville-style hot chicken tenders and sliders with made-to-order spices ranging from no spice to the hottest level "reaper" (customers are required to sign a waiver before trying reaper). Dave's Hot Chicken Restaurants provide carry-out, dine-in and online ordering options. Dave's Hot Chicken Restaurants operate from approved retail locations ("Premises") that are typically located in retail strip malls, dense urban areas, regional shopping centers and entertainment and travel centers. With few exceptions, Dave's Hot Chicken Restaurants will be open year-round, closing only on selected holidays.

Dave's Hot Chicken Restaurants operate under (i) the "DAVE'S HOT CHICKEN" name and service mark, and such other trademarks, service marks, logo types and commercial symbols as we may authorize or direct franchisees to use in connection with the operation of Dave's Hot Chicken Restaurants (the "Marks"), and (ii) our system, which includes, among other things, distinctive recipes, preparation techniques, product specifications, signs, trade secrets and other confidential information, architectural designs, trade dress, layout plans, uniforms, equipment specifications, inventory and marketing techniques ("System"). In certain locations we may authorize franchisees to (i) offer beer and wine, and/or (ii) operate other approved co-branded businesses within the Dave's Hot Chicken Restaurant.

Franchisees that purchase an Area Development Franchise ("Area Developer(s)") obtain the right to build a mutually agreed upon number of Traditional Restaurants in a specified development area ("Development Area") with a specified development schedule ("Development Schedule"). The Development Area will be established based on the consumer demographics of the area, the geographical area, city, county and other boundaries. Area Developers must sign our area development agreement attached to this Franchise Disclosure Document as Exhibit D ("Area Development Agreement"). Area Developers must also sign a franchise agreement for the first Dave's Hot Chicken Restaurant at the same time as the Area Development Agreement. For each additional Dave's Hot Chicken Restaurant an Area Developer develops and operates, the Area Developer must sign our then-current form of franchise agreement, which may contain materially different terms than the franchise signed for the first Dave's Hot Chicken Restaurant. Area Developers must enter into each additional franchise agreement for each additional Dave's Hot Chicken Restaurant within seven days of when we accept a proposed site submitted to us for acceptance or 180 days before the opening date in the Development Schedule, whichever is earlier. Area Developers must also enter into each additional franchise agreement while we are still offering Franchises. Area Developers must open a minimum of three Dave's Hot Chicken Restaurants. Unless otherwise agreed to, Non-Traditional Restaurants and DHC Food Trucks (each as defined below) will not count toward an Area Developer's Development Schedule under an Area Development Agreement.

We generally require that franchisees sign an Area Development Agreement. In limited circumstances, we may offer franchisees the right to develop a single-unit franchise under a franchise agreement. Our current form of franchise agreement is attached to this Franchise Disclosure Document as Exhibit C ("Franchise Agreement").

Unless otherwise stated, any reference in this Franchise Disclosure Document to "you" or "franchisee" includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement.



We offer franchises for the following types of Dave's Hot Chicken Restaurants: (i) Traditional Restaurants, (ii) Non-Traditional Restaurants, and (iii) DHC Food Trucks. "Traditional Restaurants" are Dave's Hot Chicken Restaurants that are built in stand-alone buildings or retail centers. "Non-Traditional Restaurants" are Dave's Hot Chicken Restaurants located in "Non-Traditional Venues." A "Non-Traditional Venue" is a facility operated under the Marks located within another primary business or in conjunction with other businesses or at institutional settings, including toll roads, train stations, amusement parks, and all properties controlled by the amusement park, travel stations, hotels and motels, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools, hospitals, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, outlet malls, supermarkets and convenience stores, and any site for which the lessor, owner or operator has indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider. Non-Traditional Restaurants may share their premises with other businesses, within a host facility, and may provide limited menu items and limited or no delivery. You will typically sign a lease with the host facility for a Non-Traditional Restaurant. Non-Traditional Restaurants operate under the Franchise Agreement, except as amended by the addendum attached in Exhibit I-7 ("Non-Traditional Location Addendum"). "DHC Food Trucks" are Dave's Hot Chicken Restaurants that are operated from a food truck that contains both kitchen and serving facilities. DHC Food Trucks offer a more limited menu of items than Traditional Restaurants and Non-Traditional Restaurants, and may not offer delivery. We only offer a franchise for DHC Food Trucks to existing franchisees that own a Dave's Hot Chicken Restaurant and have previously signed a franchise agreement and area development agreement. DHC Food Trucks operate under the Franchise Agreement, except as amended by the addendum attached as Exhibit I-8 (the "Food Truck Addendum"). Unless otherwise specified in this Franchise Disclosure Document, all references to "Dave's Hot Chicken Restaurants" include Traditional Restaurants, Non-Traditional Restaurants and DHC Food Trucks.

Market and Competition

The primary market for the products and services offered by Dave's Hot Chicken Restaurants is the general public. The products and services offered by Dave's Hot Chicken Restaurants are not seasonal. The restaurant market, as a whole, is well-developed and highly competitive, and includes retail units, mobile food trucks, and kiosks selling various types of food. You may have to compete with numerous other independent and chain-affiliated restaurants, some of which may be franchised. Many restaurant franchise systems, in particular, have already established national and international brand recognition.

Industry-Specific Laws

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Dave's Hot Chicken Restaurant, including those that: (a) establish general standards, specifications and requirements for the construction, design and maintenance of your Dave's Hot Chicken Restaurant; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements; employee practices concerning the storage, handling, and preparation of food; restrictions on smoking and exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern the use of vending machines; (f) regulate the proper use, storage and disposal of waste, insecticides and other hazardous materials; (g) establish general requirements or restrictions on menu guidelines and on advertising containing false or misleading claims or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free;" and (h) establish requirements concerning withholdings and employee reporting of taxes on tips. You may



need to obtain a liquor license for the operation of the Dave's Hot Chicken Restaurant that allows for the service of beer and wine on premise. You may need to be familiar with the procedures, difficulty and cost associated with obtaining a license to sell liquor, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of liquor and its consumption.

Many local or state jurisdictions require food service permits for those preparing, handling and serving food to the public. You and your employees may be required to pass a test or other certification process to obtain these permits. There may also be local ordinances and regulations governing food storage, preparation and serving.

You are responsible for investigating, understanding, and complying with all applicable laws, regulations and requirements that apply to you and your Dave's Hot Chicken Franchise. You should consult with a legal advisor about whether these and/or other requirements apply to your Dave's Hot Chicken Restaurant. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer: William L. Phelps

William L. Phelps has been our Chief Executive Officer in Pasadena, California since our inception in September, 2025. He has also served as Chief Executive Officer for our predecessor, DHCFC LLC, since December 2018. Previously, Mr. Phelps was the director of Blaze Pizza, LLC in Pasadena, California from its inception in October 2011 until October 2020.

President and Chief Operating Officer: Jim Bitticks

Mr. Bitticks has been our President and Chief Operating Officer in Upland, California since our inception in September, 2025. He has also served as President (since October 2021) and as Chief Operating Officer (from July 2020 to October 2021) for our predecessor, DHCFC LLC. Prior to that, Mr. Bitticks served as Chief Restaurant Officer and Executive Vice President of Operations and Training for Blaze Pizza, LLC from May 2018 to July 2020 in Pasadena, California.

Senior Vice President – Operations and Training: Juan Lopez

Mr. Lopez has been our Senior Vice President – Operations and Training in Pasadena, California since our inception in September, 2025. He has also served as Senior Vice President – Operation and Training (since April 2024) and as Vice President – Operations and Training (from August 2020 to March 2024) for our predecessor, DHCFC LLC. Previously, Mr. Lopez was the Head of Operations and Training Support of Blaze Pizza, LLC in Pasadena, California from March 2013 to August 2020.

Chief Development Officer: Carlyne Canady

Ms. Canady has been our Chief Development Officer in Pasadena, California since our inception in September, 2025. She has also served as Chief Development Officer for our predecessor, DHCFC LLC, since January 2021. Ms. Canady is also the owner of a Dave's Hot Chicken franchise in Orange County, California and has been since June 2020.



Senior Vice President: Real Estate: Dannon Shiff

Mr. Shiff has been our Senior Vice President – Real Estate in Pasadena, California since our inception in September, 2025. He has also served as Senior Vice President – Real Estate for our predecessor, DHCFC LLC, since March 2021. From December 2020 to March 2021, Mr. Shiff was between positions. Previously, he was the Vice President – Real Estate at C3 by sbe in Beverly Hills, California from June 2020 to November 2020.

Chief Marketing Officer: Brad Haley

Mr. Haley has been our Chief Marketing Officer in Pasadena, California since December 2022. Previously, he was our Marketing Consultant in Pasadena, California from January 2022 until December 2022. From April 2021 until December 2021, he was a Consultant and was the Chief Marketing Officer of Dine Brands/IHOP in Glendale, California from September 2017 to March 2021. Mr. Haley has announced his intention to retire as our Chief Marketing Officer by the end of 2025.

Senior Vice President Construction and Design: Tiffany Vassos

Ms. Vassos has been our Senior Vice President Construction and Design in Pasadena, California since our inception in September, 2025. She has also served as Senior Vice President Construction and Design (since January 2025) and as Vice President Construction and Design (from June 2020 to January 2025) for our predecessor, DHCFC LLC. Prior to that, Ms. Vassos served as a Consultant for DHCFC LLC in Pasadena, California from January 2020 until June 2020.

Chief Financial Officer: James McGehee

Mr. McGehee has served as our Chief Financial Officer in Pasadena, California since our inception in September, 2025. He has also served as Chief Financial Officer for our predecessor, DHCFC LLC, since April 2019.

ITEM 3 LITIGATION

Disclosures Regarding Affiliated Programs

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("ARG"), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement, ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed



provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin' Brands, Inc., (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed on March 19, 2019.) On March 14, 2019, our affiliate, Dunkin Brands, Inc. ("DBI"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin's franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General ("NYAG") filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals' credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin' gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG's allegations, DBI and the NYAG entered into a consent agreement to resolve the State's complaint. Under the consent order, DBI agreed to pay \$650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.



ITEM 5 INITIAL FEES

Franchise Agreement

The “Initial Franchise Fee” for a Dave’s Hot Chicken Restaurant is (i) \$40,000 for a Traditional Restaurant or Non-Traditional Restaurant, or (ii) \$20,000 for a DHC Food Truck. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your Dave’s Hot Chicken Restaurant and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is uniform and, unless you are signing a Franchise Agreement under an Area Development Agreement, payable when you sign each Franchise Agreement (see Area Development Agreement section below for Initial Franchise Fee payment schedule for Dave’s Hot Chicken Restaurants opened under an Area Development Agreement). Unless you purchase a Franchise for a Non-Traditional Restaurant, the Initial Franchise Fee is non-refundable for Traditional Restaurants and DHC Food Trucks. If you purchase the rights to a Non-Traditional Restaurant and you are denied the necessary governmental permits for the location, you may terminate the Franchise Agreement. The termination must occur within 90 days of signing the Franchise Agreement and you submit to us documentation evidencing the denial. Upon termination, we will refund the Initial Franchise Fee, less any direct out-of-pocket expenses we incurred. Any refund will be subject to your signing of a general release in the form we provide. A sample “General Release Agreement” is attached to this Franchise Disclosure Document in Exhibit I.

In our DHCFC LLC’s last fiscal year, which ended January 5, 2025, it collected Initial Franchise Fees ranging between \$30,000 and \$40,000 for Traditional Restaurants and Non-Traditional Restaurants. The low end is for a Franchise Agreement signed under a previous version of the Area Development Agreement. DHCFC LLC did not collect any Initial Franchise Fees for DHC Food Trucks during its last fiscal year ending January 5, 2025.

New Restaurant Opening Fee

When you open your first Traditional Restaurant or Non-Traditional Restaurant, we will provide new restaurant opening training at no cost to you. When you open your second and third Traditional Restaurant or Non-Traditional Restaurant, you must pay us the applicable new restaurant opening fee of \$15,000 (“New Restaurant Opening Fee”) approximately eight weeks before the scheduled opening of such Dave’s Hot Chicken Restaurant. The New Restaurant Opening Fee will increase to \$40,000 for each Dave’s Hot Chicken Restaurant you open after your third. You will not be required to pay any New Restaurant Opening Fee if you (i) are developing a DHC Food Truck, or (ii) have your own certified trainer (“CT” as described in Item 6 below), minimum number of certified restaurant managers (“CRM” as described in Item 6 below), a new restaurant opening certified manager (“NRO Leader” as described in Item 6 below) and a certified franchise training restaurant location (“CFTR” as described in Item 6 below) where the CT, CRM and NRO Leader will provide the new restaurant opening training. Otherwise, we will send our new restaurant opening team to your Dave’s Hot Chicken Restaurant and your New Restaurant Opening Fee will be our then-current fee for additional Dave’s Hot Chicken Restaurants.

If we deploy the new restaurant opening team to your Dave’s Hot Chicken Restaurant and your Dave’s Hot Chicken Restaurant experiences any delay in opening, you are also required to reimburse us for all costs, expenses and salaries that our new restaurant opening team incurs during the delay. The New Restaurant Opening Fee is due eight weeks before your scheduled opening for each Dave’s Hot Chicken Restaurant, is uniformly imposed and non-refundable.



Opening Fee for DHC Food Trucks

When you open your DHC Food Truck, you must pay us the applicable food truck opening fee of \$5,000 (“Opening Fee”) for the food truck opening training we will provide to you. If we deploy the food truck opening team to your DHC Food Truck and your DHC Food Truck experiences any delay in opening, you are also required to reimburse us for all costs, expenses and salaries that our food truck opening team incurs during the delay. The Food Truck Opening Fee is due eight weeks before your scheduled opening for each DHC Food Truck, is uniformly imposed and non-refundable.

Technology and Operations, Setup and Fees

You must pay us technology setup fees (“Setup Fees”) upon entering into the lease or purchase agreement for your Dave’s Hot Chicken Restaurant. These technologies include platforms and programs for operations metrics and digital training. In addition, you must begin paying the monthly technology and operations fee (currently \$170 to \$500 per week for Traditional Restaurants and Non-Traditional Restaurants, or \$1,000 per year for DHC Food Trucks) one month prior to opening your Dave’s Hot Chicken Restaurant or DHC Food Truck. The Setup Fees range from \$1,000 to \$1,400 for Traditional Restaurants and Non-Traditional Restaurants, or \$500 to \$1,000 for DHC Food Trucks, and are due upon invoice. The Setup Fees and technology and operations fees are payable to us. The Setup Fees are uniform and non-refundable. Item 6 has more information on the technology and operations fee.

Grand Opening Advertising Campaign

If you are developing a Traditional Restaurant or Non-Traditional Restaurant, you will pay us between \$10,000 and \$12,000 approximately one week after the Dave’s Hot Chicken Restaurant opens for your grand opening advertising campaign. This amount is fully payable to us or our designee and is not refundable under any circumstance. We will conduct your grand opening advertising campaign during your first week of operation and the campaign will continue for 3 months. This is in addition to the chicken given away, which is included in the cost of your grand opening kit, at the grand opening of the Dave’s Hot Chicken Restaurant.

Area Development Agreement

Area Developers must pay a development fee (“Development Fee”) when they sign the Area Development Agreement. The Development Fee due equals the full \$40,000 Initial Franchise Fee for the first Dave’s Hot Chicken Restaurant, plus a deposit equal to 50% of the Initial Franchise Fee (currently \$20,000) for each additional Dave’s Hot Chicken to be developed by Area Developer under the Development Schedule. We will credit a portion of the Development Fee against the Initial Franchise Fee (\$20,000 for the second and each subsequent Franchise Agreement) until the Development Fee is exhausted. The balance of the Initial Franchise Fee for each Dave’s Hot Chicken Restaurant developed under the Development Schedule is due when Area Developer signs each franchise agreement. Area Developers must open a minimum of three Dave’s Hot Chicken Restaurants.

If you request, and we approve, an extension of a development period for a Restaurant to be developed under the Development Schedule, the development period for the Restaurant will be extended automatically for rolling one-month periods until the earlier of the Restaurant opening or one year from the expiration of the development period for the Restaurant (“Extension Date”). The Extension Date will only extend the development period for the single Restaurant requested. You must request an extension in writing no later than 90 days prior to the end of the applicable development period. No extension of any



development period will affect the duration of any other development period or any of your other development obligations. You must prepay a non-refundable development extension fee of \$5,000 for each month that each development period is extended. We will not grant extensions for a development period totaling more than 12 months. Approval of any extension request is at our sole discretion.

The Development Fee is uniformly calculated, payable when the Area Development Agreement is signed and is non-refundable under any circumstances, even if an Area Developer fails to open any Dave's Hot Chicken Restaurants.

ITEM 6 OTHER FEES

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Continuing Royalty ^{(2), (8)}	6% of Gross Sales	Due on Wednesday of each week	The "Continuing Royalty" is based on "Gross Sales" during the previous week. Payments are made via an electronic funds transfer ("EFT").
Creative Fund Contribution ⁽²⁾	Currently 4% of weekly Gross Sales (may be increased to 5% of weekly Gross Sales)	Same as Continuing Royalty	You must contribute a percentage of your Gross Sales to our system-wide fund "Creative Fund" for our use in developing and building the Dave's Hot Chicken brand ("Creative Fund Contribution"). We may increase this fee to 5%, in our sole discretion, upon providing you with 30 days' prior written notice.
Local Advertising Payment	The difference between the amount you spent on local advertising each year and your required local advertising expenditure (currently 1% of weekly Gross Sales)	Payable after receipt of invoice	If you fail to meet your required local advertising requirement on local advertising, you must pay the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Creative Fund. Your local advertising requirement is in addition to your Creative Fund Contribution.
Local and Regional Advertising Cooperatives ⁽³⁾	Established by cooperative members, between 0.5% and 2% of Gross Sales	Established by cooperative members	We currently do not have local or regional cooperatives, but may require them to be established in the future. Each Dave's Hot Chicken Restaurant that we, our affiliate or our predecessor owns that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. If established, your contributions to a cooperative would be in addition to your Creative Fund Contributions, but would count toward your local advertising requirement. Item 11 contains more information about advertising cooperatives.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
CTV (Connected TV) Media Fee	\$10,000 - \$12,000	On invoice, no later than two months after opening	You will pay us or our media agency this one-time fee (“CTV Media Fee”) for approved social media channels.
Site Review and Evaluation Fee	Actual costs	As incurred	We typically review up to three sites for each Dave’s Hot Chicken Restaurant at no charge. We may charge you this fee, in our sole discretion, if you are required to submit more than three sites.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us for the cost of insurance obtained plus 20% of the premium for an administrative cost of obtaining the insurance.
Additional Training or Assistance ⁽⁴⁾	Then-current charge (currently \$500 to \$1,000 per week per person)	Prior to beginning of training	We provide initial training at no charge for up to five people so long as they all attend the same training session. We may charge you for training additional persons, replacement personnel, newly hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee will depend on the training required and experience level of the trainer.
Dave’s Hot Chicken Certification Training ⁽⁵⁾	No charge for initial certifications; our then-current fees for additional certifications or re-certifications (currently \$2,500 per person plus expenses for newly hired managers or certifications for your fourth and subsequent Dave’s Hot Chicken Restaurant, and \$1,000 per person if you have a certified training store and we come to your Dave’s Hot Chicken Restaurant for training)	Prior to beginning of training	We will provide one certification at no charge for the first CT, NRO Leader, CFTR and certain CRMs. See Notes 4 and 5 for more information.
Rescheduling Expenses	Actual costs	As incurred	You must reimburse us for costs and expenses incurred if pre-opening training and review is delayed or accelerated by more than two days.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Technology and Operations Fee ⁽⁶⁾	Then-current fee (currently \$170 to \$500 per week for Traditional and Non-Traditional Restaurants, and \$1,000 per year for DHC Food Trucks), plus a one-time Setup Fee ranging from \$1,000 to \$1,400 for Traditional and Non-Traditional Restaurants and \$500 to \$1,000 for DHC Food Trucks. The high-end range of the ongoing T&O Fee will not increase more than 20% in any calendar year.	Weekly on Thursday	This fee covers certain marketing, operational and technical services, used in the operation of your Dave's Hot Chicken Restaurant, including the lease of the hardware and the software license ("T&O Fee"). We may upgrade, modify, or add new software or platforms. You will pay the Setup Fee when you enter into a lease or purchase agreement for the Premises and begin paying the T&O Fee one month before your Dave's Hot Chicken Restaurant opens for business. You will be responsible for any increase in fees that result from an upgrade, modification, or any additional software or from increases from third-party vendors.
Food Safety Assessment Fee	Then-current fee (currently \$100 per month)	First Wednesday of each month with Continuing Royalty	You agree to pay us a "Food Safety Assessment Fee" and allow us, our affiliate or designee to perform quarterly safety assessments of all foods and drinks served at your Dave's Hot Chicken Restaurant.
Mystery Shopper Fee	Then-current fee (currently \$256 per month)	First Wednesday of each month with Continuing Royalty	You must pay us, our designee or approved vendor a "Mystery Shopper Fee" to maintain, administer direct and prepare a secret shopper initiatives and rewards program. This fee is in addition to the Creative Fund Contribution (and separate). We have the right to modify and discontinue the rewards program and/or the amount or type of any reward in our sole discretion at any time.
Registration for Annual Conference	Between \$500 and \$1,500 per attendee	Payable 30 days after written notice to you, unless otherwise specified by us in writing	We may charge a per person attendance fee for our annual conference at which attendance is mandatory by you, or your operating principal or other principal acceptable to us as well as each of your NRO Leaders, CRMs and CTs (See Note 5 below for information on the CRMs and CTs). This fee is due even if you do not attend the annual conference.
Food Safety or Other Inspection Field Revisit	Cost of inspection (estimated to be approximately \$600) plus \$1,000 for the first offense and \$3,000 for any additional offense	On Invoice	If you fail a food safety audit or other inspection, we will require you to undergo an additional audit or inspection at your expense.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Supplier and Product Evaluation Fee	Costs of inspection (estimated to be approximately \$100 to \$500)	As incurred	We may charge a fee if we inspect a new product, service or proposed supplier nominated by you.
Delivery System Fee	Actual costs and administrative expenses	As incurred	If we establish a delivery system, you will be required to pay us, our affiliate or our designated supplier for all transaction fees, capital cost charges, operating costs and overhead incurred in its establishment and operation.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	This fee is payable to the Creative Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Guest Response and Recovery Management Fee	Then-current fee (currently \$200 per month)	Same as Continuing Royalty	This fee is payable to us or our affiliate or designee for the management of customer satisfaction surveys and responses to guest complaints, reviews and comments regarding your Dave's Hot Chicken Restaurant ("Guest Response and Recovery Management Fee"). This fee is in addition to the Creative Fund Contribution (and separate).
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint, which will typically be between \$20 and \$100	On invoice	Payable if a customer of your Dave's Hot Chicken Restaurant contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Payment Service Fee	Our costs and expenses	As incurred	If payment is made to us or our affiliate by credit card for any fee required, we may charge a service charge to reimburse us for our costs and expenses in processing the payment.
Late Fee	\$100 per occurrence, plus the lesser of the daily equivalent of 12% per year simple interest or the highest rate allowed by law ("Interest")	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Non-Sufficient Funds Fee	The lesser of \$100 per occurrence, or the highest amount allowed by law	As incurred	Payable if any check or EFT payment is not successful due to insufficient funds, stop payment, or any similar event.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Failure to Submit Required Report Fee	\$100 per occurrence and \$100 per week	Your bank account will be debited for failure to submit any requested report within five days of request	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the Creative Fund. You will continue to incur this fee until you submit the required report.
Audit Expenses	Cost of audit and inspection, any understated amounts, plus Interest, and any related accounting and legal expenses	On demand	You will be required to pay this if an audit reveals that you understated your weekly Gross Sales by more than 2% or you fail to submit required reports.
Management Fee	Our costs and expenses	As incurred	Payable if we or our designee manage the Dave's Hot Chicken Restaurant because you are in breach of the Franchise Agreement.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal, accounting, or other professional fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement, or for any costs or fees we incur for any transfer that is not completed. You will also be required to pay any professional fees that we incur for certain transfers as discussed in this Item 6.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses, including professional fees and expenses, that we or our representatives incur related in any way to your Dave's Hot Chicken Restaurant or Franchise.
Renewal Fee	50% of our then-current initial franchise fee	At the time you sign the new franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. If we are not offering Franchises at the time of your renewal, the renewal fee will be \$20,000.
Relocation Fee	\$5,000	On demand	Payable if we permit you to relocate your Dave's Hot Chicken Restaurant.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee ⁽⁷⁾	50% of our then-current initial franchise fee per Dave's Hot Chicken Restaurant	\$1,000 non-refundable deposit at time of transfer application submittal, and the remaining balance of fee at time of approved transfer	Payable when you transfer your Franchise or upon any "Assignment" as defined in the Franchise Agreement. Unless we approve otherwise, in our sole discretion, you will not be able to transfer single Dave's Hot Chicken Restaurants or franchise agreements for unopened Dave's Hot Chicken Restaurants under the Area Development Agreement as explained in Note 7 below. If we are not offering Franchises at the time of your transfer, the transfer fee will be 50% of the initial franchise fee listed in the most recent Franchise Disclosure Document.
Transfer to Entity	Our actual costs	On demand	If you are transferring the Franchise Agreement to an entity that you control, you will not be required to pay a transfer fee but you must pay our actual costs resulting from the transfer.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Dave's Hot Chicken Restaurant to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.
Amendment Fee	The greater of \$500 or our actual attorney's fees and administrative expenses	On demand	This fee is payable if you request any amendment to any Franchise Agreement or Area Development Agreement for any reason and we grant your request and enter into the amendment.
Securities Offering Fee	Our reasonable costs and expenses associated with reviewing the proposed offering	Due when you ask us to review a proposed securities offering	If you plan to offer securities by public offering, you must obtain our approval. You must submit all documents we reasonably request and pay our costs and expenses.
Liquidated Damages upon Termination	See Note 9	Within 30 days after termination	Due if Franchise Agreement terminates before its term expires.

Notes:

1. Fees. Unless otherwise stated, all fees that are paid to us, our affiliates or our designees are non-refundable, and are uniform for all new franchisees. Franchisees who signed earlier versions of our Franchise Agreements and/or Area Development Agreements may be paying lower fees in some categories, and in some circumstances, our predecessor negotiated reduced Continuing Royalties and Creative Fund Contributions payable by existing franchisees that have Area Development



Agreements. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via EFT or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit I). You are also required to complete the credit card authorization (in the form attached to this Franchise Disclosure Document in Exhibit I) which allows us to charge your credit card for any past due amounts in the event an EFT payment is unsuccessful. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. If you enter into an Area Development Agreement to operate multiple Dave's Hot Chicken Restaurants, the Continuing Royalty fee indicated in the chart above will be the rate charged and/or incurred for each Dave's Hot Chicken Restaurant. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Other than the T&O Fee (which may increase by up to 20% each calendar year), all fees expressed as a fixed dollar amount are subject to increase based on changes to the Consumer Price Index ("CPI") in the United States from the date we implemented the last adjustment to that fee. We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year. The fee adjustments will have no impact on fees that are expressed as a percentage of Gross Sales (such as Continuing Royalties).

2. Gross Sales. "Gross Sales" includes all revenues received or receivable by you as payment, whether in cash or for credit or barter, or other means of exchange (and, if for credit or barter, whether or not payment is received), on account of any and all goods, merchandise, services or products sold in or from your Dave's Hot Chicken Restaurant, including in-store, dining, carry-out, drive-thru, online orders, delivery, third-party voucher sales, gift cards, catering or otherwise, or which are promoted or sold under any of the Marks or by using the System. Gross Sales includes all proceeds from any business interruption insurance. Gross Sales excludes: (i) sales taxes, value added or other tax, excise or duty charged to customers, based on sales at or from your Dave's Hot Chicken Restaurant; (ii) tips, gratuities or service charges paid directly by customers to your employees or paid to you and promptly turned over to your employees in lieu of direct tips or gratuities; and (iii) proceeds from isolated sales of equipment and trade fixtures that are not part of your products and services offered for resale at your Dave's Hot Chicken Restaurant nor having any material effect upon the ongoing operation of your Dave's Hot Chicken Restaurant. For items sold using coupons or other discounts (which we must approve), Gross Sales also excludes the amount discounted from the purchase price of such item and from sales of prepaid gift cards and certificates, but franchisees must pay Continuing Royalties and Creative Fund Contributions on sales from the redemption of gift cards and/or certificates at their Dave's Hot Chicken Restaurant(s).
3. Local and Regional Advertising Cooperatives. We may establish local or regional advertising cooperatives. If one or more local or regional advertising cooperative are established, contribution amounts to the local or regional advertising cooperative will be established by the cooperative members up to 2% of Gross Sales. We anticipate that each Dave's Hot Chicken franchisee and each Dave's Hot Chicken that we, our affiliates or predecessor own will have one vote for each Dave's Hot Chicken Restaurant operated by the member in the designated market. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.



4. Additional Training or Assistance. We provide our initial training program for up to three CRMs, one Operating Principal (if you are an entity), and one Director of Operations, so long as they attend our initial training program at the same time. There is no additional charge for training up to three CRMs for each of your next two Dave's Hot Chicken Restaurants. Any additional training provided will be at our then-current fee.
5. Dave's Hot Chicken Certification Training. We currently offer four types of Dave's Hot Chicken certifications: (1) CFTR; (2) NRO Leader; (3) CRM; and (4) CT.

In order to be a CFTR, your Dave's Hot Chicken Restaurant must meet our minimum operational, performance requirements and have sufficient space for training. NRO Leaders conduct new Dave's Hot Chicken Restaurant opening training programs in the place of our new restaurant opening team. CTs are able to provide initial training to Dave's Hot Chicken Restaurant CRMs and assistant managers at CFTRs. You or, if you are an entity, your "Operating Principal" may serve as a CRM (See Item 15). We will not charge for the certification of your first CT, first NRO Leader or your first CFTR. You are required to pay our then-current fees and expenses for additional certifications, re-certifications or multiple certification attempts. All certifications are subject to our capacity and scheduling requirements. All NRO Leaders, CRMs and CTs are required to attend the operations summit. You are required to have at least one CRM at every Dave's Hot Chicken Restaurant you operate and, and, if you wish to provide your own new restaurant opening training once you own three or more Dave's Hot Chicken Restaurants (whether directly or through your affiliate(s)), you must have at least one Franchise NRO Leader, one CT and one CRM on staff and a CFTR to provide the new restaurant opening training yourself. When you open your second and third Dave's Hot Chicken Restaurants, you must pay us the applicable new restaurant opening fee of \$15,000. The New Restaurant Opening Fee will increase to \$40,000 for each Dave's Hot Chicken Restaurant you open after your third. We may waive the New Restaurant Opening Fee for a franchisee or area developer who has a CFTR at the second or subsequent Dave's Hot Chicken Restaurant and we do not need to provide New Restaurant Opening assistance.

6. T&O Fee. We will provide you with certain marketing, operational and technical services in exchange for your monthly T&O Fee, which may change from time to time based on changes to the marketing, operational and technical services we provide and/or our costs to provide these services. We may license, sublicense, and create software and technology that Dave's Hot Chicken franchisees must pay for and use. We can change the software, marketing services, operational services, and technology that must be used by our franchisees at any time, which may result in changes to the T&O Fee.
7. Transfer Fee. Because our primary focus is to work with Area Developers that own multiple Dave's Hot Chicken Restaurants, we restrict the number of Dave's Hot Chicken Restaurants that you are able to transfer to preserve this model. If you own (directly or indirectly through affiliates) three or fewer Dave's Hot Chicken Restaurants, any Assignment must include the rights for all Dave's Hot Chicken Restaurants, and if you own more than three Dave's Hot Chicken Restaurants, any Assignment must include at least 50% of the rights for the Dave's Hot Chicken Restaurants. We also do not allow Area Developers to transfer their rights to open Dave's Hot Chicken Restaurants under the Area Development Agreement.
8. Growth Incentive for Existing Area Developers. We currently offer a growth incentive to existing Area Developers who increase their development commitments under their existing Area



Development Agreements by at least 50% or otherwise by an amount we mutually agree to. Specifically, for each additional Dave's Hot Chicken Restaurant an Area Developer commits to develop: (i) the Continuing Royalty rate will be 5% of the Dave's Hot Chicken Restaurant's weekly Gross Sales; (ii) if the franchisee enters into a successor franchise agreement to continue operating the Dave's Hot Chicken Restaurant after the initial term, (a) the Continuing Royalty rate will remain 5% of the Dave's Hot Chicken Restaurant's weekly Gross Sales during the successor term, and (b) the franchisee's Creative Fund Contribution will be increased by 1% of the Dave's Hot Chicken Restaurant's weekly Gross Sales during the successor term; and (iii) if the franchisee enters into a second successor franchise agreement to continue operating after the end of the first successor term, the franchisee must pay our then-current fees, including the Continuing Royalty and Creative Fund Contribution, at the time it enters into the second successor franchise agreement.

9. **Liquidated Damages.** The amount of liquidated damages varies depending on when the Franchise Agreement terminates. If the Franchise Agreement terminates after the effective date of the Franchise Agreement, you must pay us, as liquidated damages for the loss of the benefit of the bargain we are entitled to receive, and not as a penalty, a lump-sum payment equal to the Continuing Royalty fees you owed us during the 36 months before the termination date. If less than 36 months have lapsed between the effective date of the Franchise Agreement and the termination date, the liquidated damages will be the average monthly Continuing Royalty fees during the time between the effective date and the termination date, multiplied by 36. If there are less than 36 months remaining in the term of the Franchise Agreement at the time of termination, you must pay us the average monthly Continuing Royalty fees during the 12 months preceding the termination date, multiplied by the number of months remaining in the term of the Franchise Agreement.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Freestanding Locations – Traditional Restaurants

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$40,000	\$40,000	Lump sum	When you sign your Franchise Agreement	Us
Architect / Engineer ⁽²⁾	\$15,000	\$75,000	As incurred	As invoiced	Approved suppliers
Business Licenses and Permits	\$1,000	\$55,000	As incurred	As invoiced	Approved suppliers and government agencies



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Construction, Remodeling and Leasehold Improvements ⁽³⁾	\$542,000	\$2,000,000	As incurred	As invoiced	Approved construction manager; contractors and suppliers
Equipment ⁽⁴⁾	\$214,000	\$370,000	As incurred	As invoiced	Approved suppliers
Furniture, Fixtures and Decorations ⁽⁴⁾	\$11,500	\$95,000	As incurred	As invoiced	Approved suppliers
Smallwares	\$11,000	\$30,000	As incurred	As invoiced	Approved suppliers
Signage ⁽⁴⁾	\$17,000	\$85,000	As incurred	As invoiced	Approved suppliers
Graffiti and Artwork ⁽⁴⁾	\$30,000	\$125,000	As incurred	As invoiced	Approved suppliers
Grand Opening Kit, Menu Boards ⁽⁴⁾	\$12,500	\$20,000	As incurred	As invoiced	Approved suppliers
Drive-Thru, Loop Timers and Signage ⁽⁵⁾	\$0	\$35,000	As incurred	As invoiced	Approved suppliers
Computer Equipment and Information / POS Systems ⁽⁶⁾	\$13,500	\$40,000	As incurred	As invoiced	Approved suppliers
Office Supplies	\$1,000	\$3,000	As incurred	As invoiced	Approved suppliers
Uniforms	\$1,500	\$5,000	As incurred	As invoiced	Approved suppliers
Initial Inventory and Supplies	\$20,000	\$40,000	As incurred	As invoiced	Approved suppliers
Insurance Deposits ⁽⁷⁾	\$1,500	\$10,000	As incurred	As invoiced	Insurance carrier
Liquor Licensing ⁽⁸⁾	\$0	\$10,000	As incurred	As invoiced	Approved suppliers and government agencies
Pre-Opening Rent	\$5,000	\$25,000	As incurred	As incurred	Landlord
Initial Training ⁽⁹⁾	\$10,000	\$25,000	As incurred	As invoiced	Providers of travel, lodging, and food services



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
New Restaurant Opening Fee ⁽¹⁰⁾	\$0	\$15,000	As incurred	Prior to Opening	Us
Pre-Opening Labor Expense	\$15,000	\$25,000	As incurred	As incurred	Employees
Pre-Opening/Grand Opening Advertising ⁽¹¹⁾	\$10,000	\$12,000	As incurred	As invoiced	Us
Miscellaneous Opening Costs	\$1,000	\$15,000	As incurred	As invoiced	Approved suppliers
Professional Fees	\$1,000	\$15,000	As incurred	As incurred	Your financial and legal advisors
Additional Funds– 3 Months ⁽¹²⁾	\$16,300	\$48,000	As incurred	As invoiced	Suppliers, Employees and Us
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹³⁾	\$989,800	\$3,218,000			

In-Line and Endcap – Traditional and Non-Traditional Restaurants

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$40,000	\$40,000	Lump sum	When you sign your Franchise Agreement	Us
Architect / Engineer ⁽²⁾	\$14,000	\$75,000	As incurred	As invoiced	Approved suppliers
Business Licenses and Permits	\$1,000	\$35,000	As incurred	As invoiced	Approved suppliers and government agencies
Construction, Remodeling and Leasehold Improvements ⁽³⁾	\$275,000	\$980,000	As incurred	As invoiced	Approved construction manager; contractors and suppliers
Equipment ⁽⁴⁾	\$110,000	\$370,000	As incurred	As invoiced	Approved suppliers



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Furniture, Fixtures and Decorations ⁽⁴⁾	\$11,500	\$95,000	As incurred	As invoiced	Approved suppliers
Smallwares	\$11,000	\$30,000	As incurred	As invoiced	Approved suppliers
Signage ⁽⁴⁾	\$17,000	\$77,000	As incurred	As invoiced	Approved suppliers
Graffiti and Artwork ⁽⁴⁾	\$30,000	\$125,000	As incurred	As invoiced	Approved suppliers
Grand Opening Kit, Menu Boards ⁽⁴⁾	\$12,500	\$20,000	As incurred	As invoiced	Approved suppliers
Drive-Thru, Loop Timers and Signage ⁽⁵⁾	\$0	\$35,000	As incurred	As invoiced	Approved suppliers
Computer Equipment and Information / POS Systems ⁽⁶⁾	\$13,500	\$40,000	As incurred	As invoiced	Approved suppliers
Office Supplies	\$1,000	\$3,000	As incurred	As invoiced	Approved suppliers
Uniforms	\$1,500	\$5,000	As incurred	As invoiced	Approved suppliers
Initial Inventory and Supplies	\$20,000	\$40,000	As incurred	As invoiced	Approved suppliers
Insurance Deposits ⁽⁷⁾	\$1,500	\$10,000	As incurred	As invoiced	Insurance carrier
Liquor Licensing ⁽⁸⁾	\$0	\$10,000	As incurred	As invoiced	Approved suppliers and government agencies
Pre-Opening Rent	\$5,000	\$25,000	As incurred	As incurred	Landlord
Initial Training ⁽⁹⁾	\$10,000	\$25,000	As incurred	As invoiced	Providers of travel, lodging, and food services
New Restaurant Opening Fee ⁽¹⁰⁾	\$0	\$15,000	As incurred	Prior to Opening	Us
Pre-Opening Labor Expense	\$15,000	\$25,000	As incurred	As incurred	Employees
Pre-Opening/Grand Opening Advertising ⁽¹¹⁾	\$10,000	\$12,000	As incurred	As invoiced	Us



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Miscellaneous Opening Costs	\$1,000	\$15,000	As incurred	As invoiced	Approved suppliers
Professional Fees	\$1,000	\$15,000	As incurred	As incurred	Your financial and legal advisors
Additional Funds– 3 Months ⁽¹²⁾	\$16,300	\$48,000	As incurred	As invoiced	Suppliers, Employees and Us
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹³⁾	\$617,800	\$2,170,000			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Franchise. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. The Initial Franchise Fee for one Franchise is \$40,000. The Initial Franchise Fee is paid upon execution of the Franchise Agreement and is non-refundable. See Item 5 for additional information regarding the Initial Franchise Fee when you sign an Area Development Agreement to develop multiple Dave's Hot Chicken Restaurants.
2. Architect/Engineer. You must retain one of our designated architects to create your preliminary floorplan at your cost (approximately \$900 to \$1,500) or another architect we approve, to prepare your construction documents. If you choose not to use our designated architects, we will require you to employ our designated architect to review and approve the construction documents for a fee of \$600 to \$1,000. Our own designer will also review the construction documents and provide input on the placement of trade dress elements, general restaurant layout, and other input as deemed appropriate at no charge to you.
3. Construction, Remodeling and Leasehold Improvements. The typical Traditional Restaurant will be approximately 2,000 to 3,000 square feet, and the typical Non-Traditional Restaurant will be approximately 1,000 to 1,800 square feet. Dave's Hot Chicken Restaurants will most likely be located in in-line and endcap locations, such as retail strip malls, dense urban areas, regional shopping centers and entertainment and travel centers. The cost of improvements will vary depending on a number of factors, including: (i) size and condition of the space; (ii) pre-construction costs; and (iii) cost of materials and labor. The estimates assume you will be leasing a pre-existing building and not constructing a new building, entering into a ground lease or purchasing a building or land. If you choose to construct a new building, enter into a ground lease and/or purchase a building, these costs would be significantly higher. These estimates do not include any construction allowances or tenant improvement credits that may be offered by your landlord. Our franchisees have reported tenant improvement allowances as high as \$340,000



(freestanding locations) and \$250,000 (in-line and endcap locations). You must retain an approved construction manager to oversee construction, remodeling or other leasehold improvement. You may not hire a construction manager that has not been approved by us.

4. Equipment; Furniture, Fixtures and Decorations; Signage and Graphics/Art; and Grand Opening Kit, Menu Boards. The amount and type of equipment; furniture, fixtures and decorations; signage and graphics/art; grand opening kit and menu boards you must purchase for your Dave's Hot Chicken Restaurant will vary depending on your Dave's Hot Chicken Restaurant layout and type. The cost of artwork and graffiti will depend on the amount of artwork and the size of your space, your Dave's Hot Chicken Restaurant layout and type. If you have a Non-Traditional Restaurant these expenses may vary dependent on the venue, amount of space and menu limitations in which the Non-Traditional Restaurant is located, and varies significantly, but are generally less than a Traditional Restaurant.
5. Drive-Thru, Loop Timers and Signage. Not all Dave's Hot Chicken Restaurants have a drive-thru or a pickup window. The low estimate assumes that your Dave's Hot Chicken Restaurant will not have one. If you elect to have a drive-thru and a pickup window, we estimate your range of additional costs to be between \$1,000 (if your Dave's Hot Chicken Restaurant has pre-existing drive-thru equipment) to \$35,000 (the high estimate assumes your costs are \$40,000).
6. Computer Equipment and Information/POS Systems. This estimate includes the computer equipment, kitchen display system, point-of-sale equipment, POS software and installation and hosting services for your Dave's Hot Chicken Restaurant. This estimate also includes the purchase and activation fees for two EMV terminals, \$6,000 for back-office security technology systems and three months of payment of the back-office security fee to our approved vendor of \$515 per month.

If you are developing a Non-Traditional Restaurant, you may not be required to purchase or lease these systems from our designated supplier. The high range figures in the chart reflect the purchase of this system from our designated supplier.
7. Insurance Deposits. This estimate is for the deposit for your insurance policies.
8. Liquor Licensing. The cost to obtain a license to sell beer and wine varies greatly depending on the licensing authority and the local resale market. In municipalities that use a quota-based system with no available licenses, the cost to acquire one from an existing licensee can be substantially higher. If so, we will not require you to sell beer and wine until you are able to obtain a license from the municipality. In municipalities that are not quota-based, the cost is usually limited to filing fees, plus fees for attorney's services and other service providers.
9. Initial Training. These figures include your costs of travel and expenses during your initial training program. Before you open your first Dave's Hot Chicken Restaurant, your Operating Principal and your Director of Operations must also attend the opening of a new Dave's Hot Chicken Restaurant. The high estimate includes up to \$3,000 of travel and expenses if you need to travel outside your general region to attend.
10. New Restaurant Opening Fee. The low estimate for the New Restaurant Opening Fee in the chart reflects that there is no New Restaurant Opening Fee for the first Dave's Hot Chicken Restaurant. If you have a CRM, CT and NRO Leader who conducts training at a CFTR you operate, then you will not be required to pay the New Restaurant Opening Fee for your second Dave's Hot Chicken



Restaurant or additional Restaurants. This high estimate assumes that you are opening your second or third Dave's Hot Chicken Restaurants and do not have a CRM, CT, NRO Leader or CFTR, in which case the New Restaurant Opening Fee is \$15,000. This table assumes you will not experience delays. If we deploy our team to your Dave's Hot Chicken Restaurant and your Dave's Hot Chicken Restaurant experiences any delay in opening, you are also required to reimburse us for all costs, expenses and salaries that our new restaurant opening team incurs during the delay. In the Area Development Agreement table below, we include high estimates that you have to pay us the New Restaurant Opening Fee for your second and third Dave's Hot Chicken Restaurant. We may waive the New Restaurant Opening Fee for a franchisee or area developer who has a CFTR at the second or third Dave's Hot Chicken Restaurant and we do not need to provide New Restaurant Opening assistance.

11. Pre-opening/Grand Opening Advertising. You will pay us for your pre-opening/grand opening advertising approximately one week after opening. We will conduct your pre-opening/grand opening advertising commencing your first week of operation and continuing for three months. This is in addition to the chicken given away, which is included in the cost of your grand opening kit, at the grand opening of the Dave's Hot Chicken Restaurant. Some franchisees may voluntarily spend more than this estimate on pre-opening/grand opening advertising, but we do not require it.
12. Additional Funds. This estimate is based on your staff salaries and miscellaneous startup costs and operating expenses through the first three months of operation. This estimate also includes any utility and lease deposits that may be required for the first three months, sixteen weeks of T&O Fees (currently \$170 to \$500 per week) and the one-time setup fee (currently ranging between \$1,000 and \$1,400). The estimate also includes three months' payment of the Guest Response and Recovery Management Fee (currently \$200 per month), three months' payment of the Mystery Shopper Fee (currently \$256 per month) and three months' payment of the Food Safety Assessment Fee (currently \$100 per month). The estimate of additional funds does not include an owner's salary or draw. Our estimates are based on our predecessor's experience, the experience of our affiliates, and our current requirements for Dave's Hot Chicken Restaurants. The factors underlying our estimates may vary depending on several variables, depending upon the location of your Dave's Hot Chicken Franchise, and current relevant market conditions. You must provide security deposits for utilities and rent (and possibly for other items).
13. This is an estimate of your initial startup expenses for one Franchise.



YOUR ESTIMATED INITIAL INVESTMENT

DHC Food Truck

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$20,000	\$20,000	Lump sum	When you sign your Food Truck Franchise Agreement	Us
Food Truck ⁽²⁾	\$75,000	\$125,000	As incurred	As invoiced	Approved suppliers
Food Truck Retrofit ⁽³⁾	\$50,000	\$250,000	As incurred	As invoiced	Approved construction manager, contractors and suppliers
Business Licenses and Permits	\$1,000	\$10,000	As incurred	As invoiced	Approved suppliers and government agencies
Equipment ⁽⁴⁾	\$20,000	\$40,000	As incurred	As invoiced	Approved suppliers
Furniture, Fixtures and Decorations ⁽⁴⁾	\$0	\$5,000	As incurred	As invoiced	Approved suppliers
Smallwares	\$2,500	\$5,000	As incurred	As invoiced	Approved suppliers
Food Truck Wrap ⁽⁴⁾	\$10,000	\$25,000	As incurred	As invoiced	Approved suppliers
Computer Equipment and Information / POS Systems ⁽⁵⁾	\$5,000	\$10,000	As incurred	As invoiced	Approved suppliers
Office Supplies	\$250	\$1,000	As incurred	As invoiced	Approved suppliers
Uniforms	\$400	\$1,500	As incurred	As invoiced	Approved suppliers
Initial Inventory and Supplies	\$5,000	\$10,000	As incurred	As invoiced	Approved suppliers



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Insurance Deposits ⁽⁶⁾	\$1,500	\$4,000	As incurred	As invoiced	Insurance carrier
Initial Training ⁽⁷⁾	\$2,500	\$5,000	As incurred	As invoiced	Providers of travel, lodging, and food services
Opening Fee ⁽⁸⁾	\$5,000	\$5,000	As incurred	Prior to Opening	Us
Pre-Opening Labor Expense	\$5,000	\$12,000	As incurred	As incurred	Employees
Miscellaneous Opening Costs	\$500	\$1,000	As incurred	As invoiced	Approved suppliers
Professional Fees	\$500	\$3,000	As incurred	As incurred	Your financial and legal advisors
Additional Funds– 3 Months ⁽⁹⁾	\$4,000	\$12,000	As incurred	As invoiced	Supplier and Employees
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹⁰⁾	\$208,150	\$544,500			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your DHC Food Truck. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. The Initial Franchise Fee for one Food Truck is \$20,000. The Initial Franchise Fee is paid upon execution of the Franchise Agreement and is non-refundable.
2. Food Truck. You must purchase or lease a compatible vehicle that meets our then-current standards for the operations of a DHC Food Truck. This estimate includes purchase price of the DHC Food Truck.
3. Food Truck Retrofit. You must retrofit and update your Food Truck to comply with our then-current standards for DHC Food Trucks.
4. Food Truck Wrap. The vehicle wrap you must purchase for your DHC Food Truck will vary depending on the condition, size and type of your DHC Food Truck.



5. Computer Equipment and Information/POS Systems. This estimate includes the computer equipment, kitchen display system, point-of-sale equipment, POS software and installation and hosting services for your DHC Food Truck. You are required to install and maintain a cash register terminal and configure such computer cash register system to accurately record every sale or transaction, and otherwise comply with our Computer System requirements. You may also, at your option, choose to purchase our approved electronic cash register and Computer System from our designated supplier. The high range figures in the chart reflect the purchase of this system from our designated supplier.
6. Insurance Deposits. This estimate is for the deposit for your insurance policies.
7. Initial Training. These figures include your costs of travel and expenses during your initial training program.
8. Opening Fee. See Item 5 for more information.
9. Additional Funds. This estimate is based on your staff salaries and miscellaneous startup costs and operating expenses through the first three months of operation. This estimate also includes one year of T&O Fees (currently \$1,000 per year) and the one-time setup fee (currently ranging between \$500 and \$1,000). The estimate of additional funds does not include an owner's salary or draw. Our estimates are based on our predecessor's experience, the experience of our affiliates, and our current requirements for DHC Food Trucks. The factors underlying our estimates may vary depending on several variables, depending upon the location of your Dave's Hot Chicken Franchise, and current relevant market conditions. You must provide security deposits for utilities and rent (and possibly for other items).
10. This is an estimate of your initial startup expenses for one DHC Food Truck.

YOUR ESTIMATED INITIAL INVESTMENT

Area Development Franchise

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Development Fee ⁽¹⁾	\$80,000	\$80,000	Lump Sum	When you sign your Area Development Agreement	Us
Initial Investment for the first Dave's Hot Chicken Restaurant ⁽²⁾	\$617,800	\$3,218,000	Per Table Above	Per Table Above	Per Table Above
TOTAL ESTIMATED INITIAL INVESTMENT FOR THREE DAVE'S HOT CHICKEN BUSINESSES ⁽³⁾	\$1,853,400	\$9,654,000			



Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Dave's Hot Chicken Restaurant. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Development Fee. If you sign an Area Development Agreement to develop a mutually agreed number of Dave's Hot Chicken Restaurants, you will pay a Development Fee equal to the full \$40,000 Initial Franchise Fee due for the first Dave's Hot Chicken Restaurant, plus a deposit equal to 50% of the Initial Franchise Fee (currently \$20,000) for each additional Dave's Hot Chicken to be developed under the Development Schedule. We will credit a portion of the Development Fee against the Initial Franchise Fee (\$20,000 for the second and each subsequent Franchise Agreement) until the Development Fee is exhausted. The balance of the Initial Franchise Fee for each Dave's Hot Chicken Restaurant developed under the Development Schedule is due when Area Developer signs each franchise agreement. Area Developers must open a minimum of three Dave's Hot Chicken Restaurants. These amounts are included in the total estimated initial investment amounts of this Table. See Item 5 for additional information regarding the Development Fee and the Initial Franchise Fee.
2. Initial Investment for First Dave's Hot Chicken Restaurant. These are the estimates to open your first Dave's Hot Chicken Restaurant as described in the Item 7 chart above. This estimate includes the Initial Franchise Fee (\$40,000) for each Dave's Hot Chicken Restaurant to be developed, which amount is partially payable as part of the Development Fee.
3. This is an estimate of your initial startup expenses and initial investment for an Area Development Franchise opening three Dave's Hot Chicken Restaurants. This estimate includes the total Initial Franchise Fees you will be required to pay for each Dave's Hot Chicken Restaurant developed under the Area Development Agreement. Your Operating Principal and your Director of Operations must attend the opening of a new Dave's Hot Chicken Restaurant before you open your first Dave's Hot Chicken Restaurant. The estimated travel expenses of \$2,000 to \$3,000 are only included for the first Restaurant.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Dave's Hot Chicken Restaurant according to our System and specifications. This includes purchasing or leasing all products, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Dave's Hot Chicken Restaurant under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our marks or the System.

Our confidential operations manual ("Operations Manual") states our standards, specifications, codes of conduct and guidelines for all products and services we require you to obtain in establishing and operating your Dave's Hot Chicken Restaurant and approved vendors for these products and services. We



will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Operations Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply, and use, fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Operations Manual or otherwise in writing. If we do not require you to use a designated source or approved supplier for a particular item, you may purchase the item from any vendor you choose so long as your purchases conform to our System and specifications. We may restrict the sourcing of current and future items.

We utilize proprietary food products and recipes (“Proprietary Products”) and may continue to develop and own proprietary recipes. In order to protect their trade secrets and to monitor the manufacture, packaging, processing, and sale of Proprietary Products, we or our affiliates may: (i) manufacture, supply, and sell Proprietary Products to Dave’s Hot Chicken franchisees; and/or (ii) disclose the formula for methods and preparation of the Proprietary Products to a limited number of suppliers, including one or more of our affiliates, who we authorize to manufacture these Proprietary Products to our precise specifications and sell these products to Dave’s Hot Chicken franchisees. You must purchase the Proprietary Products we or our affiliates develop from time to time, for proprietary recipes or formulas, and purchase them only from us or a third party who we have licensed to prepare and sell the products. Certain products such as plates, cups, boxes, and containers bearing the Marks must be purchased by you from certain suppliers approved by us who are authorized to manufacture these products bearing our Marks.

We may designate certain non-proprietary products, such as condiments, merchandise, beverages, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, services, menus, packaging, forms, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Proprietary Products, which you may or must use and/or offer and sell at your Dave’s Hot Chicken Restaurant (“Non-Proprietary Products”). You may use, offer or sell only those Non-Proprietary Products that we expressly authorize.

You must at all times maintain an inventory of approved food products, beverages, ingredients and other products sufficient in quantity and variety to realize the full potential of your Dave’s Hot Chicken Restaurant. You must use the menus and menu boards that we designate and serve meals and products in the manner we designate.

Your Dave’s Hot Chicken Restaurant must be constructed, equipped and improved in compliance with our approved current design criteria. You must use our designated architect. You may employ general contractors you desire, so long as they meet our approval. All plans and modifications to the Premises must be submitted to us for our review and acceptance before you start construction. You must hire our designated architects for construction document review. Unless we notify you in writing that the plans and modifications are accepted, they will be deemed rejected. You must use one of our approved construction managers. If you wish to use a different construction manager, you must submit the information we request for approval or disapproval.

You must use our designated suppliers for marketing and promotional materials, as well as connected TV media (also known as “CTV” or “Over the Top”) and social media. We may require that you spend a percentage of your Local Advertising Requirement with these suppliers.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Dave’s Hot Chicken Restaurant. You must obtain the computer hardware, software, systems, maintenance, support services, back-office security technology systems and



other related services that meet our specifications from the suppliers we specify. You must use our designated merchant services provider for debit and credit cards. You must use our designated supplier for installation, support and hosting of the computer system and software. You will be required to use our designated supplier for our Dave's Hot Chicken Restaurant reporting system. If you are developing a Non-Traditional Restaurant or DHC Food Truck, you are not required to purchase or lease such systems from our designated supplier. You are required to install and maintain a cash register terminal and configure such computer cash register system to accurately record every sale or transaction, and otherwise comply with our computer system requirements. We will install an application on your POS system that allows us to view and download your sales and product mix information. We may require you to obtain computer hardware, software, systems, maintenance and support services, including the point-of-sale system, online ordering system, and payment system, from us or our affiliates in the future. You will be required to pay us and/or our affiliates our then-current fees if we require you to obtain these items from us and/or our affiliates.

You must purchase the insurance coverage that we require for your Dave's Hot Chicken Restaurant. We currently require the following policies and limits for Traditional Restaurants and Non-Traditional Restaurants: (1) commercial general liability insurance with limits of at least \$2 million per occurrence, at least \$4 million aggregate, and at least \$2 million per person, with \$5,000 per person medical benefits, and a maximum deductible of \$2,500; (2) all risks coverage insurance on all furniture, fixtures, equipment, inventory, supplies and other property used in the operation of the Franchise (including flood and/or earthquake coverage where there are known risks) for full replacement value; (3) business interruption insurance to cover 12 months of your loss of revenue and ongoing expenses and to cover any amounts owing to the us under the Franchise Agreement (including, in the case of a casualty loss, the Continuing Royalty, Creative Fund Contributions and other fees and payments we would have received had the casualty loss not occurred) or any other agreement between the us or our affiliates, in the amount specified by us in the Operations Manual or otherwise in writing for a minimum period of time as designated by us; and (4) workers' compensation insurance consistent with applicable law.

We currently require the following policies and limits for Food Trucks: (1) comprehensive commercial general liability insurance for the franchised business with an umbrella of at least \$1,000,000 per occurrence, or higher if your state law requires; (2) "all risk" coverage for the Food Truck and its assets; (3) business interruption insurance providing for at least six months coverage of profits and necessary operating expenses; (4) automobile liability insurance of at least \$1,000,000, or higher if your state law requires; (5) excess or umbrella liability insurance with limits of not less than \$2,000,000 per occurrence, \$2,000,000 aggregate, and \$2,000,000 products and completed operations coverage; (6) worker's compensation in amounts as required by law; (7) employer's liability insurance; (8) unemployment insurance; (9) state disability insurance; and (10) other insurance to meet any applicable legal requirements, or as required by your landlord.

All insurance policies must be purchased from a supplier rated A+ or better by A.M. Best & Company, Inc., or meeting other criteria we may periodically establish.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional insured parties and provide for 30 days prior written notice to us of a policy's material modification, cancellation or expiration. You must furnish us with a copy of your certificate of insurance within ten days after the policy is issued or renewed.

If you operate a Non-Traditional Restaurant, and if we request, the general business liability and any other required insurance policies and coverage identified above must cover all common areas within



the host facility. If you operate other restaurants or businesses within the host facility, in addition to your Non-Traditional Restaurant, you must obtain and maintain comprehensive business liability insurance and an umbrella insurance policy collectively covering all of your businesses.

We will provide you with a list of our designated and approved suppliers in our Operations Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications, and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We may charge a fee to evaluate the proposed product, service, or supplier (estimated to be approximately \$100 to \$500). We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to Franchises to ensure timely deliveries of the product or services; (5) the dependability of the supplier; and (6) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products and we may revoke our approval of any supplier, product, or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product, or service. We do not provide material benefits to you based solely on your use of designated or approved sources. Neither we nor our affiliates are currently approved suppliers of any goods or services provided to franchisees. Certain of our officers currently maintain an ownership interest in one of our approved suppliers, Loop.

We estimate that approximately 85% of purchases required to open your Dave's Hot Chicken Restaurant and 85% of purchases required to operate your Dave's Hot Chicken Restaurant will be from us or from other approved suppliers and under our specifications.

We and our affiliates may receive payments, rebates, allowances, credits, or other material consideration from approved or designated suppliers based on purchases made by participating Dave's Hot Chicken Restaurant owners (the "Restaurant Owners"). Our current beverage supply agreement (the "BSA") provides us or our affiliate with a fixed-dollar rebate based on volume purchases by Restaurant Owners. Any amounts from the BSA distributed to franchisees will be distributed based on their respective purchases. We may retain all other payments, rebates, allowances, credits or other material consideration from approved or designated suppliers based on purchases made by Restaurant Owners subject to certain restrictions detailed in the Franchise Agreement.

We may also negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. We have not established any purchasing or distribution cooperatives, but we may do so in the future. We do not provide material benefits to franchisees based upon their use of designated or approved suppliers.

As of the date of this Franchise Disclosure Document, neither we nor our affiliates have received any revenue directly from franchisees based on required franchisee purchases. During our predecessor's last fiscal year ended January 5, 2025, (i) neither our predecessor nor its affiliates sold products or services directly to Restaurant Owners for their Dave's Hot Chicken Restaurants, and therefore, they derived no revenue from those activities, and (ii) our predecessor and its affiliates received \$2,437,123.65 from third party suppliers on account of Restaurant Owners' purchases of approved or designated items from those suppliers, of which \$1,056,853.47 was distributed directly to franchisees and the remaining \$1,380,270.18 was contributed directly to convention related costs.



ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section In Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 5.1, 5.2 and 5.3 of Franchise Agreement; Section 2 of Non-Traditional Location Addendum; Section 6.1 of Area Development Agreement; Section 7 of Food Truck Addendum	Items 8 and 11
b. Pre-opening purchases/leases	Section 5.3 of Franchise Agreement; Section 7 of Food Truck Addendum	Items 8 and 11
c. Site development and other pre-opening requirements	Section 5.4 of Franchise Agreement; Section 6.1 & 6.2 of Area Development Agreement; Section 7 of Food Truck Addendum	Items 7 and 11
d. Initial and ongoing training	Section 6 of Franchise Agreement; Section 4 of Non-Traditional Location Addendum; Section 8 of Food Truck Addendum	Item 11



Obligation	Section In Agreement	Disclosure Document Item
e. Opening	Section 5.4.5 of Franchise Agreement; Section 9 of Food Truck Addendum	Item 11
f. Fees	Section 4 of Franchise Agreement; Section 14 of Non-Traditional Location Addendum; Section 5 of Area Development Agreement; Sections 5 and 6 of Food Truck Addendum	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	Section 7 of Franchise Agreement; Section 3, and Sections 5 - 13 of Non-Traditional Location Addendum; Sections 8 – 19 of Food Truck Addendum	Item 11
h. Trademarks and proprietary information	Section 11 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 7.6, 9.1, 9.2, 9.3 and 9.4 of Franchise Agreement; Section 19 of Food Truck Addendum	Items 8 and 16
j. Warranty and customer service requirements	Sections 7 and 9.7 of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Section 2 of Area Development Agreement	Item 12
l. Ongoing product/service purchases	Sections 9.1, 9.2, 9.3 and 9.4 of Franchise Agreement; Section 1 of Non-Traditional Location Addendum; Section 1 of Food Truck Addendum	Item 8 and 16
m. Maintenance, appearance, and remodeling requirements	Section 5.5 of Franchise Agreement; Section 7 of Food Truck Addendum;	Item 11
n. Insurance	Section 16 of Franchise Agreement; Section 18 of the Non-Traditional Location Addendum; Section 14 of Food Truck Addendum	Items 6 and 8



Obligation	Section In Agreement	Disclosure Document Item
o. Advertising	Section 8 of Franchise Agreement; Section 14 of Non-Traditional Location Addendum; Section 5 and Sections 17 and 18 of Food Truck Addendum	Items 6 and 11
p. Indemnification	Sections 13.2.4, 13.3.4, 17.1 and 17.2 of Franchise Agreement; Sections 7.3.3, 11.1 and 11.2 of Area Development Agreement	Item 6
q. Owner's participation/management/staffing	Section 7.2 of Franchise Agreement	Items 11 and 15
r. Records/reports	Sections 10.1 and 10.4 of Franchise Agreement; Section 15 of Non-Traditional Location Addendum	Item 6
s. Inspections/audits	Sections 10.2 and 10.3 of Franchise Agreement; Section 16 of Non-Traditional Location Addendum	Items 6 and 11
t. Transfer	Section 13 of Franchise Agreement; Section 7 of Area Development Agreement	Item 17
u. Renewal	Sections 3.2, 3.3 and 3.4 of Franchise Agreement; Section 4 of Food Truck Addendum	Item 17
v. Post-termination obligations	Sections 12 and 15 of Franchise Agreement; Sections 4.5 and 8.2 of Area Development Agreement	Item 17
w. Non-competition covenants	Section 12.1 of Franchise Agreement; Section 8 of Area Development Agreement	Item 17
x. Dispute resolution	Section 18 of Franchise Agreement; Section 10 of Area Development Agreement	Item 17
y. Continuing Guaranty	Attachment C of Franchise Agreement	Item 15



ITEM 10 FINANCING

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

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

Except as listed below, DHC is not required to provide you with any assistance.

We may provide you any of these services through our employees or representatives, through our affiliates, or through any third party provider we designate. Under the Management Agreement, DHCFC LLC has agreed to provide certain required support and services to Dave's Hot Chicken franchisees under their Franchise and Area Development Agreements with us.

Pre-Opening Obligations

Before you open your Dave's Hot Chicken Restaurant, we (or our designee) will provide the following assistance and services to you:

Operations Manual. We will provide you with access to the Operations Manual, which is approximately 192 pages. The table of contents for the Operations Manual is attached to this Franchise Disclosure Document as Exhibit E (Franchise Agreement, Section 7.4). We may require you to sign a confidentiality agreement before giving you access to the Operations Manual.

Site Selection Assistance. You are solely responsible for selecting the site of your Dave's Hot Chicken Restaurant, which will be subject to our review and acceptance. We do not locate sites for you. We do not generally own the premises and lease it to you (Franchise Agreement, Section 5.2.).

If you operate a DHC Food Truck, we do not offer you site selection assistance (Food Truck Location Addendum – Section 7).

Site Review. We must accept the site before you enter into a lease. In evaluating a proposed site, we consider such factors as general location and neighborhood, traffic patterns, parking, size, layout and other physical characteristics. Before leasing or purchasing the site for your Dave's Hot Chicken Restaurant, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require. Upon receiving the information regarding a proposed site, we will review the information and either accept or reject the proposed site. Other factors we may consider in selecting or accepting sites include the architectural features of buildings, visibility, parking, co-tenants, patio availability and traffic drivers. If we do not accept your proposed site within 14 days after your submission (or 14 days after you provide any supplemental information we request), the site will be deemed rejected (Franchise Agreement, Section 5.1).

If you do not locate a site that is acceptable to us within 90 days of signing the Franchise Agreement, or find acceptable sites and open the Dave's Hot Chicken Restaurants by the deadlines in your Area Development Agreement (if applicable), we may require you to utilize a new broker that we approve, or terminate the agreement(s). You must enter into the lease or purchase agreement as appropriate for your



Dave's Hot Chicken Restaurant the earlier of (i) 150 days following site acceptance; or (ii) 14 days prior to commencement of construction within the proposed location. You and your landlord are required to sign the Lease Addendum, which is attached to this Franchise Disclosure Document in Exhibit I, contemporaneous with the lease. Area Developers must sign each Franchise Agreement within 60 days of receiving our acceptance of Area Developer's proposed site for a Dave's Hot Chicken Restaurant (other than Area Developer's first Dave's Hot Chicken Restaurant under an Area Development Agreement, in which case, Area Developer will sign the Franchise Agreement at the same time as the Area Development Agreement, and then have 90 days from signing the Franchise Agreement to find an acceptable site).

If you are an Area Developer, you must sign your first Franchise Agreement at the same time you sign the Area Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Dave's Hot Chicken Restaurant under an Area Development Agreement is the same as for a single Dave's Hot Chicken Restaurant stated below in this Item. Each additional Dave's Hot Chicken Restaurant you develop under the Area Development Agreement must be opened according to the terms of your Development Schedule. The determination of the territory and the site selection and acceptance process for each Dave's Hot Chicken Restaurant under an Area Development Agreement is the same as that for a single Dave's Hot Chicken Restaurant and will be governed by the then-current standards for sites and territories and the Franchise Agreement signed for that location.

If you operate a Non-Traditional Restaurant, we must accept the site and the host facility before you sign the Franchise Agreement and any applicable addendum (Non-Traditional Location Addendum, Section 2).

If you operate a DHC Food Truck, you must find a location to store your Food Truck. The storage location must meet certain basic requirements described in the Operations Manual, and you must comply with any applicable rules and/or laws on vehicle storage. We do not assist you with this, nor do you need our approval for the storage location. We do not assist you in obtaining any required permits (Food Truck Location Addendum – Section 7).

Lease Review. Our site acceptance is valid for 70 days and you must submit a lease or purchase agreement for our review within 70 days of receiving our site acceptance. We will review your lease agreement for the Dave's Hot Chicken Restaurant to ensure that its terms contain our required provisions and otherwise meet our minimum standards. If we accept the proposed lease, we will notify you of our acceptance of the lease (Franchise Agreement, Sections 5.1.2 and 5.3.1). Your lease must address certain issues, including: (a) not obligating us in any manner; (b) no terms inconsistent with your Franchise Agreement; (c) no non-competition covenant that restricts us; (d) granting us rights to assume your rights to the Premises of the Dave's Hot Chicken Restaurant upon termination or non-renewal under the lease; (e) prohibiting competing restaurants in the same center; (f) construction according to our standards; and (g) Premises de-identification upon expiration or termination.

If you operate a Non-Traditional Restaurant, we will review and approve or disapprove the lease for your Dave's Hot Chicken Restaurant.

Territory. Once you have an accepted site for your Dave's Hot Chicken Restaurant, we will designate a territory. If you sign an Area Development Agreement, we will designate the Development Area before you sign the Area Development Agreement. If you operate a Non-Traditional Restaurant or DHC Food Truck, you will not receive a territory.



Site Design Assistance. We will provide a copy of our basic specifications for the design and layout of the Premises of your Dave's Hot Chicken Restaurant. You are responsible for the costs of preparing architectural, engineering and construction drawings and site plans, which you must submit to us for our review and approval before you begin construction of your Dave's Hot Chicken Restaurant. You are responsible for the costs of construction and remodeling (Franchise Agreement, Section 5.4). We do not assist you in conforming the premises to local ordinances and building codes or obtaining permits. We will provide support during constructing, remodeling or decorating your premises. You will be financially responsible for completing these services.

If you operate a DHC Food Truck, we will provide you specifications for the design and layout of the DHC Food Truck.

Equipment and Supplies. We will provide a list of approved vendors and specifications for equipment and other supplies for your Dave's Hot Chicken Restaurant. We provide assistance in reviewing quotes if necessary. You must purchase, install, maintain in sufficient supply, and use, fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Operations Manual or otherwise in writing. We do not deliver or assist with the installation of any fixtures, furnishing, equipment, signs or other supplies. (Franchise Agreement, Sections 7.4.1 and 9).

Training. We provide an initial training program described below (Franchise Agreement, Sections 6.1 and 6.2; Non-Traditional Location Addendum, Section 4; Food Truck Addendum, Section 8). We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the Dave's Hot Chicken System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Dave's Hot Chicken Restaurant. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Dave's Hot Chicken Restaurant. We do not provide you with any assistance in hiring employees or training them.

New Restaurant Opening. We provide an on-site pre-opening training team to assist with opening your first three Dave's Hot Chicken Restaurants. If you do not have an NRO Leader, CT, CRM and CFTR, we will provide new restaurant opening training for an additional fee (see Franchise Agreement, Section 6.4).

Pre-Opening Inspection. We will visit your Dave's Hot Chicken Restaurant to conduct a pre-opening inspection approximately two weeks before your Dave's Hot Chicken Restaurant is scheduled to open (Franchise Agreement, Section 5.4.3).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Dave's Hot Chicken Restaurants.

Schedule for Opening

If you are opening a Traditional Restaurant or Non-Traditional Restaurant, we estimate the typical length of time between signing a Franchise Agreement and opening a Dave's Hot Chicken Restaurant is between 11 and 12 months, assuming that a location can be obtained and leased within one month after you sign the Franchise Agreement. We estimate the typical length of time between start of construction and opening a Dave's Hot Chicken Restaurant is between one and five months. You must schedule the opening of your Dave's Hot Chicken Restaurant to occur within 12 months after signing the Franchise Agreement. Some factors that may affect this timing are your ability to acquire a location through lease or purchase



negotiations; your ability to secure any necessary financing; your ability to comply with local zoning and other ordinances; your ability to obtain any necessary permits and certifications; the timing of the delivery of equipment, tools and inventory; and the time to convert, renovate or build out your Dave's Hot Chicken Restaurant.

If you are operating a DHC Food Truck, we estimate the typical length of time between signing the Franchise Agreement and Food Truck Addendum or the payment of any fees and the operation of your DHC Food Truck can vary from three to six months. You must open the DHC Food Truck and begin business within six months after signing the Franchise Agreement and Food Truck Addendum. Some factors which may affect this timing are your ability to secure any necessary financing; the time it takes to retrofit your Food Truck; your ability to comply with local zoning and other ordinances; your ability to obtain any necessary permits and certifications; and the timing of the delivery of equipment, tools and inventory. We provide an on-site two-person pre-opening training team to assist with opening your DHC Food Truck

Continuing Obligations

During the operation of your Dave's Hot Chicken Restaurant, we (or our designee) will provide the following assistance and services to you:

1. Inform you of mandatory specifications, standards and procedures for the operation of your Franchise (Franchise Agreement, Section 7).
2. Upon reasonable request, provide advice regarding your Dave's Hot Chicken Restaurant's operation based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods in our discretion (Franchise Agreement, Section 10; Non-Traditional Location Addendum, Section 15).
3. Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose to use in connection with advertising (Franchise Agreement, Section 8.1).
4. Subject to our capacity and scheduling requirements, offer certification programs to you or your employees (Franchise Agreement, Section 6). There may be additional fees for certifications as discussed in Item 6.
5. Provide additional training to you for newly hired personnel regarding the Dave's Hot Chicken brand and System guidelines, refresher training courses and additional training or assistance that, in our discretion, you need or request (Franchise Agreement, Section 6). If you request, and we agree to provide additional training, you will be required to pay additional fees for this training or assistance, including all travel expenses and wages of your employees. You must reimburse us for all transportation costs, food, lodging and similar costs incurred by us in connection with such training (Franchise Agreement, Section 6.3).
6. Allow you to continue to use confidential materials, including the Operations Manual and the marks (Franchise Agreement, Sections 7 and 11).



Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new menu items, new equipment or new techniques.
2. Make periodic visits to the Dave's Hot Chicken Restaurant for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations that become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.
3. Maintain and administer a Creative Fund. We may dissolve the Creative Fund upon written notice (Franchise Agreement, Section 8.3; Non-Traditional Location Addendum, Section 14).
4. Hold periodic national or regional conferences to discuss business and operational issues affecting Dave's Hot Chicken franchisees.
5. Establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions, as allowed by law.

Advertising (Franchise Agreement, Section 8; Non-Traditional Location Addendum, Section 14)

Creative Fund

Our predecessor, DHCFC LLC, established a Creative Fund for marketing, developing and promoting the System, the Marks and Franchises. We now control the Creative Fund as of the closing of the Securitization Transaction. The Creative Fund is for both Dave's Hot Chicken Restaurants and DHC Food Trucks. We require you to pay a Creative Fund Contribution, currently 4% of your weekly Gross Sales (or 2% of weekly Gross Sales for DHC Food Trucks), to our Creative Fund (see Item 6). We may, in our sole discretion, increase the Creative Fund Contribution up to 5% (or 2.5% for DHC Food Trucks) upon providing you with 30 days' prior written notice. We, or our affiliates, will direct all creative programs and control the creative concepts, materials and media used, media placement and allocation. We have complete discretion on how the Creative Fund will be utilized. We may use the Creative Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, new product development and testing, public and consumer relations, for third party (such as consultants and agencies) fees, website development and search engine optimization, the development of technology for the System, secret shopper programs, any other purpose to promote the Dave's Hot Chicken brand. Non-Traditional Restaurants and DHC Food Trucks may not be eligible to participate in some of the Creative Fund programs. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We do not guarantee that advertising expenditures from the Creative Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Creative Fund or to maintain, direct or administer the Creative Fund.

The Creative Fund may be used as we deem appropriate, and in our sole discretion, for all costs of administering, directing, preparing, placing and paying for national, regional or local advertising to promote



and enhance the image, identity or patronage of Dave's Hot Chicken Restaurants owned by us and by franchisees. We may collect an administrative fee (not to exceed 16.7% of the annual Creative Fund Contributions received) in consideration of our and our affiliates' operating and administering the Creative Fund, which we will use as we deem appropriate, in our sole discretion, including for the following: (i) to compensate our and our affiliates' employees, (ii) for support center overhead, (iii) for research and development, and/or (iv) other costs incurred in connection with the administration of the Creative Fund. We may retain any amount of the annual administrative fee we collect but do not spend each year. We will not use the Creative Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we may include a notation in any advertisement indicating "Franchises Available" or similar phrasing or include information regarding acquiring a Franchise on or as a part of materials and items produced by or for the Creative Fund. The Creative Fund will be in a separate bank account, commercial account or savings account. The Creative Fund is not audited. We will provide an annual accounting when available for the Creative Fund that shows how the Creative Fund proceeds have been spent for the previous year upon written request.

We may contribute or loan additional funds to the Creative Fund on any terms we deem reasonable.

Although we do not intend to do so, we may dissolve the Creative Fund at any point. If we decide to dissolve the Creative Fund, we will either spend or distribute pro rata any remaining funds before dissolution.

Each franchisee will be required to contribute to the Creative Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement or where their Dave's Hot Chicken Restaurant is located (such as Non-Traditional Venues and DHC Food Trucks). Company-owned outlets will contribute to the Creative Fund on the same basis as franchisees.

During our predecessor's last fiscal year, which ended January 5, 2025, the Creative Fund was allocated as follows: 71.2% on media placement, 8.1% on production, 2.4% on marketing and social media, 1.8% on public relations and we collected the remaining 16.5% as an administrative fee.

Local Advertising

In addition to the Creative Fund Contributions, you must currently spend 1% of your annual Gross Sales on local advertising each year ("Local Advertising Requirement"). If you fail to spend the Local Advertising Requirement, you will be required to pay the difference to the Creative Fund. We may require that you spend a percentage of your Local Advertising Requirement with our approved suppliers, including our supplier(s) that administer TV media and social media. We may require reports on expenditures for local advertising or audit your records. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions according to advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Dave's Hot Chicken franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates, and will only sell gift cards/certificates that have been issued or sponsored by us and that are accepted at all Dave's Hot Chicken Restaurants, and you will not issue coupons or discounts of any type except as approved by us.

If you are developing a Traditional Restaurant or Non-Traditional Restaurant, we will conduct your pre-opening/grand opening advertising commencing the first week of operations of your Dave's Hot Chicken Restaurant and continuing for three months. You will pay us between \$10,000 and \$12,000 for this advertising. The pre-opening/grand opening contribution is in addition to the value of the chicken or



other products give-away at the grand opening of the Dave's Hot Chicken Restaurant. Your grand opening expenditure will count towards your Local Advertising Requirement. DHC Food Trucks are not required to conduct a pre-opening/grand-opening advertising campaign.

If you are developing a Traditional Restaurant or Non-Traditional Restaurant, you will pay us a one-time advertising fee of between \$10,000 and \$12,000, CTV Media Fee which will include connected TV media, also known as "CTV" or "Over the Top" (OTT) geo-targeted, streaming video media and social media, split approximately 50% for each. This fee is non-refundable and due to us or our media agency on invoice, no later than two months after opening. The CTV Media Fee will count towards your Local Advertising Requirement.

Cooperatives

If you are developing a Traditional Restaurant or Non-Traditional Restaurant, you may be required to participate in any local or regional advertising cooperative for Dave's Hot Chicken Restaurants that is established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative of up to 2% of monthly Gross Sales for each Dave's Hot Chicken Restaurant that the franchisee owns that exists within the cooperative's area. This contribution will count towards the franchisee's Local Advertising Requirement. Each Dave's Hot Chicken Restaurant that we or our affiliate owns that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents. Each cooperative must prepare annual unaudited financial statements, and such statements will be provided for review to each member of such cooperative. Cooperatives may not use advertising, marketing, or promotional plans or materials without our prior written consent. We may form, change, dissolve, or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you will be required to participate in compliance with the provisions of the Operations Manual, which we may periodically modify in our discretion.

DHC Food Trucks are not obligated to participate in any local or regional advertising cooperatives.

Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing

You must order sales and marketing materials from us or our designated suppliers. You must submit to us all advertising materials not prepared or previously approved by us, for our approval. If we do not approve your advertising materials within 15 days, the proposed advertising will be deemed disapproved (Franchise Agreement Section 8.1). If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the Creative Fund. We may use national and/or regional advertising as the source for our advertising materials, or we may prepare them in-house.

You may not independently market your Dave's Hot Chicken Business through social media sites. You must follow our online policies and procedures which may change as technology and the Internet changes. Under our online policies and procedures, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the marks. We intend any franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve or disapprove any linking or other use of our website in our sole discretion.



Advertising Council

We have an advisory council (“Council”) to advise us on advertising policies. The Council is governed by bylaws. Members of the Council consist of both franchisees and corporate representatives. Members of the Council are selected by way of a voting method specified in the Council’s bylaws. The Council serves in an advisory capacity only. We have the power to form, change or dissolve the Council, in our sole discretion.

Computer System (Franchise Agreement, Section 7.3; Non-Traditional Location Addendum, Section 6)

Traditional Restaurants and Non-Traditional Restaurants

You are required to purchase a computer and point-of sale system that consists of the following hardware, software and services (collectively the “Computer System”): (a) a computer (laptop) of any brand capable of operating the required software for use by the management of the Dave’s Hot Chicken Restaurant, an all-in-one printer/scanner/copier/fax machine, and firewall with all necessary software required to run the approved POS system, which will include two POS terminals, two cash drawers, two receipt printers, two scanners, four remote printers, one kitchen display system (with five screens); (b) two iPads to run the PlayerLync program for employee training; (c) required software suite that the then-current POS system requires and charge a monthly subscription access; and (d) an installation and service package, an annual 24/7 help desk support package, an annual hardware maintenance package, and various hosted solutions required by our merchant services provider. All required POS system, software, and installation and service packages are contained in our Operations Manual. You will pay us a one-time setup fee of \$1,000 to \$1,400 and a T&O Fee of \$170 to \$500 per week, which includes the hardware lease and your software licensing. You will also be required to purchase a back-office security system and pay a back-office security fee to our approved provider. The Computer System will manage the daily workflow of the Dave’s Hot Chicken Restaurant, coordinate the customer ordering experience and other information. You must record all sales on the Computer System. If the POS Systems in Non-Traditional Restaurants will record sales from third-party businesses such as the host facility, the POS System must differentiate between your sales from the Restaurant and those sales from other businesses at the host facility. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your Franchise and must run programs designated by us to allow us to extract the sales and product mix information of your Franchise. You must also maintain a business class Internet connection at the Dave’s Hot Chicken Restaurant. Business class Internet consists of a service with a service level agreement of minimal speed guarantee, uptime, and static IP, which guarantees service when needed.

We estimate the cost of purchasing the Computer System will be approximately \$13,500 and \$40,000. In addition to offering and accepting Dave’s Hot Chicken gift cards and loyalty cards, you must use any payment vendors and accept all payment methods that we determine.

Dave’s Hot Chicken Restaurants will also be required to comply with EMV standards for credit cards. EMV is a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them. We estimate that each Dave’s Hot Chicken Restaurant will require two EMV terminals which are approximately \$400 to \$1,000 each.

We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System. You must arrange for installation of the Computer System at your cost. You must purchase maintenance contracts from our approved suppliers including help desk support and



hardware maintenance for \$250 to \$500 per month (beginning after your first year) for help desk support, software, and seven-day technician and parts coverage. You must also pay our designated supplier ongoing annual fees for the hosted solutions if you do not use real time sales access software and you may choose to add on hosted solutions with real time sales access software, including online ordering, gift cards, and network security services. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance repairs or upgrades relating to the Computer System. You must upgrade or replace your Computer System at such time as specifications are revised. The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will range between \$1,000 and \$2,000, but this could vary (as discussed above).

We (or our designee) have the right to independently access the electronic information and data generated from the Computer System. There are no limitations on our right to access the information.

DHC Food Trucks

If you are developing a DHC Food Truck, the Computer System must consist of one POS terminal, one cash drawer, one receipt printer, one scanner, one kitchen display system (with five screens); (b) two iPads to run the PlayerLync program for employee training; (c) required software suite that the then-current POS system requires and charge a monthly subscription access; and (d) an installation and service package, an annual 24/7 help desk support package, an annual hardware maintenance package, and various hosted solutions required by our merchant services provider. All required POS systems, software, and installation and service packages are contained in our Operations Manual. You will pay us a one-time setup fee of \$500 to \$1,000 and T&O Fee (currently \$1,000 per year), which includes the hardware lease and your software licensing. You will also be required to purchase a back-office security system and pay a back-office security fee to our approved provider. The Computer System will manage the daily workflow of the DHC Food Truck, coordinate the customer ordering experience and other information. You must record all sales on the Computer System.

We estimate the cost of purchasing the Computer System will be between \$5,000 to \$10,000. The Computer System will manage the daily workflow of the DHC Food Truck, coordinate the customer ordering experience, track inventory, food costs, labor and other information. You must record all Gross Sales on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your DHC Food Truck. In addition to offering and accepting Dave's Hot Chicken gift cards and loyalty cards, you must accept all credit cards and debit cards that we determine. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System (Franchise Agreement - Section 7.3). You must arrange for installation, maintenance and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs or upgrades relating to the Computer System. The cost of maintaining, updating or upgrading the Computer System or its components will depend on your repair history, local costs of computer maintenance services in your area, and technological advances. We estimate these costs to be \$1,000 - \$2,000, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

You may be required to use approved suppliers for certain technology business solutions that will support your business efficiencies, which may include phone systems, scheduling software, employee shift/task management software, music subscription, inventory solutions and any other solutions we may



require from time to time in the Operations Manual for your DHC Food Truck. We reserve the right to upgrade, modify and add new systems and software, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software and for any increase in fees from third-party providers.

We (or our designee) have the right to independently access the electronic information and data relating to your DHC Food Truck and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your DHC Food Truck or from other locations.

Training (Franchise Agreement, Section 6; Non-Traditional Location Addendum, Section 4)

Before opening your Dave's Hot Chicken Restaurant to the public, we will provide our initial training program ("Initial Training Program") for up to three management persons and one Operating Principal (if you are an entity) and one Director of Operations for the first three Dave's Hot Chicken Restaurants. We will also provide the Initial Training Program for any additional Dave's Hot Chicken Restaurants you open until you have a CFTR, CT, CRM, and NRO Leader. You will pay us the applicable New Restaurant Opening Fee eight weeks prior to the scheduled opening of your second and higher Dave's Hot Chicken Restaurant. We may waive the New Restaurant Opening Fee if you have a CFTR at your second Dave's Hot Chicken Restaurant and we do not need to provide New Restaurant Opening assistance. Training must be completed to our satisfaction and your management team must be certified by us. The operating principal and director of operations training program is provided in the table following the Initial Training Program table. You must pay our then-current fee (currently \$1,000) for training each additional person. You will not receive any compensation or reimbursement for services or expenses for participation in the initial training program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, uniforms, and training materials.

We plan to provide the training listed in the table below, except for those circumstances described above where your NRO Leader will provide this training:

TRAINING PROGRAM

Initial Training Program

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Labor Control, Operating Forms and Procedures	6	2	Corporate Headquarters (currently in Pasadena, California)
Operations Manual; Recipes; Customer Service, Cost of Goods Management	6	2	Corporate Headquarters (currently in Pasadena, California)



Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Introduction to Kitchen Equipment; Ingredient Ordering, Preparing & Storing	0	10	Corporate Headquarters (currently in Pasadena, California)
Prep Training	0	10	Corporate Headquarters (currently in Pasadena, California)
Fryer Training	0	10	Corporate Headquarters (currently in Pasadena, California)
NRO Leader; Receiving Orders	0	2	Corporate Headquarters (currently in Pasadena, California)
POS Training	2	2	Corporate Headquarters (currently in Pasadena, California)
Floor Control	0	10	Corporate Headquarters (currently in Pasadena, California)
Marketing; Administration; Exam	4	0	Corporate Headquarters (currently in Pasadena, California)
Total	18	48	

In addition to the Initial Training Program, your Operating Principal and your Director of Operations (defined in Item 15) must attend, and satisfactorily complete, an extra practice week and online training at least 60 days before your Dave's Hot Chicken Restaurant opens for business. The initial training program for an Operating Principal and a Director of Operations is provided in the table below. If an Operating Principal and/or Director of Operations is replaced, we will charge you a fee for training.

We plan to provide the training listed in the table below:

Operating Principal and Director of Operations Training

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Labor Control, Operating Forms and Procedures	8	4	Corporate Headquarters (currently in Pasadena, California)
Operations Manual; Recipes; Customer Service, Cost of Goods Management	8	2	Corporate Headquarters (currently in Pasadena, California)



Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Make-Line Training	0	8	Corporate Headquarters (currently in Pasadena, California)
Fryer Training	0	8	Corporate Headquarters (currently in Pasadena, California)
NRO Leader; Receiving Orders	0	2	Corporate Headquarters (currently in Pasadena, California)
NRO Leader; Preparing Menu Items	0	8	Corporate Headquarters (currently in Pasadena, California)
Site Visits	0	8	Corporate Headquarters (currently in Pasadena, California)
Floor Control	0	8	Corporate Headquarters (currently in Pasadena, California)
Marketing; Administration; Exam	2	0	Corporate Headquarters (currently in Pasadena, California)
Attend New Restaurant Opening	0	80	A New Dave's Hot Chicken Restaurant
Total	18	120	

Before you open your first Dave's Hot Chicken Restaurant, your Operating Principal and your Director of Operations must also attend the opening of a new Dave's Hot Chicken Restaurant, which will last approximately eight days. We will typically have a new restaurant opening in your general region, but you may need to travel out of state to attend an opening of a new Dave's Hot Chicken Restaurant. You will be responsible for your travel expenses while attending the opening of a new Dave's Hot Chicken Restaurant.

If you are developing and operating a DHC Food Truck, then in addition to the Initial Training Program and Operating Principal and Director of Operations Training detailed above, you must also attend and complete a Food Truck Training Program as further detailed in the below table:



Food Truck Training Program

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Labor Control, Operating Forms and Procedures	4	2	Corporate Headquarters (currently in Pasadena, California)
Operations Manual; Recipes; Customer Service, Cost of Goods Management	4	2	Corporate Headquarters (currently in Pasadena, California)
Introduction to Kitchen Equipment; Ingredient Ordering, Preparing & Storing	0	6	Corporate Headquarters (currently in Pasadena, California)
Prep/Food Safety Training	0	6	Corporate Headquarters (currently in Pasadena, California)
POS Training	1	1	Corporate Headquarters (currently in Pasadena, California)
Floor Control	0	10	Corporate Headquarters (currently in Pasadena, California)
Marketing; Administration; Exam	4	0	Corporate Headquarters (currently in Pasadena, California)
Attend New Food Truck Opening	0	8	Your DHC Food Truck
Total	13	35	

Shortly before and ending shortly after your Dave's Hot Chicken Restaurant opens to the public, we will provide up to 40 hours per week over a period of up to two weeks of on-site training for the first three Dave's Hot Chicken Restaurants that you open. If you operate a Traditional Restaurant or Non-Traditional Restaurant, you must pay us the applicable New Restaurant Opening Fee (\$15,000 for the second and third Dave's Hot Chicken Restaurants, and \$40,000 for the fourth and subsequent Dave's Hot Chicken Restaurants, as noted in Item 5). You will not be required to pay the New Restaurant Opening Fee if you qualify to conduct on-site training yourself, which requires that you have a CRM, CT and NRO Leader who conducts training at a CFTR you operate, or if you operate a DHC Food Truck.

On-site training provided by us consists of the following:

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Employee Training	0	24	Your Dave's Hot Chicken Restaurant



Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Training; Family & Friends Preview	0	4	Your Dave's Hot Chicken Restaurant
Opening Week (includes free chicken day)	0	50	Your Dave's Hot Chicken Restaurant
Total	0	78	

We may vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program. We will use the Operations Manual as the primary instruction materials during the Initial Training Program. We do not have a set schedule for the training classes and we hold initial training classes as needed to train new franchisees. Training is conducted by members of our headquarters and operations team under the supervision of our President and Chief Operating Officer, Jim Bitticks, and our Vice President – Operations and Training, Juan Lopez. Mr. Bitticks has been our President since our inception in September 2025, and served as President (since October 2021) and Chief Operating Officer (from July 2020 to October 2021) for our predecessor DHCFC LLC. He has more than 30 years of experience in the industry. Mr. Lopez has been our Vice President of Training and Operations since our inception in September 2025, and served as Vice President of Training and Operations for our predecessor DHCFC LLC since August 2020. He has more than 15 years of experience in the industry. Mr. Lopez will supervise the initial training and new restaurant opening training.

Other members of our training team include Dylan Bitticks, our Director of Training, who brings more than five years' experience in new restaurant opening training and assistant manager experience; Kim Aldrete, our Manager of Franchise Training, who has more than five years' of general manager experience; Tania Soto, our Training Specialist responsible for new restaurant openings and franchise training; and Jasmine Ortega, our Assistant Training Specialist responsible for new restaurant openings and franchise training.

Additional employees, who have a minimum of two years direct experience in areas of operation of a Dave's Hot Chicken Restaurant (for example, opening, operations or systems management), will assist Mr. Bitticks and Mr. Lopez with the development and administration of the Initial Training Program, Operating Principal and Director of Operations training and new restaurant opening program.

Ongoing Training

From time to time, we may require that you, your managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. Additional training or assistance, including refresher training courses, currently cost between \$500 and \$1,000 per attendee, per week. If you appoint a new manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Dave's Hot Chicken Restaurant. You must pay our then-current fee for training replacement personnel (Item 6 has more information on this fee). If we conduct an inspection of your Dave's Hot Chicken Restaurant and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at our corporate location or at your Dave's Hot Chicken Restaurant) and you may be required to pay additional fees for this training.



In addition to participating in ongoing training, managers will be required to attend the annual general manager's summit at a location we designate. You may also be required to attend the annual conference with the current cost of \$500 to \$1,500 per attendee. You are responsible for all travel and expenses for your attendees.

ITEM 12 TERRITORY

Franchise Agreement

You may operate the Dave's Hot Chicken Restaurant only at the accepted location. The accepted location for your Dave's Hot Chicken Restaurant will be listed in the Franchise Agreement. If you have not identified an accepted location for the Dave's Hot Chicken Restaurant when you sign the Franchise Agreement, we will amend the Franchise Agreement after you select and we accept the accepted location. You are not guaranteed any specific accepted location and you may not be able to obtain your top choice as your accepted location. You may not conduct your business from any other location. You may not relocate the accepted location without our prior written approval. We may approve a request to relocate the Dave's Hot Chicken Restaurant according to the provisions of the Franchise Agreement that provide for the relocation of the Dave's Hot Chicken Restaurant, and our then-current site selection policies and procedures.

We will provide certain limited protected rights within a defined territory ("Territory"), which will be described in your Franchise Agreement. Your Territory will be determined by us, in our sole discretion, as we consider appropriate under the circumstances, and may be either a specified radius surrounding the Dave's Hot Chicken Restaurant, a geographic area described by zip codes, streets, highways, or other written description in Attachment A of your Franchise Agreement. In general, if a Dave's Hot Chicken Restaurant is located in an urban market, the Territory will be 0.5 miles. If a Dave's Hot Chicken Restaurant is located in a suburban market, the Territory will be a minimum of a 2-mile radius around premises of the restaurant. During the term of your Franchise Agreement, we will not open or operate, or license others to own or operate, any Dave's Hot Chicken Restaurant in your Territory. If you open a Non-Traditional Restaurant or DHC Food Truck, you will not receive a Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We maintain all rights not expressly granted in the Franchise Agreement. For example, we may own, operate and authorize others to own or operate: (a) Dave's Hot Chicken Restaurants at any location outside of your Territory; (b) Dave's Hot Chicken Restaurants at Non-Traditional Venues at any location (without regard to the proximity to your Dave's Hot Chicken Restaurant); and (c) restaurants or other businesses operating under names other than "Dave's Hot Chicken," at any location, and of any type whatsoever, within or outside the Territory, without regard to the proximity to your Dave's Hot Chicken Restaurant.

In addition, we may (i) produce, license, distribute, market and sell products under the Marks, including "Dave's Hot Chicken", as well as products bearing other trademarks, including prepackaged food items, dressings and other food and beverage products, books, clothing, souvenirs and novelty items, through any method of distribution (regardless of its proximity to your Dave's Hot Chicken Restaurant) including sales through alternative channels of distribution such as grocery stores, supermarkets and convenience stores, at wholesale or retail, on the Internet, delivery, catering, catalog sales or other direct



mail and advertising, telemarketing or other direct marketing sales (collectively, the “Alternative Distribution Channels”); (ii) engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or corporately owned, including a business that competes directly with your Dave’s Hot Chicken Restaurant, whether located inside or outside the Territory, provided that with the exception of Non-Traditional Restaurants and DHC Food Trucks, any restaurants located inside of your Territory will not operate under the Marks; (iii) deliver and cater and/or to license to other Dave’s Hot Chicken Restaurants or third parties to deliver and cater at any location within or outside of the Territory without compensation to you, and to establish a delivery and catering policy in the future which may restrict the delivery and catering jurisdiction of us or of any franchisee; (iv) implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere, including the Territory; (v) market and sell products and services to national, regional and institutional accounts, whether located inside or outside the Territory, (vi) use and license the use of technology inside and outside the Territory; and (vii) engage in any other business activities not expressly prohibited by the Franchise Agreement.

You may solicit or accept business from customers located anywhere, but you may not use Alternative Distribution Channels to make sales and you will receive no compensation for our sales through Alternative Distribution Channels. We may, but are not required to, allow you to offer, sell or provide delivery services or catering services in the Territory, including in contiguous areas we may from time to time expressly authorize in writing, only if and for so long as we may consent in writing, which may be granted or denied in our sole discretion and be subject to such terms and conditions as we may establish, which may include restrictions regarding the types of products and services you may offer and the geographic area in which you may provide such delivery and/or catering services.

You must follow the off-site policies and procedures in our Operations Manual, which may allow you or third parties to provide catering and delivery services in the territories of other Dave’s Hot Chicken Restaurants without compensating the operator of those restaurants. These policies may require you to provide catering and delivery services and/or utilize third-party delivery services. If you operate a Traditional or Non-Traditional Restaurant, you may be required to use the third-party delivery service(s) with which we have a national contract, and you may not contract with any other delivery platform without our written approval. We may establish a non-exclusive delivery system such as call-ahead, internet-order, mobile application or similar program in which case you agree to participate and pay all fees and charges we, our affiliate or designated supplier incurs for your participation. These policies may allow other Dave’s Hot Chicken Restaurants or third parties to provide catering and delivery services in your Territory without compensating you. We may impose restrictions in the future that prevent you from providing catering and delivery services outside of your Territory. DHC Food Trucks are prohibited from offering delivery services.

The Territory does not depend on your achievement of a minimum sales volume or other contingency. You do not receive the right to acquire additional Franchises unless you purchase the right in your Area Development Agreement. Except as noted above, we do not grant you any options or rights of first refusal under the Franchise Agreement.

Area Development Agreement

Under the Area Development Agreement, we grant you the right to develop and operate a specified number of Dave’s Hot Chicken Restaurants at locations in a specified Development Area, subject to our approval. The Development Area may be one or more cities, counties, states or some other defined area. The determination of the territory and the site selection and acceptance process for each Dave’s Hot Chicken Restaurant under an Area Development Agreement is the same as that for a single Dave’s Hot Chicken



Restaurant and will be governed by the then-current standards for sites and territories and the Franchise Agreement signed for that location, except that we will not permit the territory for any Dave's Hot Chicken Restaurant to extend outside of the Development Area that we grant. If your territory would extend outside of the Development Area under our then-current standards for territories, we will adjust your territory to provide a comparable territory within your Development Area. During the term of the Area Development Agreement, we will not operate or grant a license or franchise to any other person to operate a Traditional Restaurant in your Development Area; however, we may operate or license or franchise any other person to operate a Dave's Hot Chicken Restaurant: (a) at any location outside your defined Development Area, including immediately adjacent to the Development Area; and (b) at any Non-Traditional Venue, even if located within your Development Area. We may: (a) own or operate, and franchise or license others to own or operate restaurants operating under names other than Dave's Hot Chicken at any location, and of any type or category whatsoever, even if located within your Development Area; and (b) produce, license, distribute, market and sell products under the Marks, including "Dave's Hot Chicken", as well as products bearing other trademarks, including prepackaged food items, dressings and other food and beverage products, books, clothing, souvenirs and novelty items using Alternative Distribution Channels. We also may engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or corporately owned, including a business that competes directly with your Dave's Hot Chicken Restaurant, whether located inside or outside the Development Area, provided that with the exception of Non-Traditional Restaurants and DHC Food Trucks, any restaurants located inside of your Development Area will not operate under the Marks. Until the termination or expiration of your Area Development Agreement, you retain all rights granted to you under the Area Development Agreement as long as you comply with your Development Schedule and other obligations under the Area Development Agreement.

You will not receive an exclusive Development Area. You may face competition from Non-Traditional Restaurants and DHC Food Trucks which may be operated by us, franchisees or other third parties. You may also face competition from pre-existing Dave's Hot Chicken Restaurants, other channels of distribution or competitive brands that we control.

You may solicit or accept business from customers located anywhere, but you may not use Alternative Distribution Channels such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales.

If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, or commit a material breach of any Franchise Agreement that you have signed, or a material breach of any other agreement with us, we may terminate your right to develop, open and operate Dave's Hot Chicken Restaurants in your Development Area, but the termination of your right to develop your Development Area will not terminate any rights granted under the Franchise Agreements then in effect between you and us, absent a breach of the Franchise Agreement itself. Alternatively, we may reduce the size of your Development Area, at our sole discretion.

After the expiration of the term of your Area Development Agreement, we may own, operate, or franchise or license others to operate additional Dave's Hot Chicken Restaurants anywhere, without restriction, including in your former Development Area, subject to the rights granted to you in the Territory established under any then-existing Franchise Agreement.

Affiliated Franchise Programs

We do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell.



However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13 TRADEMARKS

The Franchise Agreement and your payment of Continuing Royalties grant you the non-exclusive right and license to use the System, which includes the use of the Marks. Your use of the Marks is limited to the operation of a Dave's Hot Chicken Restaurant in accordance with the System.

Our predecessor, DHCFC LLC, has registrations with the United States Patent and Trademark Office ("USPTO") for the following Marks (which are in the process of being assigned to us):

Trademark	Registration Number	Registration Date	Register
DAVE'S HOT CHICKEN	5,561,164	September 11, 2018	Principal
	5,646,609	January 8, 2019	Principal
TO LIVE AND FRY IN LA	5,834,349	August 13, 2019	Principal
REAPER	6,727,672	May 24, 2022	Principal
	6,721,972	May 24, 2022	Principal
FOR THE LOVE OF DAVE'S	6,733,383	May 24, 2022	Principal
TITO'S TENDERS & FRIES	7,264,156	January 2, 2024	Principal



Trademark	Registration Number	Registration Date	Register
	7,244,740	December 12, 2023	Principal
DAVE'S NOT CHICKEN	7,176,871	September 26, 2023	Principal

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been or will be filed.

No agreement significantly limits our right to use or license the Marks in any manner material to the Dave's Hot Chicken Restaurant. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks.

You must follow our rules when using the Marks. You cannot use our name or Mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Dave's Hot Chicken Restaurant, or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us. If it becomes advisable, at any time, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue, or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

We will indemnify you for and defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.



If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

The information in the Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the ingredients and formula of our products and recipes, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Operations Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyrighted Works”) for the operation of your Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of Franchises and other related materials are proprietary and confidential (“Confidential Information”) and are our property to be used by you only as described in the Franchise Agreement and the Operations Manual. Where appropriate, certain information has also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Franchises during the term of the Franchise Agreement.



You must notify us within three days after you learn about another's use of language, a visual image or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets, and we are not required to participate in the defense of, or provide indemnification to you in connection with, any proceeding related to the Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets. If we require you to modify or discontinue use of the Copyrighted Works, Confidential Information or Trade Secrets, you must comply with all of our requirements.

You will not have the exclusive right to use any of our, our affiliates', or our owners' patents or patent applications, nor will you acquire, by use or otherwise, any right, title or interest in or to such patents or patent applications, other than as expressly contained in, and limited by, the Franchise Agreement. Your right to use the claimed subject matter of any patents or patent applications is limited and temporary. Upon expiration or termination of the Franchise Agreement, you may not, directly or indirectly, use the claimed subject matter of any patents or patent applications in any manner or for any purpose.

You must immediately notify us of any conduct that could constitute infringement of or challenge to the patents or patent applications. We will decide, in our sole discretion, whether to institute any action in connection with infringement of or challenge to the patents or patent applications and will control all proceedings and litigation. The Franchise Agreement does not require us to take affirmative action when notified of infringement, but indicates we have the sole discretion to take such action as we may deem appropriate. We are not required to protect your right to use the patents or patent applications. As indicated in the Franchise Agreement, we will indemnify you for all damages for which you are held liable in any lawsuit arising out of your proper use of the patents or patent applications in compliance with the Franchise Agreement.

We may, in our sole discretion, modify or discontinue use of the patents or patent applications and/or use other information and/or rights in its place. If we decide to do so, you must do so also, at your expense. The Franchise Agreement does not provide you any additional rights if we require you to modify or discontinue use of the patents or patent applications. If we require you to modify or discontinue use of the patents or patent applications and/or use other information and/or rights in its place at any time other than upon renewal of the Franchise Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the patents or patent applications infringed upon a third party's rights, we will bear the cost of those modifications or discontinuances.



No patents or patents pending are material to us at this time.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must directly supervise the Franchise on its Premises. If you are not an individual, you must designate an “Operating Principal” acceptable to us who will be principally responsible for communicating with us about business, operational and other ongoing matters concerning your Dave’s Hot Chicken Restaurant. The Operating Principal must have the authority and responsibility for the day-to-day operations of your Dave’s Hot Chicken Restaurant and must have at least 10% equity (directly or indirectly).

If you are opening more than one Dave’s Hot Chicken Restaurant, you will be required to have a “Director of Operations.” The Director of Operations is responsible for running the operations of all of your Dave’s Hot Chicken Restaurants. The Director of Operations and Operating Principal may be the same person, depending on the role of the Operating Principal and depending on the number of Dave’s Hot Chicken Restaurants.

You must have at least six managers at your first Dave’s Hot Chicken Restaurant in a new Development Area for at least the first 30 days of operation, and you must have a minimum of four managers for subsequent Dave’s Hot Chicken Restaurants in the same Development Area for at least the first 30 days of operation. Following this 30-day period you must have a minimum of one manager per Dave’s Hot Chicken Restaurant. Your Operating Principal, if applicable, must, unless otherwise agreed in writing: (a) devote 100% of his or her time and best efforts solely to the operation of your Dave’s Hot Chicken Restaurant; (b) meet our educational, experience, financial and other reasonable criteria for the position, as contained in the Operations Manual or otherwise in writing; (c) be an owner with 10% or more (direct or indirect) of your equity or voting rights; and (d) be accepted by us.

The Operating Principal and all managers must successfully complete our training program (See Item 11). If you replace a manager, the new manager must satisfactorily complete our training program at your own expense.

All of your managers, officers, employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement, which is attached to this Franchise Disclosure Document in Exhibit I. If you are an entity, each direct and indirect owner (i.e., each person holding a direct and indirect ownership interest in you) must sign (i) the System Protection Agreement, which is attached to this Franchise Disclosure Document in Exhibit I, and (ii) a Continuing Guaranty guaranteeing the obligations of the entity, which is attached to the Franchise Agreement as Attachment C. We also require that the spouses of the Franchise owners sign the Continuing Guaranty. The Continuing Guaranty contains a personal guarantee and covenant not to compete.

You may not employ any manager, or appoint any Operating Principal who does not complete our Initial Training Program to our satisfaction. If a manager’s employment with you is terminated, and your Operating Principal will not manage your Dave’s Hot Chicken Restaurant, you must appoint a new manager who must successfully complete our initial training program 60 days after the termination of the former manager, unless we do not hold an initial training program during that 60-day period, in which case the replacement manager must attend and successfully complete the first available initial training program held by us. You may be charged a training fee for a replacement manager or Operating Principal, and the travel expenses and salary and benefits must be paid by you (See Item 6). The factors used by us in determining



whether you will be charged a training fee include the location of training, the length and type of training necessary, the costs borne by us in conducting the training, the replacement manager or Operating Principal's previous experience and skill, and our availability.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us, and which meet our standards and specifications. Authorized products may differ among our franchisees, and may vary depending on the operating season and geographic location of your Dave's Hot Chicken Restaurant or other factors. You must follow our policies, procedures, methods and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add to our required products and services, at our discretion, with prior notice to you. There are no limits on our right to make such changes. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products or services that we disapprove. We may establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions. At our request, you must also sell certain test products and/or offer certain test services. If you are asked to do so, you must provide us with reports and other relevant information regarding the test products and services. Unless specifically directed by us in writing, you must participate in all advertising, marketing, secret shopper programs, promotions, research and public relations programs instituted by the Creative Fund.

You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Franchise, us or any of our affiliates, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may solicit or accept business from customers located anywhere, but you may not use Alternative Distribution Channels to sell products or services.

If you operate a DHC Food Truck, you will not be allowed to offer delivery or third-party delivery services.

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ITEM 17
RENEWAL, TERMINATIONS, 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 franchise term	Section 3.1	Ten years from date the Dave's Hot Chicken Restaurant first opens to the public.
b. Renewal or extension of the term	Section 3.2 - 3.3	If you are in good standing and you meet other requirements, you may enter into two consecutive successor franchise agreements, each with a ten-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. You have no further right to enter into additional successor franchise agreements, but may apply for the right to operate a Dave's Hot Chicken Restaurant pursuant to a new franchise agreement.
c. Requirements for franchisee to renew or extend	Sections 3.2 - 3.4	We use the term "renewal" to refer to extending our franchise relationship at the end of your initial term (and any other renewal or extension of the initial term) and you must, at our option, sign a new franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, for example, higher Continuing Royalty and Creative Fund Contributions) than your original contract. You must have complied with your obligations during the term of your Franchise Agreement; must undertake remodeling to comply with our then-currents standards; must not have committed three or more material defaults of your Franchise Agreement during any 36-month period; must comply with our then-current training requirements; must pay a renewal fee which will be an amount equal to 50% of the then-current Initial Franchise Fee.
d. Termination by franchisee	None	Not applicable (subject to state law).
e. Termination by Franchisor without cause	None	Not applicable.
f. Termination by Franchisor with cause	Sections 14.1 – 14.7	We can terminate only if you default under your Franchise Agreement, which includes a cross-default provision related to any other agreements with us (except for a default or termination of any Area Development Agreement you have with us due solely to your failure to meet the Development Schedule).



Provision	Section in Franchise Agreement	Summary
g. “Cause” defined – curable defaults	Section 14.4	You have ten days to cure non-payment of fees and 30 days to cure defaults not listed in Sections 14.2 or 14.3 of your Franchise Agreement. If you are also an Area Developer and cross-default under the Area Development Agreement by defaulting under any Franchise Agreement or other agreement, the notice and cure provisions of any Franchise Agreement or other agreement will control.
h. “Cause” defined – non-curable defaults	Sections 14.2 – 14.3	Non-curable defaults: (i) bankruptcy or insolvency; (ii) unsatisfied judgment; (iii) seizure, takeover or foreclosed upon; (iv) a levy of execution of attachment upon Franchise Agreement or upon any property used in the Dave’s Hot Chicken Restaurant; (v) unreleased mechanics lien or if any person commences any action to foreclose; (vi) if you allow or permit any judgment to be entered against us arising out of or relating to the operation of the Dave’s Hot Chicken Restaurant; (vii) a condemnation or transfer in lieu of condemnation has occurred; (viii) imminent danger to the public health / health and safety violations; (ix) conviction, plead guilty or nolo contendere to a felony or any other crime or offense; (x) failure to comply with your confidentiality or non-competition provisions of your Franchise Agreement; (xi) abandonment; (xii) Assignment without our consent; (xiii) repeated defaults, even if cured; (xiv) violation of law which is not cured within ten days; (xv) sale of unauthorized products; (xvi) knowingly maintaining false books, underreporting or under recording of Gross Sales, certain underreporting or under recording; (xvii) trademark and Confidential Information misuse; (xviii) misrepresentations in connection with the acquisition of the Franchise Agreement; (xix) failing to complete training; and (xx) failing to meet the financial covenants. If you are also an Area Developer, certain defaults under the Area Development Agreement are incurable in the case of a cross-default.
i. Franchisee’s obligations on termination/non-renewal	Section 15	You must stop using our Marks; pay all amounts due to us; return the Operations Manual, and all training and promotional materials to us; make cosmetic changes to your Dave’s Hot Chicken Restaurant so that it no longer resembles our proprietary design; at our election, sell such equipment and furnishings that we designate to us; assign to us or our designee (or, at our election, terminate) all voice and data telephone numbers used in connection with your Dave’s Hot Chicken Restaurant; authorize and instruct the telephone company and all listing agencies of the termination of your right to use any telephone number or listing associated with your Dave’s Hot Chicken Restaurant and authorize and instruct the telephone companies and listing agencies to transfer and assign the telephone numbers and directory listing to us; sign and deliver to us all documents that must be filed with any governmental agency indicating that you are no longer licensed to use our Marks. See also “r” below.



Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by Franchisor	Section 13.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 13.2.1	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise (whether direct or indirect).
l. Franchisor approval of transfer	Section 13.2	Transfers require our express written consent.
m. Conditions for franchisor approval of transfer	Sections 13.2 - 13.4	New franchisee: must qualify; assume the Franchise Agreement or sign a new franchise agreement; complete training and pay our training fee; and refurbish the Dave's Hot Chicken Restaurant. You must provide us with an estoppel agreement and a list of all persons having an interest in the Franchise Agreement or in the franchisee; pay all amounts then due to us; sign a general release; sign a non-compete agreement not to engage in a competitive business for one year within: (i) a 10-mile radius of your Dave's Hot Chicken Restaurant (and including the premises of the Dave's Hot Chicken Restaurant); and (ii) a 10-mile radius of all other Dave's Hot Chicken Restaurants that are operating or under construction; provide us with all documents relating to the transfer; disclose to us all material information that we request regarding the transferee; the purchase price and the terms of the transfer; must not be in default of the Franchise Agreement; and pay a transfer fee and reimburse our broker fees (See also "r" below). If the Franchise Agreement was signed pursuant to an Area Development Agreement and you operate three or fewer Dave's Hot Chicken Restaurants, all Franchise Agreements operated under the Area Development Agreement must be assigned to the same assignee. If the Franchise Agreement was signed pursuant to an Area Development Agreement and you operate four or more Dave's Hot Chicken Restaurants, at least half of the Dave's Hot Chicken Restaurants operated under the Area Development Agreement must be assigned to the same assignee. With our written consent, you may transfer a Franchise Agreement to an entity of which you directly own 100% interest for convenience of ownership. If the new franchisee is a business entity, all holders of a 10% or greater interest in the new franchisee must sign a Continuing Guaranty. You must reimburse us for all costs and expenses that we incur in connection with such a transfer, including attorneys' fees. Before shares of a Franchisee which is a business entity may be offered by public offering, you must provide us with copies of all offering materials; indemnify us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, and employees of each in



Provision	Section in Franchise Agreement	Summary
		connection with the offering; and to reimburse us for our costs and expenses associated with reviewing the proposed offering.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.2.3(c)	We have 30 days to match any offer for your Dave's Hot Chicken Restaurant.
o. Franchisor's option to purchase franchisee's business	Section 15	Upon termination or expiration of your Franchise Agreement, we may purchase such equipment and furnishings as we designate that are associated with your Dave's Hot Chicken Restaurant at your net depreciated book value, using a five-year straight line amortization period, but not less than 10% of your actual cost. Other than assets on termination or expiration, non-renewal, or right of first refusal, we have no right or obligation to purchase your business.
p. Death or disability of franchisee	Section 14.3.2	Your heirs have nine months after your death or legal incapacity to enter into a new franchise agreement, if the heirs meet our standards and qualifications. If your heirs do not meet our standards and qualifications, the heirs may sell to a person approved by us. See "m" above.
q. Non-competition covenants during the term of the franchise	Section 12.1	Neither you nor your principal owners may engage in "Competitive Activities" which means to own, operate, lend to, advise, be employed by, or have any financial interest in (i) any restaurant that sells Nashville hot chicken or derives 20% or more of its Gross Sales from the sale of fried chicken, other than a Dave's Hot Chicken Restaurant operated pursuant to a validly subsisting Franchise Agreement with Franchisor, or (ii) any business that specializes in developing, operating or franchising restaurants that sell Nashville hot chicken or derive 20% or more of their Gross Sales from the sale of fried chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any fried chicken food product, including Nashville hot chicken. Competitive Activities do not include the direct or indirect ownership solely as an investment, of securities of any entity which are traded on any national securities exchange if the owner thereof (i) is not a controlling person of, or a member of a group which controls, such entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such entity. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.1	Except with our express written consent, no involvement in any Competitive Activities, as defined above, for 2 years or within a 10-mile radius of any then-existing Dave's Hot Chicken Restaurant, subject to applicable state law.
s. Modification of the agreement	Section 19.8	The Franchise Agreement may be modified only by written agreement between the parties. The Operations Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.



Provision	Section in Franchise Agreement	Summary
t. Integration/Merger clause	Section 19.8	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18	You and we agree to attempt to resolve any dispute pursuant to mediation held in the principal city closest to our principal place of business (currently Pasadena, California), prior to commencing arbitration, except for claims for monies owed to us or for infringement of trademark, trade secrets or violation of restrictive covenants, or for injunctive relief, subject to applicable state law.
v. Choice of forum	Sections 18.2 and 19.14	Except for certain claims and subject to state law, you and we agree that the principal city closest to our principal place of business (currently Pasadena, California) will be the venue for any arbitration under the Franchise Agreement, and you and we both waive the right to a trial by jury. Unless prohibited by local law, arbitration and litigation must be in the principal city closest to our principal place of business (currently Pasadena, California).
w. Choice of law	Section 19.7	The laws of the state of Delaware, subject to applicable state law.

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

AREA DEVELOPMENT AGREEMENT

Provision	Section in Area Development Agreement	Summary
a. Term of the license	Section 4.1	Typically five years or until you sign a Franchise Agreement for your last Dave's Hot Chicken Restaurant necessary to satisfy your Development Obligation, whichever is earlier.
b. Renewal or extension of the term	Sections 2.4, 4.2, 4.3, 4.4 and 4.5	You do not have the right to renew your Area Development Agreement.
c. Requirements for you to renew or extend	Sections 4.3 and 4.4	Not applicable.
d. Termination by you	None	You may terminate under any grounds permitted by law, subject to applicable state law.
e. Termination by Us without cause	None	Not applicable.
f. Termination by Us with cause	Section 9.1	We can terminate if you or any of your affiliates materially default under the Area Development Agreement, any individual Franchise Agreement, or any other agreement with us.



Provision	Section in Area Development Agreement	Summary
g. “Cause” defined - defaults which can be cured	Section 9.1	You have five days to cure non-payment of fees and ten days to cure any other default; provided that in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement, the notice and cure provisions of such agreement will control.
h. “Cause” defined - defaults which cannot be cured	Section 9.1	Non-curable defaults include: unapproved transfers; failure to meet development obligations; any breach of non-competition provisions; any default under any other agreement with us; and failure to meet financial covenants.
i. Your obligations on termination/non-renewal	Section 4.5	You will have no further right to develop or operate additional Dave’s Hot Chicken Restaurants which are not, at the time of termination, the subject of a then-existing Franchise Agreement between you and us. You may continue to own and operate all Dave’s Hot Chicken Restaurants pursuant to then-existing Franchise Agreements.
j. Assignment of contract by Us	Section 7.1	No restriction on our right to assign.
k. “Transfer” by you - definition	Section 7.3	Includes transfer of the agreement or change in ownership of a franchisee which is an entity.
l. Our approval of transfer by you	Sections 7.2 and 7.3	Other than transfers to your entities under your control, your development rights under the Area Development Agreement are not assignable.
m. Conditions for our approval of transfer	Section 7.2	Except as described below, you may not transfer your Area Development Agreement or any Franchise Agreement signed pursuant to the Area Development Agreement except with our written consent and a simultaneous assignment of the Area Development Agreement and all Franchise Agreements signed pursuant to the Area Development Agreement to the same assignee. With our written consent, you may transfer a Franchise Agreement to an entity of which you directly own 100% interest for convenience of ownership. If the new franchisee is a business entity, all holders of a 10% or greater interest in the new franchisee must sign a Continuing Guaranty. You must reimburse us for all costs and expenses that we incur in connection with such a transfer, including attorneys’ fees. Not applicable.
n. Our right of first refusal to acquire your business	None	Not applicable.
o. Our option to purchase your business	None	Not applicable.
p. Your death or disability	Section 9.1.2	Your heirs have nine months after your death or legal incapacity to assign the Area Development Agreement to a person acceptable to us. See also “m” above.



Provision	Section in Area Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 8.1	Unless we otherwise consent, neither you nor any of your owners can engage in in “Competitive Activities” which means to own, operate, lend to, advise, be employed by, or have any financial interest in (i) any restaurant that sells Nashville hot chicken or derives 20% or more of its Gross Sales from the sale of fried chicken, other than a Dave’s Hot Chicken Restaurant operated pursuant to a validly subsisting Franchise Agreement with Franchisor, or (ii) any business that specializes in developing, operating or franchising restaurants that sell Nashville hot chicken or derive 20% or more of their Gross Sales from the sale of fried chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any fried chicken food product, including Nashville hot chicken. Competitive Activities do not include the direct or indirect ownership solely as an investment, of securities of any entity which are traded on any national securities exchange if the owner thereof (i) is not a controlling person of, or a member of a group which controls, such entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such entity. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 8.2	Except with our express written consent, no involvement in any Competitive Activities, as defined above, for 2 years within the Development Area, subject to applicable state law.
s. Modification of the agreement	Section 8.3	The Area Development Agreement may be modified only by written agreement between the parties.
t. Integration/merger clause	Section 11.9	Only the terms of the Area Development Agreement are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 10	Before either of us may file for arbitration, you and we agree to attempt to resolve any dispute pursuant to mediation held in the principal city closest to our principal place of business (currently Pasadena, California) and the mediation will be governed in accordance with Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc., unless otherwise agreed, subject to applicable state law.
v. Choice of forum	Sections 10.1,10.2 and 11.15	Before either of us may file arbitration, you and we agree to attempt to resolve any dispute pursuant to mediation held in the principal city closest to our principal place of business (currently Pasadena, California) and the mediation will be governed in accordance with Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc., unless otherwise agreed. Litigation must be in the principal city closest to our principal place of business (currently Pasadena, California), subject to applicable state law.



Provision	Section in Area Development Agreement	Summary
w. Choice of law	Section 11.8	The laws of the state of Delaware, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any financial performance representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Franchise Development Department at 600 Playhouse Alley, Unit 504, Pasadena, CA 91101, (626) 628-0850; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

All of the information in the tables below is as of December 31 of the applicable year. All of the franchised outlets disclosed in the tables below were operated under franchise agreements with our predecessor, DHCFC LLC, as of the time period referenced.

Table No. 1
System-wide Outlet Summary
For Years 2022-2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	22	78	+56
	2023	78	146	+68
	2024	146	221	+75



Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned ⁽¹⁾	2022	14	18	+4
	2023	18	23	+5
	2024	23	23	0
Total Outlets	2022	36	96	+60
	2023	96	169	+73
	2024	169	244	+75

⁽¹⁾ Includes 5 Dave's Hot Chicken Restaurants owned by our predecessor, DHCFC LLC, 10 Dave's Hot Chicken Restaurants owned by our founders and managed by our predecessor, DHCFC LLC, 2 Dave's Hot Chicken Restaurants owned by one of our founders and a third-party franchisee, 1 Dave's Hot Chicken Restaurant that is a joint venture between our predecessor, DHCFC LLC and a franchisee, and 5 Dave's Hot Chicken Restaurants owned by one of our officers.

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022-2024

State	Year	Number of Transfers
California	2022	0
	2023	0
	2024	5
Texas	2022	0
	2023	1
	2024	0
Totals	2022	0
	2023	1
	2024	5

Table No. 3
Status of Franchised Outlets
For Years 2022-2024

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2022	0	1	0	0	0	0	1
	2023	1	3	0	0	0	0	4
	2024	4	2	0	0	0	0	6
California	2022	10	15	0	0	0	0	25
	2023	25	13	0	0	0	0	38
	2024	38	9	0	0	0	0	47
Colorado	2022	2	0	0	0	0	0	2
	2023	2	3	0	0	0	0	5
	2024	5	1	0	0	0	0	6
District of Columbia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	0	2	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	5	0	0	0	0	9
Georgia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Idaho	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Illinois	2022	2	1	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	3	0	0	0	0	8
Indiana	2022	0	3	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	1	0	0	0	0	6



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Iowa	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Kansas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kentucky	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	0	4
Massachusetts	2022	0	2	0	0	0	0	2
	2023	2	5	0	0	0	0	7
	2024	7	4	0	0	0	0	11
Michigan	2022	1	3	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	2	0	0	0	0	7



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Minnesota	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	0	4
Missouri	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Montana	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nebraska	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Hampshire	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
New Jersey	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	6	0	0	0	0	8
New York	2022	0	3	0	0	0	0	3
	2023	3	7	0	0	0	0	10
	2024	10	5	0	0	0	0	15
North Carolina	2022	0	2	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	1	0	0	0	0	5
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Ohio	2022	0	3	0	0	0	0	3
	2023	3	2	0	0	0	1	4
	2024	4	3	0	0	0	0	7



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Oklahoma	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	2	0	0	0	0	4
Oregon	2022	2	3	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Pennsylvania	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	0	4
Rhode Island	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	2	0	0	0	0	3
Texas	2022	5	12	0	0	0	0	17
	2023	17	5	0	0	0	0	22
	2024	22	6	0	0	0	0	28



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Utah	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Vermont	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1 ⁽¹⁾	0	0	0	0	1
Virginia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	4	0	0	0	0	5
Washington	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Wisconsin	2022	0	2	0	0	0	0	2
	2023	2	5	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Total Outlets	2022	22	56	0	0	0	0	78
	2023	78	69	0	0	0	1	146
	2024	146	75	0	0	0	0	221

⁽¹⁾ Includes 1 Dave's Hot Chicken Restaurant where one of our officers maintains a minority ownership interest.

Table No. 4
Status of Company-Owned Outlets
For Years 2022-2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2022	12	4	0	0	0	16
	2023	16	4	0	0	0	20
	2024	20	2	0	1	1	20



State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Nevada	2022	2	1	0	0	0	3
	2023	2	1	0	0	0	3
	2024	3	0	0	0	0	3
Total Outlets ⁽¹⁾	2022	14	4	0	0	0	18
	2023	18	5	0	0	0	23
	2024	23	2	0	1	1	23

⁽¹⁾ Includes 5 Dave's Hot Chicken Restaurants owned by our predecessor, DHCFC LLC, 10 Dave's Hot Chicken Restaurants owned by our founders and managed by our predecessor, DHCFC LLC, 2 Dave's Hot Chicken Restaurants owned by one of our founders and a third-party franchisee, 1 Dave's Hot Chicken Restaurant that is a joint venture between our predecessor, DHCFC LLC and a franchisee, and 5 Dave's Hot Chicken Restaurants owned by one of our officers.

Table No. 5
Projected Openings as of
December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	2	0
Arizona	3	4	0
Arkansas	0	1	0
California	8	11	2
Colorado	5	5	0
Connecticut	6	6	0
Delaware	2	3	0
Florida	12	14	0
Georgia	6	6	0
Illinois	5	8	0
Kansas	1	1	0
Kentucky	1	1	0
Louisiana	1	1	0
Maine	1	2	0
Maryland	3	3	0
Massachusetts	4	4	0
Michigan	2	2	0
Minnesota	2	4	0
Missouri	2	3	0



State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Nebraska	1	1	0
Nevada	5	5	0
New Jersey	6	7	0
New Mexico	1	1	0
New York	8	9	0
North Carolina	4	4	0
North Dakota	1	1	0
Ohio	3	4	0
Oklahoma	1	1	0
Oregon	4	4	0
Pennsylvania	5	6	0
South Carolina	1	1	0
Tennessee	1	1	0
Texas	7	10	0
Utah	2	3	0
Virginia	2	2	0
Washington	3	3	0
Wisconsin	4	4	0
Total	124	148	2

Item 20 provides information on Dave's Hot Chicken Restaurants (which include Non-Traditional Restaurants and DHC Food Trucks). The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit G. The name and last known address and telephone number of every current franchisee and area developer and every franchisee or area developer who has had a Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement or area development agreement during the one-year period ending December 31, 2024, or who has not communicated with us or our predecessor within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit G. During the last three fiscal years, our predecessor, DHCFC LLC did not have any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Dave's Hot Chicken franchise System. If you buy a Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by our predecessor or us, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.



ITEM 21 FINANCIAL STATEMENTS

Exhibit B contains the audited balance sheet of our affiliate Dave's Hot Chicken Franchising Guarantor LLC ("DHC Guarantor") as of August 1, 2025. DHC Guarantor was organized on July 1, 2025 and had no significant operations prior to the date of the balance sheet. Because DHC Guarantor has not been in existence for at least three years, it does not have available and cannot yet include in this Disclosure Document three full years of audited financial statements. DHC Guarantor guarantees our performance under the Franchise Agreements, Area Development Agreements and other related documents. A copy of the guaranty of DHC Guarantor is attached as Exhibit B. Our and DHC Guarantor's fiscal year end is the closest Sunday to December 31st.

ITEM 22 CONTRACTS

The following exhibits contain proposed agreements regarding the Franchise and Area Developer Franchise:

Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit F	Franchise Disclosure Questionnaire
Exhibit H	State Addenda and Agreement Riders
Exhibit I	Contracts for use with the Dave's Hot Chicken Franchise
	Exhibit I – 1 – Waiver and Release of Claims
	Exhibit I – 2 – System Protection Agreement
	Exhibit I – 3 – Sample Confidentiality Agreement
	Exhibit I – 4 – Automated Clearing House Payment Authorization Form
	Exhibit I – 5 – Credit Card Authorization Form
	Exhibit I – 6 – Lease Addendum
	Exhibit I – 7 – Non-Traditional Location Addendum to Franchise Agreement
	Exhibit I – 8 – Food Truck Addendum to Franchise Agreement

ITEM 23 RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit K, are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.



EXHIBIT A

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**



**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

<u>CALIFORNIA</u> Commissioner California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 651 Bannon Street, Suite 300 Sacramento, CA 95811 (916) 327-7585 1455 Frazee Road, Suite 315 San Diego, CA 92108 (619) 610-2093 One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	<u>HAWAII</u> (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722
<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62701 (217) 782-1090	<u>INDIANA</u> (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531



<u>MARYLAND</u> (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	<u>MICHIGAN</u> (state administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street, 1st Floor Lansing, Michigan 48933 (517) 373-7117 (for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909
<u>MINNESOTA</u> (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 (for service of process) Minnesota Commissioner of Commerce	<u>NEW YORK</u> (state administrator) Officer of the New York Attorney General Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 (phone) (for service of process) Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492



<u>NORTH DAKOTA</u> (state administrator) North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910 (for service of process) Insurance Commissioner North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910	<u>OREGON</u> Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
<u>RHODE ISLAND</u> Securities Division Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733	<u>WASHINGTON</u> (state administrator) Department of Financial Institutions (Mailing Address) P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8715 (for service of process) Department of Financial Institutions (Overnight and for Service of Process) 150 Israel Road S.W. Tumwater, Washington 98501-6456



WISCONSIN

(state administrator)

Division of Securities

Department of Financial Institutions

4822 Madison Yards Way, North Tower

Madison, Wisconsin 53705

(608) 261-9555

(for service of process)

Administrator, Division of Securities

Department of Financial Institutions

4822 Madison Yards Way, North Tower

Madison, Wisconsin 53705



EXHIBIT B
FINANCIAL STATEMENTS



Dave's Hot Chicken Franchising Guarantor, LLC

Financial Statements

August 1, 2025

Dave's Hot Chicken Franchising Guarantor, LLC

Table of Contents

August 1, 2025

	<u>Page</u>
Independent Auditors' Report	1
Balance Sheet	3
Statement of Operations and Member's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

Independent Auditors' Report

To the Member of
Dave's Hot Chicken Franchising Guarantor, LLC

Opinion

We have audited the financial statements of Dave's Hot Chicken Franchising Guarantor, LLC (the Company), which comprise the balance sheet as of August 1, 2025, and the related statements of operations and member's equity and cash flows for the period from July 1, 2025 (Inception) to August 1, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of August 1, 2025, and the results of its operations and its cash flows for the period from July 1, 2025 (Inception) to August 1, 2025, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Baker Tilly US, LLP

Los Angeles, California
September 11, 2025

Dave's Hot Chicken Franchising Guarantor, LLC

Balance Sheet

August 1, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 250,000
---------------------------	------------

Total current assets	250,000
----------------------	---------

Total assets	\$ 250,000
--------------	------------

Member's Equity

Member's Equity	\$ 250,000
-----------------	------------

See notes to financial statement.

Dave's Hot Chicken Franchising Guarantor, LLC

Statement of Operations and Member's Equity

For the Period from July 1, 2025 (Inception) to August 1, 2025

Revenues	\$ -
Operating Expenses	-
Operating Loss	-
Income Taxes	-
Net Loss	-
Member's Equity, Beginning	-
Contributions	250,000
Member's Equity, Ending	\$ 250,000

See notes to financial statement.

Dave's Hot Chicken Franchising Guarantor, LLC

Statement of Cash Flows

For the Period from July 1, 2025 (Inception) to August 1, 2025

Cash Flows from Operating Activities

Net loss	\$ -
----------	------

Net cash used in operating activities	-
---------------------------------------	---

Cash Flows from Financing Activities

Contributions from member	250,000
---------------------------	---------

Net cash provided by financing activities	250,000
---	---------

Net increase in cash and cash equivalents	250,000
---	---------

Cash and Cash Equivalents, Beginning	-
---	---

Cash and Cash Equivalents, Ending	<u><u>\$ 250,000</u></u>
--	--------------------------

See notes to financial statement.

Dave's Hot Chicken Franchising Guarantor, LLC

Notes to Financial Statements

August 1, 2025

1. Nature of Operations

Dave's Hot Chicken Franchising Guarantor, LLC (the Company) was formed as a Delaware limited liability company on July 1, 2025. The Company is 100% owned by a single member, DHC STE Holdco LLC. The Company guarantees the obligations of the franchising subsidiary in connection with the franchising subsidiary's compliance with state, federal, and international franchise laws. The franchising subsidiary is Dave's Hot Chicken Franchise Co. SPV, LLC, a wholly-owned subsidiary of DE STE Holdco LLC.

The activities of the Company are limited to:

- Guaranteeing certain obligations of the franchising subsidiary
- Holding the rights and obligations under certain accounts and other assets, including but not limited to any franchise capital accounts and;
- Entering into other transactions to which it is a party and undertaking any other activities related thereto.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying balance sheet has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented on the accrual basis of accounting.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. As of August 1, 2025, the Company did not have any cash equivalents. The Company maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Franchise fee revenue from the sale of individual franchises will be recognized evenly over the term of the franchise agreement. Unrecognized nonrefundable fees collected in relation to the sale of franchises will be recorded as deferred franchise fee revenue.

In addition to franchise fee revenue, the Company expects to collect a royalty and marketing fee which is a percentage of gross sales from its future franchisees. Royalties and marketing fees will be recognized as revenue as the related sales are made by the future franchisees.

Dave's Hot Chicken Franchising Guarantor, LLC

Notes to Financial Statements

August 1, 2025

Income Taxes

GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions, and has concluded that as of August 1, 2025, there are no positions taken or expected to be taken that would require recognition of a liability (or an asset) or disclosure in the financial statements. Furthermore, under current law, no federal or state income taxes are paid directly by the limited liability company (LLC), as in an LLC, each member is held responsible for his respective share of LLC income or loss.

Litigation

The Company at times is subject to legal proceedings and claims which arise in the ordinary course of its business. It is the opinion of management that the outcome of these matters will have no material adverse effect on the financial position or results of operations of the Company.

Subsequent Events

The Company has evaluated subsequent events through September 11, 2025, the date that the financial statements were available to be issued.

3. Guarantees

The Company established franchise capital accounts in which the Company maintains funds necessary to either provide a guarantee for the franchising subsidiary or to support any franchisor liquidity or net worth requirement, including in respect of eligibility for any exemptions applicable to franchisors or licensors of franchises under the applicable franchise laws. The Company may accept receipt of unrestricted funds credited to such franchise capital account by Dave's Hot Chicken Franchise Co. SPV, LLC, deposit to the franchise capital account the proceeds of capital contributions made to such account and disburse funds from the franchise capital account to fund any loan or advance made in accordance with the base indenture.

GUARANTY OF PERFORMANCE

For value received, Dave's Hot Chicken Franchising Guarantor LLC, located at 600 Playhouse Alley, Unit 504, Pasadena, California 91101 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties of Dave's Hot Chicken Franchise Co. SPV LLC, located at 600 Playhouse Alley, Unit 504, Pasadena, California 91101 (the "Franchisor") under its franchise registration in each state where its franchise is registered or exempt from registration, as applicable, and under its Franchise Agreement as identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended, from time to time. This guaranty continues until all such obligations of the Franchisor under the franchise registration or franchise exemption (as applicable) and Franchise Agreement are satisfied or until liability of the Franchisor under the Franchise Agreement has been completely discharged, whichever first occurs. Guarantor is not discharged from liability if a claim by the franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and on its successors and assigns.

The Guarantor signs this guarantee on the 22 day of SEPTEMBER, 2025.

Guarantor:

DAVE'S HOT CHICKEN FRANCHISING
GUARANTOR LLC


Name: JIM BITTICKS
Title: PRESIDENT & COO

EXHIBIT C
FRANCHISE AGREEMENT



EXHIBIT C



DAVE'S HOT CHICKEN FRANCHISE CO. SPV LLC

FRANCHISE AGREEMENT

BY AND BETWEEN

DAVE'S HOT CHICKEN FRANCHISE CO. SPV LLC

AND



TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
SECTION 1	DEFINITIONS..... 2
SECTION 2	GRANT..... 2
SECTION 3	TERM AND RIGHT TO ENTER INTO SUCCESSOR FRANCHISE AGREEMENT ... 4
SECTION 4	PAYMENTS..... 6
SECTION 5	CONSTRUCTION AND COMMENCEMENT OF BUSINESS..... 10
SECTION 6	TRAINING 16
SECTION 7	DAVE’S HOT CHICKEN OPERATIONS MANUAL, STANDARDS OF OPERATOR QUALITY, CLEANLINESS AND SERVICE..... 19
SECTION 8	ADVERTISING..... 27
SECTION 9	DISTRIBUTION AND PURCHASE OF EQUIPMENT, SUPPLIES, AND OTHER PRODUCTS..... 32
SECTION 10	REPORTS, BOOKS AND RECORDS, INSPECTIONS 36
SECTION 11	TRADEMARKS..... 38
SECTION 12	COVENANTS REGARDING OTHER BUSINESS INTERESTS..... 40
SECTION 13	NATURE OF INTEREST, ASSIGNMENT..... 44
SECTION 14	DEFAULT AND TERMINATION 50
SECTION 15	RIGHTS AND OBLIGATIONS UPON TERMINATION 53
SECTION 16	INSURANCE..... 56
SECTION 17	RELATIONSHIP OF PARTIES, DISCLOSURE, NO RECOURSE 56
SECTION 18	MEDIATION AND ARBITRATION 58
SECTION 19	MISCELLANEOUS PROVISIONS..... 61
SECTION 20	FINANCIAL COVENANT 64
SECTION 21	SUBMISSION OF AGREEMENT..... 64
SECTION 22	ACKNOWLEDGMENT AND REPRESENTATIONS..... 64

ATTACHMENTS:

Appendix 1 - Definitions

Attachment A – Franchise Data Sheet

Attachment B - Entity Information

Attachment C - Continuing Guaranty



DAVE'S HOT CHICKEN FRANCHISE AGREEMENT

THIS **FRANCHISE AGREEMENT** (“**Agreement**”) is made on the effective date identified in Attachment A to this Agreement (the “**Effective Date**”), by and between Dave’s Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company (the “**Franchisor**”) and the franchisee identified in Attachment A to this Agreement (“**Franchisee**”). If more than one person or entity is listed as Franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

A. Franchisor is the owner of the “DAVE’S HOT CHICKEN” name and service mark, and such other trademarks, service marks, logo types and commercial symbols as Franchisor may from time to time authorize or direct Franchisee to use in connection with the operation of the Franchised Restaurant (the “**Marks**”).

B. Franchisor and/or Franchisor’s Affiliates have developed and continue to develop, and Franchisor owns, a system for the operation of fast-casual Restaurants specializing in the sale of Nashville hot chicken tenders and sliders and other authorized foods and beverages, pursuant to the Franchisor’s System, which includes, among other things, distinctive recipes, preparation techniques, product specifications, signs, trade secrets and other confidential information, architectural designs, trade dress, layout plans, uniforms, equipment specifications, inventory and marketing techniques.

C. Franchisee desires to obtain the license and franchise to operate a single Restaurant, under the Marks and in strict accordance with the System, and the standards and specifications established by Franchisor; and Franchisor is willing to grant Franchisee such license and franchise under the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1 DEFINITIONS

1.1 Certain Fundamental Definitions. In addition to those terms defined in the body of this Agreement, many of the capitalized terms contained in this Agreement are defined in Appendix 1.

SECTION 2 GRANT

2.1 Grant. Franchisor hereby awards Franchisee, and Franchisee hereby accepts, the right, license and obligation, during the Term, to use and display the Marks, and to use the System, to operate the Franchised Restaurant upon the terms and subject to the provisions of this Agreement and all ancillary documents hereto.

2.2 No Sublicensing Rights. Franchisee shall not sublicense, sublease, subcontract or enter any management agreement providing for, the right to operate the Franchised Restaurant or to use the System or Marks granted pursuant to this Agreement.



2.3 Territorial Rights.

2.3.1 During the Term, neither Franchisor nor any Affiliate of Franchisor shall open or operate any Restaurant, nor license others to do so, within the geographic area described on Attachment A (the “**Territory**”). If Franchisee is signing this Agreement under an Area Development Agreement, then Franchisee understands and agrees that any Territory Franchisor designates will not extend beyond the borders of the development area described therein.

2.3.2 Except to the limited extent expressly provided in Section 2.3 of this Agreement, the license granted to Franchisee under this Agreement is nonexclusive and Franchisor expressly reserves all other rights including, the exclusive, unrestricted right, in its discretion, directly and indirectly, itself and through its employees, Affiliates, representatives, franchisees, licensees, assigns, agents and others:

(a) to own or operate, and to license others (which may include its Affiliates) to own or operate:

(i) “Dave’s Hot Chicken” Restaurants at any location outside the Territory, and regardless of proximity to the Franchised Restaurant, even if doing so will or might affect the Franchised Restaurant;

(ii) Non-Traditional Restaurants at any location, and of any type whatsoever, within or outside the Territory, and regardless of proximity to the Franchised Restaurant, even if doing so will or might affect the Franchised Restaurant; and

(iii) Restaurants or other businesses operating under names other than “Dave’s Hot Chicken”, at any location, and of any type whatsoever, within or outside the Territory and regardless of their proximity to the Franchised Restaurant;

(b) to produce, license, distribute, market and sell products under the Marks, including “Dave’s Hot Chicken” as well as products bearing other trademarks, including pre-packaged food items, dressings and other food and beverage products, books, clothing, souvenirs and novelty items, through any method of distribution (regardless of its proximity to the Franchised Restaurant opened pursuant hereto), including sales through alternative channels of distribution such as grocery stores, supermarkets and convenience stores, at wholesale or retail, the Internet, delivery, Catering, catalog sales or other direct mail advertising, telemarketing or other direct marketing sales (collectively, the “**Alternative Distribution Channels**”);

(c) to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or corporately owned, including a business that competes directly with the Franchised Restaurant, whether located inside or outside the Territory, provided that, with the exception of Non-Traditional Restaurants, any restaurants located inside of your Territory will not operate under the Marks.

(d) to deliver and cater and/or to license to other Restaurants or third parties to deliver and cater at any location within or outside of the Territory without compensation to Franchisee, and to establish a delivery and Catering policy in the future which may restrict the delivery and Catering jurisdiction of Franchisor or of any franchisees;

(e) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs;



(f) the right to market and sell products and services to national, regional and institutional accounts, whether located inside or outside the Territory. “National, regional and institutional accounts” are organizational or institutional customers whose presence is not confined to the Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of the Territory; government agencies, branches or facilities; healthcare networks; the military; and any other customer whose presence is not confined to the Territory;

(g) to use and license the use of technology to Restaurants and other businesses inside and outside the Territory; and

(h) to engage in any other business activities not expressly prohibited by this Agreement.

2.4 Non-Traditional Restaurants. Franchisee may not operate a Non-Traditional Restaurant except with Franchisor’s prior written consent, which may be withheld in Franchisor’s sole discretion.

SECTION 3

TERM AND RIGHT TO ENTER INTO SUCCESSOR FRANCHISE AGREEMENT

3.1 Initial Term. The term of this Agreement (“**Term**”) shall commence on the Effective Date and shall expire on the Expiration Date identified in Attachment A, unless sooner terminated or extended pursuant hereto.

3.2 Right to Enter into Successor Franchise Agreements.

3.2.1 Subject to the conditions contained in Section 3.4 of this Agreement and Franchisee’s compliance with Section 3.3 of this Agreement, and provided that Franchisor is then currently offering franchises in the same state in which the Franchised Restaurant is located, at the expiration of the Term hereof, Franchisee shall have the right (the “**Successor Franchise Right**”) to enter into a new franchise agreement in the form then generally being offered to prospective franchisees of the System (the “**First Successor Franchise Agreement**”) for a ten year period (the “**First Successor Term**”), which Successor Franchise Agreement shall likewise grant Franchisee the right to enter into one additional franchise agreement at the end of the First Successor Term, in the form then generally being offered to prospective franchisees of the System (the “**Second Successor Franchise Agreement**”) for a ten year period (the “**Second Successor Term**”). Franchisee acknowledges that the terms, including Continuing Royalty and Creative Fund Contribution payable, during the First Successor Term and Second Successor Term shall be as then generally applicable to new franchisees granted at the time and may differ from those contained in this Agreement.

3.2.2 The term of the First Successor Franchise Agreement and the Second Successor Franchise Agreement, as applicable, shall commence upon the date of expiration of the Term hereof or the First Successor Franchise Agreement, as applicable; provided, however, that notwithstanding the terms of Franchisor’s then-current form of Franchise Agreement:

(a) The First Successor Franchise Agreement and the Second Successor Franchise Agreement shall provide that Franchisee must pay, in lieu of an initial franchise fee, a renewal fee in the amount equal to 50% of Franchisor’s then-current initial franchise fee (\$20,000 if Franchisor is not offering franchises for sale); and



(b) The Successor Franchise Right in the First Successor Franchise Agreement and the Second Successor Franchise Agreement shall be modified as set forth above in Section 3.2.1.

3.3 Form and Manner of Exercising Successor Franchise Right. The Successor Franchise Right shall be exercised, if at all, strictly in the following manner:

3.3.1 Between six months and 12 months before the expiration of the Term, Franchisee shall notify Franchisor in writing (“**Notice of Election**”) that it intends to exercise its Successor Franchise Right and no sooner than immediately after the expiration of any waiting period(s) by Applicable Law and no more than 30 days after Franchisee receives Franchisor’s Franchise Disclosure Document, if applicable, and the execution copy of the applicable Successor Franchise Agreement, Franchisee shall execute and forward a copy of Successor Franchise Agreement with the renewal fee described in Section 3.2.2(a).

3.3.2 If Franchisee shall have exercised its Successor Franchise Right in accordance with Section 3.3 of this Agreement and satisfied all of the conditions contained in Section 3.4 of this Agreement, Franchisor shall execute the Successor Franchise Agreement, executed by Franchisee and at or prior to the expiration of the Term, deliver one fully executed copy thereof to Franchisee.

3.3.3 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to the provisions of Sections 3.3 or 3.4 of this Agreement, in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise its Successor Franchise Right and shall automatically cause Franchisee’s said Successor Franchise Right to lapse and expire.

3.4 Conditions Precedent to Entering into a Successor Franchise Agreement. Franchisee’s Successor Franchise Right is conditioned upon Franchisee’s fulfillment of each and all of the following conditions precedent:

3.4.1 At the time Franchisee delivers its Notice of Election to Franchisor and at all times thereafter until the commencement of the applicable Successor Term, Franchisee shall have fully performed, in all material respects, all of its obligations under this Agreement, the Dave’s Hot Chicken Operations Manual and all other agreements then in effect between Franchisee and Franchisor (or its Affiliates).

3.4.2 At Franchisor’s request, Franchisee shall, prior to the date of commencement of the applicable Successor Term, undertake and complete at its expense, the remodeling, renovation, modernization, or refurbishing of the Premises, Location and the Franchised Restaurant, which may include installation of new or replacement equipment, to comply with Franchisor’s then-current specifications and standards for new Restaurants.

3.4.3 Without limiting the generality of Section 3.4 of this Agreement, Franchisee shall not have committed three or more defaults of Sections 4, 7, 9, 10, 11 or 12 of this Agreement during any 36 month period during the Term of this Agreement for which Franchisor shall have delivered notices of default, whether or not such defaults were cured.

3.4.4 Franchisee, and at Franchisee’s direction, Franchisee’s employees, as applicable, shall comply with Franchisor’s then-current qualification, training and certification requirements at Franchisee’s expense.

3.4.5 Concurrently with the execution of the applicable Successor Franchise Agreement, Franchisee shall, and shall cause each of its Affiliates to, execute and deliver to Franchisor a general release,



on a form prescribed by Franchisor of any and all known and unknown claims against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees. The release may cover future consequences of acts, omissions events and circumstances predating the date of the release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the release is executed.

3.5 Notice Required by Law. If Applicable Law requires that Franchisor give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given the notice required by such Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or disclosure document, or is not lawfully able to offer Franchisee its then-current form of franchise agreement, at the time Franchisee delivers its Notice of Election, Franchisor may, in its discretion, (i) offer to renew this Agreement upon the same terms set forth herein for a Successor Term determined in accordance with Section 3.1 of this Agreement hereof, or (ii) offer to extend the Term hereof on a week-to-week basis following the expiration of the Term hereof for as long as it deems necessary or appropriate so that it may lawfully offer its then-current form of franchise agreement.

3.6 Interim Period. If Franchisee does not sign a Successor Franchise Agreement prior to the expiration of this Franchise Agreement and continues to accept the benefits of this Franchise Agreement after the expiration of this Franchise Agreement, then at Franchisor's option, this Franchise Agreement may be treated either as: (i) expired as of the date of expiration with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Interim Period as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Franchise Agreement shall be deemed to take effect upon termination of the Interim Period.

SECTION 4 PAYMENTS

4.1 Initial Franchise Fee. Unless Franchisee is signing this Agreement pursuant to an Area Development Agreement, in which case the payment schedule would be determined by the provisions of such Area Development Agreement, upon execution hereof, Franchisee shall pay to Franchisor the Initial Franchise Fee set forth in Attachment A. The Initial Franchise Fee is non-refundable, in whole or in part, under any circumstances.

4.2 Continuing Royalty. Franchisee shall pay to Franchisor each Week during the Term, as provided in Section 4.11, a continuing royalty (the "**Continuing Royalty**") equal to 6% of Franchisee's Gross Sales during the preceding Week. The Continuing Royalty is an ongoing payment that allows Franchisee to use the Marks and the other intellectual property of the System and that pays for Franchisor's ongoing support and assistance.

4.3 Creative Fund Contribution. Franchisee shall pay to Franchisor each Week during the Term, as provided in Section 4.11, a creative fund contribution equal to 4% of Franchisee's Gross Sales during the preceding Week ("**Creative Fund Contribution**"). Franchisor reserves the right, in its sole discretion, to increase this fee to up to 5% of Franchisee's Gross Sales upon providing Franchisee with thirty (30) days' prior written notice. Franchisor shall contribute the Creative Fund Contribution to the Creative Fund to be administered in the manner provided in Section 8.3 of this Agreement (the "**Creative Fund**").



4.4 Technology and Operations Fee. In addition to any amounts that Franchisee may be required to pay to third-party providers, suppliers or vendors related to the security, computer and technology system to be operated in the Franchised Restaurant, Franchisee must pay Franchisor the then-current technology and operations fee (the “**T&O Fee**”) (currently \$170 to \$500 per outlet, per Week, depending on the number of terminals Franchisee requires, plus a one-time setup fee (the “**Set-up Fee**”), currently between \$1,000 and \$1,400) for operational expenses relating to the Franchised Restaurant and costs incurred by Franchisor for technology management and certain technologies used in the operation of the Franchised Restaurant. Franchisee shall pay Franchisor the Set-up Fee the first Wednesday after entering into the Lease or purchase agreement for the Premises of the Franchised Restaurant. Thereafter, Franchisee shall pay Franchisor the T&O Fee weekly on the day of the week prescribed by Franchisor beginning one month prior to opening the Franchised Restaurant. The T&O Fee is intended to compensate Franchisor for managing the relationship with vendors and suppliers as well as creating, developing, implementing, administering and maintaining technology and operations services to franchisees generally or that are specifically requested by Franchisee. Franchisor reserves the right to: (i) change or add approved suppliers of these services at any time, in Franchisor’s sole discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to Franchisee, in which case Franchisor may charge Franchisee for all amounts that Franchisor must pay to the licensor based on Franchisee’s use of the software or technology; (iii) create proprietary software or technology that must be used by Dave’s Hot Chicken franchisees, in which case Franchisor may require that Franchisee enter into a license agreement with Franchisor and pay Franchisor reasonable initial and ongoing licensing, support and maintenance fees; and (iv) modify or increase the monthly T&O Fee to account for changes, additions and modifications to required hardware and software and for licensing and maintenance costs change the software and technology that must be used by franchisees at any time. There is no limitation on the frequency and cost of Franchisee’s obligation to maintain, update or upgrade its hardware or software. The T&O Fee is non-refundable under any circumstances. Franchisor shall not increase the T&O Fee by more than twenty percent (20%) in any calendar year.

4.5 Guest Survey and Complaint Fee. Franchisee agrees to pay Franchisor its then-current fee (currently \$200 per month) for Franchisor its affiliate or designee to manage customer satisfaction surveys and responses to guest complaints, reviews and comments at the Franchised Restaurant (“**Guest Response and Recovery Management Fee**”). The Guest Response and Recovery Management Fee is in addition to and separate from Franchisee’s Creative Fund Contribution. The Guest Response and Management Fee is not refundable under any circumstances.

4.6 Mystery Shopper Fee. Franchisor reserves the right, upon 30 days’ written notice to require that Franchisee pay Franchisor, its designee or approved vendor the then-current fee (currently \$256 per month) for Franchisor, its affiliate or designee to maintain, administer, direct and prepare a secret shopper initiatives and rewards program (“**Mystery Shopper Fee**”). The Mystery Shopper Fee is in addition to and separate from Franchisee’s Creative Fund Contribution. Except as provided hereunder, the Mystery Shopper Fee is not refundable under any circumstances. Franchisee acknowledges and agrees that, while Franchisor suggests that Franchisee distribute any secret shopper cash rewards that it receives from Franchisor to the Franchised Restaurant employees, these rewards will be distributed based on program results and that Franchisee has the sole responsibility to determine where and how such distributions, if any, are made by Franchisee. Franchisor has the right to modify or discontinue the rewards program and/or the amount or type of any reward in Franchisor’s sole discretion and at any time.

4.7 Food Safety Assessment Fee. Franchisee shall pay to Franchisor, on or before the first Wednesday of each month, its then-current food safety assessment fee (currently, \$100 per month) to allow Franchisor, its affiliate or designee, to maintain, administer, direct and operate a food safety program (the “**Food Safety Assessment Fee**”) The Food Safety Assessment Fee is an ongoing payment that allows



Franchisor, its affiliate or designee to perform quarterly safety assessments of all foods and drinks served at the Franchised Restaurant.

4.8 CTV (Connected TV) Media Fee. Franchisee will pay a one-time “**CTV Media Fee**” which will include connected TV media and “Over the Top” (OTT) geo-targeted, streaming video media and social media. This fee is non-refundable and due to Franchisor or its media agency on invoice, but no later than two months after opening the Franchised Restaurant.

4.9 New Restaurant Opening Fee. If Franchisee is opening its second or third Dave’s Hot Chicken Restaurant, Franchisee must pay Franchisor the new restaurant opening fee listed on Attachment A (the “**New Restaurant Opening Fee**”), which is non-refundable and in consideration of Franchisor’s NRO Team providing Franchisee with New Restaurant Opening assistance as detailed in Section 6.2 below. Franchisor may waive the New Restaurant Opening Fee if Franchisee has a CFTR and Franchisor does not need to provide Franchisee with New Restaurant Opening assistance.

4.10 Unauthorized Advertising Fee. If Franchisee uses any marketing, advertising or promotional materials or campaigns that Franchisor has not approved, Franchisee will pay Franchisor a non-refundable “**Unauthorized Advertising Fee**” of \$500 per occurrence within five days of receiving Franchisor’s invoice.

4.11 Manner of Payment. Franchisee shall calculate the Continuing Royalty and Creative Fund Contribution due to Franchisor as prescribed above and cause Franchisor to receive payment of all Continuing Royalties, Creative Fund Contributions, and all other amounts then owed to Franchisor, together with a statement of Franchisee’s Gross Sales for the applicable Week (certified as complete and accurate by a duly authorized representative of Franchisee), by no later than the Wednesday following such Week. The statement may be provided by software approved by Franchisor. In the event that the software is not functioning or this feature is not available, Franchisee shall prepare and submit the required reports manually.

4.12 EFT and Pre-Authorized Payments.

4.12.1 Franchisee, at Franchisee’s sole cost and expense, shall instruct its bank to pay the amount of its Continuing Royalty, Creative Fund Contribution and other fees directly to Franchisor from Franchisee’s account, by electronic funds transfer or such other automatic payment mechanism which Franchisor may designate (“**EFT**”) and upon the terms and conditions set forth in the Dave’s Hot Chicken Operations Manual, and promptly upon Franchisor’s request, Franchisee shall execute or re-execute and deliver to Franchisor such pre-authorized check forms and other instruments or drafts required by Franchisor’s bank, payable against Franchisee’s bank account, to enable Franchisor to draw Franchisee’s Continuing Royalty, Creative Fund Contributions and other sums payable under the terms of this Agreement. Franchisee must at all times during the term of this Agreement (including any renewal terms) maintain at least one credit card account in good standing and with a minimum available credit line of \$10,000 and complete the credit card authorization form which allows Franchisor to charge the credit card for any past due amounts owed to Franchisor or an approved supplier in the event an EFT payment is unsuccessful. Franchisor’s current form of EFT authorization and credit card authorization is attached to the Franchise Disclosure Document in Exhibit I. Franchisee shall also, in addition to those terms and conditions set forth in the Dave’s Hot Chicken Operations Manual, maintain a single bank account for such payments and shall maintain such minimum balance in such account as Franchisor may reasonably specify from time to time. Franchisee shall not alter or close such account except upon Franchisor’s prior written approval. Any failure by Franchisee to implement such EFT system in strict accordance with Franchisor’s instructions shall, without limiting the materiality of any other default of this Agreement, constitute a material default of this Agreement.



4.12.2 If Franchisee is delinquent more than three times in any continuous 12 month period during the Term in the payment of its Continuing Royalty, Creative Fund Contributions or other fees, or of other sums due to Franchisor or to its Affiliates including on account of the purchase of goods or services, or fails to report its sales on a timely basis, Franchisor may require Franchisee to implement a system prescribed by Franchisor which shall permit Franchisor unilaterally to estimate and draw down the amounts owed by Franchisee, which system may include EFT systems, automatic debits, use of Franchisee pre-authorized checks, other instruments or authority or any other arrangement Franchisor may prescribe. If any payment is made to Franchisor or its Affiliates by credit card for any fee required, Franchisor may charge a service charge to reimburse Franchisor for its costs and expenses in processing the payment. Franchisor may base its estimates of Creative Fund Contributions, Continuing Royalties and similar payments which are calculated based on Gross Sales, on Franchisee's historically reported Gross Sales. Franchisee shall, without limiting the materiality of any other default of this Agreement, promptly implement such system in strict accordance with Franchisor's instructions and failure to do so shall constitute a material default of this Agreement.

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

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

4.13.2 The amount of all sales taxes, use taxes, personal property taxes and similar taxes, which shall be imposed upon Franchisee and required to be collected or paid by Franchisor (a) on account of Franchisee's Gross Sales, or (b) on account of Continuing Royalties, Creative Fund Contributions or Initial Franchise Fees collected by Franchisor from Franchisee (but excluding ordinary income taxes). Franchisor, in its discretion, may collect the taxes in the same manner as Continuing Royalties are collected herein and promptly pay the tax collections to the appropriate Governmental Authority; provided, however, that unless Franchisor so elects, it shall be Franchisee's responsibility to pay all sales, use or other taxes now or hereinafter imposed by any Governmental Authorities on Continuing Royalties, Initial Franchise Fees, or Creative Fund Contributions.

4.13.3 If a state or local law prohibits or restricts Franchisee's ability to pay Franchisor Continuing Royalties or Creative Fund Contributions on alcoholic beverages, then at the time Franchisee pays the Continuing Royalties, it will also pay Franchisor the difference between those fees Franchisee paid Franchisor and the fees that would have otherwise been paid (i.e., the dollar amount of the Continuing Royalties and Creative Fund Contributions that would have been charged on the difference between excluded sales and the Continuing Royalties and Creative Fund Contributions Franchisee actually paid to Franchisor).

4.13.4 If Franchisee and Franchisor enter into any amendment of this Agreement that is initiated by Franchisee then Franchisee shall reimburse Franchisor in an amount equal to the greater of \$500 or Franchisor's attorney's fees and administrative costs in connection with the amendment.

4.13.5 All amounts due for any reason, including on account of purchases of goods, supplies or services relating to the Franchised Restaurant.

4.14 Application of Funds. If Franchisee shall be delinquent in the payment of any obligation to Franchisor hereunder, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Agreement or otherwise, including to Franchisee's vendors, Suppliers and landlord, notwithstanding any contrary designation by Franchisee as to application.



4.15 Interest and Charges for Late Payments. If Franchisee shall fail to pay to Franchisor the entire amount of the Continuing Royalty, Creative Fund Contribution and all other sums owed to Franchisor or its Affiliates promptly when due, Franchisee shall pay, in addition to all other amounts which are due but unpaid, a \$100 late fee per occurrence, plus interest on the unpaid amounts, from the due date thereof, at the daily equivalent of 12% per year simple interest or the highest rate allowable under applicable law, whichever is less. If any check, draft, electronic transfer, or otherwise is unpaid because of insufficient funds or otherwise, then Franchisee shall also pay Franchisor a fee of \$100 per occurrence or the highest amount allowed by law, whichever is less.

4.16 Payment Methods and Frequencies. Franchisor has the right to periodically specify (in the Dave's Hot Chicken Operations Manual or otherwise in writing) different payees, payment frequencies and/or payment methods, such as, but not limited to, weekly/biweekly/monthly payment, payment by auto-draft, credit card and payment by check upon 30 days' written notice to Franchisee.

4.17 CPI Adjustments to Fixed Fees. Except as set forth in Section 4.4 above, all fees expressed as a fixed dollar amount are subject to increase based on changes to the Consumer Price Index ("CPI") in the United States from the date Franchisor implemented the last adjustment to that fee. Franchisor will notify Franchisee of any CPI adjustment at least 60 days before the fee adjustment becomes effective. Franchisor will implement no more than one CPI-related fee adjustment during any calendar year. The fee adjustments will have no impact on fees that are expressed as a percentage of Gross Sales (such as Continuing Royalties).

SECTION 5 CONSTRUCTION AND COMMENCEMENT OF BUSINESS

5.1 Location. The Franchised Restaurant must be established and exclusively operated at the site that Franchisor has approved in accordance with this Agreement ("Location").

5.1.1 The Location shall be identified in Attachment A. If no Location has been inserted in Attachment A, Franchisee shall promptly following the execution hereof, but in any event within 90 days after the Effective Date, locate one or more proposed sites which meet Franchisor's then-current standards and specifications. Franchisee shall submit to Franchisor such demographic and other information regarding the proposed site(s) and neighboring areas as Franchisor shall require, in the form prescribed by Franchisor ("**Site Review Request**"). Franchisor may seek such additional information as it deems necessary within 14 days of submission of Franchisee's Site Review Request, and Franchisee shall respond promptly to such request for additional information. If Franchisor does not deliver written notice of acceptance of the proposed site within 14 days of receipt of Franchisee's fully and accurately completed Site Review Request, or within 14 days after receipt of such additional requested information, whichever is later, the site shall be deemed rejected. If Franchisor accepts the proposed site it shall notify Franchisee of its acceptance of the site. Unless waived by Franchisor in whole or in part, upon submitting a fourth or subsequent Site Review Request to Franchisor for review, Franchisee shall reimburse Franchisor for all costs and expenses of Franchisor incurred in reviewing the Site Review Requests, including payment to consultants and agents retained by Franchisor to assist in conducting such review and including a reasonable allocation of overhead and administrative expenses.

5.1.2 Franchisor's acceptance of any proposed site shall be valid for 70 days. Once a proposed site has been accepted by Franchisor Franchisee shall proceed to negotiate a Lease or purchase agreement for the site and shall submit to Franchisor a copy of the proposed Lease or purchase agreement. Franchisor's acceptance of any proposed site shall be valid for 70 days. If Franchisee fails to provide a proposed Lease or purchase agreement to Franchisor for site an accepted proposed site within 70 days, then



Franchisee must submit a new Site Review Request. Franchisee shall not enter into any Lease or purchase agreement for that has been reviewed and accepted by Franchisor in accordance with Section 5.3.

5.1.3 Franchisee must enter into the purchase agreement or Lease (in which case Franchisee shall cause the landlord to enter into Franchisor's approved form of Lease Addendum) for the Franchised Restaurant the earlier of (i) 150 days following site acceptance; or (ii) 14 days prior to commencement of construction within the proposed site.

5.1.4 Franchisee shall begin operating the Franchised Restaurant within 12 months after the Effective Date, provided however, that if this Agreement is being signed under an Area Development Agreement that the opening deadline for this Franchise Agreement shall be the opening date set forth in the Development Obligation therein.

5.1.5 Franchisee may not conduct any activities associated with Franchisor or the Marks at any location except for operating the Franchised Restaurant in accordance with this Agreement, or other agreement with Franchisor.

5.1.6 Franchisee may not relocate the Franchised Restaurant without Franchisor's prior written consent, for which among other conditions, Franchisor may impose a relocation fee of \$5,000. If Franchisor shall consent to any relocation, Franchisee shall de-identify the former location in the manner described in Section 15.1.5 of this Agreement with respect to Franchisee's obligations upon termination and expiration, and shall reimburse and indemnify and hold Franchisor harmless from any direct and indirect losses, costs and expenses, including attorney's fees, arising out of Franchisee's failure to do so.

5.2 Franchisor Site Selection Assistance. Franchisor is not required to visit any potential location. However, Franchisor may voluntarily (without obligation) assist Franchisee in obtaining or evaluating an acceptable location. Neither Franchisor's said assistance, if any, its acceptance of Franchisee's proposed site, nor its acceptance of the proposed Lease or purchase agreement shall be construed to insure or guarantee the profitable or successful operation of the Franchised Restaurant by Franchisee, and Franchisor hereby expressly disclaims any responsibility therefore. Franchisor's acceptance of a location is solely an indication that the Location meets Franchisor's minimum standards and specifications at the time of acceptance and such acceptance shall not be construed as any express or implied representation or warranty that the Location will be profitable or successful. Franchisee acknowledges its sole responsibility for finding the Location. Franchisee acknowledges its sole responsibility for finding the site for the Franchised Restaurant it develops pursuant to this Agreement.

5.3 Lease or Purchase of Location.

5.3.1 If the Location is leased or subleased, (i) the Lease shall name Franchisee as the sole lessee hereunder and may not be assigned or sublet without Franchisor's prior written consent; (ii) Franchisor shall have the right to review and accept or reject the Lease, a true and correct copy of which shall be delivered to Franchisor at least 15 days prior to the execution thereof; (iii) Franchisee shall neither create nor purport to create any obligations on behalf of Franchisor, nor grant or purport to grant to the lessor thereunder any rights against Franchisor, nor agree to any other term, condition, or covenant which is inconsistent with any provision of this Agreement; (iv) the Lease shall be for a term (including options) which is not less than the Term of this Agreement (plus each Successor Term), unless Franchisor shall approve, in writing, a shorter term of the Lease; (v) the Lease shall not contain a non-competition covenant which purports to restrict Franchisor, or any franchisee or licensee of Franchisor (or its Affiliates), from operating a Restaurant or any other retail establishment, unless such covenant is approved by Franchisor in writing prior to the execution of the Lease; (vi) Franchisee shall duly and timely perform all of the terms, conditions, covenants and obligations imposed upon Franchisee under the Lease; and (vii) a fully executed



copy of said Lease, in the form and on the terms previously accepted by Franchisor, shall be delivered to Franchisor promptly following the execution thereof and upon Franchisor's request. Franchisor may condition its acceptance of the Lease, on (a) Franchisee entering into Franchisor's then-current form of lease addendum (the current form of which is attached to the Franchise Disclosure Document in Exhibit I); (b) the Lease granting Franchisor (or its designee) the right at its option to assume the Lease and succeed to Franchisee's rights under the Lease (or enter into a substitute Lease) on the same terms, upon Franchisee's default thereunder, or hereunder, and upon Franchisee's non-exercise of any renewal or extension rights or options in the Lease; (c) Landlord agreeing not change the traffic flow around the Premises; not to permit the erection of signs or structures which obstruct the view of the Premises or its signage; not to permit any assignment, subleased, modification or amendment without Franchisor's prior written consent; (d) Landlord agreeing to maintain common areas on a consistent basis; to prohibit other Restaurants specializing in chicken for on-site consumption or for delivery in the same center containing the Premises (or nearby centers owned by the same Landlord); to require the Premises shall be constructed and improved pursuant to the Franchise Agreement; and to disclose to Franchisor, upon Franchisor's request, all sales and other information furnished to the Landlord by Franchisee; and (e) Landlord agreeing that upon expiration or termination of the Lease for any reason, Franchisee must remove all of the Marks from the Location and Premises and modify the decor of the Location so that it no longer resembles, in whole or in part, a Restaurant. Franchisor's review and acceptance of the Lease is solely for Franchisor's benefit and is solely an indication that the Lease meets Franchisor's minimum standards and specifications at the time of acceptance for the Lease (which may be different than the requirements of this Agreement). Such review and acceptance shall not be construed as any express or implied representation or warranty that the Lease complies with Applicable Law, that the terms of the Lease are favorable to Franchisee, that the location will be successful, or that the Lease is fair or in Franchisee's best interest.

5.3.2 If Franchisor or its designee elects to succeed to Franchisee's rights under the Lease, as aforesaid, Franchisee shall assign to Franchisor or such designee all of its right, title and interest in and to the Lease, whereupon the lessor thereunder shall attorn to Franchisor or such designee as the tenant thereunder. Franchisee shall execute and deliver to Franchisor or such designee such assignment and take such further action as Franchisor or such designee, as applicable, in its sole and absolute discretion, may deem necessary or advisable to effect such assignment, within ten days after written demand by Franchisor or such designee to do so, and upon Franchisee's failure to do so, Franchisor or such designee shall be, and hereby is, appointed Franchisee's attorney-in-fact to do so. This power of attorney granted by Franchisee to Franchisor and such designee is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Franchisee. Any sum expended by Franchisor or such designee to cure Franchisee's breach of the Lease shall be deemed additional sums due Franchisor hereunder and Franchisee shall pay such amount to Franchisor upon demand. The covenants of Franchisee contained in this Section 5.2 shall survive the termination of this Agreement. Franchisor's acceptance of the Lease shall not constitute Franchisor's assurance that the terms of the Lease are favorable to Franchisee, or that the location will be successful.

5.3.3 Franchisee hereby authorizes Franchisor to communicate with the lessor under the Lease (and hereby authorizes such lessor to communicate with Franchisor) for any purpose, including identification of the Location following the termination or expiration of this Agreement, Franchisee's sales, Franchisee's defaults under this Agreement or the Lease and negotiating a lease for the Location commencing following the termination or expiration of Franchisee's Lease. Franchisee shall at all times fully perform each and all of its obligations under the Lease.



5.4 Construction.

5.4.1 Following the Effective Date and before the renovation or construction of the Franchised Restaurant or the Location, Franchisor shall provide Franchisee with copies of Franchisor's specifications for the design and layout of the Franchised Restaurant and required fixtures, equipment, furnishings, decor, trade dress, and signs. Franchisee shall at its sole cost and expense promptly cause the Premises and Franchised Restaurant to be constructed, equipped, and improved in accordance with such standards and specifications, unless Franchisor shall, in writing, agree to modifications thereof. Franchisee must designate a project coordinator whom Franchisor has approved prior to beginning development of the Franchised Restaurant, the cost of whom shall be borne by Franchisee. Except as otherwise provided in Section 5.4.2, Franchisee shall hire licensed architects, engineers and general contractors of its own selection, and at its sole cost and expense, to prepare such architectural, engineering and construction drawings and site plans, and to obtain all Permits required to construct, remodel, renovate, and/or equip the Franchised Restaurant and Premises. All such plans, and modifications and revisions thereto, shall be submitted to Franchisor for its prior review and acceptance before Franchisee's commencement of construction (within 120 days after Effective Date, unless Franchisor otherwise agrees in writing). If Franchisor shall not deliver written notice to Franchisee that Franchisor accepts such design criteria, the design criteria shall be deemed rejected.

5.4.2 Franchisee must retain one of Franchisor's designated architects to create Franchisee's preliminary floorplan, at Franchisee's sole expense. Franchisee may choose to retain one of Franchisor's designated architects or another architect Franchisor approves, to prepare Franchisee's construction documents. Upon completion of Franchisee's construction documents, if Franchisee has chosen not to use Franchisor's designated architects, Franchisor will require Franchisee to employ Franchisor's designated architect to review and approve the construction documents, at Franchisee's expense. Franchisor's designer will review the construction documents and provide input on the placement of trade dress elements, general restaurant layout and other input as appropriate. Franchisee must retain a construction manager approved by Franchisor to oversee construction, remodeling or other leasehold improvements for the Franchised Restaurant and Premises. If Franchisee elects not to use one of Franchisor's pre-approved construction managers, Franchisee shall submit the information required by Franchisor in order for Franchisor to evaluate whether to approve or disapprove of the nominated construction manager.

5.4.3 Franchisor has the right, but not the obligation, to perform inspections of the Franchised Restaurant and Premises during construction and after construction to ensure that the Franchised Restaurant is built in accordance with the drawings and specifications accepted by Franchisor, and all fixtures, signs, furnishings and equipment are in compliance with Franchisor's standards and specifications. Franchisee may not open the Franchised Restaurant for business until Franchisee has received written authorization to open from Franchisor, which authorization may be conditional and subject to Franchisor's satisfactory inspection of the Franchised Restaurant and Franchisee maintaining the minimum required number of NRO Leaders (defined in Section 6.2), CRMs and CTs (each defined in Section 6.5). If Franchisee operates other franchised restaurants, then Franchisee must be in compliance with all other franchise agreements entered into with Franchisor in order to obtain Franchisor's approval to open the Franchised Restaurant under this Agreement.

5.4.4 Franchisee may from time to time request additional information regarding the design and construction of the Franchised Restaurant, which, if in the possession of Franchisor, shall be provided at no expense to Franchisee. Upon request, Franchisor shall provide additional site visits, project management, design work and equipment purchasing services to Franchisee at Franchisee's sole cost.



5.4.5 Subject only to Force Majeure (provided that Franchisee continuously complies with Section 5.4.7 of this Agreement), Franchisee shall complete construction or renovation, as the case may be, of the Premises, the Franchised Restaurant and all improvements therein, including installation of all fixtures, signs, equipment and furnishings as soon as possible, but in any event within six months after commencement of construction, unless Franchisor consents in writing to a longer period of time. The operation of the Franchised Restaurant by Franchisee shall commence not later than 12 months following the Effective Date.

5.4.6 The time periods for the commencement and completion of construction and the installation of fixtures, signs, machinery and equipment as referred to in this Section 5.4 are of the essence of this Agreement. If Franchisee fails to perform its obligations contained in this Section, Franchisor may, without limiting the materiality of any other default of this Agreement, deem Franchisee's failure to so perform its obligations to constitute a material default of this Agreement.

5.4.7 In the event of the occurrence of an event which Franchisee claims to constitute Force Majeure, Franchisee shall provide written notice to Franchisor in writing within five days following commencement of the alleged Force Majeure which notice shall include the words "Force Majeure" and explicitly describe the specific nature and extent of the Force Majeure, and how it has impacted Franchisee's performance hereunder. Franchisee shall provide Franchisor with continuous updates (no less frequently than once each week) on Franchisee's progress and diligence in responding to and overcoming the Force Majeure, and shall notify Franchisor immediately upon cessation of such Force Majeure, and provide all other information as may be requested by Franchisor. If Franchisee shall fail to notify Franchisor of any alleged Force Majeure within said five days, or shall fail to provide any such updates during the continuance of the alleged Force Majeure, Franchisee shall be deemed to have waived the right to claim such Force Majeure. During the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure (other than the payment of money as may be owed by a party). An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify Franchisor, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect Franchisee's obligations to comply with any restrictive covenants in this Agreement during or after the Force Majeure event.

5.4.8 Franchisor's acceptance of Franchisee's plans and specifications for the Location, Franchisor's guidance with the development of the Location, and Franchisor's authorization to open the Franchised Restaurant are to assure that Franchisee complies with Franchisor's standards and specifications, and shall not be construed as any express or implied representation or warranty that the Location complies with any Applicable Laws, codes or regulations or that the construction is sound or free from defects. Franchisor's criteria for acceptance or rejection do not encompass technical, architectural or engineering considerations. Franchisor will have no liability with respect to construction of the Location, nor shall Franchisor be responsible in any way for delays or losses occurring during the design, construction or other preparation of the Franchised Restaurant, whether caused by the condition of the Location, the design, engineering, construction, equipping, decorating, or stocking of the Franchised Restaurant, or any other reason. Franchisee expressly acknowledges and agrees that Franchisor does not, directly or indirectly, warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvements of the Franchised Restaurant will guaranty Franchisee's success.

5.4.9 During construction, Franchisee shall provide Franchisor with such periodic reports regarding the progress of the construction as may be requested by Franchisor.



(a) In addition, Franchisor shall make such on-site inspections as it may deem reasonably necessary to evaluate such progress, including a pre-opening inspection. If Franchisee requests an on-site inspection, or if Franchisor deems it necessary that more than one on-site inspection be made, Franchisor may require Franchisee to pay all Travel Expenses and Wages incurred by Franchisor in connection with such additional visits. If during such inspections Franchisor identifies instances where Franchisee's construction or remodeling is inconsistent with, or does not meet, Franchisor's standards, Franchisor shall notify Franchisee in writing of such deficiencies, and Franchisee shall promptly correct such deficiencies.

(b) Franchisee shall notify Franchisor 30 days in advance of the scheduled date on which all construction or remodeling shall have been completed in accordance with Franchisor's specifications and all Permits necessary to open to the public shall have been obtained and Franchisee has fully prepared the Franchised Restaurant for turnover by the general contractor to Franchisee for pre-opening training in accordance with Franchisor's policies and specifications (the "**GC Turnover Date**"), and submit training support forms as prescribed by Franchisor at least 20 days in advance of the GC Turnover Date. Franchisor will provide Franchisee a detailed general contractor turnover checklist approximately 14 days before the scheduled GC Turnover Date and schedule a conference call with Franchisee approximately eight days before the scheduled GC Turnover Date to confirm that Franchisor may book travel arrangements. Approximately three days before the GC Turnover Date, Franchisor will schedule a final conference call to confirm the date on which Franchisor will be on-site to review Franchisee's progress. If the GC Turnover Date is delayed or accelerated by more than two days from the date specified during the final conference call, Franchisee must reimburse Franchisor for all resulting additional Travel Expenses and other costs and expenses resulting from changing the travel arrangements of Franchisor Opening Team scheduled to provide training, inspect and assist in opening the completed Restaurant. In addition, if Franchisor deploys the Franchisor Opening Team and the Franchised Restaurant does not timely open then Franchisee is responsible for all costs and expenses as well as salaries for each day that the Franchisor Opening Team has been deployed to the Franchised Restaurant but the Franchised Restaurant has not opened.

(c) Within a reasonable time after the date of the actual completion of construction, Franchisor may, at its option, conduct an inspection of the completed Restaurant. If Franchisor shall conduct such inspection, Franchisor shall notify Franchisee in writing (the "**Punch List**") of those items of such construction which are inconsistent with, or do not meet, Franchisor's standards. Franchisee shall promptly correct the deficiencies listed on the Punch List.

5.5 Maintaining and Remodeling of Franchised Restaurant.

5.5.1 Franchisee shall maintain the condition and appearance of the Franchised Restaurant in a "like new" level of cosmetic appearance consistent with the image of Restaurants as attractive, clean, and efficiently operated, offering high quality food products and beverages, efficient and courteous service, and pleasant ambiance. If at any time in Franchisor's reasonable judgment, the state of repair, appearance or cleanliness of Franchisee's Premises (including the Franchised Restaurant and the non-Restaurant portion of Franchisee's Premises, and parking areas) or its fixtures, equipment, furnishings, signs or utensils fail to meet Franchisor's standards therefor, Franchisee shall immediately upon receipt of notice from Franchisor specifying the action to be taken by Franchisee (within the time period specified by Franchisor), correct such deficiency, repair and refurbish the Franchised Restaurant and Premises, as applicable, and make such modifications and additions to its layout, decor and general theme, as may be required, including replacement of worn out or obsolete fixtures, equipment, furniture, signs and utensils, and repair and repainting of the interior and exterior of the Franchised Restaurant, the Premises and



appurtenant parking areas (if any). Such maintenance shall not be deemed to constitute remodeling, as set forth below.

5.5.2 In addition to Franchisee's obligations under Section 5.5.1, during the Term, but not more frequently than once every five years during the Term and as a condition to Franchisee's exercising its Successor Franchise Right, Franchisor may require Franchisee, at Franchisee's sole cost and expense, to refurbish, remodel and improve the Franchised Restaurant to conform Franchisee's building design, trade dress, color schemes, and presentation of Marks to Franchisor's then-current specified public image (or image implemented or in development at a Restaurant owned or operated by Franchisor or any of its Affiliates). Such a remodeling may include extensive structural changes to the Franchised Restaurant and replacement or modification of furnishings, fixtures and equipment as well as such other changes as Franchisor may direct, and Franchisee shall undertake such a program promptly upon notice from Franchisor, and shall complete any such remodeling as expeditiously as possible, but in any event within 90 days of commencing same (and no later than the commencement of the applicable Successor Term), unless Franchisor expressly agrees to a longer period of time.

5.5.3 If the Franchised Restaurant is damaged or destroyed by fire or any other casualty, Franchisee, within 90 days thereof, shall initiate such repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) such repairs or reconstruction, in order to restore the premises of the Franchised Restaurant to its original condition prior to such casualty; any such repair and reconstruction shall be completed as soon as reasonably practicable but in any event within six months following the event causing the damage or destruction. If, in Franchisor's reasonable judgment, the damage or destruction is of such a nature or to such extent that it is feasible for Franchisee to repair or reconstruct the Location and the Franchised Restaurant in conformance with Franchisor's then standard System decor specifications for new Restaurants, Franchisor may require that Franchisee repair or reconstruct the Premises and Restaurant operated pursuant hereto in conformance with the then standard System decor specifications.

SECTION 6 TRAINING

6.1 Initial Training Program.

6.1.1 Franchisor shall provide an Initial Training Program in Franchisor's System and methods of operation (the "**Initial Training Program**") at Franchisor's training facilities in Pasadena, California, or other location specified by Franchisor for Franchisee (or if Franchisee is an Entity, Franchisee's Operating Principal) and up to three management persons selected by Franchisee for each Franchised Restaurant. Provided such persons attend initial training at the same time, Franchisee shall incur no additional charge for those attendees of Franchisor's Initial Training Program for the first three Franchised Restaurants opened by Franchisee and/or any Affiliate of Franchisee or until Franchisee has a NRO Leader or new restaurant opening certified manager, whichever comes first. Franchisee is required to pay Franchisor's then-current training fee for any additional Franchised Restaurants or additional attendees, including new certifications, re-certifications, multiple certification attempts, or training for newly hired managers or other personnel. In addition to the Initial Training Program, Franchisee's Operating Principal and, if applicable and Director of Operations (defined in Section 7.2.5), must also attend an extra practice week training program at least 60 days before the Franchised Restaurant opens for business (the "**Extra Practice Week**") and online training. If this Franchise Agreement is for Franchisee's first Restaurant, then Franchisee's Operating Principal and, if applicable Director of Operations must also attend the grand opening of another Dave's Hot Chicken franchised restaurant. Except as otherwise provided, the Initial Training Program and the Extra Practice Week shall be provided by Franchisor prior to the opening



of the Franchised Restaurant and must be completed before the Franchised Restaurant opens to the public. Franchisee and Franchisee shall pay all Travel Expenses and Wages, and other expenses, if any, incurred by Franchisee and/or Franchisee's employees in connection with attendance at training programs and attending the grand opening of another Dave's Hot Chicken franchised restaurant. Franchisee may not open the Franchised Restaurant until such training has been completed to the satisfaction of Franchisor and Franchisee's management team has been certified by Franchisor. All personnel attending training must have first successfully completed the "ServSafe Manager" program or similar program specified by Franchisor.

6.1.2 Franchisor shall determine the scheduling, exact duration, contents and manner of conducting the Initial Training Program and the Extra Practice Week, in its discretion. Without limiting the generality of the foregoing, Franchisor may establish certain black-out dates during which it shall not be obligated to provide training (which may include holidays and during its annual conference), or if it agrees to provide training on such dates at Franchisee's request, in its sole discretion, Franchisor may impose additional charges. Franchisor reserves the right to vary the length and content of the Initial Training Program and Extra Practice based upon the experience and skill level of the individual attendee(s).

6.1.3 The Initial Training Program and/or the Extra Practice Week shall not be provided if: (i) Franchisee and/or any Affiliate of Franchisee owns or operates three or more Franchised Restaurants as of the Effective Date (provided Franchisor may, in its sole discretion, require Franchisee and its Operating Principal and CRM and, if applicable, its Director of Operations, to complete the Initial Training Program and/or the Extra Practice Week, at Franchisor's then-current fees for additional certifications or recertification, if Franchisee's (or its Affiliate's) existing Restaurants are not in compliance with Franchisor's standards and specifications), or (ii) this Agreement is executed as a Successor Franchise Agreement.

6.1.4 Franchisee may not employ any manager or appoint any Operating Principal (if an Entity) who does not complete the Initial Training Program to Franchisor's satisfaction. Franchisee acknowledges that because of Franchisor's superior skill and knowledge with respect to the training and skill required to manage the Franchised Restaurant, its judgment as to whether Franchisee or its manager has satisfactorily completed such training shall be determined by Franchisor in its judgment.

6.2 On-Site Opening Assistance. Commencing shortly before and ending shortly after the Franchised Restaurant opens to the public, Franchisor shall provide on-site training to Franchisee's Operating Principal and certified restaurant managers ("CRMs") with a new restaurant opening team ("NRO Team") unless: (i) Franchisee (and/or its Affiliates, collectively) operates four (4) or more Dave's Hot Chicken Restaurants; and (ii) Franchisee is eligible to provide the new restaurant opening training itself according to Franchisor's then-current requirements, which currently require Franchisee to employ an approved NRO Leader, maintain a certified franchise restaurant training location ("CFTR") and maintain the required numbers of CRMs and certified trainers ("CTs"). If applicable, Franchisee agrees to pay Franchisor the fee for Franchisor's NRO Team (the "**New Restaurant Opening Fee**") set forth in Attachment A. If Franchisee has a CFTR at the second or third Dave's Hot Chicken Restaurant and Franchisor is not required to provide New Restaurant Opening assistance, Franchisor may waive the New Restaurant Opening Fee. In addition, in the event of a delay in opening the Franchised Restaurant, Franchisee shall reimburse Franchisor for all costs, expenses and salaries that the NRO Team incurs as a result of such delay. The New Restaurant Opening Fee is due eight weeks before the scheduled opening of the Franchised Restaurant and is not refundable under any circumstances. The duration of on-site assistance, personnel and number of members of the NRO Team will be solely determined by Franchisor.



6.3 Ongoing and Remedial Training. From time to time, Franchisor may require that Franchisee, and its managers and other employees attend system-wide refresher or additional training courses. If Franchisor conducts an inspection of the Franchised Restaurant and determines Franchisee is not operating in compliance with the Franchise Agreement, Franchisor may require that Franchisee and its managers or other personnel attend remedial training that addresses the operational deficiencies. Franchisee must pay Franchisor's then-current training fees and reimburse Franchisor for all Travel Expenses and Wages, and other expenses, incurred by Franchisor in connection with such additional training.

6.4 Other Assistance.

6.4.1 Franchisee shall have the right, at no additional charge, to inquire of Franchisor's headquarters staff, its field representatives and training staff with respect to problems relating to the operation of the Franchised Restaurant, by telephone, electronic mail, or other means of correspondence, and Franchisor shall use its best efforts to diligently respond to such inquiries, in order to assist Franchisee in the operation of the Franchised Restaurant. At no time shall reasonable assistance be interpreted to require Franchisor to pay any money to Franchisee or to defer Franchisees' obligation to pay any sums to Franchisor.

6.4.2 At Franchisee's request, Franchisor may, but shall not be obligated to: (a) cause its field representatives to visit the Franchised Restaurant to advise, consult with, or train Franchisee in connection with its performance and operation of the Franchised Restaurant and Franchisee's compliance with the Operations Manual; or (b) permit Franchisee or certain of its employees to provide assistance, consultation, or additional training at a Restaurant selected by Franchisor. If Franchisor provides such additional assistance, consultation or training to Franchisee: (i) such assistance, consultation or training will be subject to Franchisor's capacity, scheduling, and discretion, but Franchisor shall not be obligated to provide that assistance, consultation or training; (ii) Franchisee shall pay all Travel Expenses and Wages, and other expenses, if any, incurred by Franchisee and/or Franchisee's employees in connection with such additional assistance, consultation, or training; (iii) Franchisor shall not pay any compensation to Franchisee or Franchisee's employees for providing services at Franchisor's or another franchisee's Restaurant in connection with the assistance, consultation, or training; and (iv) Franchisee shall pay such training charges as may be then in effect, and shall reimburse Franchisor for all transportation costs, food, lodging and similar costs incurred by Franchisor and its personnel in connection with such training.

6.4.3 In the event of any sale, transfer, or Assignment, the transferee/assignee must be trained by Franchisor as a condition of Franchisor's consent to such transfer. The Franchised Restaurant shall not be transferred, opened, or re-opened by the transferee until Franchisor accepts the transferee in writing as being qualified to operate the Franchised Restaurant and Franchisor has otherwise consented to the transfer in accordance with this Agreement.

6.5 Certification Training. Franchisee must have the minimum number of certifications required by Franchisor at all relevant times. Franchisor will, at Franchisee's reasonable request, conduct such procedures as it determines necessary to approve a Restaurant as a CFTR. Franchisor reserves the right to decertify and recertify any CFTR, NRO Leader, CRM, or CT. Franchisor will provide certification for Franchisee's first CFTR, first NRO Leader and first CT at no cost. Franchisor will also certify one Operating Principal and Director of Operations of Franchisee (including any Affiliates) at no cost. Franchisor reserves the right to charge its then-current certification and training fees (in addition to being reimbursed all out-of-pocket costs and expenses, including Franchisor's employees' Travel Expenses) for any other, additional, or subsequent certifications, re-certifications, or multiple certification attempts. All certifications and trainings are subject to Franchisor's capacity and scheduling requirements.



6.6 Annual Conference. Franchisee, or if Franchisee is an Entity, its Operating Principal or a major Owner acceptable to Franchisor together with each NRO Leader, CRM and CT must attend Franchisor's annual conference, for which Franchisee must pay a registration fee, regardless of attendance. Franchisee shall be responsible for all of its attendees' Travel Expenses and Wages. However, Franchisor may preclude Franchisee from attending Franchisor's annual conference, while Franchisee is then in default of any agreement with Franchisor or if Franchisee has received two or more notices of Default in the prior twelve months but Franchisee will still be required to pay the conference registration fee.

6.7 Notice. If Franchisee believes Franchisor has failed to adequately provide any training or other pre-opening or opening services to Franchisee as provided in this Agreement, Franchisee will notify Franchisor in writing within 30 days following Franchisor's provision of such training or services. Without timely provision of such notice to Franchisor, Franchisee will be deemed to conclusively acknowledge that all training and pre-opening and opening services required to be provided to Franchisee were sufficient and satisfactory in Franchisee's judgment.

SECTION 7

DAVE'S HOT CHICKEN OPERATIONS, STANDARDS OF OPERATOR QUALITY, CLEANLINESS AND SERVICE

7.1 Compliance with Applicable Law. Franchisee shall operate the Franchised Restaurant as a clean, orderly, legal and respectable place of business in accordance with Franchisor's business standards and merchandising policies and shall comply with all Applicable Laws. Franchisee shall not cause or allow any part of its Location or Premises to be used for any immoral or illegal purpose. Franchisee shall in all dealings with its customers, suppliers, and public officials adhere to high standards of honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action (or failing to take any action) which will cause Franchisor to be in violation of any Applicable Law. Franchisee must comply with our Operations Manual at all times in connection with the Franchised Restaurant. Franchisee shall refrain from engaging in action (or failing to take any action), which in the sole opinion of Franchisor, causes or could cause harm to the Marks, the System and/or the "Dave's Hot Chicken" brand. If Franchisee shall receive any notice, report, fine, test results or the like from the applicable state or local department of health (or other similar Governmental Authority), Franchisee shall send a copy of the same to Franchisor within three (3) days of receiving such notice. Franchisee shall correct any such deficiency noted within 10 days or such fewer number of days as required by the applicable Governmental Authority.

7.2 Operating Principal and Management Employees.

7.2.1 The Operating Principal shall be principally responsible for communicating and coordinating with Franchisor regarding business, operational and other ongoing matters concerning this Agreement and the Franchised Restaurant. The Operating Principal shall have the full authority to act on behalf of Franchisee in regard to performing, administering or amending this Agreement. The Operating Principal shall be vested with the authority and responsibility for the day-to-day operations of the Franchised Restaurant and all other Restaurants owned or operated, directly or indirectly, by Franchisee or its Affiliates within a geographic area specified by Franchisor. The Operating Principal shall, during the entire period he or she serves as such, meet the following qualifications: (a) unless otherwise agreed in writing, shall devote 100% of his/her time and best efforts to the operation of all Restaurants owned or operated, directly or indirectly, by Franchisee or its Affiliates in such geographic area; (b) meet Franchisor's educational, experience, financial and other reasonable criteria for such position, as set forth in the Dave's Hot Chicken Operations Manual or otherwise in writing by Franchisor; (c) be an Owner with 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights in Franchisee; and (d) be an individual acceptable to Franchisor. The Operating Principal must be approved by Franchisor in writing. The



Operating Principal shall be responsible for all actions necessary to ensure that all Restaurants owned or operated, directly or indirectly, by Franchisee in such geographic area are operated in compliance with this Agreement and the Dave's Hot Chicken Operations Manual. If during the Term the Operating Principal is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section (including Franchisor's subsequent disapproval of such person), Franchisee shall promptly notify Franchisor of such occurrence. Thereafter, Franchisee shall promptly, but not later than 30 days after the prior Operating Principal ceases to serve Franchisee, (w) designate a replacement operating principal who meets Franchisor's then-current qualification requirements, (x) provide Franchisor with such information about such new Operating Principal as Franchisor may request, (y) cause such replacement Operating Principal to undergo, at Franchisee's cost, such training as Franchisor may require, and (z) obtain Franchisor's written acceptance of such person as the Operating Principal. Franchisor may, but is not required to, deal exclusively with the Operating Principal in such regards unless and until Franchisor's actual receipt of written notice from Franchisee of the appointment of a successor Operating Principal who shall have been accepted by Franchisor. Franchisee's Operating Principal is identified in Attachment A of this Agreement.

7.2.2 Franchisee shall notify Franchisor in writing at least ten days prior to employing the Operating Principal setting forth in reasonable detail all information reasonably requested by Franchisor. Franchisor's acceptance of the Operating Principal shall not constitute Franchisor's endorsement of such individual or a guarantee by Franchisor that such individual will perform adequately for Franchisee or its Affiliates, nor shall Franchisor be estopped from subsequently disapproving or otherwise challenging such person's qualifications or performance.

7.2.3 Franchisee shall ensure that the operation of the Franchised Restaurant is always under the direct control of the Operating Principal or a CRM. At all times that the Franchised Restaurant is open and at all times which pre-opening or post-closing activities are being undertaken at the Franchised Restaurant, the Franchised Restaurant shall be managed by a person that has successfully completed training (and if required, a person that is certified, by Franchisor in its discretion, for the performance of such responsibilities) and has successfully completed the ServSafe course and such other courses and training as may be specified by Franchisor and/or required by Applicable Law. Each such CRM shall be solely dedicated to the operation of the Franchised Restaurant to which the person is assigned. Franchisee shall supervise, direct and be responsible for in all respects, the activities and performance of all Operating Principals, CRM(s), and other employees of Franchisee, and shall ensure compliance with the Dave's Hot Chicken Operations Manual and otherwise. Franchisor will not have the power to hire or fire Franchisee's employees and/or independent contractors. Franchisee expressly agrees that Franchisor's authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions or operations for the Franchised Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire, or control any such employee or independent contractor. Franchisee alone is responsible for all employment decisions and functions of its Franchised Restaurant, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed Franchisor's employees or subject to Franchisor's control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisee shall state in all job postings and applications that individuals will be hired by Franchisee, not Franchisor. Franchisee agrees to hold itself out to the public as an independent contractor operating the Franchised Restaurant pursuant to a license from Franchisor. Franchisee further agrees that it alone will ensure that its Franchised Restaurants are in compliance with all applicable federal,



state, and local laws and regulations, including labor and employment laws. Franchisor will have no liability for any action or settlement related to hiring, firing, training, scheduling, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and Franchisee agrees to indemnify Franchisor for any such liabilities it incurs. Franchisee agrees that any direction Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing Franchisee's own policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel well-versed in employment law.

7.2.4 Franchisee must have the minimum number of NRO Leaders, CRMs and CTs required by Franchisor in the Dave's Hot Chicken Operations Manual. Currently, Franchisee must have six CRM(s) in the Franchised Restaurant if this is the first Restaurant operated by Franchisee or its Affiliates in the trade area in which it is located for at least the first 30 days of operation, and Franchisee must have a minimum of four CRM(s) if this is the second or subsequent Restaurant in the same trade area for at least the first 30 days of operation, and then Franchisee must have no less than one CRM in the Franchised Restaurant from then on, as well as an adequate staff of employees who have in Franchisor's judgment, been fully and adequately trained.

7.2.5 Commencing on the date which Franchisee, directly or indirectly through one or more Affiliate(s), opens its 2nd Restaurant, and at all times throughout the Term and the term of the franchise agreement for each additional Restaurant, Franchisee or one of its Affiliates shall employ and retain, an individual (the "**Director of Operations**") who shall be vested with the authority and responsibility for the day-to-day operations of all Restaurants owned or operated, directly or indirectly, by Franchisee and its Affiliates. The Director of Operations shall, during the entire period he/she serves as such, unless otherwise agreed in writing by Franchisor devote 100% of his/her time and best efforts solely to the operation of all Restaurants owned or operated, directly or indirectly, by Franchisee and its Affiliates and to no other business activities. The Director of Operations may, with the prior written consent of Franchisor, be the same individual as the Operating Principal. The Director of Operations shall be responsible for all actions necessary to ensure that the Franchised Restaurant is owned or operated, directly or indirectly, by Franchisee in compliance with this Franchise Agreement and the Dave's Hot Chicken Operations Manual. If, during the Term, the Director of Operations is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, Franchisee or its applicable Affiliate shall promptly notify Franchisor and designate a replacement within 30 days after the Director of Operations ceases to serve.

Franchisee shall notify Franchisor in writing at least ten days prior to employing the Director of Operations, if any, setting forth in reasonable detail all information reasonably requested by Franchisor. The Director of Operations must complete Franchisor's training requirements in accordance with the terms set forth in this Agreement and the Dave's Hot Chicken Operations Manual prior to serving in these roles.

7.3 Computer/Information Systems.

7.3.1 Franchisee shall purchase, use and maintain the Information Systems specified in the Dave's Hot Chicken Operations Manual in accordance with Franchisor's standards and specifications as well as any under standards that Franchisor requires. The Information Systems must always be connected to one or more high-speed communications media specified by Franchisor and be capable of accessing the Internet. Franchisee must electronically link the Information Systems to Franchisor or its designee. Franchisee shall allow Franchisor and/or its designee to access the Information Systems and stored files, and to add, remove, configure and modify information systems via any means including electronic polling and uploads, with or without notice. Franchisor may from time to time upon 30 days advance written notice



require Franchisee, at Franchisee's sole cost and expense, to add, update, upgrade or replace the Information Systems, including hardware and/or software. Although Franchisor cannot estimate the future costs of the Information Systems, required hardware, software, or service or support, and although these costs might not be fully amortizable over the time remaining in the Term, Franchisee agrees to acquire and incur the costs of obtaining and implementing the hardware, software and other components and devices comprising the Information Systems (including additions and modifications) and all support services, service and maintenance agreements and subscriptions prescribed by Franchisor to maintain, protect, and interface with Information Systems. Information Systems may be provided directly by third parties or may be sold, licensed or sublicensed by or through Franchisor at a reasonable one-time or recurring charge, and pursuant to forms of agreement prescribed by Franchisor.

7.3.2 Franchisee shall not use or permit the use of the Information Systems for any unlawful or non-business related activity. Franchisee shall not install or use, and shall prohibit others from installing and using, unauthorized hardware or other components and devices, software on or with the Information Systems. Franchisee shall take all commercially reasonable measures to insure that the Information Systems are used strictly in accordance with Franchisor's standards, including security protocols and protective measures including how passwords are assigned and rotated, prescribed limitations regarding which persons Franchisee may permit to access (via LAN, WAN, internet or otherwise), use, perform support and installation functions and conduct transactions with the Information Systems. No virus, Trojan horse, malicious code or other unauthorized code or software is installed on, or transmitted by, the Information Systems. Franchisee shall at all times provide Franchisor with all passwords, access keys and other security devices or systems as necessary to permit Franchisor to access the Information Systems and obtain the data Franchisor is permitted to obtain. Franchisor reserves the right to add, control, modify, govern and block any and all network and internet traffic, ports, protocols, and destinations.

7.3.3 Franchisee shall, upon Franchisor's request transmit email, digital photos and real time video and audio signals of the Franchised Restaurant to, and in the form and manner prescribed by Franchisor. Additionally, Franchisee may be required to purchase and install in-store digital screens as required by Franchisor from Franchisor or its designee and install the same in the Franchised Restaurant which shall display the advertising and information required by Franchisor.

7.3.4 Within a reasonable time upon Franchisor's request, Franchisee shall apply for and maintain systems for use of debit cards, credit cards, credit card vendors, loyalty and gift cards and other non-cash payment methods. Franchisee shall adhere to all PCI (Payment Card Industry), CISP (Cardholder Information Security Program) and SDP (Site Data Protection) compliance specifications, as amended. The term "credit card vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet").

7.3.5 Franchisor requires that the Franchised Restaurant comply with "EMV" and may require that the Franchised Restaurant comply with other standards for credit card usage. The Franchised Restaurant must have at least two EMV terminals. Franchisee is required to pay Franchisor's vendors their then-current monthly fee for obtaining software for each EMV terminal. Franchisor may require that Franchisee install additional payment terminals or automated teller machines for use with such credit cards. Franchisee shall pay the costs of any terminals, software, hardware, or other components necessary to comply with these requirements, and Franchisor reserves the right to require that Franchisee pay any such costs to Franchisor.

7.3.6 Franchisee shall participate in accordance with Franchisor's policies and specifications, including those set forth in the Dave's Hot Chicken Operations Manual, in all types of ordering systems, specified by Franchisor, including online and mobile application programs. Franchisee



will cooperate in all respects to implement, support and maintain such systems, including providing Franchisor and its representatives with access to Franchisee's banking accounts.

7.4 Dave's Hot Chicken Operations Manual. Franchisee shall participate in the System and operate the Franchised Restaurant in strict compliance with the standard procedures, policies, rules and regulations established by Franchisor and incorporated in the Dave's Hot Chicken Operations Manual. Franchisor will provide Franchisee with electronic access to the Dave's Hot Chicken Operations Manual, including bulletins and updates to use during the term of this Agreement.

7.4.1 The subject matter of the Dave's Hot Chicken Operations Manual may include matters such as: forms, information relating to product and menu specifications, purchase orders, general operations, online ordering, gift cards, labor management, Gross Sales reports, training and accounting; sanitation; staff certification, design specifications and uniforms; display of signs and notices; authorized and required Information Systems, equipment and fixtures, including specifications therefor; Mark usage; insurance requirements; lease requirements; ownership requirements, decor; standards for management and personnel, hours of operation; and local advertising formats; standards of maintenance and appearance of the Franchised Restaurant; procedures upon the occurrence of a Crisis Management Event; and required posting of notices to customers as to how to contact Franchisor to submit complaints and feedback; participation in surveys and mystery shopper programs; and such other matters and policies as Franchisor may reasonably elect to include which relate to the System or the franchise relationship under the System. If any of Franchisee's customers contact Franchisor with a complaint or issue, Franchisor may in its sole discretion remedy such complaint or issue in which case Franchisee must reimburse Franchisor for any such remedy deemed appropriate in Franchisor's sole discretion. In the event of the occurrence of a Crisis Management Event, Franchisor may also establish emergency procedures pursuant to which Franchisor may require Franchisee to, among other things, temporarily close the Franchised Restaurant to the public, in which event Franchisor shall not be liable to Franchisee for any losses or costs, including consequential damages or loss profits occasioned thereby. In the event of any dispute as to the contents of the Dave's Hot Chicken Operations Manual, the terms and contents of the master copy maintained by Franchisor shall be controlling.

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

7.4.3 The Dave's Hot Chicken Operations Manual and all amendments to the Dave's Hot Chicken Operations Manual (whether electronic or hard copies thereof) are copyrighted and remain Franchisor's property. They are loaned to Franchisee for the term of this Agreement and must be returned to Franchisor immediately upon this Agreement's termination or expiration. The Dave's Hot Chicken Operations Manual are highly confidential documents which contain certain Trade Secrets of Franchisor. Franchisee shall not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Dave's Hot Chicken Operations Manual without Franchisor's express prior written consent. Franchisee's loss or unauthorized transfer of the Dave's Hot Chicken Operations Manual, or other breach of this Section shall, without limiting the materiality of any other default of this Agreement, constitute a material default of this Agreement.



7.4.4 Franchisee acknowledges that its compliance with the Dave's Hot Chicken Operations Manual is vitally important to Franchisor and to other franchisees and is necessary to protect Franchisor's reputation and the goodwill of the Marks and to maintain the uniform quality of operation for all franchisees. However, while the Dave's Hot Chicken Operations Manual are designed to protect Franchisor's reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of the Franchised Restaurants.

7.5 Hours. Subject to Applicable Law or subsequent written agreement between Franchisor and Franchisee to the contrary, Franchisor and Franchisee agree that Franchised Restaurant shall be open and operational seven days per week, every day of the year (except Thanksgiving and Christmas on which Franchisee is authorized to close the Franchised Restaurant), and at least from 11 AM to 10 PM unless approved in writing. Franchisee shall diligently and efficiently exercise its best efforts to achieve the maximum Gross Sales possible from its Location and shall remain open for longer hours if additional opening hours are reasonably required to maximize operations and sales. Notwithstanding the foregoing, Franchisor may authorize or direct Franchisee and other franchisees to operate during hours and on fewer or more days than are specified in this Agreement.

7.6 Product Line and Service. Franchisee shall advertise, sell and serve all and only those Authorized Products which Franchisor has directed to be advertised, sold and served at or from the Franchised Restaurant. All Authorized Products shall be sold and distributed under the specific name designated by Franchisor and shall be purchased, inventoried, stored, prepared and served strictly in accordance with Franchisor's recipes and specifications. Franchisee shall not remove any Authorized Product from Franchisee's menu without Franchisor's express written approval, nor may Franchisee take any action which is intended to diminish the maximum sales potential of any of the Authorized Products. All sales by Franchisee shall be for retail consumption only.

7.7 Utensils, Fixtures and Other Goods. All products to be used in the operation of the business including tableware, flatware, utensils, glasses, menus and other like articles used in connection with the Franchised Restaurant shall conform to Franchisor's specifications, shall be imprinted with Franchisor's Marks, if and as specified by Franchisor, and shall be purchased by Franchisee from a Supplier approved in writing by Franchisor, as provided in Section 9 of this Agreement. No item of merchandise, furnishings, interior and exterior decor items, supplies, fixtures, equipment or utensils shall be used in or upon any Restaurant unless expressly approved by Franchisor.

7.8 Menus.

7.8.1 Authorized Products shall be marketed by approved menu format(s) to be utilized in the Franchised Restaurant. The approved and authorized menu and menu format(s) may include, in Franchisor's discretion, requirements concerning organization, graphics, product descriptions, illustrations, and any other matters related to the menu(s), whether or not similar to those listed. In Franchisor's discretion, the menu and/or menu format(s) may vary depending upon region, market size, and other factors. Franchisor may change the menu and/or menu format(s) from time to time or region to region or authorize tests from region to region or authorize non-uniform regions or Restaurants within regions. Franchisee shall have ten days to implement all such changes to the menu(s).

7.8.2 Franchisee shall, upon receipt of notice from Franchisor, add, delete, or update any Authorized Products to its menu(s) according to the instructions contained in the notice. Franchisee shall have ten days after receipt of written notice in which to fully implement any such change. Franchisee shall cease selling any previously approved product within ten days after receipt of notice that the product is no longer approved. Franchisor may instruct Franchisee to remove any item from the menu(s) on an emergency basis and Franchisee must comply with such instruction immediately. Franchisor shall not be



liable to Franchisee for any losses sustained by Franchisee in connection with such instruction (or Franchisee's failure to comply with such instruction).

7.8.3 All food products sold by Franchisee shall be of the highest quality, and the ingredients, composition, specifications, and preparation of such food products shall comply with the instructions and other requirements communicated by Franchisor or contained in Franchisor's Dave's Hot Chicken Operations Manual from time to time.

7.8.4 Franchisee is entitled to request that Franchisor approve additional menu items, including food, beverage and merchandise, to be offered at the Franchised Restaurant. Franchisee shall submit a variance request, in writing, that Franchisor approves such additional menu items and the Supplier of such items. Upon receiving the written request, Franchisor shall evaluate the suggested menu items and the Supplier of such items in its sole discretion whether Franchisee shall be permitted to offer such items at the Franchised Restaurant. Upon receiving written approval by Franchisor, Franchisee may offer such additional menu items, subject to any conditions and/or limitations imposed by Franchisor.

7.8.5 If Franchisor, in its discretion, determines that the Franchised Restaurant is a candidate to serve beer and wine and other alcohol, Franchisee shall use all reasonable efforts to promptly secure and maintain in effect all necessary licenses and permits required to offer beer and wine and other alcohol for sale. Franchisee must obtain a retail alcoholic beverage license under state and local law, regulations and ordinances. Franchisees agree to comply with all applicable federal, state, municipal licensing, insurance and other laws and regulations applicable to the sale of alcoholic beverages and to obtain the liquor liability insurance requirements set forth in the Dave's Hot Chicken Operations Manual.

7.9 Notification of Legal Proceedings; and Crisis Management Events.

7.9.1 Franchisee shall notify Franchisor in writing within three days after Franchisee receives actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other Governmental Authority that pertains to the Franchised Restaurant or that may adversely affect Franchisee's operation of the Franchised Restaurant or ability to meet its obligations hereunder, including notice of any failure to strictly comply with any health code or ordinance; and

7.9.2 Franchisee shall provide Franchisor with the contact information of at least two people that Franchisor can contact during a Crisis Management Event. Upon the occurrence of a Crisis Management Event, Franchisee shall immediately (and in any event, no more than 24 hours after the occurrence of a Crisis Management Event) inform Franchisor, as instructed in the Dave's Hot Chicken Operations Manual, by telephone and email (or other electronic messaging medium authorized by Franchisor for this purpose). Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

7.10 Signs. Franchisee shall maintain approved signs and/or awnings at, on, or near the front of the Premises, identifying the Location as a Restaurant, which shall conform in all respects to Franchisor's specifications and requirements and the layout and design plan approved for the Location, subject only to restrictions imposed by Applicable Law. On receipt of notice by Franchisor of a requirement to alter any existing sign on its premises, Franchisee will, at its cost, make the required changes within 30 days, subject to the approval of the lessor if required by Franchisee's Lease. Franchisee will not be required to alter or replace the existing sign more than once every five years.

7.11 Uniforms and Employee Appearance. Franchisee shall cause all employees, while working in the Franchised Restaurant, to: (i) wear uniforms of such color, design, and other specifications as



Franchisor may designate from time to time, and (ii) present a neat and clean appearance. If Franchisor removes the type of uniform utilized by Franchisee from the list of approved uniforms, Franchisee shall have 60 days from receipt of written notice of such removal to discontinue use of its existing inventory of uniforms and implement the approved type of uniform. In no case shall Franchisee permit any employee of Franchisee to wear the required uniform except while working at the Franchised Restaurant; without limiting the generality of the foregoing, the uniform may not be worn off Premises for any other purpose (other than while commuting to and from work at the Franchised Restaurant).

7.12 Vending or Other Machines. Except with Franchisor's written approval, Franchisee shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the Location.

7.13 Co-Branding. Franchisee may not engage in any co-branding in or in connection with the Franchised Restaurant except with Franchisor's prior written consent, in its sole discretion. Franchisor shall not be required to approve any co-branding chain or arrangement. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another entity (not Franchisor) that is featured or incorporated within Franchisee's Premises or is adjacent to Franchisee's Premises and operated in a manner which is likely to cause the public to perceive it to be related to the Franchised Restaurant licensed and franchised hereunder. An example would be an independent ice cream store or counter installed within Franchisee's Premises.

7.14 Intranet.

7.14.1 Franchisor has established and maintains an Intranet through which franchisees of Franchisor may communicate with each other, and through which Franchisor and Franchisee may communicate with each other and through which Franchisor may disseminate the Dave's Hot Chicken Operations Manual, updates thereto and other confidential information. Franchisor shall have discretion and control over all aspects of the Intranet, including the content and functionality thereof. Franchisor will have no obligation to maintain the Intranet indefinitely, and may dismantle it at any time without liability to Franchisee.

7.14.2 Franchisee shall have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time. Such standards and specifications, protocols and restrictions may relate to, among other things, (a) the use of abusive, slanderous or otherwise offensive language in electronic communications, (b) communications between or among franchisees that endorse or encourage Default of any franchisee's franchise agreement, or other agreement with Franchisor or its Affiliates, (c) confidential treatment of materials that Franchisor transmits via the Intranet, (d) password protocols and other security precautions, including limitations on the number and types of employees that may be granted access to the Intranet, (e) grounds and procedures for Franchisor's suspending or revoking a franchisee's access to the Intranet, and (f) a privacy policy governing Franchisor's access to and use of electronic communications that franchisees post to the Intranet. Franchisee acknowledges that, as administrator of the Intranet, Franchisor can technically access and view any communication that any person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

7.14.3 Franchisee shall establish and continually maintain (during all times that the Intranet shall be established and until the termination of this Agreement) an electronic connection (the specifications of which shall be specified in the Dave's Hot Chicken Operations Manual) with the Intranet



that allows Franchisor to send messages to and receive messages from Franchisee, subject to the standards and specifications.

7.14.4 If Franchisee shall default under this Agreement or any other agreement with Franchisor or its Affiliate, Franchisor may, in addition to, and without limiting any other rights and remedies available to Franchisor, disable or terminate Franchisee's access to the Intranet without Franchisor having any liability to Franchisee, and in which case Franchisor shall only be required to provide Franchisee a paper copy of the Dave's Hot Chicken Operations Manual and any updates thereto, if none have been previously provided to Franchisee, unless not otherwise entitled to the Dave's Hot Chicken Operations Manual.

7.14.5 If Franchisor has enabled the Intranet to facilitate Franchisee ordering goods and products from Franchisor and other vendors, then to the maximum extent possible, Franchisee shall order and purchase through the Intranet all good and products available for purchase through the Intranet.

7.15 Gift and Loyalty Cards. Franchisee is obligated to participate in Franchisor's gift and loyalty card program. At Franchisor's discretion, gift and loyalty cards will be made available by Franchisee for purchase and redemption at the Franchised Restaurant.

7.16 Online Ordering. Franchisee shall participate in customer online ordering and/or payment systems and programs which Franchisor may establish and modify from time to time.

7.17 Privacy. Franchisee agrees to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). Franchisee also agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

SECTION 8 ADVERTISING

8.1 General Advertising Requirements. Franchisee shall only use and display approved advertising material provided, from time to time, by Franchisor and shall use and display all material in accordance with Franchisor's policies, standards and specifications. Franchisee must obtain the prior written consent of Franchisor to use and/or display any advertising materials, including, without limitation, all print and electronic advertising, social media postings or listings, website postings or listings, newspaper and magazine advertisements, direct mailers and mail coupons, not provided by Franchisor. Franchisee shall submit all such materials to Franchisor for approval and Franchisor shall grant or deny such approval within 15 days of receiving the materials. If Franchisor has not approved such materials within 15 days, the materials shall be deemed disapproved. If Franchisee uses any marketing, advertising or promotional materials or campaigns that Franchisor has not approved, Franchisee will pay Franchisor an "**Unauthorized Advertising Fee**" of \$500 per occurrence which shall be contributed to the Creative Fund in Franchisor's sole discretion. Any advertising materials or concepts created by Franchisee and approved by Franchisor shall be deemed the sole and exclusive property of Franchisor. Franchisor may, in its discretion, require Franchisee to cease using any advertising materials which it has previously approved and upon receiving notification from Franchisor, Franchisee shall cease using such materials. All of Franchisee's advertising, promotion and marketing materials shall be completely clear, factual and not misleading and conform to



the highest ethical standards and to Franchisor's standards and policies. Franchisee may not market or advertise in violation of Applicable Laws, including federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA. Franchisee shall not in any medium: (a) use abusive, slanderous or otherwise offensive language; (b) endorse or encourage default of any franchisee's franchise agreement, or other agreement with Franchisor or its Affiliates; or (c) take any action or make any statement which would disparage Franchisor or its Affiliates, or impair, damage or harm the name, reputation, or goodwill of the Marks, System and/or the "Dave's Hot Chicken" brand.

8.2 Local Advertising and Promotion.

8.2.1 In addition to the Creative Fund Contributions, Franchisee must spend 1% of annual Gross Sales on local advertising each year ("**Local Advertising Requirement**"). If Franchisee fails to spend the Local Advertising Requirement, Franchisee will be required to pay the difference to the Creative Fund. We may require that you spend a percentage of your Local Advertising Requirement with our approved suppliers, including our supplier(s) that administer TV media and social media. Franchisee agrees, at its sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by Franchisor, and further agrees to honor the rebates, giveaways, and other promotions issued by other Dave's Hot Chicken franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. Franchisee will not create or issue any gift cards/certificates, and will only sell gift cards/certificates that have been issued or sponsored by Franchisor and which are accepted at all Dave's Hot Chicken Restaurants, and Franchisee will not issue coupons or discounts of any type except as approved by Franchisor.

8.3 Creative Fund.

8.3.1 In accordance with Section 4.2 of this Agreement, Franchisee's Creative Fund Contribution shall be applied to the Creative Fund. Franchisor will use the Creative Fund as Franchisor deems appropriate, and in its sole discretion, including for national, regional, or local advertising, public relations or promotional campaigns or programs designed to promote and enhance the image, identity or patronage of franchised, and Franchisor-owned (including Affiliate-owned) Restaurants. Such expenditures may include, but are not limited to: (a) creative development, production and placement of print advertisements, commercials, musical jingles, decals, radio spots, audio advertising, point of purchase materials, direct mail pieces, literature, outdoor advertising, door hangers, electronic media advertisements, and other advertising and promotional material; (b) creative development, preparation, production and placement of video, audio and written materials and electronic media, (c) to purchase artwork and other components for advertising; (d) media placement and buying, including all associated expenses and fees; (e) administering regional and multi-regional marketing and advertising programs; (f) market research, marketing studies and customer satisfaction surveys, including the use of secret shoppers; (g) development and production of, and, to the extent applicable, acquisition of, premium items, giveaways, promotions, contests, public relations events, and charitable or nonprofit events; (h) creative development of signage, posters, and individual decor items including wall graphics; (i) recognition and awards events and programs; (j) system recognition events, including periodic national and regional conventions and meetings; (k) website, extranet and/or Intranet development, implementation and maintenance; (l) development, implementation and maintenance of a website that permits electronic commerce, reservation system and/or related strategies; (m) retention and payment of advertising and promotional agencies and other outside advisors, including retainer and management fees; (n) public relations and community involvement activities and programs; (o) expenditures for activities conducted for the benefit of co-branding, or other arrangements where "Dave's Hot Chicken" brand products and/or services are offered in conjunction with other marks or through alternative channels of distribution; (p) development, amendment and revisions to the standards, policies and procedures set forth in the Dave's Hot Chicken Operations Manual; (q) stadium promotion marketing fees; (r) new product development and testing; (s) public and consumer relations;



(t) payment for other costs and expenses Franchisor and/or its Affiliates incur operating and administering the Creative Fund, including third party fees (such as consultants and agencies) and other indirect costs; (u) an administrative fee not to exceed 16.7% of the annual Creative Fund Contributions received in consideration of Franchisor and/or its Affiliates operating and administering the Creative Fund, which Franchisor will use as Franchisor deems appropriate, in its sole discretion, including, but not limited to, the following: (i) to compensate its and its Affiliates' employees, (ii) for support center overhead, (iii) for research and development, and/or (iv) other costs incurred in connection with the administration of the Creative Fund. Franchisee acknowledges and agrees that Franchisor may retain any amount of the annual administrative fee it collects but does not spend each year; (v) payments for corporate and store-level hosted access from data hosted solutions providers; (w) gift card blanks; and (x) retention and payment of social media agencies.

8.3.2 Franchisor shall determine, in its discretion, the cost, media, content, format, style, timing, allocation and all other matters relating to such advertising, public relations and promotional campaigns. Franchisee acknowledges that not all franchisees may be required to contribute, or contribute the same percentage of Gross Sales, to the Creative Fund and by way of illustration and not limitation, Franchisor may waive or impose lower contribution requirements with respect to Restaurants operating at Non-Traditional Venues, or outside the United States. Nothing herein shall be construed to require Franchisor to allocate or expend Creative Fund contributions or allocations so as to benefit any particular franchisee, Franchisee or group of franchisees or franchisees on a pro rata or proportional basis or otherwise. Except as directed in writing by Franchisor, Franchisee must participate in all advertising, marketing, promotions, research and public relations programs instituted by the Creative Fund. Franchisor may make copies of advertising materials available to Franchisee with or without additional reasonable charge, as determined by Franchisor. Any additional advertising shall be at the sole cost and expense of Franchisee. The Creative Fund shall, as available, provide to Franchisee marketing, advertising and promotional formats and sample materials at the Creative Fund's direct cost of producing such items, plus shipping and handling.

8.3.3 Franchisor (or its Affiliates) may receive payments, rebates, allowances, credits, or other material consideration from approved or designated Suppliers based on purchases made by participating Dave's Hot Chicken Restaurant owners (including Franchisee, other franchisees and Franchisor and its Affiliates that own Restaurants, the "**Restaurant Owners**"). The rebate under Franchisor's current beverage supply agreement (the "**BSA**") is currently \$7.50 per gallon purchased by Restaurant Owners, and beginning on January 1, 2027, will increase to \$9.00 per gallon purchased by Restaurant Owners. These rebates will be distributed pro rata to participating Restaurant Owners based on their respective purchases. If the terms of the BSA change and the BSA rebate to Restaurant Owners is less than the required BSA rebate (\$7.50 or \$9.00), Franchisor will allocate up to 50% of the rebates received from other approved Suppliers to Restaurant Owners to make up the difference so that Restaurant Owners may still realize the total required BSA rebate (\$7.50/\$9.00).

8.3.4 Subject to the limited exception provided in the preceding paragraph, for all other payments, rebates, allowances, credits or other material consideration Franchisor receives from approved or designated Suppliers, Franchisee acknowledges and agrees that Franchisor may retain or use any amounts so received without restriction, in Franchisor's sole discretion, and for any purpose; provided, however, Franchisor (i) shall not enter into above-market pricing arrangements with Suppliers in order to earn higher rebates; (ii) shall engage a third-party within sixty (60) days of the end of each calendar year during the Term to review (a) new supply agreement(s) signed with required Suppliers during the preceding calendar year, and/or (b) any material modifications to an existing supply agreement with a required Supplier that occurred during the preceding calendar year, to assess whether the prices and terms of such supply agreement are consistent with market value at the time such supply agreement was entered into or modified,



considering factors including the market rates offered by other third-party suppliers for products or supplies of comparable quality and specifications, the reputation of the Supplier, the Supplier's ability to meet system-wide volume and geographic demands, and other material terms that Franchisor requires; and (iii) shall be solely responsible for all costs and expenses incurred in managing the supply chain, including any fees charged by a third-party consultant. In connection with a third-party's review of a new or materially modified supply agreement that relates to the top 10 products or supplies purchased by Dave's Hot Chicken franchisees in the United States, Franchisor shall provide Dave's Collaborating Counsel (the "DCC") with a report reflecting the third-party's assessment.

8.3.5 Franchisor may either (i) hold the Creative Fund contributions Franchisor receives from franchisees in a separate account administratively segregated on Franchisor's books and records, or (ii) transfer the Creative Fund Contributions to a separate Entity to which Franchisor has assigned or delegated the responsibility to operate and maintain the Creative Fund. Nothing herein shall be deemed to create a trust fund, and Franchisor may commingle Creative Fund Contributions with its general operating funds and expend such sums in the manner herein provided. For each Restaurant that Franchisor or any of its Affiliate operates, Franchisor or such Affiliate will similarly allocate to the Creative Fund the amount that would be required to be contributed to the Creative Fund if it were a Franchised Restaurant.

8.3.6 If less than the total of all contributions and allocations to the Creative Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions to the Creative Fund in that year and may cause the Creative Fund to borrow funds to cover deficits or invest surplus funds. If Franchisor (or an Affiliate) advances money to the Creative Fund, it will be entitled to be reimbursed for such advances. Any interest earned on monies held in the Creative Fund may be retained by Franchisor for its own use in its discretion. Within 60 days following each fiscal year, Franchisor shall prepare a statement of contributions and expenditures for the Creative Fund and, upon Franchisee's written request, Franchisor shall provide such information to Franchisee.

8.4 Promotional Campaigns. From time to time during the term hereof, Franchisor shall have the right to establish and conduct promotional or discount campaigns on a national or regional basis, which may by way of illustration and not limitation promote particular products or marketing themes. Franchisee agrees to participate in such rebates, giveaways, promotional or discount campaigns upon such terms and conditions as Franchisor may establish in accordance with all Applicable Laws, including minimum and maximum price policies and minimum advertised price policies. Franchisee acknowledges and agrees that such participation may require Franchisee to purchase point of sale advertising material, posters, flyers, product displays and other promotional material (unless provided at no charge through the Creative Fund). Franchisee must also provide those services and other items that Franchisor specifies on such terms and at such rates, including free-of-charge, as Franchisor may specify. Franchisee agrees to conduct all such promotional campaigns in accordance with such policies and provisions with respect to format, content, media, geographic coverage and other criteria as are from time to time contained in the Dave's Hot Chicken Operations Manual, or as otherwise directed by Franchisor, and which presently includes offering one day of free chicken to consumers. Franchisee shall not use or publish any advertising material which does not conform to said policies and provisions.

8.5 Internet.

8.5.1 Franchisee shall not develop, create, generate, own, license, lease, participate in or use in any manner any computer medium or electronic medium (including any Internet home page, email address, website, domain name, bulletin board, social media site, PR publication, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Marks, or any



of them, or any words, symbols or terms confusingly similar thereto without Franchisor's express prior written consent, and then only in such manner and in accordance with such procedures, policies, standards and specifications as Franchisor may establish from time to time. Franchisee may not independently market its Franchised Restaurant or discuss the Franchised Restaurant, Franchisor, or Franchisor's Affiliates through the Internet, social media, blogs or crowdfunding campaigns, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to Franchisor's Marks.

8.5.2 Franchisor has established one or more Internet web sites. Franchisor shall have discretion over the design, content and functionality of such web sites. Franchisor may include one or more interior pages that identifies restaurant operated under the Marks, including the Franchised Restaurant, by among other things, geographic region, address, telephone number(s), and menu items. Such web site(s) may also include one or more interior pages dedicated to the sale of franchises by Franchisor and/or relations with Franchisor's or its Affiliate's investors. Franchisor may permit Franchisee to periodically select from Franchisor's designated alternative design elements for an interior page (or portion thereof) dedicated to the Franchised Restaurant. Such designated alternative design elements may change from time to time. Franchisor will implement any such designated design elements or changes promptly, subject to Franchisor's business needs and scheduling availability. Franchisor may disable or terminate such website(s), in whole or in part, without Franchisor having any liability to Franchisee.

8.5.3 Franchisee acknowledges and agrees that Franchisor (or its Affiliate) is the owner of, and will retain all right, title and interest in and to (i) the www.daveshotchicken.com domain name and URL; all existing and future domain names, URLs, future addresses and subaddresses using the Marks in any manner; (ii) means all computer programs and computer code (e.g., HTML, XML DHTML, Java) used for or on Franchisor's web site(s), excluding any software owned by third parties; (iii) all text, images, sounds, files, video, designs, animations, layout, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through Franchisor's web site(s); and (v) all intellectual property rights in or to any of the foregoing.

8.6 Local Advertising Cooperative. Franchisee may be required to participate in any local or regional advertising cooperative for Dave's Hot Chicken Restaurants that are established. The area of each local and regional advertising cooperative will be defined by Franchisor, based on Franchisor's assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative of up to 2% of monthly Gross Sales for each Restaurant that the franchisee owns that exists within the cooperative's area. Each Restaurant that Franchisor owns that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. Franchisor may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. Franchisor reserves the right to form, change, dissolve or merge any advertising cooperative formed in the future. If Franchisor elects to form such cooperatives, or if such cooperatives already exist near Franchisee's Territory, Franchisee will be required to participate in compliance with the provisions of the Operations Manual, which Franchisor may periodically modify at Franchisor's discretion. Any contributions that Franchisee is required to make to any such cooperative may be applied towards the Local Advertising Requirement.

8.7 Advertising Council. Franchisor has formed, an advisory council ("**Council**") to advise Franchisor and provide input on virtually all advertising materials and promotions. Members of the Council consist of both franchisees and corporate representatives. Members of the Council are selected by way of a voting method specified in the Council's bylaws. The Council is governed by bylaws. The Council provides input regarding the Brand Fund and promotes communications between Franchisor and all



Franchisees. The Council serves in an advisory capacity only. Franchisor has the power to form, change, or dissolve the Council, in Franchisor's sole discretion.

8.8 Grand Opening Advertising. Franchisor or its designee will conduct certain pre-opening and grand opening advertising for the Franchised Restaurant. Franchisee agrees to purchase a grand opening kit from Franchisor or its designee and to pay Franchisor or its designee for all pre-opening and grand opening advertising that Franchisor or its designee conducts immediately upon invoice.

SECTION 9 DISTRIBUTION AND PURCHASE OF EQUIPMENT, SUPPLIES, AND OTHER PRODUCTS

9.1 Dave's Hot Chicken Brand Products. At all times throughout the Term, Franchisee shall purchase and maintain in inventory such types and quantities of Authorized Products as are needed to meet reasonably anticipated consumer demand. Franchisee shall purchase Authorized Products solely and exclusively from Franchisor or its designees.

9.2 Proprietary Products. Franchisor may, from time to time throughout the Term, require that Franchisee purchase, use, offer and/or promote, and maintain in stock at the Franchised Restaurant: (i) in such quantities as are needed to meet reasonably anticipated consumer demand, certain proprietary products, sauces, dressings, condiments, beverages, food products and other ingredients and raw materials, which are grown and produced or manufactured in accordance with Franchisor's Trade Secrets, proprietary recipes, specifications and/or formulas or which Franchisor designates as "proprietary," and (ii) certain packaging, Information Systems, other products, supplies, services and equipment designated by Franchisor as "proprietary" ("**Proprietary Products**"). Franchisee shall purchase Proprietary Products only from Franchisor or its Affiliates (if they sell the same), or Franchisor's designees. Franchisor shall not be obligated to reveal such Trade Secrets, recipes, specifications and/or formulas of such Proprietary Products to Franchisee, non-designated suppliers, or any other third parties.

9.3 Non-Proprietary Products. Franchisor may designate certain food products, condiments, merchandise, beverages, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, services, menus, packaging, forms, Information Systems, and other products, supplies, services and equipment, other than Proprietary Products, which Franchisee may or must use and/or offer and sell at the Franchised Restaurant ("**Non-Proprietary Products**"). Franchisee may use, offer or sell only such Non-Proprietary Products that Franchisor has expressly authorized, and that are purchased or obtained from Franchisor or a producer, manufacturer, distributor, supplier or service provider ("**Supplier**") designated or approved by Franchisor pursuant to Section 9.3.2 of this Agreement.

9.3.1 Franchisee may purchase authorized Non-Proprietary Products from: (i) Franchisor or its Affiliates (if they sell the same); (ii) Suppliers designated or approved in writing by Franchisor; or (iii) Suppliers selected by Franchisee and approved in writing by Franchisor prior to Franchisee making such purchase(s); *provided, however*, that if this is one of the first three Restaurants developed by Franchisee or its Affiliates, Franchisee must purchase certain Non-Proprietary Products that Franchisor designates only from Franchisor or Suppliers it designates, including new equipment for all items that impact food production and the guest experience, and large equipment and small wares. Each such Supplier designated by Franchisor must comply with Franchisor's usual and customary requirements regarding insurance, indemnification, and non-disclosure, and shall have demonstrated to the reasonable satisfaction of Franchisor: (a) its ability to supply a Non-Proprietary Product meeting the specifications of Franchisor, which may include specifications as to brand name, model, contents, manner of preparation, ingredients, quality, freshness and compliance with governmental standards and regulations; (b) its



reliability with respect to delivery and the consistent quality of its products or services; and (c) its ability to meet such other requirements as determined by Franchisor to be in the best interest of the system.

9.3.2 If Franchisee should desire to procure authorized Non-Proprietary Products from a Supplier other than Franchisor or one previously approved or designated by Franchisor (and not subsequently disapproved), Franchisee shall deliver a written variance request to Franchisor of its desire to seek approval of such Supplier, which notice shall: (a) identify the name and address of such Supplier; (b) contain such information as may be requested by Franchisor or required to be provided pursuant to the Dave's Hot Chicken Operations Manual (which may include reasonable financial, operational and economic information regarding its business and its product); and (c) identify the authorized Non-Proprietary Products desired to be purchased from such Supplier. Franchisor shall, upon request of Franchisee, furnish to Franchisee the general, but not manufacturing, specifications for such Non-Proprietary Products if such are not contained in the Dave's Hot Chicken Operations Manual. Franchisor may thereupon request that the proposed Supplier furnish Franchisor at no cost to Franchisor, product samples, specifications and such other information as Franchisor may require. Franchisor or its representatives, including qualified third parties, shall also be permitted to inspect the facilities of the proposed Supplier and establish economic terms, delivery, service and other requirements consistent with other distribution relationships for other Restaurants.

9.3.3 Franchisor will use its good faith efforts to notify Franchisee of its decision within 30 days after Franchisor's receipt of Franchisee's request for approval and other requested information and items in full compliance with this Section; should Franchisor not deliver to Franchisee, within 30 days after it has received such notice and all information and other items requested by Franchisor in order to evaluate the proposed Supplier, a written statement of approval with respect to such Supplier, such Supplier shall be deemed disapproved as a Supplier of the authorized Non-Proprietary Products described in such notice. Nothing in this Section shall require Franchisor to approve any Supplier, and without limiting Franchisor's right to approve or disapprove a Supplier in its discretion, Franchisee acknowledges that it is generally disadvantageous to the system from a cost and service basis to have more than one Supplier in any given market area and that among the other factors Franchisor may consider in deciding whether to approve a proposed Supplier, it may consider the effect that such approval may have on the ability of Franchisor and its Franchisees to obtain the lowest distribution costs and on the quality and uniformity of products offered system-wide. Without limiting the foregoing, Franchisor may disapprove a proposed Supplier, if in Franchisor's opinion, the approval of the proposed Supplier would disrupt or adversely impact Franchisor's national or regional distributional arrangements. Franchisor may also determine that certain Non-Proprietary Products (e.g. beverages) shall be limited to a designated brand or brands set by Franchisor which brand(s) it may change from time to time. Franchisor may revoke its approval upon the Supplier's failure to continue to meet any of Franchisor's criteria. Franchisee agrees that at such times that Franchisor establishes a regional purchasing program for any of the raw materials used in the preparation of Authorized Products or other Non-Proprietary Products used in the operation of the Franchised Restaurant, which may benefit Franchisee by reduced price, lower labor costs, production of improved products, increased reliability in supply, improved distribution, raw material cost control (establishment of consistent pricing for reasonable periods to avoid market fluctuations), improved operations by Franchisee or other tangible benefits to Franchisee, Franchisee will participate in such purchasing program in accordance with the terms of such program.

9.3.4 As a further condition of its approval, Franchisor may require a Supplier to agree in writing: (i) to provide from time to time upon Franchisor's request free samples of any Non-Proprietary Product it intends to supply to Franchisee, (ii) to faithfully comply with Franchisor's specifications for applicable Non-Proprietary Products sold by it, (iii) to sell any Non-Proprietary Product bearing the Marks only to franchisees and Franchisees of Franchisor and only pursuant to a trademark license agreement in



form prescribed by Franchisor, (iv) to provide to Franchisor duplicate purchase invoices for Franchisor's records and inspection purposes and (v) to otherwise comply with Franchisor's reasonable requests.

9.3.5 Franchisor will not charge Franchisee for reviewing Franchisee's first request in any service or product category for approval of a supplier, however Franchisor reserves the right to charge a fee for the cost of inspection and review for each additional submission in the same category.

9.3.6 Franchisee shall at all times remain current and fully comply and perform each of its obligations to its landlord, vendors and Suppliers.

9.4 Purchases from Franchisor or its Affiliates.

9.4.1 When and if Franchisor begins to manufacture and/or distribute goods, products or supplies, all goods, products, and supplies purchased from Franchisor or its Affiliates shall be purchased in accordance with the purchase order format issued from time to time by Franchisor (or the applicable Affiliate), the current form of which shall be set forth in the Dave's Hot Chicken Operations Manual, and in accordance with the policies set forth in the Dave's Hot Chicken Operations Manual, if any. Franchisor (or such Affiliate) may change the prices, delivery terms and other terms relating to its sale of goods, services, products and supplies ("**Goods and Services**") to Franchisee on prior written notice, provided, that such prices shall be the same as the prices charged to similarly situated Franchisees (excluding shipping, transportation, warehousing, insurance and related costs and expenses). Such prices shall be Franchisor's (or the Affiliate's) then-current prices, which may change from time to time. Franchisee further acknowledges that prices Franchisor (or the applicable Affiliate) charges to Franchisee may include a profit to Franchisor and may be higher than Franchisor's (or its Affiliate's) internal prices allocated or charged to Franchisor or Affiliate-owned Restaurant. Presently, Franchisor (or its Affiliate) expects to receive a mark-up based on its or their cost of goods sold. Franchisor (or the applicable Affiliate) in its discretion, may discontinue the sale of any Goods or Services at any time if in Franchisor's (or the applicable Affiliate) judgment its continued sale becomes unfeasible, unprofitable, or otherwise undesirable. Franchisor (or the applicable Affiliate) shall not be liable to Franchisee for unavailability of, or delay in shipment or receipt of, merchandise because of temporary product shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strikes, work stoppages, or other causes beyond the reasonable control of Franchisor (or the applicable Affiliate). If any goods or products sold by Franchisor (or the applicable Affiliate) are not in sufficient supply to fully fulfill all orders therefor, Franchisor (or the applicable Affiliate) may allocate the available supply among itself, its Affiliates and others, including Franchisee and other franchisees, in any way Franchisor (or the applicable Affiliate) deems appropriate, which may result in Franchisee not receiving any allocation of certain goods or products as a result of a shortage. All product orders by Franchisee shall be subject to acceptance by Franchisor (or the applicable Affiliate) at Franchisor's (or the applicable Affiliate's) designated offices, and Franchisor (or the applicable Affiliate) reserves the right to accept or reject, in whole or in part, any order placed by Franchisee. Franchisee shall submit to Franchisor (or the applicable Affiliate), upon written request, financial statements which contain sufficient information to enable Franchisor to determine the credit limits, if any, to be extended to Franchisee. Franchisor (or the applicable Affiliate), in its sole discretion, may establish the credit terms, if any, upon which it will accept Franchisee's orders, and may require Franchisee to pay for orders on a cash-in-advance or cash-on-delivery basis.

9.4.2 Each order placed by Franchisee, whether oral or written, for any product shall be deemed to incorporate all of the terms and conditions of this Agreement, shall be deemed subordinate to this Agreement in any instance where any term or condition of such order conflicts with any term or condition of this Agreement, and shall include such information as Franchisor (or the applicable Affiliate) may from time to time specify, and shall be submitted on such form of purchase order as may be prescribed



by Franchisor from time to time. No purchase order submitted by Franchisee shall contain any terms except as approved in writing by Franchisor (or the applicable Affiliate), nor be deemed complete unless all of the information required by the prescribed purchase order form, as revised from time to time, is provided by Franchisee. No new or additional term or condition contained in any order placed by Franchisee shall be deemed valid, effective or accepted by Franchisor unless such term or condition shall have been expressly accepted by Franchisor (or the applicable Affiliate) in writing.

9.4.3 Franchisor (or the applicable Affiliate) shall not be liable to Franchisee on account of any delay or failure in the manufacture, delivery or shipment of goods or products caused by Force Majeure or other events or circumstances beyond Franchisor's (or the applicable Affiliate) reasonable control including such events as labor or material shortages, conditions of supply and demand, import/export restrictions, or disruptions in Franchisor's (or the applicable Affiliate's) supply sources.

9.4.4 Franchisor (or the applicable Affiliate) may act as a Supplier of goods, services, products, and/or supplies purchased by Franchisee, and Franchisor (or its Affiliate) may be designated as the sole Supplier of any such Goods or Services. On the expiration or termination of this Agreement, or in the event of any default by Franchisee of this Agreement, Franchisor (or the applicable Affiliate) shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by Franchisee, and Franchisor may notify its approved Suppliers of any impending termination or expiration of this Agreement and may, among other things, instruct such Suppliers to deliver only such quantity of Proprietary Products as is reasonably necessary to supply Franchisee's needs prior to the expiration or termination date of this Agreement.

9.4.5 From time to time upon Franchisor's (or the applicable Affiliate's) request, Franchisee shall promptly estimate the level of purchases that Franchisee expects to make from Franchisor (or the applicable Affiliate) over the two weeks following the date of the request.

9.5 Rebates. Franchisor (or its Affiliates) may collect rebates and allowances and credits from Suppliers in the form of cash or services or otherwise from Suppliers based on purchases or sales by Franchisee in accordance with Franchisor's rights in Section 8.3.3 and Section 8.3.4 above.

9.6 Test Marketing. Franchisor may, from time to time, authorize Franchisee to test market products and/or services in connection with the operation of the Franchised Restaurant. Franchisee shall cooperate with Franchisor in connection with the conduct of such test marketing and shall comply with Franchisor's rules and regulations established from time to time in connection herewith.

9.7 Customer Reporting and Comments.

9.7.1 At Franchisor's request, and subject to applicable law, Franchisee shall use reasonable efforts to secure the names, addresses and other information reasonably required by Franchisor, of Franchisee's customers at the Franchised Restaurant and shall allow such information to be used by Franchisor only for the "Dave's Hot Chicken" brand. Franchisee may not divulge such customer names, addresses or other information, with or without remuneration, to any third party. Franchisee shall respond promptly to each customer inquiry or complaint and resolve all reasonable complaints to the customer's satisfaction.

9.7.2 At Franchisor's request, Franchisee shall purchase, use and display in the Franchised Restaurant during all operating hours, any required, as specified in the Operations Manual, physical or electronic devices or systems to gather customer information and comments regarding their experience at the Franchised Restaurant, or "Dave's Hot Chicken" Restaurants in general.



9.8 Catering and Delivery.

9.8.1 Franchisee must follow Franchisor's delivery and Catering policies and procedures in the Operations Manual, which may require Franchisee to provide Catering and delivery services and/or utilize third-party delivery services (e.g. Uber Eats, Grubhub, DoorDash, etc.) or may restrict the areas in which Franchisee may offer delivery services and/or Catering services. Franchisee acknowledges that Franchisor's delivery and Catering policies and procedures may allow other Restaurants to provide delivery services and/or Catering services in Franchisee's Territory and may allow Franchisee to provide delivery services and/or Catering services outside of Franchisee's Territory. Franchisor may require Franchisee to discontinue Catering or delivery services.

9.8.2 Franchisor in its sole discretion may offer a non-exclusive delivery system, including without limitation, a call-ahead, internet-order, mobile application or other similar program in areas determined by Franchisor in its sole discretion from time to time (the "**Delivery System**") through, without limitation, a delivery structure that may involve a third-party service provider, Franchisor or its Affiliate, one telephone number and/or through the internet to be for use by some or all businesses using the System. Franchisee shall participate in any such Delivery System in accordance with the Operations Manual. Franchisee shall execute all documents required by Franchisor relating to Franchisee's participation in the Delivery System and shall be responsible for all fees and charges from Franchisor, its Affiliate or its designated supplier for the Franchisee's participation in the Delivery System, including, without limitation, per order or transaction fees, charges for all capital costs, operating costs and overhead incurred in the establishment and operation of the Delivery System.

SECTION 10 REPORTS, BOOKS AND RECORDS, INSPECTIONS

10.1 General Reporting. Franchisee shall, as and when specified by Franchisor, submit to Franchisor statistical control forms and such other financial, operational and statistical information (by paper, facsimile, email, or other method of transmission) as Franchisor may require to: (i) assist Franchisee in the operation of the Franchised Restaurant in accordance with the System; (ii) allow Franchisor to monitor Franchisee's Gross Sales, purchases, costs and expenses; (iii) enable Franchisor to develop chain wide statistics which may improve bulk purchasing; (iv) assist Franchisor in the development of new authorized products or the removal of existing unsuccessful Authorized Products; (v) enable Franchisor to refine existing Authorized Products; (vi) generally improve chain wide understanding of the System (collectively, the "**Information**"). Without limiting the generality of the foregoing:

10.1.1 Franchisee will electronically link the Franchised Restaurant to Franchisor and its third-party supplier and will allow Franchisor to poll on a daily or more frequent basis.

10.1.2 At Franchisor's request, on or before Wednesday of each Week during the Term hereof, Franchisee shall submit a Gross Sales or other reports detailing key performance indicators or metrics related to the Franchised Restaurant, with such reports signed by Franchisee, on a form prescribed by Franchisor, reporting all Gross Sales for the preceding Week, together with such additional financial information as Franchisor may from time to time request. If Franchisee fails to submit any required report when due, Franchisee must pay a fee of \$100 per occurrence and \$100 per Week until Franchisee submits the required report, which shall be deposited into the Creative Fund or such other fund as Franchisor may designate.

10.1.3 Within 90 days following the end of each calendar year, Franchisee shall submit to Franchisor an unaudited financial statement prepared in accordance with generally accepted accounting principles, and in such form and manner prescribed by Franchisor, which shall be certified by Franchisee



to be accurate and complete. Promptly upon Franchisor's request, Franchisee will furnish Franchisor with a copy of each of Franchisee's reports and returns of sales, use, and gross receipt taxes related to the operation of the Franchised Restaurant. Franchisor reserves the right to require such further information concerning the Franchised Restaurants that Franchisor may from time-to-time reasonably request.

10.2 Inspections. Franchisor's authorized representatives shall have the right, from time to time, to enter upon the entire premises of the Franchised Restaurant during business hours, to examine same, conferring with Franchisee's employees, inspecting and checking operations, food, beverages, furnishings, interior and exterior decor, supplies, fixtures, and equipment, and determining whether the business is being conducted in accordance with this Agreement, the System and the Dave's Hot Chicken Operations Manual. Franchisor shall use reasonable efforts to avoid materially disrupting the operation of the Franchised Restaurant. Franchisee shall pay Franchisor its then-current fee (currently \$100 per month) to perform quarterly safety assessments of products served by the Franchised Restaurant, which shall be due to Franchisor the first Wednesday of each month with Continuing Royalty. This fee is not refundable under any circumstances. If any such inspection indicates any deficiency or unsatisfactory condition with respect to any matter required under this Agreement or the Dave's Hot Chicken Operations Manual, including quality, cleanliness, service, health and authorized product line, Franchisor will notify Franchisee in writing of Franchisee's noncompliance with the Dave's Hot Chicken Operations Manual, the System, or this Agreement and Franchisee shall promptly correct or repair such deficiency or unsatisfactory condition. In addition, Franchisee will be required to undergo an additional audit or re-inspection at Franchisee's sole expense. In the event of an additional audit or re-inspection based on a deficiency or unsatisfactory condition, Franchisee shall pay Franchisor an \$1,000 fee for the first offense, or \$3,000 for any additional offense, in addition to reimbursing Franchisor's costs and expenses (including any legal or other professional fees) in connection with such audit or inspection. In accordance with Section 7.4, Franchisor may require Franchisee to take and thereafter Franchisee shall take, immediate corrective action, which action may include temporarily closing the Franchised Restaurant.

10.3 Audits. Franchisee shall prepare, and keep for not less than three years following the end of each of its fiscal years, or such longer period required under Applicable Law, adequate books and records showing daily receipts in, at, and from the Franchised Restaurant, applicable sales tax returns (if any), all pertinent original serially numbered sales slips and cash register records, and such other sales records as may be reasonably required by Franchisor from time to time to verify Gross Sales, to verify that all fees have been paid including Continuing Royalty and Creative Fund Contributions, to verify compliance with the Local Advertising Requirement and to verify purchases reported by Franchisee to Franchisor, in a form suitable for an audit of its records by an authorized auditor or agent of Franchisor. Such information shall be broken down by categories of goods, foods and beverages sold, where possible. Franchisor, its agents or representatives may, at any reasonable time during normal working hours, audit or review Franchisee's books and records in accordance with generally accepted standards established by certified public accountants. Franchisor may also conduct the audit at a site other than the Location and Franchisee shall provide all information to Franchisor, its agents or representatives, promptly upon demand (but not later than five days following the date of the request). If any audit or other investigation reveals an under-reporting or under-recording error, then upon demand Franchisee shall pay the amount determined to be owed, plus interest at the daily equivalent of 12% per year simple interest, not to exceed the highest rate permitted by Applicable Law. In addition, if any such audit or other investigation reveals an under-reporting or under-recording error of 2% or more or if Franchisee fails to submit any reports when due, then in addition to any other sums due and in addition to any other rights and remedies it may have, including the right to terminate this Agreement as provided in Section 14, the expenses of the audit/inspection shall be borne and paid by Franchisee upon billing by Franchisor, which shall include Franchisor's Travel Expenses and Wages and reasonable accounting and legal expense. Without limiting the foregoing, if such audit or other investigation reveals an under-reporting or under-recording error of 5%



percent or more, Franchisor, in addition to any other rights and remedies it may have, including the right to terminate this Agreement as provided in Section 14, may require Franchisee to maintain and deliver to Franchisor from time to time, financial statements audited by an independent certified public accountant.

10.4 Books and Records. Franchisee shall maintain an accounting and record keeping system, in accordance with sound business practices, which shall provide for basic accounting information necessary to prepare financial statements, a general ledger, and reports required by this Agreement and the Dave's Hot Chicken Operations Manual. Franchisee shall maintain accurate, adequate and verifiable books and supporting documentation relating to such accounting information.

SECTION 11 TRADEMARKS

11.1 Use of Marks. Subject to Section 11.6 of this Agreement, the Franchised Restaurant shall be named "Dave's Hot Chicken" with only such additional prefix or suffix as may be required by Franchisor from time to time. Franchisee shall use and display such of Franchisor's trade dress, Marks, and such signs, advertising and slogans only as Franchisor may from time to time prescribe or approve. Upon expiration or sooner termination of this Agreement, Franchisor may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf, any and all documents necessary in Franchisor's judgment to end and cause the discontinuance of Franchisee's use of the trade dress and Marks and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact so to do. Franchisee shall not imprint or authorize any person to imprint any of the Marks on any product without the express written approval of Franchisor. Franchisee shall not use the Marks in connection with any offering of securities or any request for credit without the prior express written approval of Franchisor. Franchisor may withhold or condition any approval related to the Marks, including those described in this Section, in its discretion. During the Term, Franchisee shall identify the Franchised Restaurant as an independently owned and operated franchise of Franchisor, in the form and manner specified by Franchisor, including on all invoices, order forms, receipts, checks, business cards, on posted notices located the Location and in other media and advertisements as Franchisor may direct from time to time. Franchisee's limited license extends only to use of the Dave's Hot Chicken Marks in accordance with (i) all applicable standards, operating procedures, policies and guidelines that Franchisor prescribes—and from time to time amends—during the Term, including, without limitation, those set forth in the most current edition of the Dave's Hot Chicken Operations Manual and other publications, if any, dedicated to proper use of the Marks; and (ii) all Applicable Laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the Telephone Consumer Protection Act), false advertising, unfair competition and unfair practices.

11.2 Non-Use of Trade Name. If Franchisee is an Entity, it shall not use Franchisor's Marks, or Franchisor's trade name, or any words or symbols which are confusingly phonetically or visually similar to the Marks, as all or part of Franchisee's name.

11.3 Use of Other Trademarks. Franchisee shall not display the trademark, service mark, trade name, insignia or logotype of any other person or Entity in connection with the operation of the Franchised Restaurant without the express prior written consent of Franchisor, which may be withheld in its discretion; provided however, in the case of a Non-Traditional Venue, the Premises (but not the Franchised Restaurant) may display the trademarks, service marks and other commercial symbols of Franchisee or third parties, in accordance with the terms herein contained.

11.4 Non-ownership of Marks. Nothing herein shall give Franchisee, and Franchisee shall not assert, any right, title or interest in Franchisor's trade dress, or to any of the Marks or the goodwill annexed



thereto, except a mere privilege and license during the term hereof, to display and use the same according to the terms and conditions herein contained.

11.5 Defense of Marks. If Franchisee receives notice, or is informed, of any claim, suit or demand against Franchisee on account of any alleged infringement, unfair competition, or similar matter on account of its use of the Marks in accordance with the terms of this Agreement (“**Trademark Claim**”), Franchisee shall promptly notify Franchisor of any such claim, suit or demand. Thereupon, Franchisor shall take such action as it may deem necessary and appropriate to protect and defend Franchisee against any such claim by any third party. Franchisee shall not settle or compromise any such claim by a third party without the prior written consent of Franchisor. Franchisor shall have the sole right to defend, compromise or settle any such claim, in its discretion, at Franchisor’s sole cost and expense, using attorneys of its own choosing, and Franchisee shall cooperate fully with Franchisor in connection with the defense of any such claim. Franchisee may participate at its own expense in such defense or settlement, but Franchisor’s decisions with regard thereto shall be final.

11.6 Prosecution of Infringers. If Franchisee shall receive notice or is informed or learns that any third party, which it believes to be unauthorized to use Franchisor’s trade dress or Marks, is using Franchisor’s trade dress or Marks or any variant thereof, Franchisee shall promptly notify Franchisor of the facts relating to such alleged infringing use. Thereupon, Franchisor shall, in its discretion, determine whether or not it wishes to take any action against such third person on account of such alleged infringement of the trade dress and/or Marks. Franchisee shall have no right to make any demand against any such alleged infringer or to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of such infringement.

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

11.8 Acts in Derogation of the Marks. Franchisee agrees that Franchisor’s trade dress and the Marks are the exclusive property of Franchisor and/or its Affiliates and Franchisee now asserts no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of Franchisee’s licensed and/or franchised use thereof, or otherwise. Franchisee further agrees that it is familiar with the standards and high quality of the use by Franchisor and others authorized by Franchisor of the trade dress and Marks in the operation of Restaurants and agrees that Franchisee will maintain this standard in its use of the Marks and trade dress. All use of the Marks and trade dress by Franchisee inures to the benefit of Franchisor. Franchisee shall not contest or assist anyone in contesting at any time during or after the Term, in any manner, the validity of any Mark or its registration, and shall maintain the integrity of the Marks and prevent their dilution. Franchisee shall not do or permit any act or thing to be done in derogation of any of the rights of Franchisor or its Affiliates in connection with the same, either during the Term of this Agreement or thereafter, and that it will use the Marks and Franchisor’s trade dress only for the uses and in the manner licensed and/or franchised hereunder and as herein provided. Without limiting the foregoing, Franchisee shall not (i) interfere in any manner with, or attempt to prohibit, the use of Franchisor’s trade dress and/or the Marks by any other franchisee or licensee of Franchisor; or (ii) divert or attempt to divert any business or any customers of the Franchised Restaurant to any other person or Entity, 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.

11.9 Assumed Name Registration. If Franchisee is required to do so by Applicable Law, Franchisee shall promptly upon the execution of this Agreement file with applicable Governmental Authorities, a notice of its intent to conduct its business under the name “Dave’s Hot Chicken” with only such additional prefix or suffix as may be required by Franchisor from time to time. Promptly upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall promptly execute and file such documents as may be necessary to revoke or terminate such assumed name registration, and if Franchisee shall fail to promptly execute and file such documents as may be necessary to effectively revoke and terminate such assumed name registration, Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact to do so for and on behalf of Franchisee.

11.10 Indemnification of Marks. Provided that Franchisee is in compliance with this Agreement, Franchisor will indemnify Franchisee and Franchisee’s Owners and hold them harmless for, from and against any and all costs and expenses incurred by any of them as a result of or in connection with any claim asserted against Franchisee and/or Franchisee’s Owners based upon the violation of any third party’s intellectual property rights caused by Franchisee’s use of the Marks in compliance with the terms of this Agreement and the Operations Manual. Franchisee must promptly notify Franchisor of any such claim and agrees to fully cooperate with Franchisor in the defense of any such claim.

11.11 Photo/Video Release. Franchisee acknowledges and authorizes Franchisor to use its likeness and the Franchised Restaurant’s likeness in a photograph in any and all of Franchisor’s publications, including printed and digital publications and on websites. Franchisee agrees and understands that any photograph using such likeness will become Franchisor’s property and will not be returned. Franchisee agrees and irrevocably authorizes Franchisor to edit, alter, copy, exhibit, publish or distribute any photograph of Franchisee or of the Franchised Restaurant for any lawful purpose. Franchisee agrees and waives any rights to royalties or any other compensation related to Franchisor’s use of any photograph of Franchisee. Franchisee agrees to hold harmless and forever discharge Franchisor from all claims, demands, and causes of action which Franchisee may have in connection with this authorization.

SECTION 12

COVENANTS REGARDING OTHER BUSINESS INTERESTS

12.1 Non-Competition. Franchisee acknowledges that the System is distinctive and has been developed by Franchisor and/or its Affiliates at great effort, time, and expense, and that Franchisee has regular and continuing access to valuable and confidential information, training, and trade secrets regarding the System. Franchisee recognizes its obligations to keep confidential such information as set forth herein. Franchisee therefore agrees as follows:

12.1.1 During the Term, neither Franchisee nor any of its Owners shall in any capacity, either directly or indirectly, through one or more affiliated Entities, (i) engage in any Competitive Activities at any location, unless Franchisor shall consent thereto in writing, or (ii) divert or attempt to divert any business or any customers of the Franchised Restaurant to any other person or Entity, 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.

12.1.2 To the extent permitted by Applicable Law, upon (i) the expiration or termination of this Agreement, or (ii) the occurrence of any Assignment, and for a period of two years thereafter, neither the Franchisee nor its Owner(s) may, either directly or indirectly, own, operate, advise, be employed by, or have any financial interest in any business engaged in Competitive Activities: (a) within a 10-mile radius



of the Franchised Restaurant, or (b) within a 10-mile radius of any then-existing Restaurant that is then operating or then under construction. To the extent that the non-competition covenants herein are deemed unenforceable by an arbitrator or court with competent jurisdiction, the parties expressly agree that such arbitrator or court shall have the authority to modify, revise or amend the scope of these non-competition covenants to the extent necessary to render such covenants enforceable.

12.2 Trade Secrets.

12.2.1 Franchisor possesses and continues to develop, and during the course of the relationship established hereunder, Restricted Persons may have access to, proprietary and confidential information, including the Trade Secrets, proprietary software (and related documentation) recipes, secret ingredients, specifications, procedures, concepts and methods and techniques of developing and operating a Restaurant and producing Authorized Products. Franchisor may disclose certain of its Trade Secrets to Restricted Persons in the Dave's Hot Chicken Operations Manual, bulletins, supplements, confidential correspondence, or other confidential communications, and through Franchisor's training program and other guidance and management assistance, and in performing Franchisor's other obligations and exercising Franchisor's rights under this Agreement. "Trade Secrets" shall not include information which: (a) has entered the public domain or was known to Franchisee prior to Franchisor's disclosure of such information to Franchisee, other than by the breach of an obligation of confidentiality owed (by anyone) to Franchisor or its Affiliates; (b) becomes known to the Restricted Persons from a source other than Franchisor or its Affiliates and other than by the breach of an obligation of confidentiality owed (by anyone) to Franchisor or its Affiliates; or (c) was independently developed by Franchisee without the use or benefit of any of Franchisor's Trade Secrets. The burden of proving the applicability of the foregoing will reside with Franchisee.

12.2.2 Each Restricted Person shall acquire no interest in the Trade Secrets other than the right to use them in developing and operating the Franchised Restaurant during the Term of this Agreement. A Restricted Person's duplication or use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition. Each Restricted Person shall: (i) not use the Trade Secrets in any business or other endeavor other than in connection with the Franchised Restaurant; (ii) maintain absolute confidentiality of the Trade Secrets during and after the Term of this Agreement; and (iii) make no unauthorized copy of any portion of the Trade Secrets, including the Dave's Hot Chicken Operations Manual, bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral. Franchisee shall operate the Franchised Restaurant and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, including, implementing restrictions and limitations as Franchisor may prescribe on disclosure to employees and use of non-disclosure provisions in employment agreements with employees who may have access to the Trade Secrets. Promptly upon Franchisor's request, Franchisee shall deliver executed copies of such agreements to Franchisor. If Franchisee has any reason to believe that any employee has violated the provisions of the confidentiality agreement, Franchisee shall promptly notify Franchisor and shall cooperate with Franchisor to protect Franchisor against infringement or other unlawful use including, but not limited to, the prosecution of any lawsuits if, in the judgment of Franchisor, such action is necessary or advisable. Without limiting the foregoing, Franchisor may also impose reasonable restrictions and conditions, from time to time, on the disclosure of financial or statistical information in connection with the sale or potential sale of the Franchised Restaurant, including the execution of confidentiality agreements.

12.2.3 In view of the importance of the Marks and the Trade Secrets and the incalculable and irreparable harm that would result to the parties in the event of a default of the covenants and agreements set forth herein in connection with these matters, the parties agree that each party shall have the



right in a proper case to obtain specific performance, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction to enforce the covenants and agreements in this Agreement, in addition to any other relief to which such party may be entitled at law or in equity. Each party submits to the exclusive jurisdiction and venue of the state and federal courts situated in the city of Franchisor's principal place of business (currently Pasadena, California) for purposes thereof. Franchisee agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any the injunction being expressly waived).

12.3 Confidentiality and Press Releases. Franchisee shall not disclose the substance of this Agreement to any third party except as necessary to inform lessors from which it is seeking Leases or lessors which are parties to Leases in order to obtain renewals of, or avoid terminations of, such Leases or as necessary to obtain any Permits or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction or federal, state, or local agency having jurisdiction over Franchisee, provided that Franchisee shall give Franchisor prior notice of such disclosure. Unless disclosure is required by Applicable Law, no public communication, press release or announcement regarding this Agreement, the transactions contemplated hereby or any Crisis Management Event shall be made by Franchisee without the written approval of Franchisor in advance of such press release announcement, or public communication.

12.3.1 Franchisee must follow all reasonable procedures Franchisor prescribes to prevent unauthorized use and disclosure of Franchisor's policies and the contents of Franchisor's Dave's Hot Chicken Operations Manual, marketing concepts, and operating methods and techniques (the "**Confidential Materials and Practices**"), which may include limiting access to confidential information to management employees with a need to know, and requiring such persons to execute non-disclosure agreements.

12.3.2 Notwithstanding the foregoing, the restrictions on the disclosure and use of the Trade Secrets or Confidential Materials and Practices will not apply to disclosure of Trade Secrets or Confidential Materials and Practices: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Trade Secrets or Confidential Materials and Practices to an attorney and for use of the Trade Secrets or Confidential Materials and Practices in such court proceeding, so long as any document containing the Trade Secrets or Confidential Materials and Practices is filed under seal and Trade Secrets or Confidential Materials and Practices is not otherwise disclosed except pursuant to court order.

12.4 Effect of Applicable Law. In the event any portion of the covenants in this Section violates laws affecting Franchisee or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are parties, then the maximum legally allowable restriction permitted by law shall control and bind Franchisee. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any such reduced covenant upon receipt of written notice. The provisions of this Section shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other person, whether pursuant to another agreement or pursuant to Applicable Law.

12.5 Business Practices. Franchisee represents, warrants and covenants to Franchisor that:

12.5.1 As of the date of this Agreement, Franchisee and each of its Owners (if Franchisee is an Entity) shall be and, during the Term shall remain, in full compliance with all Applicable Laws in



each jurisdiction in which Franchisee or any of its Owners (if Franchisee is an Entity), as applicable, conducts business that prohibits unfair, fraudulent or corrupt business practices in the performance of its obligations under this Agreement and related activities, including the following prohibitions:

(a) No government official, official of an international organization, political party or official thereof, or candidate is an owner or has any investment interest in the revenues or profit of Franchisee;

(b) None of the property or interests of Franchisee or any of its Owners is subject to being “blocked” under any Anti-Terrorism Laws. Neither Franchisee, nor any of its respective funding sources (including any legal or beneficial owner of any equity in Franchisee) or any of its Affiliates is or has ever been a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Laws or identified by name or address on any Terrorist List. Each of Franchisee and its Owners are in compliance with Applicable Law, including all such Anti-Terrorism Laws;

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

(d) Franchisee is neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor does Franchisee or its Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo.

12.5.2 Franchisee has taken all necessary and proper action required by Applicable Law and has the right to execute this Agreement and perform under all of its terms. Franchisee shall implement and comply with anti-money laundering policies and procedures that incorporate “know-your-customer” verification programs and such other provisions as may be required by applicable law.

12.5.3 Franchisee shall implement procedures to confirm, and shall confirm, that (a) none of Franchisee, any person or entity that is at any time a legal or beneficial owner of any interest in Franchisee or that provides funding to Franchisee is identified by name or address on any Terrorist List or is an Affiliate of any person so identified; and (b) none of the property or interests of Franchisee is subject to being “blocked” under any Anti-Terrorism Laws.

12.5.4 Franchisee shall promptly notify Franchisor upon becoming aware of any violation of this Section or of information to the effect that any person or entity whose status is subject to confirmation pursuant to Section 12.5.3 above is identified on any Terrorist List, any list maintained by OFAC or to being “blocked” under any Anti-Terrorism Laws, in which event Franchisee shall cooperate with Franchisor in an appropriate resolution of such matter.

12.5.5 In accordance with Applicable Law, none of Franchisee nor any of its Affiliates, principals, partners, officers, directors, managers, employees, agents or any other persons working on their behalf, shall offer, pay, give, promise to pay or give, or authorize the payment or gift of money or anything of value to any officer or employee of, or any person or entity acting in an official capacity on behalf of, the Governmental Authority, or any political party or official thereof or while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any official, for the purpose of (a) influencing any action or decision of such official in his or its official capacity; (b) inducing such official to do or omit to do any act in violation of his or its lawful duty; or (c) inducing such official to use his or its influence with any Governmental Authority to affect or influence any act or decision



of such Governmental Authority in order to obtain certain business for or with, or direct business to, any person.

12.5.6 It is Franchisee's sole and absolute obligation to research all Applicable Laws governing the operation of the Franchised Restaurant and to ensure that such operation does not violate any Applicable Law. For example, there are various federal laws that could affect the Franchised Restaurant and that Franchisee must comply with such as the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state laws, including laws regulating the sale of alcohol, anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). Franchisee should investigate these laws to understand its potential legal obligations.

12.6 Customer Data. Without limiting the generality of anything else contained herein, all data that Franchisee collects, creates, provides or otherwise develops (including, but not limited to information regarding customers) is (and will be) owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon its request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the Franchised Restaurant under this Agreement. Franchisee agrees to provide Franchisor with the information that it reasonably requires with respect to data and cybersecurity requirements. Franchisee is required to safeguard any such data using commonly accepted practices in the restaurant industry as well as comply with all Applicable Laws regarding data protection. If there is a suspected or actual breach of security or unauthorized access involving Franchisee's customer data (a "**Data Security Incident**"), Franchisee must notify Franchisor immediately (and no later than 24 hours) after becoming aware of such actual or suspected occurrence and specify the extent to which customer data was compromised or disclosed. Franchisee must comply with Franchisor's instructions in responding to any Data Security Incident. Franchisor (and its designated Affiliates) have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at Franchisee's expense.

12.7 Survival. The provisions of this Section shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or Franchisor's Marks, System, Trade Secrets, or any other proprietary aspects of Franchisor's business.

SECTION 13 NATURE OF INTEREST, ASSIGNMENT

13.1 Assignment by Franchisor. This Agreement is fully transferable by Franchisor, in whole or in part, without the consent of Franchisee and shall inure to the benefit of any transferee or their legal successor to Franchisor's interests herein; provided, however, that such transferee and successor shall expressly agree to assume Franchisor's obligations under this Agreement. Without limiting the foregoing, Franchisor may (i) assign any or all of its rights and obligations under this Agreement to an Affiliate, an Owner or any other Entity Franchisor designates; (ii) sell its assets, its marks, or its System outright to a third party; (iii) engage in a public offering of its securities; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire other corporations, or be acquired by another corporation; (vi) change its ownership or form, in any way; or (vii) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. Franchisor shall be permitted to perform such actions without liability or obligation to Franchisee who expressly and specifically waives any claims, demands or damages



arising from or related to any or all of the above actions (or variations thereof). Franchisor shall have no liability for the performance of any obligations contained in this Agreement after the effective date of such transfer or assignment. In connection with any of the foregoing, at Franchisor's request, Franchisee shall deliver to Franchisor a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that this Agreement as modified is in full force and effect and identifying the modifications); (b) that Franchisee is not in default under any provision of this Agreement, or if in default, describing the nature thereof in detail; and (c) as to such other matters as Franchisor may reasonably request; and Franchisee agrees that any such statements may be relied upon by Franchisor and any prospective purchaser, assignee or lender of Franchisor.

13.2 Assignment by Franchisee.

13.2.1 The rights and duties created by this Agreement are personal to Franchisee. This Agreement has been entered into by Franchisor in reliance upon and in consideration of the singular individual or collective character, reputation, skill attitude, business ability, and financial capacity of Franchisee, or if applicable, its Owners who will actively and substantially participate in the development ownership and operation of the Franchised Restaurant. Accordingly, except as otherwise may be permitted herein, neither Franchisee nor any Owner (other than Franchisor, if applicable) shall, without Franchisor's prior written consent, cause or permit any Assignment. Any such purported Assignment occurring by operation of law or otherwise without Franchisor's prior written consent shall constitute a default of this Agreement by Franchisee and shall be null and void. Except in the instance of Franchisee advertising to sell the Franchised Restaurant and assign this Agreement in accordance with the terms hereof, Franchisee shall not, without Franchisor's prior written consent, offer for sale or transfer at public or private auction or advertise publicly for sale or transfer, the furnishings, interior and exterior decor items, supplies, fixtures, equipment, Franchisee's Lease or the real or personal property used in connection with the Franchised Restaurant.

13.2.2 Franchisee may not make any Assignment to a public Entity, or to any Entity whose direct or indirect parent's securities are publicly traded and no shares of Franchisee or any Owner of Franchisee may be offered for sale through the public offering of securities.

13.2.3 Franchisor will not unreasonably withhold its consent to any Assignment which is subject to the restrictions of this Section, provided however, Franchisor may impose any reasonable condition to the granting of its consent, and requiring Franchisee to satisfy any or all of the following conditions shall be deemed reasonable:

(a) Franchisee's written request for Franchisor's consent to Assignment must be accompanied by a detailed description of the price and all material terms and conditions of the proposed Assignment and the identity of the proposed assignee and such other information as Franchisor may reasonably request;

(b) Franchisor's receipt of an estoppel agreement indicating any and all causes of action, if any, that Franchisee may have against Franchisor or if none exist, so stating, and a list of all Owners having an interest in this Agreement or in Franchisee, the percentage interest of Owner, and a list of all officers and directors, in such form as Franchisor may require;

(c) Franchisee's written request for consent to any Assignment must be accompanied by an offer to Franchisor of a right of first refusal to purchase the interest which is proposed to be transferred, on the same terms and conditions offered by the third party; provided that Franchisor may substitute cash for any non-cash consideration proposed to be given by such third party (in an amount determined by Franchisor reasonably and in good faith as the approximate equivalent value of said non-



cash consideration); and provided further that Franchisee shall make representations and warranties to Franchisor customary for transactions of the type proposed (the “**ROFR**”). If Franchisor elects to exercise the ROFR, Franchisor or its nominee, as applicable, shall send written notice of such election to Franchisee within 60 days of receipt of Franchisee’s request (the “**ROFR Period**”). If Franchisor accepts such offer, the training and transfer/administrative fees due by Franchisee in accordance with this Agreement shall be waived by Franchisor, and the closing of the transaction shall occur within 60 days following the date of Franchisor’s acceptance. Any material change in the terms of an offer prior to closing (or the failure to close the transaction within 60 days following the written notice provided by Franchisee) shall cause it to be deemed a new offer, subject to the same right of first refusal by Franchisor, or its third-party designee, as in the case of the initial offer. Franchisor’s failure to exercise such ROFR shall not constitute consent to the transfer or a waiver of any other provision of this Agreement, including any of the requirements of this Section with respect to the proposed transfer. The ROFR is fully assignable by Franchisor. For the avoidance of doubt, Franchisor may assign its right to the ROFR to an Affiliate or third-party designee who shall have the same rights to the ROFR as Franchisor. Without waiving any other rights provided for herein or otherwise, Franchisor hereby waives its ROFR if the proposed transferee/assignee is an immediate family member of Franchisee;

(d) Franchisee shall not be in default under the terms of this Agreement (or any other related agreement), the Dave’s Hot Chicken Operations Manual or any other obligations owed Franchisor, and all of its then-due monetary obligations to Franchisor shall have been paid in full;

(e) Franchisee (and its Owners, if the Franchisee is an Entity), shall execute a general release under seal, in a form prescribed by Franchisor, of any and all claims against Franchisor, its Affiliates, Owner(s), directors, officers, agents and employees;

(f) The transferee/assignee shall have demonstrated to Franchisor’s satisfaction that it meets all of Franchisor’s then-current requirements for new Restaurant operators or for holders of an interest in a franchise or license, including possession of good moral character and reputation, satisfactory credit ratings, acceptable business qualifications, the ability to obtain or acquire the license(s) and permit(s) necessary for the sale of alcoholic beverages, and the ability to fully comply with the terms of this Agreement;

(g) The transferee/assignee shall have either: (a) assumed this Agreement by a written assumption agreement approved by Franchisor, or has agreed to do so at closing, and at closing executes an assumption agreement approved by Franchisor; provided however, that such assumption shall not relieve Franchisee (as transferor/assignor) of any such obligations; or (b) at Franchisor’s option, shall have executed a replacement franchise agreement and related documents, including but not limited to a guaranty agreement, on the then-current standard forms used by Franchisor in the state in which the Franchised Restaurant is being operated, provided, however, that the term of replacement franchise agreement shall be the remaining term of this Agreement, and, at Franchisor’s request, the transferor/assignor shall have executed a continuing guaranty in favor of Franchisor of the performance and payment by the transferee/assignee of all obligations and debts to Franchisor and its Affiliates under the replacement franchise agreement;

(h) The assignee shall agree to refurbish the Franchised Restaurants needed (in Franchisor’s discretion) to match the building design, trade dress, color scheme and presentation then used by Franchisor within the 12-month period preceding the assignment for its (or its Affiliates’) Restaurant (such refurbishment may include remodeling, redecoration and modifications to existing improvements);



(i) There shall not be any suit, action, or proceeding pending, or to the knowledge of Franchisee any suit, action, or proceeding threatened, against Franchisee with respect to the Franchised Restaurant;

(j) Upon submission of Franchisee's request for Franchisor's consent to any proposed transfer or assignment, Franchisee shall pay to Franchisor a non-refundable \$1,000 deposit. If Franchisor approves such transfer or assignment, Franchisee shall pay to Franchisor at such time, the remaining balance of the administrative/transfer fee, which is equal to 50% of Franchisor's then-current initial franchise fee and is non-refundable under any circumstances (or, if Franchisor is not offering franchises at the time of your transfer, 50% of the initial franchise fee listed in Franchisor's most recent franchise disclosure document);

(k) The transferee/assignee, its operating principal, CRM and other employees responsible for the operation of the Franchised Restaurant shall have satisfactorily completed Franchisor's Initial Training Program and paid all fees related thereto; and

(l) The transferor/assignor will reimburse Franchisor upon receipt of Franchisor's invoice for any brokerage commissions, finder's fees, or other placement fees or similar charges Franchisor incurs as a result of the transfer.

(m) If this Agreement has been executed pursuant to an Area Development Agreement with Franchisor (whether or not such agreement remains in effect), then:

(i) If three or fewer Franchised Restaurants are operated pursuant to the Area Development Agreement, all Franchised Restaurants operated pursuant to the Area Development Agreement must be included in the proposed transfer; or

(ii) If four or more Franchised Restaurants are operated pursuant to the Area Development Agreement, at least half of all Franchised Restaurants operated pursuant to the Area Development Agreement must be included in the proposed transfer.

13.2.4 Franchisor's consent to an Assignment shall not constitute a waiver of any claims it may have against the transferring party arising out of this Agreement or otherwise, including (a) any payment or other duty owed by Franchisee to Franchisor under this Agreement before such Assignment; or (b) Franchisee's duty of indemnification and defense as set forth in Section 17.1 of this Agreement, whether before or after such Assignment, or (c) the obligation to obtain Franchisor's consent to any subsequent transfer.

13.3 Entity Franchisee. If a Franchisee is an Entity, the following provisions will apply:

13.3.1 Franchisee represents and warrants that the information set forth in Attachment B, which is annexed hereto and by this reference made a part hereof, is accurate and complete in all material respects. Franchisee shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment B, and shall submit to Franchisor a revised Attachment B, certified by Franchisee as true, correct and complete and upon acceptance thereof by Franchisor shall be annexed to this Agreement as Attachment B. Franchisee promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

13.3.2 All of Franchisee's organizational documents (including articles of partnership, partnership agreements, articles of incorporation, articles of organization, bylaws, shareholders agreements,



trust instruments, or their equivalent) will provide that the issuance and transfer of any interest in Franchisee is restricted by the terms of this Agreement, and that sole purpose for which Franchisee is formed (and the sole activity in which Franchisee is or will be engaged) is the development and operation of Restaurant, pursuant to one or more franchise agreements from Franchisor. Franchisee shall submit to Franchisor, upon the execution of this Agreement and thereafter from time to time upon Franchisor's request, a resolution of Franchisee (or its governing body) confirming that Franchisee is in compliance with this provision.

13.3.3 All present and future Owners of a 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights in Franchisee and all spouses of such persons, will execute a written guaranty in a form prescribed by Franchisor, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of Franchisee's obligations to Franchisor and to Franchisor's Affiliates. Such Owners hereby personally and unconditionally guarantee without notice, demand or presentment, the payment of all of Franchisee's monetary obligations under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's Affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination or expiration and non-renewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. Such persons must execute Franchisor's prescribed form of Continuing Guaranty attached hereto as Attachment C contemporaneously with the execution of this Agreement.

13.3.4 Securities in Franchisee may not be sold by public offering without Franchisor's prior written consent. If Franchisor consents to a public offering of Franchisee's securities, the following terms and conditions will apply. All materials required by federal or state law for any sale of Franchisee's securities pursuant to such registration statement must be submitted to Franchisor for review prior to being filed with any government agency. No such materials shall imply (by use of the Marks or otherwise) that Franchisor is participating as an underwriter, issuer, or offeror of Franchisee's securities. Franchisee shall not use any Mark in a public offering of its securities, except to reflect its franchise relationship with Franchisor. Any review by Franchisor of the offering materials or the information included therein will be conducted solely for Franchisor's benefit and not to benefit or protect any other person. No investor should interpret such review by Franchisor as an approval, endorsement, acceptance, or adoption of any representation, warranty, covenant, or projection contained in the materials reviewed; and the offering documents shall include legends and statements as Franchisor may specify, including legends and statements which disclaim Franchisor's liability for, or involvement in, the transaction described in the offering documents. Franchisee and the other participants in the offering must agree in writing to fully indemnify Franchisor in connection with the offering in the form Franchisor prescribes. Franchisee agrees to give Franchisor written notice at least 60 days prior to the date of commencement of any offer covered by this Section. In no event, shall Franchisee permit or allow any of Franchisee's securities to be owned, directly or indirectly, by any competitor of Franchisor or its Affiliates. Franchisee must reimburse Franchisor its costs and expenses for reviewing the materials required to be submitted to Franchisor by this Section, including reasonable legal fees, within five days of receiving Franchisor's invoice.

13.4 Assignment to a Controlled Entity.

13.4.1 If Franchisee is one or more individuals, and in the event that Franchisee proposes to transfer all of its interest in this Agreement and the assets of the Franchised Restaurant operated hereunder to an Entity formed by Franchisee solely for the convenience of ownership, Franchisee may (without paying the transfer fee specified in Section 13.2.3(j) of this Agreement), with Franchisor's written consent, transfer such interest and assets, provided, and on condition that:



(a) Upon Franchisor's request, Franchisee delivering to Franchisor a true, correct and complete copy of the transferee Entity's articles of incorporation or articles of organization, bylaws, operating agreement, partnership agreement, and other organizational documents, and Franchisor has accepted the same;

(b) the transferee Entity's articles of incorporation or articles of organization, bylaws, and operating agreement, as applicable, shall provide that its activities are confined exclusively to operating the Franchised Restaurant operated hereunder;

(c) Franchisee directly owns all of the Equity and voting rights of the transferee Entity;

(d) such Entity is in good standing in its jurisdiction of organization and each other jurisdiction where the conduct of its business or the operation of its properties requires it to be so qualified;

(e) the person designated by Franchisee as the Operating Principal has exclusive day-to-day operational control of the Franchised Restaurant;

(f) such Entity conducts no other business than the operation of Restaurants;

(g) such Entity assumes all of the obligations under this Agreement pursuant to written agreement, the form and substance of which shall be acceptable to Franchisor;

(h) Each individual comprising Franchisee, and all present and future owners of 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights of Franchisee and all spouses of such persons shall execute a written guaranty, in a form prescribed by Franchisor, personally, irrevocably and unconditional guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of all of the obligations to Franchisor and its Affiliates under this Agreement;

(i) That none of the Owners of the Equity of the transferee Entity is, directly or indirectly, engaged in a Competitive Activity;

(j) At Franchisor's request, Franchisee shall, and shall cause each of its Affiliates who have executed a franchise agreement and each direct or indirect parent or subsidiary of such Affiliate, to execute and deliver to Franchisor a general release, on a form prescribed by Franchisor of any and all known and unknown claims against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees; and

(k) Franchisee shall reimburse Franchisor for all direct and indirect costs and expense it may incur in connection with the transfer, including attorney's fees.

13.4.2 In the event that Franchisee exercises its rights under Section 13.4 of this Agreement then Franchisee and such assignee Entity shall affirmatively covenant to continue to satisfy each of the conditions set forth in Section 13.4 of this Agreement throughout the term of this Agreement.

13.5 Permitted Transfers. Franchisee may grant a security interest in the Premises (if Franchisee owns the Premises), and/or any of the Franchised Restaurant's assets (but not this Agreement or any direct or indirect ownership interest in Franchisee) to a financial institution or other party that provided or provides any financing in connection with Franchisee's acquisition, development, and/or operation of the Franchised Restaurant, but only if that party signs Franchisor's then current form of lender consent to protect



Franchisor's rights under this Agreement. Any foreclosures or other exercise of the rights granted under that security interest are subject to all applicable terms and conditions of this Section 13. In the event Franchisee undertakes a permitted transfer outlined in this Section 13.5, all of Franchisor's costs and expenses arising from such permitted transfer, including reasonable legal fees, shall be paid to Franchisor by Franchisee within five days of receiving Franchisor's invoice.

SECTION 14

DEFAULT AND TERMINATION

14.1 Automatic Termination Without Notice. Subject to Applicable Laws of the jurisdiction in which the Franchised Restaurant operated hereunder is located to the contrary, Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall at Franchisor's election automatically terminate without notice to Franchisee if: (i) Franchisee shall be adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws), shall admit to its inability to meet its financial obligations as they become due, or shall make a disposition for the benefit of its creditors; (ii) Franchisee shall allow a judgment against him in the amount of more than \$25,000 to remain unsatisfied for a period of more than 30 days (unless a supersedeas or other appeal bond has been filed); (iii) the Franchised Restaurant, the Premises or Franchisee's assets are seized, taken over or foreclosed by a government official in the exercise of its duties, or seized, taken over, or foreclosed by a creditor or lienholder provided that a final judgment against Franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); (iv) a levy of execution of attachment has been made upon the license granted by this Agreement or upon any property used in the Franchised Restaurant, and it is not discharged within five days of such levy or attachment; (v) Franchisee permits any recordation of a notice of mechanics lien against the Franchised Restaurant or any equipment at the Franchised Restaurant which is not released within 60 days, or if any person commences any action to foreclose on the Franchised Restaurant or said equipment; (vi) Franchisee allows or permits any judgment to be entered against Franchisor or any of its Affiliates, arising out of or relating to the operation of the Franchised Restaurant; (vii) a condemnation or transfer in lieu of condemnation has occurred; (viii) Franchisee or any of its Owners, officers, directors, or key employees is convicted of or pleads guilty or *nolo contendere* to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, System, Marks or the goodwill associated therewith, or Franchisor's interest therein; provided, however that if the crime or offense is committed by an Owner other than an Operating Principal, then Franchisor may only terminate on account thereof if such Owner fails within 30 days after the conviction or guilty plea, whichever first occurs, to sell its interest in Franchisee to Franchisee's other Owners; or (ix) Franchisee's and any Restricted Person's failure to comply with Section 12 or Section 20 of this Agreement.

14.2 Option to Terminate Without Opportunity to Cure. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisor upon the occurrence of any of the following events:

14.2.1 Abandonment. If Franchisee shall abandon the Franchised Restaurant. For purposes of this Agreement, "abandon" shall refer to (i) Franchisee's failure, at any time during the term of this Agreement, to keep the Premises or Franchised Restaurant open and operating for business for a period of three consecutive days, except as provided in the Dave's Hot Chicken Operations Manual, (ii) Franchisee's failure to keep the Premises or Franchised Restaurant open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Restaurant, unless such failure to operate is due to Force Majeure (subject to Franchisee's continuing compliance with this Agreement), (iii) failure to actively



and continuously maintain and answer the telephone listed by Franchisee for the Franchised Restaurant solely with the “Dave’s Hot Chicken” name (as the same may be modified in accordance with this Agreement); (iv) the withdrawal of permission from the applicable lessor that results in Franchisee’s inability to continue operation of the Franchised Restaurant; or (v) closing of the Franchised Restaurant required by Applicable Law if such closing was not the result of a violation of this Agreement by Franchisor.

14.2.2 Assignment, Death or Incapacity. If Franchisee shall purport to make any Assignment without the prior written consent of Franchisor; provided, however, that if the Franchised Restaurant continues to be operated in conformity with this Agreement (i) upon prompt written request and upon the death or legal incapacity of a Franchisee who is an individual, Franchisor shall allow up to nine months after such death or legal incapacity for the heirs, personal representatives, or conservators (the “**Heirs**”) of Franchisee either to enter into a new Franchise Agreement upon Franchisor’s then-current form (except that no initial franchise fee or transfer fee shall be charged), if Franchisor is subjectively satisfied that the Heirs meet Franchisor’s standards and qualifications, or if not so satisfied to allow the Heirs to sell the Franchised Restaurant to a person approved by Franchisor, or (ii) upon prompt written request and upon the death or legal incapacity of an Owner owning 20% or more of the Equity or voting power of a corporate or limited liability company Franchisee, or a general or limited partner owning 20% or more of any of the Partnership Rights of a Franchisee which is a Partnership, Franchisor shall allow a period of up to nine months after such death or legal incapacity for the Heirs to seek and obtain Franchisor’s consent to the transfer or Assignment of such stock, membership interests or Partnership Rights to the Heirs or to another person acceptable by Franchisor. If, within said nine month period, the Heirs fail either to enter into a new franchise agreement or to sell the Franchised Restaurant to a person approved by Franchisor pursuant to this Agreement, or fail either to receive Franchisor’s consent to the Assignment of such Equity to the Heirs or to another person acceptable by Franchisor, as provided in this Agreement, this Agreement shall terminate upon notice from Franchisor.

14.2.3 Repeated Defaults. If Franchisee shall default in any obligation as to which Franchisee has previously received two or more written notices of default from Franchisor setting forth the default complained of within the preceding 12 months, such repeated course of conduct shall itself be grounds for termination of this Agreement without further notice or opportunity to cure.

14.2.4 Violation of Law. If Franchisee fails, for a period of 10 days after having received notification of noncompliance from Franchisor or any governmental or quasi-governmental agency or authority, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Restaurant.

14.2.5 Sale of Unauthorized Products. If Franchisee sells unauthorized products to the public after notice of default and thereafter sells such products, whether or not Franchisee has cured the default after one or more notices.

14.2.6 Under Reporting. If an audit or investigation conducted by Franchisor hereof discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated its Gross Sales or withheld the reporting of same as herein provided, and, without limiting the foregoing, if, on three or more occasions in any single 36 month period, any audits or other investigations reveals an under-reporting or under-recording error of 2% or more, or on any single occasion any audit or other investigation reveals an under-reporting or under-recording of 5% or more.

14.2.7 Intellectual Property Misuse. If Franchisee materially misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor’s rights therein, or takes any action which reflects materially and unfavorably upon the operation



and reputation of the Franchised Restaurant, the System, or the “Dave’s Hot Chicken” brand generally. Franchisee’s unauthorized use, disclosure, or duplication of the “Trade Secrets”, excluding independent acts of employees or others if Franchisee shall have exercised its best efforts to prevent such disclosures or use.

14.2.8 **Misrepresentation.** If Franchisee makes any material misrepresentations relating to the acquisition of this Agreement.

14.2.9 **Health or Safety Violations.** Franchisee’s conduct of the Franchised Restaurant is so contrary to this Agreement, the System and the Dave’s Hot Chicken Operations Manual as to constitute an imminent danger to the public health (for example, selling spoiled food knowing that the food products are spoiled or allowing a dangerous condition arising from a failure to strictly comply with any health code or ordinance or other Applicable Law to continue despite Franchisee’s knowledge of such condition), or selling expired or other unauthorized products to the public after notice of default and continuing to sell such products whether or not Franchisee has cured the default after one or more notices.

14.2.10 **Failure to Complete Training.** If Franchisee, the initial Operating Principal or the initial CRM fails to complete all phases of the Initial Training Program or the Extra Practice Week to Franchisor’s satisfaction prior to the opening of the Franchised Restaurant.

14.3 **Termination with Notice and Opportunity to Cure.** Except for any default by Franchisee under Sections 14.1 or 14.2 of this Agreement, and as otherwise expressly provided elsewhere in this Agreement, Franchisee shall have 30 days (10 days in the case of any default in the timely payment of sums due to Franchisor or its Affiliates) after Franchisor’s written notice of default within which to remedy any default under this Agreement, and to provide evidence of such remedy to Franchisor. If any such default is not cured within that time period, or such longer time period as Applicable Law may require or as Franchisor may specify in the notice of default, this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure.

14.4 **Reimbursement of Franchisor Costs.** In the event of a default by Franchisee, all of Franchisor’s costs and expenses arising from such default, including reasonable legal fees and reasonable hourly charges of Franchisor’s administrative employees shall be paid to Franchisor by Franchisee within five days after cure or upon demand by Franchisor if such default is not cured.

14.5 **Assumption of Management; Step-In Rights.** In order to prevent any interruption of operations which would cause harm to the Franchised Restaurant, thereby depreciating the value thereof, Franchisor has the right, but not the obligation, to step-in and designate an individual or individuals of its choosing (“**Interim Manager**”) for so long as Franchisor deems necessary and practical to temporarily manage the Franchised Restaurant: (i) if Franchisee fails to comply with any System standard or provision of this Franchise Agreement and does not cure the failure within the time period specified by the Franchise Agreement or by Franchisor; (ii) if Franchisor determines in its sole judgment that the operation of the Franchised Restaurant is in jeopardy; (iii) if Franchisor determines in its sole discretion that operational problems require that Franchisor operate the Franchised Restaurant; (iv) if Franchisee abandons or fails to actively operate the Franchised Restaurant; (v) upon Franchisee’s (or Franchisee’s Operating Principal, if an entity) absence, termination, illness, death, incapacity or disability; or (vi) if Franchisor deems Franchisee (or Franchisee’s Operating Principal, if any entity) incapable of operating the Franchised Restaurant (“**Step-in Rights**”). If Franchisor exercises the Step-In Rights:

(a) Franchisee agrees to pay Franchisor, in addition to all other amounts due under this Franchise Agreement, the Interim Manager’s compensation and any direct out-of-pocket costs and expenses in connection with the exercise of such Step-In Rights;



(b) all monies from the operation of the Franchised Restaurant during such period of operation by Franchisor shall be kept in a separate account, and the expenses of the Franchised Restaurant, including Franchisor's costs and expenses and the compensation and direct out-of-pocket costs and expenses for the Interim Manager, shall be charged to said account;

(c) Franchisee acknowledges that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses, or obligations the Franchised Restaurant incurs, or to any of Franchisee's creditors for any supplies, products, or other assets or services the Franchised Restaurant purchases, while Interim Manager manages it;

(d) the Interim Manager will have no liability to Franchisee except to the extent directly caused by its gross negligence or willful misconduct. Franchisor will have no liability to Franchisee for the activities of an Interim Manager unless Franchisor is grossly negligent in appointing the Interim Manager, and Franchisee will indemnify and hold Franchisor harmless for and against any of the Interim Manager's acts or omissions, as regards to the interests of Franchisee or third parties; and

(e) Franchisee agrees to pay all of Franchisor's reasonable attorney's fees, accountant's fees, and other professional fees and costs incurred as a consequence of Franchisor's exercise of the Step-In Rights.

Nothing contained herein shall prevent Franchisor from exercising any other right which Franchisor may have under this Franchise Agreement, including, without limitation, termination.

14.6 Cross-Default. Except for a default or termination of any Area Development Agreement consisting solely of Franchisee's failure to meet the development schedule thereunder, any default by Franchisee under the terms and conditions of this Agreement, any Lease, or any other agreement between Franchisor (or its Affiliate), and Franchisee (or any Affiliate of Franchisee) shall be deemed to be a default of each and every said agreement. Furthermore, in the event of termination, for any cause, of this Agreement or any other agreement between the parties hereto, Franchisor may, at its option, terminate any or all said agreements.

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

SECTION 15

RIGHTS AND OBLIGATIONS UPON TERMINATION

15.1 General. Upon the expiration or termination of Franchisee's rights granted under this Agreement:

15.1.1 Franchisee shall immediately cease to use all Trade Secrets, the Marks, and any confusingly similar trademark, service mark, trade name, logotype, or other commercial symbol or insignia. Franchisee shall immediately return the Dave's Hot Chicken Operations Manual, all training materials, electronic files, records, customer lists, files, advertising and promotional materials and all other written materials incorporating Trade Secrets and all copies of the whole or any part thereof to Franchisor.



Franchisee shall at its own cost make cosmetic changes to the Franchised Restaurant so that it no longer contains or resembles Franchisor's proprietary designs, including: Franchisee shall remove all materials that would identify the Premises and Location as a Restaurant operated under the Marks and System, and remove distinctive cosmetic features and finishes, soffits, interior wall coverings and colors, exterior finishes and colors and signage from the Premises and Location as Franchisor may reasonably direct and shall, at Franchisor's request, grant Franchisor access to the Premises to make cosmetic changes to the Franchised Restaurant so that it no longer resembles a Restaurant. Or in the alternative, if Franchisor so elects, at its sole option, upon any termination or expiration of this Agreement, Franchisor shall have an immediate right to enter and take possession of the Franchised Restaurant in order to maintain continuous operation of the Franchised Restaurant, to provide for orderly change of management and disposition of personal property and to otherwise protect Franchisor's interest.

15.1.2 If Franchisor so elects, at its sole option, upon any termination or expiration of this Agreement, Franchisee will sell to Franchisor such equipment and furnishings as Franchisor may designate that are associated with the Franchised Restaurant at their then-current fair market value. If Franchisor and Franchisee cannot agree upon a fair market value for any equipment or furnishings, then Franchisor and Franchisee will each retain an independent appraiser at their own costs to prepare an appraisal of the fair market value and the average of the two appraisals shall be the fair market value and the purchase price. Upon the expiration or termination of Franchisee's rights under the Franchise Agreement, to the extent it does not conflict with an otherwise valid lien held by a lender or the terms of any lending agreement, Franchisor shall hold an option to purchase, and Franchisee shall agree to sell, such equipment or furnishings as Franchisor may designate that are associated with the Franchised Restaurant at its then-current fair market value. If Franchisor and Franchisee cannot agree upon a fair market value for any equipment or furnishings, then Franchisor and Franchisee will each retain an independent appraiser at their own costs to prepare an appraisal of the fair market value and the average of the two appraisals shall be the fair market value and the purchase price right. Franchisor shall have no other payment obligations to Franchisee, and Franchisee specifically waives any and all claims to be paid for other equipment, furnishings, fixtures, products, supplies or the goodwill associated with the terminated Franchised Restaurant (which goodwill Franchisee acknowledges is owned exclusively by Franchisor). Franchisor may offset against any obligations it may have pursuant to this Section any amounts owed by Franchisee to Franchisor.

15.1.3 Franchisor may retain all fees paid pursuant to this Agreement, and Franchisee shall immediately pay any and all amounts owing to Franchisor, its Affiliates, and/or suppliers.

15.1.4 Any and all obligations of Franchisor to Franchisee under this Agreement shall immediately cease and terminate.

15.1.5 Any and all rights of Franchisee under this Agreement shall immediately cease and terminate, and Franchisee shall immediately cease and thereafter refrain from representing itself as then or formerly a Franchisee or other Affiliate of Franchisor.

15.1.6 Franchisee acknowledges that all telephone numbers, facsimile numbers, social media websites, Internet addresses and email addresses (collectively "**Identifiers**") used in the operation of the Franchised Restaurant constitute Franchisor's assets, and upon termination or expiration of this Agreement, Franchisee will take such action within five days to cancel or assign to Franchisor or Franchisor's designee as determined by Franchisor, all of Franchisee's right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at Franchisor's direction.



Franchisee agree to take all action required cancel all assumed name or equivalent registrations related to Franchisee's use of the Marks. Franchisee acknowledges that, Franchisor has the sole rights to, and interest in, all Identifiers used by Franchisee to promote the Franchised Restaurant and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Franchisee further appoints Franchisor to direct the telephone company, postal service, registrar, Internet service provider, listing agency, website operator, or any other third party to transfer such Identifiers to Franchisor or Franchisor's designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by Franchisor pursuant to this Franchise Agreement as conclusive evidence of Franchisor's rights to the Identifiers and Franchisor's authority to direct their transfer. For the avoidance of doubt, nothing in this Section shall be deemed to permit Franchisee to use the Marks, or any of them in connection with the Internet, except with the prior consent of Franchisor as provided in this Agreement.

15.2 Survival of Obligations. Termination or expiration shall be without prejudice to any other rights or remedies that Franchisor shall have in law or in equity, including the right to recover benefit of the bargain damages. In no event shall a termination or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any action in accordance with this Agreement. The provisions of this Agreement which by their nature or expressly constitute post-termination (or post-expiration) covenants and agreements including the obligation of Franchisor and Franchisee to arbitrate any and all disputes shall survive the termination or expiration of this Agreement.

15.3 No Ownership of Marks. Franchisee acknowledges and agrees that rights in and to Franchisor's Marks and the use thereof shall be and remain the property of Franchisor.

15.4 Government Filings. In the event Franchisee has registered any of Franchisor's Marks or the name "Dave's Hot Chicken" as part of Franchisee's assumed, fictitious or corporate name, Franchisee shall promptly amend such registration to delete Franchisor's Marks and any confusingly similar marks or names therefrom.

15.5 Liquidated Damages. Franchisee agrees that any termination of this Agreement (excluding any termination of this Agreement in connection with a sale of the Franchised Restaurant approved by Franchisor pursuant to the terms of this Agreement) before the expiration of the Term will deprive Franchisor of the benefit of the bargain Franchisor is entitled to receive under this Agreement. As a result, if this Agreement is terminated after the Effective Date, Franchisee will pay Franchisor, as liquidated damages for the loss of the benefit of the bargain Franchisor is entitled to receive, and not as a penalty, a lump-sum payment equal to the Continuing Royalties Franchisee owed Franchisor during the thirty-six (36) months before the termination date. If less than thirty-six (36) months have lapsed between the Effective Date and the termination date, the liquidated damages will be the average monthly Continuing Royalties during the time between the Effective Date and the termination date, multiplied by thirty-six (36). If there are less than thirty-six (36) months remaining in the Term at the time of termination, Franchisee must pay Franchisor the average monthly Continuing Royalty fees during the 12 months preceding the termination date, multiplied by the number of months remaining in the Term. Franchisee will pay all amounts stated in this Section within thirty (30) days after the termination of this Agreement. Franchisee agrees, and Franchisee directs any party construing this Agreement to conclusively presume, that the damages stated in this Section: (i) are true liquidated damages; (ii) are intended to compensate Franchisor for the harm Franchisor will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of Franchisor's probable loss resulting from Franchisee's defaults, viewed as of the termination date; and (v) will be in addition to all other rights Franchisor has to obtain legal or equitable relief.



SECTION 16 INSURANCE

16.1 Insurance. Franchisee shall obtain and maintain (at all times during the Term) insurance coverage in the types and amounts of coverage and deductibles specified in the Dave's Hot Chicken Operations Manual which shall in each instance designate Franchisor and its designated Affiliates as additional named insureds, with an insurance company approved by Franchisor, which approval shall not be unreasonably withheld.

16.2 Use of Proceeds. In the event of damage to the Franchised Restaurant covered by insurance, the proceeds of any such insurance shall be used to restore the Franchised Restaurant to its original condition as soon as possible, unless such restoration is prohibited by the Location Lease or Franchisor has otherwise consented to in writing. Upon the obtaining of such insurance, Franchisee shall promptly provide to Franchisor proof of such insurance coverage.

16.3 Proof of Insurance. Franchisee shall, prior to opening the Franchised Restaurant, (and from time to time, within 10 days after a request therefor from Franchisor, and annually thereafter provide evidence of the renewal or extension of each insurance policy) file with Franchisor, certificates of such insurance and shall promptly pay all premiums on the policies as they become due. In addition, the policies shall contain a provision requiring 30 days prior written notice to Franchisor of any proposed cancellation, modification, or termination of insurance. If Franchisee fails to obtain and maintain the required insurance, Franchisor may, at its option, in addition to any other rights it may have, procure such insurance for Franchisee without notice and Franchisee shall pay, upon demand, the premiums plus 20% of the premium for Franchisor's administrative costs in taking such action.

SECTION 17 RELATIONSHIP OF PARTIES, INDEMNITY, NO RECOURSE

17.1 Relationship of Franchisee to Franchisor. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Franchisee is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. Franchisee agrees that it shall not under any circumstances hold itself out as the agent, representative, employee, partner or co-venturer of Franchisor. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor control. Specifically, Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Franchisee's employees or personnel for qualification to perform certain functions for the Franchised Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire or control any such employee. Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in the Dave's Hot Chicken Operations Manual or otherwise, does 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 Franchisee must adhere to when exercising its control of the day-to-day operations of the Franchised Restaurant. Each of the parties shall file its own tax,



regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. Neither shall have the power to bind or obligate the other except specifically as set forth in this Agreement. Franchisor and Franchisee agree that the relationship created by this Agreement is one of independent contractor and not a fiduciary relationship. Franchisee will use Franchisee's legal name on all documents for use with employees and contractors, including but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents. Upon Franchisor's request, Franchisee and each of Franchisee's employees will sign an employment relationship acknowledgment form within seven days stating that Franchisee alone is the employer and operates the Franchised Restaurant. Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement, or based on any oral communications which may be ruled to be binding in an arbitration or court of law, shall be Franchisor's sole responsibility and none of Franchisor's owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to Franchisee for any reason.

17.2 Indemnity.

17.2.1 Franchisee and its Owners, jointly and severally, shall, at all times, protect, defend and indemnify Franchisor and its Affiliates, and their respective past, present and future Owners, and any Entities in which the Owners maintain an ownership interest in, successors, assigns, officers, directors, employees, attorneys and designees (collectively, the "**Indemnified Parties**"), and hold each of them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind and nature arising out of or in connection with (whether directly or indirectly) this Agreement, including, but not limited to: (i) Franchisee's acquisition of the fee or leasehold interest on which the Franchised Restaurant is to be located; (ii) the development, construction (including any latent or patent defects), furnishing and equipping of the Franchised Restaurant; (iii) any breach of this Agreement; (iv) the maintenance or operation of the Premises or the Franchised Restaurant, including the preparation of all food and beverage offered at the Franchised Restaurant and all services (including delivery service and the provision of alcoholic beverages); (v) any labor or employment law disputes relating to the Premises or to the Franchised Restaurant, including any claims by any employee of Franchisee or its Affiliates arising out of, or relating to, his or her employment, and regardless of whether it resulted from any strict or vicarious liability on any Indemnified Party imposed by law; (vi) Franchisee's failure to pay amounts due and payable (to Franchisor or any of its Affiliates) pursuant to this Agreement, or failure to do or perform any other act, matter or thing required by this Agreement; and/or (vii) for an action by Franchisor to obtain performance by Franchisee of any act, matter or thing required by this Agreement. In connection with the above, (a) Franchisee agrees to pay all suppliers of goods and services to Franchisee in connection with the construction and/or operation of the Franchised Restaurant when due and payable; and (b) Franchisee shall include in the text of all contracts entered into between Franchisee and any third party an acknowledgment that Franchisee is solely a franchisee of Franchisor and has no ownership in or other relationship with Franchisor and, shall include an express release of Franchisor of any obligation or liability to such party which arises out of or is otherwise related to or in connection with Franchisee's acquisition, development, construction and operation of the Franchised Restaurant.

17.2.2 Franchisee shall give Franchisor and any other Indemnified Party prompt written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within three days of Franchisee's actual or constructive knowledge of it. The Indemnified Parties shall have the right, in their sole discretion, to direct, manage, control and settle any such claim, including to (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. Franchisee agrees to



give its full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and Franchisee and/or its Owners shall reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys' fees, within ten days of the date of each invoice delivered by the Indemnified Parties to Franchisee and/or its Owners enumerating such costs, expenses and attorneys' fees. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against Franchisee and its Owners under this subparagraph. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee or its Owners under this subparagraph. Franchisor's or any of the other Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee and its Owners' obligation to indemnify Franchisor and the other Indemnified Parties and to hold Franchisor and any of the Indemnified Parties harmless. The terms of this Section 17.2 shall survive the termination, expiration or cancellation of this Agreement.

17.3 No Recourse. Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, Affiliates, Owners, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (a) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (b) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (c) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

SECTION 18 MEDIATION AND ARBITRATION

18.1 Mediation. Except to the extent precluded by Applicable Law, the parties hereby pledge and agree that prior to filing any arbitration or lawsuit (other than suits described in Section 12.2.3 or to seek provisional remedies, including injunctions and as otherwise described below in Section 18.5), they shall first attempt to resolve any dispute between the parties pursuant to mediation conducted in accordance with the Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc. ("JAMS") unless the parties agree on alternative rules and a mediator within 15 days after either party first gives notice of mediation. Mediation shall be conducted in the JAMS office closest to our principal place of business (currently Pasadena, California) and shall be conducted and completed within 45 days following the date either party first gives notice of mediation. If the parties fail to fully resolve such dispute through mediation within such 45-day period, either party may initiate arbitration. The fees and expenses of the mediator shall be shared equally by the parties. The mediator shall be disqualified as a witness, expert or counsel for any party with respect to any suit and any related matter. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties shall not be discoverable or admissible in any legal proceeding for any purpose except as required by Applicable Law, including required disclosure in Franchisor's franchise disclosure document, and provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation.

18.2 Arbitration. If the parties cannot fully resolve and settle a dispute through mediation as set forth in Section 18.1, all unresolved issues involved in the dispute, including any controversy or claim between Franchisor and Franchisee arising out of or relating to this Agreement or any alleged breach hereof,



and any issues pertaining to the arbitrability of such controversy or claim and any claim that this Agreement or any part hereof is invalid, illegal, or otherwise voidable or void, shall be submitted to binding arbitration. Said arbitration shall be conducted before and will be heard by three arbitrators in accordance with the then-current Rules of Practice and Procedure of JAMS. If JAMS or any successor thereto, is no longer in existence at the time arbitration is commenced, Franchisor and Franchisee will agree on another arbitration organization to conduct the arbitration proceeding. Judgment upon any award rendered may be entered in any Court having jurisdiction thereof. Except to the extent prohibited by Applicable Law, the proceedings shall be held in the location closest to Franchisor's principal place of business (currently Pasadena, California). All arbitration proceedings and claims shall be filed and prosecuted separately and individually in the name of Franchisee and Franchisor, and not in any class action or representative capacity, and shall not be joined with or consolidated with claims asserted by or against any other franchisee. The arbitrators shall have no power or authority to grant punitive or exemplary damages as part of its award. In no event may the material provisions of this Agreement including, but not limited to the method of operation, authorized product line sold or monetary obligations specified in this Agreement, amendments to this Agreement or in the Dave's Hot Chicken Operations Manual be modified or changed by the arbitrator at any arbitration hearing. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party despite said failure to appear. All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.), notwithstanding any provision of this Agreement specifying the state law under which this Agreement shall be governed and construed. Except as required by Applicable Law, including the required disclosure in Franchisor's franchise disclosure document, the entire arbitration proceedings and related documents are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

18.3 Awards. The arbitrators will have the right to award or include in the award any relief which they deem proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrators will not have the authority to award exemplary or punitive damages. The award and decision of the arbitrator will be conclusive and binding upon all parties and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties shall be bound by the provisions of any limitation on the period of time by which claims must be brought. The parties agree that, in connection with any such arbitration proceeding, each will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceedings as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred.

18.4 Permissible Parties. Franchisee and Franchisor agree that arbitration will be conducted on an individual, not a class wide, basis and that any arbitration proceeding between Franchisee and Franchisor will not be consolidated with any other arbitration proceeding involving Franchisor and any other person or entity.



18.5 Injunctive Relief. Notwithstanding anything to the contrary contained in Section 18.1 or Section 18.2, Franchisor will have the right to obtain specific performance, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, and other provisional relief including but not limited to enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with Franchisee's restrictive covenants under Section 12 of this Agreement; any claim or dispute involving or contesting the validity of any of the Marks; any action to protect Franchisor's rights in the Marks, the System, or in any of Franchisor's specialized training, Trade Secrets, Confidential Materials and Practices, or other confidential or proprietary information; or any action seeking compliance with post-termination obligations set forth in Section 15, brought at any time, including prior to or during the pendency of any mediation or arbitration proceedings under Sections 18.1 or 18.2, provided that the parties will contemporaneously submit their dispute for arbitration on the merits. Franchisee agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any the injunction being expressly waived).

18.6 Venue. All disputes and claims not subject to arbitration under Section 18.2 must be brought in the state or federal court with jurisdiction in the principal city where Franchisor's principal place of business is then-located (currently Pasadena, California); provided that Franchisor has the option to bring suit against Franchisee in any state or federal court within the jurisdiction where the Franchised Restaurant is or was located or where any of Franchisee's owners lives for those claims brought in accordance with Section 18.5. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

18.7 Acknowledgement. The parties acknowledge that nothing herein shall delay or otherwise limit Franchisor's rights and remedies under Section 14 of this Franchise Agreement. A notice or request for arbitration or mediation will not operate to stay, postpone, or rescind the effectiveness of any demand for performance or notice of termination under this Agreement.

18.8 JURY TRIAL & CLASS ACTION WAIVER. THE PARTIES IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

18.9 Limitation of Actions. The parties agree that any legal action of any kind by a party arising out of or relating to this Agreement or a default of this Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the forgoing limitation shall not apply: (i) where required by Applicable Law; (ii) to the parties indemnification obligations under this Agreement; (iii) to suits described in Section 12.2.3; (iv) to the parties' right to seek provisional remedies or injunctions; or (v) for any claims under Section 18.5.

18.10 Survival. The provisions of this Section 18 will continue in full force and effect subsequent to and notwithstanding the expiration, termination, or non-renewal of this Agreement.



SECTION 19 MISCELLANEOUS PROVISIONS

19.1 Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one business day after confirmed transmission by email to Franchisee at the address Franchisee designates below or to Franchisor to the address below or otherwise approved in the Dave's Hot Chicken Operations Manual as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage pre-paid and addressed as follows:

If to Franchisor:	Dave's Hot Chicken Franchise Co. SPV LLC 600 Playhouse Alley, Unit 504 Pasadena, CA 91101 Telephone No.: (626) 628-0850 Attn: President
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If to Franchisee:	See <u>Attachment A</u>
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Any party may change his or its address by giving 10 days prior written notice of such change to all other parties.

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

19.3 Waiver and Delay. No waiver by Franchisor of any default or series of defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it hereunder or under any other franchise or license agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Franchised Restaurant) or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement, any other franchise or license agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Franchised Restaurant) or the Dave's Hot Chicken Operations Manual, shall constitute a waiver of the provisions of this Agreement or the Dave's Hot Chicken Operations Manual with respect to any subsequent default thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof. Franchisor will consider written requests by Franchisee for Franchisor's consent to a waiver of any obligation imposed by this Agreement. Franchisee agrees, however, that Franchisor is not required to act uniformly with respect to waivers, requests and consents as each request will be considered on a case by case basis, and nothing shall be construed to require Franchisor to grant any such request. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor, and may be revoked, in Franchisor's discretion, at any time and for any reason, effective upon 10 days prior written notice to Franchisee. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee by providing any waiver,



approval, acceptance, consent, assistance, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request.

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

19.5 Successors and Assigns; Benefit. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and Franchisee and its or their respective heirs, executors, administrators, successors and assigns, subject to the restrictions on Assignment contained herein. This Agreement is for the benefit of the parties only, and is not intended to and shall not confer any rights or benefits upon any person who is not a party hereto.

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

19.7 Governing Law. This Agreement shall, without giving effect to any conflict of laws principles, be governed by the laws of the state of Delaware, and any state law relating to (1) the offer and sale of franchises (2) franchise relationships, or (3) business opportunities, will not apply unless the applicable jurisdictional requirements are met independently without reference to this paragraph.

19.8 Entire Agreement. This Agreement and the Dave's Hot Chicken Operations Manual contain all of the terms and conditions agreed upon by the parties with reference to the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, oral or otherwise, shall be deemed to exist or to bind any of the parties. All prior or contemporaneous agreements, understandings and representations relating to the subject matter of this Agreement, are merged and are expressly and superseded by this Agreement, except such representations as are made in the franchise disclosure document delivered to Franchisee and any representations made by Franchisee in acquiring this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim the representations made by Franchisor in the franchise disclosure document delivered to Franchisee. This Agreement cannot be amended, modified or changed except by written instrument signed by all of the parties.

19.9 Titles for Convenience. Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

19.10 Gender and Construction. The terms of all Attachments hereto are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full herein. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Section hereof may require. As used in this Agreement, the words "include," "includes," "including," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization of Franchisor which Franchisee may be required to obtain hereunder may be given or withheld by Franchisor in its sole discretion, and on any occasion where Franchisor is required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. No provision herein expressly identifying any particular breach of this Agreement as material shall be construed to imply



that any other breach which is not so identified is not material. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

19.11 Severability. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement or the Dave's Hot Chicken Operations Manual and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement or the Dave's Hot Chicken Operations Manual thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, Section, sentence or clause of this Agreement or the Dave's Hot Chicken Operations Manual shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

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

19.13 Fees and Expenses. If any party to this Agreement shall bring any arbitration, action or proceeding for any relief against the other, declaratory or otherwise, arising out of this Agreement, the losing party shall pay to the prevailing party all of the prevailing party's reasonable attorney fees and costs incurred in bringing or defending such arbitration, action or proceeding and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such arbitration, action or proceeding and shall be paid whether or not such action or proceeding is prosecuted to final judgment. Any judgment or order entered in such action or proceeding shall contain a specific provision providing for the recovery of attorney fees and costs, separate from the judgment, incurred in enforcing such judgment. For the purposes of this Section, attorney fees shall include fees incurred in the following: (1) post-judgment motions, including motions for fees and costs; (2) contempt proceedings; (3) garnishment, levy, and debtor and third-party examinations; (4) discovery; and (5) bankruptcy litigation. This Section is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

19.14 Covenant of Good Faith. If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if Applicable Law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of the franchisees generally (including Franchisor and its affiliates if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of



bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

SECTION 20 FINANCIAL COVENANT

20.1 Debt to Capital Employed. Unless Franchisor otherwise agrees in writing, at no time during the Term shall Franchisee's ratio of debt to capital employed, collectively with the ratio of debt to capital employed by Franchisee's Affiliates, be greater than 75%; and Franchisee shall promptly notify Franchisor if at any time such ratio is greater than 75%.

SECTION 21 SUBMISSION OF AGREEMENT

21.1 General. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Franchisor and Franchisee. This Agreement shall not be binding on Franchisor unless and until it shall have been accepted and signed on its behalf by an authorized officer of Franchisor.

SECTION 22 ACKNOWLEDGMENTS AND REPRESENTATIONS

22.1 General. Franchisee, and its Owners, jointly and severally acknowledge and represent that they: (i) have received a copy of Franchisor's current franchise disclosure document not less than 14 days prior to the earlier of (a) the day on which this Agreement or any other agreement relating thereto was executed, and (b) the payment of any consideration by or on behalf of Franchisee relating to this Agreement, and the franchise associated therewith; (ii) are aware of the fact that other present or future franchisees of Franchisor's may operate under different forms of agreement and consequently that Franchisor's obligations and rights with respect to Franchisor's various franchisees may differ materially in certain circumstances; (iii) are aware of the fact that Franchisor may have negotiated terms or offered concessions to other franchisees and Franchisor has no obligation to offer Franchisee the same or similar negotiated terms or concessions; (iv) Franchisee has independently investigated the franchise opportunity hereunder and recognizes that, like any other business, the nature of the business a Restaurant conducts may, and probably will, change over time; (v) that an investment in a Restaurant involves business risks that could result in the loss of a significant portion of Franchisee's investment; (vi) that Franchisee's and its Owners' business abilities and efforts are vital to Franchisee's success; (vii) that attracting customers to the Franchised Restaurant will require Franchisee to make consistent marketing efforts in Franchisee's community through various methods, including media advertising, social media advertising, search engine marketing, search engine optimization, direct mail advertising, and display and use of in-restaurant promotional materials; (viii) that retaining customers will require that Franchisee have a high level of customer service and adhere to the System; (ix) that Franchisee has not received from Franchisor, and is not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income or profits of a Restaurant; (x) that in all of Franchisor's dealings with Franchisee, Franchisor's officers, directors, employees and agents act only in a representative and not in an individual capacity, and that the business dealings between Franchisee and Franchisor's representatives as a result of this Agreement are deemed to be only between Franchisee and Franchisor; (xi) that Franchisee has represented to Franchisor, to induce Franchisor's entry into this Agreement, that all statements Franchisee and its Owners have made and all materials that Franchisee and its Owners have given Franchisor are accurate and complete, and that neither Franchisee nor its Owners have made any misrepresentations or material omissions in obtaining this franchise; (xii) Franchisee and its Owners have read this Agreement and Franchisor's franchise disclosure document and understand and accept that this Agreement's terms and



covenants are reasonably necessary for Franchisor to maintain its high standards of quality and service, as well as the uniformity of those standards with respect to every Restaurant and to protect and preserve the goodwill associated with the Marks; (xiii) that Franchisor has not made any representation, warranty or other claim regarding the Dave's Hot Chicken Franchise opportunity, other than those made in this Agreement and the franchise disclosure document, and that Franchisee has independently evaluated this opportunity, including by using its business professionals and advisors, and have relied solely upon those evaluations in deciding whether to enter into this Agreement; and (xiv) that they have been afforded an opportunity to ask any questions they have and to review any materials of interest to them concerning the Dave's Hot Chicken franchise opportunity.

(Signature Page Follows)



IN WITNESS WHEREOF, the parties hereof have executed this Agreement as of the date of execution by

“FRANCHISOR”

**DAVE’S HOT CHICKEN FRANCHISE CO.
SPV LLC**

Date of Execution

By: _____

Printed Name: William Phelps

Title: CEO

“FRANCHISEE”

Date of Execution

[] an individual;
[] a _____ general partnership;
[] a _____ limited partnership;
[] a _____ limited liability company;
[] a _____ corporation

Printed Name: _____

Title: _____



APPENDIX 1

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

“Agreement” means this Franchise Agreement.

“Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future national, provincial, federal, state and local laws, ordinances, regulations, policies, lists, Orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

“Applicable Law” means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, governing the development, construction and operation of the Franchised Restaurant, including all labor, immigration, food and drug laws and regulations, as in effect on the Effective Date hereof, and as may be amended, supplemented or enacted from time to time.

“Area Development Agreement” means an agreement between Franchisee and Franchisor under which Franchisee or its Affiliate has agreed to open multiple Restaurants and pursuant to which Franchisee has executed this Agreement.

“Assets” means all of the following personal property and assets owned by Franchisee or in which Franchisee otherwise has any rights, and located at, or used in connection with the Franchised Restaurant: (a) all accounts, licenses, permits, and contract rights, including this Agreement, leasehold interests, all telephone and telecopier numbers, telephone and other directory listings, general intangibles, receivables, claims of Franchisee, all guaranties and security therefor and all of Franchisor’s right, title and interest in the goods purchased and represented by any of the foregoing; (b) all chattel paper including electronic chattel paper and tangible chattel paper; (c) all documents and instruments; (d) all letters of credit and letter-of-credit rights and all supporting obligations; (e) all deposit accounts; (f) all investment property and financial assets; (g) all inventory and products thereof and documents therefor; (h) all furniture, fixtures, equipment, leasehold improvements and machinery, wherever located and all documents and general intangibles covering or relating thereto; (i) all books and records pertaining to the foregoing, including computer programs, data, certificates, records, circulation lists, subscriber lists, advertiser lists, supplier lists, customer lists, customer and supplier contracts, sales orders, and purchasing records; (j) all software including computer programs and supporting information; (k) all commercial tort claims; (l) all other personal property of Franchisee of any kind used in connection with the Franchised Restaurant; and (m) all proceeds of the foregoing, including proceeds of insurance policies.



“Assignment” shall mean and refer to any assignment, transfer, gift or other conveyance, voluntarily or involuntarily, in whole or in part, by operation of Applicable Law or otherwise, of any interest (whether direct or indirect) in (i) this Agreement, (ii) any of Franchisee’s rights or privileges hereunder, (iii) all or any substantial portion of the assets of the Franchised Restaurant, including the Lease, or (iv) in the ownership of Franchisee (if Franchisee is an Entity) or any of its Owners.

“Authorized Products” means the foods products, sauces and beverages and other food items and ancillary related products, which may include specialty foods, packaged foods, books, hats, t-shirts and novelty items, as specified by Franchisor from time to time in the Dave’s Hot Chicken Operations Manual, or as otherwise directed by Franchisor in writing, for sale at a Restaurant, prepared, sold and/or manufactured in strict accordance with Franchisor’s recipes, standards and specifications, including specifications as to ingredients, brand names, preparation and presentation.

“Dave’s Hot Chicken Brand Product” means any product now existing or developed in the future that bears any of the Marks.

“Dave’s Hot Chicken Operations Manual” means Franchisor’s library of operations and training manuals, including a managers tools binder, Dave’s Hot Chicken intranet and any other written directive related to the System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

“Catering” means (i) the preparation, provision and service and management of service of food and beverages (including sales, marketing and promotional practices related thereto) to guests, invitees and other third parties on behalf of a client of the provider, whether on premises owned, leased, managed, licensed, hired or operated by such client, or for a venue-based catering facility not constituting a Restaurant by the provider including, without limitation, a private, cultural, entertainment, healthcare, sports, convention or educational facility, or as part of a special event such as a sporting, cultural, charitable or political event; and (ii) contract catering services which means the preparation, provision and service or management of service of food and beverages (including sales, marketing and promotional practices related thereto) to employees, customers, vendors, guests and invitees (but not the general public) on behalf of a client or to a client directly on an ongoing basis over a period of time pursuant to a contract with such client.

“CRM” means the certified manager of the Franchised Restaurant who has been approved and certified by us.

“Competitive Activities” means to, own, operate, lend to, advise, be employed by, or have any financial interest in (i) any restaurant that sells Nashville hot chicken or derives 20% or more of its Gross Sales from the sale of fried chicken, other than a Restaurant operated pursuant to a Franchise Agreement with Franchisor, or (ii) any business that specializes in developing, operating or franchising restaurants that sell Nashville hot chicken or derive 20% or more of their Gross Sales from the sale of fried chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any fried chicken food product, including Nashville hot chicken. Notwithstanding the foregoing, **“Competitive Activities”** shall not include the direct or indirect ownership solely as an investment, of securities of any Entity which are traded on any national securities exchange if the owner thereof (i) is not a controlling person of, or a member of a group which controls, such Entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

“Continuing Royalty” shall have the meaning set forth in Section 4.2 of this Agreement.

“Creative Fund Contribution” shall have the meaning set forth in Section 4.3 of this Agreement.



“Creative Fund” shall have the meaning set forth in Section 4.3 of this Agreement.

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

“Default” or **“default”** means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

“Director of Operations” shall have the meaning set forth in Section 7.2.5 of this Agreement.

“EFT” shall have the meaning set forth in Section 4.12 of this Agreement.

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

“Equity” means capital stock, membership interests, Partnership Rights, or other equity ownership interests of an Entity.

“First Successor Franchise Agreement” shall have the meaning set forth in Section 3.1 of this Agreement.

“First Successor Term” shall have the meaning set forth in Section 3.1 of this Agreement.

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; pandemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, contractor, or other person shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, Franchisee’s financial inability to perform or Franchisee’s insolvency shall not be an event of Force Majeure hereunder.

“Franchised Restaurant” means, as context requires, the Restaurant to be developed, or already developed, at the Location by Franchisee pursuant to this Agreement.

“GC Turnover Date” shall have the meaning set forth in Section 5.4.9.

“Goods and Services” shall have the meaning set forth in Section 9.4 of this Agreement.

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

“Gross Sales” means the total of all income, revenues, and consideration received or receivable by Franchisee as payment, whether in cash or for credit or barter, or other means of exchange (and, if for credit or barter, whether or not payment is received therefor), on account of any and all food, beverages, goods, merchandise, services or products sold in or from the Franchised Restaurant, including in-store, dining,



carry-out, drive-thru, online orders, delivery, third-party voucher sales, gift cards, Catering or otherwise, or which are promoted or sold under any of the Marks, during each Week of the Term, whether or not Franchisor offers such services or products in its other locations, including: (a) revenues from sales of any nature or kind whatsoever, derived by Franchisee or by any other person or Entity (including Franchisee's Affiliate(s)) from the Franchised Restaurant; (b) sales of Authorized Products in contravention of this Agreement; (c) the proceeds of any business interruption insurance, after the satisfaction of any applicable deductible; and (d) sales from vending devices including pay telephones. Notwithstanding the foregoing, "Gross Sales" shall exclude the following: (i) sums representing sales taxes collected directly from customers by Franchisee in the operation of the Franchised Restaurant, and any sales, value added or other tax, excise or duty charged to customers which is levied or assessed against Franchisee by any Federal, state, municipal or local authority, based on sales of specific goods, products, merchandise or services sold or provided at or from the Franchised Restaurant, provided that such taxes are actually transmitted to the appropriate Governmental Authority; (ii) sums representing tips, gratuities or service charges paid directly by customers to employees of Franchisee or paid to Franchisee and promptly and to the extent turned over to such employees by Franchisee in lieu of direct tips or gratuities; (iii) proceeds from isolated sales of equipment and trade fixtures not constituting any part of Franchisee's products and services offered for resale at the Franchised Restaurant nor having any material effect upon the ongoing operation of the Franchised Restaurant required under this Agreement; and (iv) revenues received on account of sales of pre-paid gift cards and certificates; provided, however, that revenues received on redemption of such pre-paid gift cards and certificates shall be included as part of "Gross Sales." For purposes of clarity, with respect to goods, merchandise, services or products sold pursuant to coupons or other discounts (which must be approved in advance by Franchisor), Gross Sales shall not include the amount of the discount from the original undiscounted purchase price of such goods, merchandise, services or products.

"Heirs" shall have the meaning set forth in Section 14.2.1 of this Agreement.

"Information" shall have the meaning set forth in Section 10.1 of this Agreement.

"Information Systems" means all electronic based hardware, software, middleware, web-based solutions, wireless, electronic interfaces, cabling, and other electronic devices, including, computer systems, ordering systems, mobile "app" programs, online ordering systems, point of sale and cash collection systems, data systems, network systems, printer systems, internet systems, telecommunication systems, menu systems, security systems, digital media systems, video and still digital cameras, power systems, music systems, and required service and support systems and programs.

"Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and software, which comprise the interconnected worldwide network of networks that employ the TCP/IP (Transmission Control Protocol/Internet Protocol), or any predecessor or successor protocols to such protocol, to communicate information of all kinds by fiber optics, wire, radio, or other methods of transmission.

"Lease" shall mean any agreement, however denominated, that allows Franchisee to occupy a Location owned by a third party, including any lease, sublease, concession agreement, license, and similar arrangement between Franchisee and a third party.

"Marks" shall have the meaning set forth in Recital A above.

"Non-Proprietary Products" shall have the meaning set forth in Section 9.2 of this Agreement.

"Non-Traditional Restaurants" means a Restaurant that is located in a "Non-Traditional Venue," as defined below.



“Non-Traditional Venue” is a facility operated under the Marks located within another primary business or in conjunction with other businesses or at institutional settings, including toll roads, train stations, amusement parks and all properties controlled by the amusement park, travel stations, hotels and motels, ships, ports, piers, casinos, stadiums, airports, theaters, big-box retailers, building supply stores, warehouse club stores, colleges and universities, schools, outlet malls, hospitals, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, supermarkets and convenience stores and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

“Notice of Election” shall have the meaning set forth in Section 3.3.1 of this Agreement.

“Operating Principal” is identified in Attachment A and shall have the meaning set forth in Section 7.2.1 of this Agreement.

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

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

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

“Permits” means and includes all applicable franchises, licenses, permits, registrations, certificates and other operating authority required by Applicable Law.

“Premises” means the premises owned, leased or subleased by Franchisee at which the Franchised Restaurant is located including any ancillary common area, parking lot, campus, buildings and other structures associated with the Premises.

“Proprietary Products” shall have the meaning set forth in Section 9.1 of this Agreement.

“Punch List” shall have the meaning set forth in Section 5.4.9.

“Restaurant” means a restaurant being developed or operated, as the case may be, under the Marks and in accordance with the System and specializing in the sale of Authorized Products

“Restricted Persons” means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers, and Affiliates of each of them, the Operating Principal, the CRM(s), and the spouse and family members who live in the same household of each of the foregoing who are individuals.

“ROFR” shall have the meaning set forth in Section 13.2.3(c) of this Agreement.

“ROFR Period” shall have the meaning set forth in Section 13.2.3(c) of this Agreement.

“Second Successor Franchise Agreement” shall have the meaning set forth in Section 3.1 of this Agreement.



“Second Successor Term” shall have the meaning set forth in Section 3.1 of this Agreement.

“Site Review Request” shall have the meaning set forth in Section 5.1 of this Agreement.

“ServSafe” means the food safety training program administered by the National Restaurant Association Educational Foundation under the “ServSafe” name, or such other or additional food safety program or certification program designated or accepted by Franchisor from time to time for the jurisdiction in which the Franchised Restaurant is located.

“Successor Franchise Agreement” means the First Successor Franchise Agreement or the Second Successor Franchise Agreement, as the context requires, as well as any ancillary documents (including, but not limited to, guarantees).

“Successor Franchise Right” shall have the meaning set forth in Section 3.1 of this Agreement.

“Successor Term” means the First Successor Term or Second Successor Term, as the context requires.

“Supplier” shall have the meaning set forth in Section 9.2 of this Agreement.

“System” means Franchisor’s operating methods and business practices related to its Restaurants, and the relationship between Franchisor and its franchisees, including defined product offerings, recipes, and preparation methods; distinctive interior and exterior Restaurant designs, including architectural designs, layout plans; other items of trade dress; specifications for equipment, fixtures, and uniforms; signs; Trade Secrets and other confidential information; restrictions on ownership; inventory techniques, standard operating and administrative procedures; management and technical training programs; and marketing and public relations programs; all as Franchisor may modify the same from time to time.

“Term” shall have the meaning set forth in Section 3.1 of this Agreement including any extensions thereof.

“Territory” shall have the meaning set forth in Section 2.3.1 of this Agreement.

“Terrorist Lists” means all lists of known or suspected terrorists or terrorist organizations published by any U.S. Government Authority, including U.S. Treasury Department’s Office of Foreign Asset Control (“**OFAC**”), that administers and enforces economic and trade sanctions, including against targeted non-U.S. countries, terrorism sponsoring organizations and international narcotics traffickers.

“Trademark Claim” shall have the meaning set forth in Section 11.4.

“Trade Secrets” means proprietary and confidential information, including, recipes, ingredients, specifications, procedures, policies, concepts, systems, know-how, plans, software, strategies, and methods and techniques of operating the Franchised Restaurant and producing and preparing Authorized Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that Franchisee can show was already lawfully in Franchisee’s possession before receipt from Franchisor.

“Travel Expenses” means costs and expenses incurred by or assessed in connection with travel, including airfare, hotel/lodging, local transportation, meals, and, with regard to Franchisor employees’, agents’ and/or representatives’ expenses, a per diem charge determined by Franchisor in advance, with



respect to other incidental expenses incurred, including, without limitation, laundry and/or telephone expenses.

“Wages” means all salaries and hourly wages, and all related direct and indirect payroll expenses of employees, including employment-related taxes, overtime compensation, vacation benefits, pension and profit sharing plan contributions, medical insurance premiums, medical benefits, and the like, and all direct and indirect fees, costs and expenses payable to independent contractors, agents, representatives and outside consultants.

“Week” each seven day period commencing on Monday and ending on Sunday.



ATTACHMENT A
FRANCHISE DATA SHEET

1. **Effective Date.** The “Effective Date” set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20____.
2. **Franchisee.** The Franchisee set forth in the introductory paragraph of the Franchise Agreement is: _____, a _____.
3. **Area Development Agreement.** (check one):
- a. _____ This Franchise Agreement is not entered into pursuant to an Area Development Agreement.
- b. _____ This Franchise Agreement constitutes the _____ Restaurant under the Area Development Agreement between Franchisor and _____ dated _____.
4. **“Expiration Date”** means (check one):
- ☐ ten years from the date the Franchised Restaurant first opens to the public; provided however, that if the Lease is terminated or expires through no act or fault of Franchisee before the end of such period (and no substitute location has been accepted by Franchisor in writing and occupied by Franchisee before the termination or expiration of such Lease), the “Expiration Date” will be coterminous with the expiration or termination of the Lease.
- ☐ _____, 20____.
5. **“Franchisee Notice Address”** under Section 19.1 of the Franchise Agreement shall be the following:
- _____

Attn: _____
6. **“Initial Franchise Fee”** means \$ _____.
7. The **“Location”** referred to in Section 5.1 of the Franchise Agreement shall be the following: _____.
8. The **“New Restaurant Opening Fee”** referred to in Section 6.2 of the Franchise Agreement is equal to (check one):
- ☐ \$15,000 – this Franchise Agreement applies to the second or third Dave’s Hot Chicken Restaurants operated (and/or its Affiliates, collectively) by Franchisee.



- ☐ \$40,000 – this Franchise Agreement applies to the fourth or more Dave’s Hot Chicken Restaurants opened by Franchisee (and/or its Affiliates, collectively) and Franchisee does not meet all requirements to avoid paying the New Restaurant Opening Fee.
- ☐ N/A – Franchisee meets the requirements to avoid paying the New Restaurant Opening Fee because this is Franchisee’s: (i) first Dave’s Hot Chicken Restaurant; (ii) fourth or subsequent Dave’s Hot Chicken Restaurant opened by Franchisee and Franchisee is eligible to provide the new restaurant opening training itself; or (iii) second or third Dave’s Hot Chicken Restaurant opened by Franchisee and Franchisee is able to provide the new restaurant opening training itself and Franchisor has waived the New Restaurant Opening Fee.

9. **“Operating Principal”** means _____, or such other individual hereafter designated by Franchisee, and accepted by Franchisor (and until subsequently disapproved by Franchisor), to serve as the authorized representative of Franchisee, who Franchisee acknowledges and agrees shall act as Franchisee’s representative, who shall hold 10% or more of the Equity of Franchisee, and who shall have the authority to act on behalf of Franchisee during the Term.

10. The **“Territory”** referred to in Section 2.3 of the Franchise Agreement is defined as:

[] The area* outlined on the attached map and described as follows:

*If the Territory is defined by streets, highways, freeways, or other roadways, or rivers, streams, or tributaries, then the boundary of the Territory shall extend to the center of each such street, highway, freeway, or other roadway, or river, stream or tributary.

FRANCHISOR:

**DAVE’S HOT CHICKEN FRANCHISE CO.
SPV LLC**

By: _____

Printed Name: William Phelps

Title: CEO

FRANCHISEE:

Entity name (if any)

By: _____

Printed Name: _____

Title: _____



ATTACHMENT B

ENTITY INFORMATION

If Franchisee is an Entity, 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): _____

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

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

- (4) The name and address of each of Franchisee’s members, stockholders, or partners*:

Name	Address	Number of Shares / % Interest

*If any members, stockholders or partners are entities, please list the owners of such entities up through the individuals.

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

Name	Title	Address

(6) The address where Franchisee’s Financial Records, and Entity records (e.g., Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is:



ATTACHMENT C
CONTINUING GUARANTY

FOR VALUE RECEIVED, and in consideration of Dave's Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company ("**Franchisor**"), granting a franchise to _____, a _____ ("**Franchisee**"), the undersigned, _____ and _____ (jointly and severally, "**Guarantor**"), agree as follows:

1. Guaranty of Obligations.

1.1 Guarantor unconditionally, absolutely and irrevocably guarantees the full and prompt payment and performance when due, of all obligations of Franchisee to Franchisor and its affiliates, however created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or in the future existing or due or to become due, including, without limitation, under or in connection with that certain Franchise Agreement dated _____, 20__ (the "**Franchise Agreement**") and each of the documents, instruments and agreements executed and delivered in connection with the Franchise Agreement or this continuing guaranty, as each may be modified, amended, supplemented or replaced from time to time (all such obligations are referred to collectively as the "**Obligations**"), and all documents evidencing or securing any of the Obligations. This continuing guaranty (this "**Continuing Guaranty**") is a guaranty of payment and performance when due and not of collection.

1.2 In the event of any default by Franchisee in making payment of, or default by Franchisee in performance of, any of the Obligations, Guarantor agrees on demand by Franchisor to pay and perform all of the Obligations as are then or thereafter become due and owing or are to be performed under the terms of the Obligations. Guarantor further agrees to pay all expenses (including reasonable attorneys' fees and expenses) paid or incurred by Franchisor in endeavoring to collect the Obligations, or any part thereof, and in enforcing this Continuing Guaranty.

2. Continuing Nature of Guaranty and Obligations. This Continuing Guaranty shall be continuing and shall not be discharged, impaired or affected by: (1) the insolvency of Franchisee or the payment in full of all of the Obligations at any time or from time to time; (2) the power or authority or lack thereof of Franchisee to incur the Obligations; (3) the validity or invalidity of any of the Obligations; (4) the existence or non-existence of Franchisee as a legal entity; (5) any statute of limitations affecting the liability of Guarantor or the ability of Franchisor to enforce this Continuing Guaranty, the Obligations or any provision of the Obligations; or (6) any right of offset, counterclaim or defense of Guarantor, including, without limitation, those which have been waived by Guarantor pursuant to Paragraph 4 of this Continuing Guaranty.

3. Permitted Actions Of Franchisor. Franchisor may from time to time, in its sole discretion and without notice to Guarantor, take any or all of the following actions: (1) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to Guarantor, with respect to any of the Obligations; (2) extend or renew for one or more periods (whether or not longer than the original period), alter, amend or exchange any of the Obligations; (3) waive, ignore or forbear from taking action or otherwise exercising any of its default rights or remedies with respect to any default by Franchisee under the Obligations; (4) release, waive or compromise any obligation of Guarantor under this Continuing Guaranty or any obligation of any nature of any other obligor primarily or secondarily obligated with respect to any of the Obligations; (5) demand payment or performance of any of the Obligations from Guarantor at any time or from time to time, whether or not Franchisor shall have exercised any of its rights or remedies with respect to any property securing any of the Obligations or any obligation under this Continuing



Guaranty; or (6) proceed against any other obligor primarily or secondarily liable for payment or performance of any of the Obligations.

4. Specific Waivers.

4.1 Without limiting the generality of any other provision of this Continuing Guaranty, Guarantor expressly waives: (i) notice of the acceptance by Franchisor of this Continuing Guaranty; (ii) notice of the existence, creation, payment, nonpayment, performance or non-performance of all or any of the Obligations; (iii) presentment, demand, notice of dishonor, protest, notice of protest and all other notices whatsoever with respect to the payment or performance of the Obligations or the amount thereof or any payment or performance by Guarantor under this Agreement; (iv) all diligence in collection or protection of or realization upon the Obligations or any thereof, any obligation under this Agreement or any security for or guaranty of any of the foregoing; (v) any right to direct or affect the manner or timing of Franchisor's enforcement of its rights or remedies; (vi) any and all defenses which would otherwise arise upon the occurrence of any event or contingency described in Paragraph 1 hereof or upon the taking of any action by Franchisor permitted under this Agreement; (vii) any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to Guarantor now or at any time hereafter, including, without limitation, under any suretyship statute of the State of California; and (viii) all other principles or provisions of law, if any, that conflict with the terms of this Continuing Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety.

4.2 Guarantor waives all rights and defenses arising out of an election of remedies by Franchisor.

4.3 Guarantor further waives all rights to revoke this Continuing Guaranty at any time, and all rights to revoke any agreement executed by Guarantor at any time to secure the payment and performance of Guarantor's obligations under this Continuing Guaranty.

5. Subordination; Subrogation. Guarantor subordinates any and all indebtedness of Franchisee to Guarantor to the full and prompt payment and performance of all of the Obligations. Franchisor shall be entitled to receive payment of all Obligations prior to Guarantor's receipt of payment of any amount of any indebtedness of Franchisee to Guarantor. Guarantor will not exercise any rights which it may acquire by way of subrogation under this Continuing Guaranty, by any payment hereunder or otherwise, until all of the Obligations have been paid in full, in cash, and Franchisor shall have no further obligations to Franchisee under the Obligations or otherwise.

6. Non-Competition, Trade Secrets, and Other Covenants. Each of the covenants and obligations set forth in Section 12 of the Franchise Agreement are incorporated into this Continuing Guaranty by reference, and Guarantor agrees to comply with and perform each of such covenants and obligations as though fully set forth in this Continuing Guaranty as a direct and primary obligation of Guarantor.

7. Assignment of Franchisor's Rights. Franchisor may, from time to time, without notice to Guarantor, assign or transfer any or all of the Obligations or any interest therein and, notwithstanding any assignment(s) or transfer(s), the Obligations shall be and remain Obligations for the purpose of this Continuing Guaranty. Each and every immediate and successive assignee or transferee of any of the Obligations or of any interest therein shall, to the extent of such party's interest in the Obligations, be entitled to the benefits of this Continuing Guaranty to the same extent as if such assignee or transferee were Franchisor.

8. Indulgences Not Waivers. No delay in the exercise of any right or remedy shall operate as a waiver



of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude other or further exercise of such right or remedy or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Continuing Guaranty be binding upon Franchisor, except as expressly set forth in a writing signed by Franchisor. No action of Franchisor permitted under this Continuing Guaranty shall in any way affect or impair the rights of Franchisor or the obligations of Guarantor under this Continuing Guaranty.

9. Financial Condition of Franchisee. Guarantor represents and warrants that it is fully aware of the financial condition of Franchisee, and Guarantor delivers this Continuing Guaranty based solely upon its own independent investigation of Franchisee's financial condition. Guarantor waives any duty on the part of Franchisor to disclose to Guarantor any facts it may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor. Guarantor knowingly accepts the full range of risk encompassed within a contract of "Continuing Guaranty" which includes, without limitation, the possibility that Franchisee will contract for additional obligations and indebtedness for which Guarantor may be liable hereunder.

10. Representation and Warranty. Guarantor represents and warrants to Franchisor that this Continuing Guaranty has been duly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

11. Binding Upon Successors; Death of Guarantor; Joint and Several.

11.1 This Continuing Guaranty shall inure to the benefit of Franchisor and its successors and assigns.

11.2 All references herein to Franchisee shall be deemed to include its successors and permitted assigns, and all references herein to Guarantor shall be deemed to include Guarantor and Guarantor's successors and permitted assigns and, upon the death of a Guarantor, the duly appointed representative, executor or administrator of the Guarantor's estate. This Continuing Guaranty shall not terminate or be revoked upon the death of a Guarantor, notwithstanding any knowledge by Franchisor of a Guarantor's death.

11.3 If there shall be more than one Guarantor (or more than one person or entity comprises Guarantor) under this Agreement, all of the Guarantor's obligations and the other obligations, representations, warranties, covenants and other agreements of any Guarantor under this Agreement shall be joint and several obligations and liabilities of each Guarantor.

11.4 In addition and notwithstanding anything to the contrary contained in this Continuing Guaranty or in any other document, instrument or agreement between or among any of Franchisor, Franchisee, Guarantor or any third party, the obligations of Guarantor with respect to the Obligations shall be joint and several with each and every other person or entity that now or hereafter executes a guaranty of any of the Obligations separate from this Continuing Guaranty.

12. Governing Law. This Continuing Guaranty shall be governed by and construed in accordance with the laws of the state of Delaware. Wherever possible each provision of this Continuing Guaranty shall be interpreted as to be effective and valid under applicable law, but if any provision of this Continuing Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Continuing Guaranty.



13. Entire Agreement. This Continuing Guaranty contains the complete understanding of the parties hereto with respect to the subject matter herein. Guarantor acknowledges that Guarantor is not relying upon any statements or representations of Franchisor not contained in this Continuing Guaranty and that such statements or representations, if any, are of no force or effect and are fully superseded by this Continuing Guaranty. This Continuing Guaranty may only be modified by a writing executed by Guarantor and Franchisor.

IN WITNESS WHEREOF, Guarantor has executed this Continuing Guaranty this ____ day of _____, 20____.

“GUARANTOR”



EXHIBIT D

AREA DEVELOPMENT AGREEMENT



EXHIBIT D



DAVE'S HOT CHICKEN FRANCHISE CO. SPV LLC

AREA DEVELOPMENT AGREEMENT

BY AND BETWEEN

DAVE'S HOT CHICKEN FRANCHISE CO. SPV LLC

AND



TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
SECTION 1 GRANT OF DEVELOPMENT RIGHTS.....	1
SECTION 2 AREA DEVELOPER’S DEVELOPMENT OBLIGATION.....	3
SECTION 3 DEVELOPMENT AREA	4
SECTION 4 TERM OF AREA DEVELOPMENT AGREEMENT	4
SECTION 5 PAYMENTS BY AREA DEVELOPER	5
SECTION 6 EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS.....	5
SECTION 7 ASSIGNMENT AND SUBFRANCHISING	7
SECTION 8 NON-COMPETITION	9
SECTION 9 TERMINATION.....	10
SECTION 10 MEDIATION AND ARBITRATION	11
SECTION 11 GENERAL CONDITIONS AND PROVISIONS	13
SECTION 12 SUBMISSION OF AD AGREEMENT.....	17
SECTION 13 ADDITIONAL COVENANTS	17

EXHIBITS:

Exhibit A	Data Sheet
Exhibit B	Development Obligation
Exhibit C	Entity Information

Appendix 1 - Definitions



DAVE'S HOT CHICKEN AREA DEVELOPMENT AGREEMENT

This **AREA DEVELOPMENT AGREEMENT** (this “**AD Agreement**”) is made and entered into effective as of the date listed on Exhibit A to this AD Agreement (the “**Effective Date**”) by and between Dave’s Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company (“**Franchisor**”) and the area developer listed on Exhibit A to this AD Agreement (“**Area Developer**”). If more than one person or entity is listed as Area Developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions, and obligations under this AD Agreement.

A. Franchisor offers franchise rights related to the establishment, development, and operation of “Dave’s Hot Chicken” restaurants operated in accordance with Franchisor’s prescribed methods and business practices (the “**Restaurants**”).

B. Franchisor desires to expand and develop Restaurants in the Development Area (defined below), and Area Developer wishes to develop Restaurants in the Development Area, upon the terms and conditions as set forth in this AD Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1 GRANT OF DEVELOPMENT RIGHTS

1.1 Certain Fundamental Definitions and Applicable Information. In this AD Agreement, in addition to those terms defined in Appendix 1 and elsewhere in this AD Agreement, the following terms, shall have the meanings set forth below, unless the context otherwise requires:

“**Expiration Date**” of this AD Agreement is set forth in Exhibit A.

“**Operating Principal**” shall be the person identified in Exhibit A to this AD Agreement, or such other individual hereafter designated by Area Developer, and accepted by Franchisor (and until subsequently disapproved by Franchisor), to serve as the authorized representative of Area Developer, who Area Developer acknowledges and agrees shall act as Area Developer’s representative, who shall hold 10% or more (directly or indirectly), in the aggregate, of the equity or voting rights in Area Developer, and who shall have the authority to act on behalf of Area Developer during the Term.

1.2 Grant of Development Rights

1.2.1 Upon the terms and subject to the conditions of this AD Agreement, Franchisor hereby grants to Area Developer, and Area Developer hereby accepts, the right and obligation, during the Term (defined below), to develop Restaurants in the geographic area defined in Exhibit A, which is attached hereto and by this reference made a part hereof (the “**Development Area**”). Area Developer acknowledges and agrees that the protected territories for all Restaurants opened under this AD Agreement shall fall entirely within the boundary of the Development Area.

1.2.2 No right or license is granted to Area Developer hereunder to use any trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned by Franchisor or its Affiliates (collectively, the “**Marks**”), such right and license being granted solely pursuant to Franchise Agreements executed pursuant hereto. Without limiting the generality of the foregoing, nothing in this AD Agreement



shall permit Area Developer to own or operate a Restaurant, except pursuant to duly executed and subsisting Franchise Agreement. Area Developer shall not use the Marks in any manner or for any purpose, including in connection with any offering of securities or any request for credit, without the prior express written approval of Franchisor.

1.3 Exclusivity

1.3.1 Subject to Section 3.1 below, during the Term of this AD Agreement, Franchisor and its Affiliates shall not operate or grant a license or franchise to any other person to operate a Restaurant within the Development Area.

1.3.2 Except to the limited extent expressly provided in Section 1.3.1, the rights granted under this AD Agreement are non-exclusive and Franchisor expressly reserves all other rights, including the exclusive, unrestricted right, in its discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others:

(a) to own or operate, and to license others (which may include its Affiliates) to own or operate:

i. Restaurants at any location outside the Development Area, regardless of their proximity to any Restaurant developed or under development or consideration by Area Developer, even if doing so will or might affect Area Developer's Restaurants;

ii. Non-Traditional Restaurants at any location, and of any type whatsoever, within or outside the Development Area, regardless of their proximity to any Restaurant developed or under development or consideration by Area Developer, even if doing so will or might affect Area Developer's Restaurants; and

iii. Restaurants or other businesses operating under names other than "Dave's Hot Chicken", at any location, and of any type whatsoever, within or outside the Development Area and regardless of their proximity to any Restaurant developed or under development or consideration by Area Developer;

(b) to produce, license, distribute, market and sell products under the Marks, including "Dave's Hot Chicken", as well as products bearing other trademarks, including pre-packaged food items, dressings and other food and beverage products, books, clothing, souvenirs and novelty items, through any method of distribution (regardless of its proximity to any Restaurant), including sales through alternative channels of distribution such as grocery stores, supermarkets and convenience stores, at wholesale or retail, the Internet, delivery, catering and other distribution methods;

(c) to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system, with any business whether franchised or corporately owned, including a business that competes directly with Area Developer's rights under this AD Agreement, whether located inside or outside the Development Area, provided that, with the exception of Non-Traditional Restaurants, any restaurants located inside the Development Area will not operate under the Marks; and



(d) to engage in any other business activities not expressly prohibited by this AD Agreement.

SECTION 2 AREA DEVELOPER'S DEVELOPMENT OBLIGATION

2.1 Development Obligation

2.1.1 Within each Development Period specified in Exhibit B, Area Developer shall construct, equip, open and thereafter continue to operate within the Development Area, not less than the cumulative number of Restaurants required by the Development Obligation for that Development Period.

2.1.2 Area Developer may request to extend a Development Period for a Restaurant. Any request must be made at least 90 days prior to the expiration date of the applicable Development Period for such Restaurant. Franchisor has the right, in its sole and absolute discretion to grant or deny any request by Area Developer to extend any Development Period. If granted by Franchisor, the Development Period shall be extended automatically for rolling one (1) month periods until the Restaurant opens or one (1) year passes ("**Extension Date**"). The Extension Date will only extend the Development Period for the single Restaurant requested, but shall not otherwise impact the Development Obligation. Area Developer shall prepay Franchisor a non-refundable extension fee of \$5,000 per month per extension five (5) days prior to the extension occurring. An extension of any Development Period for any Restaurant shall not affect the duration of the Development Period for any other Restaurant under the Development Obligation. If an extension is requested in the final Development Period, the term of this AD Agreement shall be extended to the Extension Date.

2.1.3 All Restaurants developed hereunder which are open and operating and which have been assigned to Affiliates of Area Developer in accordance with Section 7.2.2 with Franchisor's consent, shall count in determining whether Area Developer has satisfied the Development Obligation for so long as the applicable Affiliate continues to satisfy the conditions set forth in Section 7.2.2.

2.2 Timing of Execution of Leases and Franchise Agreements. Notwithstanding anything to the contrary contained herein, on the earlier of: (i) 180 days before the end of each Development Period or (ii) within seven days of Franchisor's acceptance of a Site Review Request for a Restaurant, Area Developer shall have executed (in accordance with this AD Agreement) a Franchise Agreement and paid the required Initial Franchise Fee, for each Restaurant that is required to be constructed, equipped, opened and thereafter operated by the end of such Development Period. Notwithstanding anything to the contrary herein, Area Developer shall be required to enter into a lease or purchase agreement on the earlier of: (i) 150 days following site acceptance or (ii) 14 days prior to the commencement of construction within the proposed site, provided that nothing herein shall extend the Development Period within which Area Developer must open a Restaurant. Area Developer must enter into each Franchise Agreement while Franchisor is still offering franchises.

2.3 Force Majeure

2.3.1 Subject to Area Developer's continuing compliance with Section 2.3.2, should Area Developer be unable to meet the Development Obligation for any Development Period solely as the result of Force Majeure or Franchisor's failure to deliver a Franchise Disclosure Document pursuant to Section 6.2 of this AD Agreement, which results in the inability of Area Developer to construct or operate the Restaurants in all or substantially all of the Development Area pursuant to the terms of this AD



Agreement, the particular Development Period during which the event of Force Majeure (or Franchisor's failure to deliver a Franchise Disclosure Document) occurs shall be extended by an amount of time equal to the time period during which the Force Majeure (or Franchisor's failure to deliver a Franchise Disclosure Document) shall have existed during that Development Period. Development Periods during which no such Force Majeure existed and Franchisor provides a Franchise Disclosure Document shall not be extended. Other than as a result of Force Majeure, any delay in Franchisor's issuance of acceptance of any site under Section 6, including, as a result of Area Developer's failure to satisfy the conditions set forth in Section 6.3 of this AD Agreement, shall not extend any Development Period.

2.3.2 In the event of the occurrence of an event constituting Force Majeure, Area Developer shall notify Franchisor in writing within five days following commencement of the alleged Force Majeure of the specific nature and extent of the Force Majeure, and how it has impacted Area Developer's performance hereunder. Area Developer shall continue to provide Franchisor with continuous updates (no less frequently than once each week) and all information as may be requested by Franchisor, including Area Developer's progress and diligence in responding to and overcoming the Force Majeure. If Area Developer fails to notify Franchisor of any alleged Force Majeure within five days of such occurrence or fails to provide any such updates during the continuance of the alleged Force Majeure, Area Developer shall be deemed to have waived the right to claim such Force Majeure. For the avoidance of doubt, Area Developer's financial inability to perform or Area Developer's insolvency shall not be an event of Force Majeure hereunder. In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure (other than the payment of money as may be owed by a party).

2.3.3 An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under this AD Agreement or any Franchise Agreement thereunder, or to indemnify Franchisor, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect Area Developer's obligations to comply with any restrictive covenants in this AD Agreement during or after the Force Majeure event.

2.4 Area Developer May Not Exceed the Development Obligation. Unless Franchisor shall otherwise consents in writing, Area Developer may not construct, equip, open and operate more than the total number of Restaurants comprising the Development Obligation.

SECTION 3 DEVELOPMENT AREA

3.1 Franchisor's Right to Develop. If during the Term of this AD Agreement, Area Developer is unable or unwilling, or fails for any reason (except due to Force Majeure), to satisfy the Development Obligation, then Franchisor shall have the right, in its full and absolute discretion, to either: (i) terminate all rights of Area Developer hereunder upon notice by Franchisor to Area Developer; or (ii) reduce or otherwise modify the Development Area as Franchisor deems appropriate.

SECTION 4 TERM OF AREA DEVELOPMENT AGREEMENT

4.1 Term. The term of this AD Agreement shall commence on the Effective Date and, unless otherwise negotiated or terminated as provided herein, shall continue until the earlier of (i) the Expiration



Date, or (ii) the date of execution of the Franchise Agreement granting Area Developer the right to open the last Restaurant necessary for Area Developer to fully satisfy the Development Obligation (the “**Term**”).

4.2 Effect of Expiration. Following the expiration of the Term, or the sooner termination of this AD Agreement, (a) Area Developer shall have no further right to construct, equip, own, open or operate additional Restaurants which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between Area Developer (or an Affiliate of Area Developer) and Franchisor which is then in full force and effect, and (b) Franchisor or its Affiliates may thereafter construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Restaurants at any location(s) (within or outside of the Development Area), without any restriction, subject only to the territorial rights granted, if any, for any then existing Restaurant pursuant to a validly subsisting Franchise Agreement executed for such Restaurant.

SECTION 5 PAYMENTS BY AREA DEVELOPER

5.1 Development Fee. Concurrently with the execution of this AD Agreement, Area Developer shall pay to Franchisor, in cash or by certified check, the Development Fee, which is non-refundable under any circumstances, even if Area Developer fails to open any Restaurants. The “**Development Fee**” means the amount set forth in Exhibit A representing the Initial Franchise Fee for the first Franchise Agreement in Section 5.2 plus a deposit of an amount equal to 50% of the Initial Franchise Fee (currently \$20,000) for each additional Restaurant to be developed during the Term pursuant to the Development Obligation. Franchisor will credit a portion of the Development Fee against the Initial Franchise Fee for each additional Restaurant after the first Restaurant (\$20,000 for the second and each subsequent Franchise Agreement) until the Development Fee is exhausted. The Initial Franchise Fees for the additional Restaurants must be paid when each Franchise Agreement is signed.

5.2 Royalty Fee. The Franchise Agreement executed for each Restaurant developed pursuant hereto, shall provide that the Continuing Royalty (as defined therein) shall be equal to 6% of Gross Sales (as defined therein).

5.3 Amendment Fee. If Area Developer and Franchisor enter into any amendment of this AD Agreement that is initiated by Area Developer, then Area Developer shall reimburse Franchisor in an amount equal to the greater of \$500 or Franchisor’s attorneys’ fees and administrative costs in connection with the amendment.

SECTION 6 EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS

6.1 Site Review

6.1.1 When Area Developer has located a proposed site for construction of a Restaurant, Area Developer shall submit to Franchisor such demographic and other information regarding the proposed site and neighboring areas as Franchisor shall require, in the form prescribed by Franchisor (“**Site Review Request**”). Franchisor may seek such additional information as it deems necessary within 14 days of submission of Area Developer’s Site Review Request, and Area Developer shall respond promptly to such request for additional information. If Franchisor shall not deliver written notice to Area Developer that Franchisor accepts the proposed site, within 14 days of receipt of Area Developer’s fully and accurately completed Site Review Request, or within 14 days after receipt of such additional requested information,



whichever is later, the site shall be deemed rejected. If Franchisor accepts the proposed site it shall notify Area Developer of its acceptance of the site.

6.1.2 Although Franchisor may voluntarily (without obligation) assist Area Developer in locating an acceptable site for a Restaurant, neither Franchisor's said assistance, if any, nor its acceptance of any proposed site, whether initially proposed Area Developer or by Franchisor, shall be construed to insure or guarantee the profitable or successful operation of the Restaurant at that site by Area Developer, and Franchisor hereby expressly disclaims any responsibility therefor. Area Developer acknowledges its sole responsibility for finding each site for the Restaurants it develops pursuant to this AD Agreement.

6.1.3 Unless waived by Franchisor in whole or in part, upon submitting a fourth or subsequent Site Review Request to Franchisor for review, Area Developer shall reimburse Franchisor for all costs and expenses of Franchisor incurred in reviewing the Site Review Requests, including payment to consultants and agents retained by Franchisor to assist in conducting such review and including a reasonable allocation of overhead and administrative expenses.

6.2 Delivery of Franchise Disclosure Document, Execution of Lease and Franchise Agreement

6.2.1 Franchisor's acceptance of any Site Review Request shall be valid for 70 days. If Area Developer fails to provide a proposed lease or purchase agreement to Franchisor within 70 days, then Area Developer must submit a new Site Review Request. Promptly following Area Developer's receipt of acceptance, Area Developer shall proceed to negotiate a lease or purchase agreement for the site and shall submit to Franchisor a copy of the proposed lease or purchase agreement, as applicable. Following Franchisor's receipt of the proposed lease or purchase agreement, as applicable, which meets Franchisor's requirements, Franchisor shall notify Area Developer of its acceptance of the proposed lease or purchase agreement, as applicable.

6.2.2 Franchisor's review and acceptance of the lease is solely for Franchisor's benefit and is solely an indication that the lease meets Franchisor's minimum Standards and specification at the time of acceptance of the lease (which may be different than the requirements of this AD Agreement). Franchisor's review and acceptance of the lease shall not be construed to be an endorsement of such lease, confirmation that such lease complies with Applicable Law, or confirmation that the terms of such lease are favorable to Area Developer, and Franchisor hereby expressly disclaims any responsibility therefore.

6.2.3 Area Developer shall not execute any lease or purchase agreement for any Restaurant, unless and until Franchisor has accepted the proposed site and Franchisor has delivered to Area Developer a fully executed Franchise Agreement counter-signed by Franchisor pursuant to **Section Error! Reference source not found.** After Franchisor's acceptance of the site and (sub)lease, if leased or subleased, and its delivery to Area Developer of the fully executed Franchise Agreement, Area Developer shall then procure the site, pursuant to the (sub)lease which has been reviewed and accepted by Franchisor, if (sub)leased, and shall forward to Franchisor, within ten days after its execution, one copy of the executed lease or, if purchased, the deed evidencing Area Developer's right to occupy the site. Area Developer shall then commence construction and operation of the Restaurant pursuant to the terms of the applicable Franchise Agreement.

6.3 Condition Precedent to Franchisor's Obligations. It shall be a condition precedent to Franchisor's obligations pursuant to Sections 6.1 and 6.2, and to Area Developer's right to develop each and every Restaurant, that Area Developer shall have satisfied all of the following conditions precedent



prior to Franchisor's acceptance of the proposed Restaurant and the site and lease or purchase agreement therefor, and Franchisor's execution of the Franchise Agreement therefor:

6.3.1 Area Developer (and each of its Affiliates which have developed or operate Restaurants in the Development Area) shall have fully performed all of its obligations under this AD Agreement and all Franchise Agreements and other written agreements between Franchisor and Area Developer (or any such Affiliate of Area Developer), and must not at any time following Area Developer's submission of its Site Review Request, and until Franchisor grants its acceptance of the proposed site, be in default of any of its contractual or other legal obligations to Franchisor or any of its Affiliates, or any approved vendor or supplier, or to any federal, state, county or municipal agency.

6.3.2 Area Developer shall have demonstrated to Franchisor, in Franchisor's discretion, Area Developer's financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement, including Area Developer's submission of a comprehensive management plan acceptable to, and accepted by Franchisor, which shall include among other reasonable requirements as may be established by Franchisor, an organization chart and supervisory requirements for the proposed Restaurant. In determining if Area Developer is financially or otherwise capable, Franchisor shall apply the same criteria to Area Developer as it applies to prospective area developers at that time.

6.3.3 Area Developer shall continue to operate, in the Development Area, not less than the cumulative number of Restaurants required by the Development Obligation set forth in Exhibit B to be in operation as of the end of the immediately preceding Development Period.

6.3.4 Area Developer, and each of its Affiliates who then has a currently effective Franchise Agreement or area development agreement with Franchisor, must sign a general release of any claims they may have against Franchisor and its Affiliates, on a form prescribed by Franchisor.

SECTION 7 ASSIGNMENT AND SUBFRANCHISING

7.1 Assignment by Franchisor. This AD Agreement is fully transferable by Franchisor, in whole or in part, without the consent of Area Developer and shall inure to the benefit of any transferee or their legal successor to Franchisor's interests herein; provided, however, that such transferee and successor shall expressly agree to assume Franchisor's obligations under this AD Agreement. Without limiting the foregoing, Franchisor may (i) assign any or all of its rights and obligations under this AD Agreement to an Affiliate; (ii) sell its assets, its marks, or its System outright to a third party; (iii) engage in a public offering of its securities; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire other corporations, or be acquired by another corporation; or (vi) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. Franchisor shall be permitted to perform such actions without liability or obligation to Area Developer who expressly and specifically waives any claims, demands or damages arising from or related to any of the above actions (or variations thereof). In connection with any of the foregoing, at Franchisor's request, Area Developer shall deliver to Franchisor a statement in writing certifying (a) that this AD Agreement is unmodified and in full force and effect (or if there have been modifications that this AD Agreement as modified is in full force and effect and identifying the modifications); (b) that Area Developer is not in default under any provision of this AD Agreement, or if in default, describing the nature thereof in detail; and (c) as to such other matters as Franchisor may reasonably request; and Area Developer agrees that any such statements may be relied upon by Franchisor and any prospective purchaser, assignee or lender of Franchisor.



7.2 No Subfranchising by Area Developer

7.2.1 Area Developer shall not offer, sell, or negotiate the sale of “Dave’s Hot Chicken” franchises to any third party, either in Area Developer’s own name or in the name and/or on behalf of Franchisor, or otherwise subfranchise, subcontract, sublicense, share, divide or partition this AD Agreement, and nothing in this AD Agreement will be construed as granting Area Developer the right to do so. Area Developer shall not execute any Franchise Agreement with Franchisor, or construct or equip any Restaurant with a view to offering or assigning such Franchise Agreement or Restaurant to any third party.

7.2.2 Notwithstanding Section 7.2.1, Area Developer may, with Franchisor’s prior written consent, execute and contemporaneously assign a Franchise Agreement executed pursuant hereto to a separate Entity controlled by Area Developer (each a “**Subsidiary**”); provided and on condition that:

(a) Upon Franchisor’s request, Area Developer has delivered to Franchisor a true, correct and complete copy of the Subsidiary’s articles of incorporation or articles of organization, bylaws, operating agreement, partnership agreement, and other organizational documents, and Franchisor has accepted the same;

(b) The Subsidiary’s articles of incorporation or articles of organization, bylaws, operating agreement, and partnership agreement, as applicable, shall provide that its activities are confined exclusively to operating Restaurants;

(c) Area Developer, directly owns and controls all of the Equity and voting rights of the Subsidiary;

(d) the Subsidiary is in good standing in its jurisdiction of organization and each other jurisdiction where the conduct of its business or the operation of its properties requires it to be so qualified;

(e) the person designated by Area Developer as the Operating Principal has exclusive day-to-day operational control over the Subsidiary;

(f) the Subsidiary conducts no business other than the operation of the Restaurant;

(g) the Subsidiary assumes all of the obligations under the Franchise Agreement as area developer pursuant to written agreement, the form and substance of which shall be acceptable to Franchisor;

(h) each person or Entity comprising Area Developer, and all present and future Owners of 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights of any area developer under any and all Franchise Agreements executed pursuant to this AD Agreement shall execute a written guaranty in a form prescribed by Franchisor, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of all of the obligations to Franchisor and to Franchisor’s Affiliates under this AD Agreement and each Franchise Agreement executed pursuant hereto (for purposes of determining whether said 10% threshold is satisfied, holdings of spouses, family members who live in the same household, and Affiliates shall be aggregated);



(i) none of the Owners of the Equity of the Subsidiary under the applicable Franchise Agreement is engaged in Competitive Activities;

(j) at Franchisor's request, Area Developer shall, and shall cause each of its Affiliates to execute and deliver to Franchisor a general release, on a form prescribed by Franchisor of any and all known and unknown claims against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees; and

(k) Area Developer shall reimburse Franchisor for all direct and indirect costs and expense it may incur in connection with the transfer and assignment, including attorney's fees.

7.2.3 In the event that Area Developer exercises its rights under Section 7.2.2 then, Area Developer and such Subsidiary shall, in addition to any other covenants contained in the applicable Franchise Agreement, affirmatively covenant to continue to satisfy each of the conditions set forth in Section 7.2.2 throughout the term of such Franchise Agreement.

7.3 No Assignment by Area Developer

7.3.1 Other than as provided in Section 7.2, Area Developer's development rights under this AD Agreement are not assignable at all. This means that Franchisor will not under any circumstances allow the development rights to be transferred. A transfer of the development rights would be deemed to occur (and would be prohibited) if there is an assignment of any Franchise Agreement, any change in Area Developer's ownership (whether or not it is a controlling ownership interest), any change in Area Developer's Owners' ownership (if such Owners are legal entities and whether or not it is a controlling ownership interest), a transfer of this AD Agreement separate and apart from a Franchise Agreement, or any other event attempting to assign the development rights.

SECTION 8 NON-COMPETITION

8.1 In Term. During the Term, neither Area Developer nor any of its Owners shall in any capacity, either directly or indirectly, through one or more Affiliates or otherwise, engage in any Competitive Activities at any location, whether within or outside the Development Area.

8.2 Post-Term. To the extent permitted by Applicable Law, upon the expiration or termination of this AD Agreement, each person who was an Owner before such event shall not for a period of two years thereafter, either directly or indirectly, own, operate, advise, be employed by, or have any financial interest in any business engaged in Competitive Activities within the Development Area.

8.3 Modification. The parties have attempted in Sections 8.1 and 8.2 above to limit Area Developer's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if a court or arbitrator, subject to Section 10, finds that any terms or conditions of the non-competition covenants in this Section 8 are unreasonable, it may modify either or both of such provisions to the extent that it deems necessary to make such provision(s) enforceable under Applicable Law. In addition, Franchisor reserves the right to reduce the scope of either, or both, of said provisions without Area Developer's consent, at any time or times, effective immediately upon notice to Area Developer.



SECTION 9 TERMINATION

9.1 Termination Pursuant to a Default of this AD Agreement.

9.1.1 Subject to Applicable Law to the contrary, this AD Agreement may be terminated by Franchisor in the event of any Default by Area Developer of this AD Agreement, unless such Default is cured by Area Developer within five days following written notice of the Default (in the case of a failure to pay money), or ten days following written notice of the Default (in the case of any other Default); provided that in the case of a Default by Area Developer (or its Affiliate) under any Franchise Agreement or other written agreement, the notice and cure provisions of the Franchise Agreement or other agreement shall control, and provided, further, however, that any Default described in Sections 9.1.2(a), (b) or (c) below shall be deemed incurable.

9.1.2 The term “default,” as used herein, includes the following:

(a) Any assignment or attempted assignment in violation of the terms of Section 7.2 or 7.3 of this AD Agreement, or without the written consents required pursuant to this AD Agreement; provided, however, (i) upon prompt written request to Franchisor following the death or legal incapacity of an Area Developer who is an individual, Franchisor shall allow a period of up to nine months after such death or legal incapacity for his or her heirs, personal representatives, or conservators (the “**Heirs**”) to seek and obtain Franchisor’s consent to the assignment his or her rights and interests in this AD Agreement to the Heirs or to another person acceptable to Franchisor; or (ii) upon prompt written request to Franchisor following the death or legal incapacity of an Owner of an Area Developer which is an Entity, directly or indirectly, owning more than 20% or more of the Equity or voting power of Area Developer, Franchisor shall allow a period of up to nine months after such death or legal incapacity for his or her Heir(s) to seek and obtain Franchisor’s consent to the assignment of such Equity and voting power to the Heir(s) or to another person or persons acceptable to Franchisor. If, within said nine-month period, said Heir(s) fail to receive Franchisor’s consent as aforesaid or to effect such consented to assignment, then this AD Agreement shall immediately terminate at Franchisor’s election.

(b) Subject to Section 2.2 of this AD Agreement, failure of Area Developer to satisfy the Development Obligation within the Development Periods set forth herein.

(c) Failure of Area Developer (or any Affiliate of Area Developer) to pay any Initial Franchise Fee or Royalty Fee in a timely manner as required by this AD Agreement or any Franchise Agreement signed by Area Developer.

(d) Area Developer’s opening of any Restaurant in the Development Area except in strict accordance with the procedures set forth in Sections 6.1 through 6.3 of this AD Agreement.

(e) Failure of Area Developer to fully comply with the requirements of Section 8.1 of this AD Agreement.

(f) Any Default of any other agreement between Area Developer (or any Affiliate of Area Developer) and Franchisor (or any Affiliate of Franchisor), including any Franchise Agreement executed pursuant hereto.



SECTION 10 MEDIATION AND ARBITRATION

10.1 Mediation. Except to the extent precluded by Applicable Law, the parties hereby pledge and agree that prior to filing any arbitration or lawsuit (other than suits described below in Section 10.4), they shall first attempt to resolve any dispute between the parties pursuant to mediation conducted in accordance with the Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc. (“JAMS”) unless the parties agree on alternative rules and a mediator within 15 days after either party first gives notice of mediation. Mediation shall be conducted in the JAMS office closest to Franchisor’s principal place of business (currently Pasadena, California) and shall be conducted and completed within 45 days following the date either party first gives notice of mediation. If the parties fail to fully resolve such dispute through mediation within such 45-day period, either party may initiate arbitration. The fees and expenses of the mediator shall be shared equally by the parties. The mediator shall be disqualified as a witness, expert or counsel for any party with respect to any suit and any related matter. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties shall not be discoverable or admissible in any legal proceeding for any purpose except as required by Applicable Law, including required disclosure in the Franchise Disclosure Document, and provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation.

10.2 Arbitration. If the parties cannot fully resolve and settle a dispute through mediation as set forth in Section 10.1, all unresolved issues involved in the dispute, including any controversy or claim between Franchisor and Area Developer arising out of or relating to this AD Agreement or any alleged breach hereof, and any issues pertaining to the arbitrability of such controversy or claim and any claim that this AD Agreement or any part hereof is invalid, illegal, or otherwise voidable or void, shall be submitted to binding arbitration. Said arbitration shall be conducted before and will be heard by three arbitrators in accordance with the then-current Rules of Practice and Procedure of JAMS. If JAMS or any successor thereto, is no longer in existence at the time arbitration is commenced, Franchisor and Area Developer will agree on another arbitration organization to conduct the arbitration proceeding. Judgment upon any award rendered may be entered in any court having jurisdiction thereof. Except to the extent prohibited by Applicable Law, the proceedings shall be held in the principal city closest to Franchisor’s principal place of business (currently Pasadena, California). All arbitration proceedings and claims shall be filed and prosecuted separately and individually in the name of Area Developer and Franchisor, and not in any class action or representative capacity, and shall not be joined with or consolidated with claims asserted by or against any other area developer or franchisee. The arbitrators shall have no power or authority to grant punitive or exemplary damages as part of its award. In no event may the material provisions of this AD Agreement be modified or changed by the arbitrator at any arbitration hearing. The arbitration and the parties’ agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party despite said failure to appear. All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.), notwithstanding any provision of this AD Agreement specifying the state law under which this AD Agreement shall be governed and construed. Except as required by Applicable Law, the entire arbitration proceedings and related documents are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration



decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

10.3 Awards. The arbitrators will have the right to award or include in the award any relief which they deem proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrators will not have the authority to award exemplary or punitive damages. The award and decision of the arbitrator will be conclusive and binding upon all parties and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties shall be bound by the provisions of any limitation on the period by which claims must be brought. The parties agree that, in connection with any such arbitration proceeding, each will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceedings as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred.

10.4 Injunctive Relief. Notwithstanding anything to the contrary contained in Section 10.1 or Section 10.2, Franchisor will have the right to obtain specific performance, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, and other provisional relief including but not limited to compel Area Developer to comply with any restrictive covenants under Section 8 of this AD Agreement brought at any time, including prior to or during the pendency of any mediation or arbitration proceedings under Sections 10.1 or 10.2. However, the parties will contemporaneously submit their dispute for arbitration on the merits. Area Developer agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Area Developer's sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any the injunction being expressly waived). The losing party shall pay the prevailing party's reasonable attorney fees and costs incurred in bringing or defending such proceeding and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such proceeding and shall be paid whether or not such action or proceedings is prosecuted to final judgment.

10.5 Venue. All disputes and claims not subject to mediation and arbitration under Section 10.1 or Section 10.2 must be litigated in the state or federal court with jurisdiction in the city of Franchisor's principal place of business (currently Pasadena, California); provided that Franchisor has the option to bring suit against Area Developer in any state or federal court within the jurisdiction where any of Area Developer's Restaurants is or was located or where any of Area Developer's owners lives for those claims brought in accordance with Section 10.4. The parties' consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this AD Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

10.6 Acknowledgement. The parties acknowledge that nothing herein shall delay or otherwise limit Franchisor's rights and remedies under Section 9 of this AD Agreement. A notice or request for arbitration or mediation will not operate to stay, postpone, or rescind the effectiveness of any demand for performance or notice of termination under this AD Agreement.



10.7 JURY TRIAL & CLASS ACTION WAIVER. THE PARTIES (i) IRREVOCABLY WAIVE TRIAL BY JURY; AND (ii) AGREE THAT ANY ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS AND THAT ANY ARBITRATION PROCEEDING BETWEEN AREA DEVELOPER AND FRANCHISOR WILL NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING INVOLVING FRANCHISOR AND ANY OTHER PERSON OR ENTITY.

10.8 Limitation of Actions. The parties agree that any legal action of any kind by a party arising out of or relating to this AD Agreement or a Default of this AD Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the forgoing limitation shall not apply: (i) where required by Applicable Law; (ii) to any to the parties indemnification obligations under this Agreement; (iii) to the parties' right to seek provisional remedies or injunctions; (iv) Area Developer's obligation to comply with the Development Obligation; or (v) for any claims under Section 10.4.

10.9 Survival. The provisions of this Section 10 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this AD Agreement.

SECTION 11

GENERAL CONDITIONS AND PROVISIONS

11.1 Relationship of Area Developer to Franchisor. It is expressly agreed that the parties intend by this AD Agreement to establish between Franchisor and Area Developer the relationship of franchisor and area developer. It is further agreed that Area Developer has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Area Developer is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. Area Developer agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees hired by or working for Area Developer shall be the employees of Area Developer and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor control. Specifically, Area Developer expressly agrees, and will never contend otherwise, that Franchisor's authority under this AD Agreement or any Franchise Agreement to certify certain of Area Developer's employees or personnel for qualification to perform certain functions for any Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire or control any such employee. Area Developer acknowledges and agrees, and will never contend otherwise, that Area Developer alone will exercise day-to-day control over all operations, activities and elements of the Restaurants and that under no circumstance shall Franchisor do so or be deemed to do so. Area Developer further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Area Developer is required to comply with under this AD Agreement, whether set forth in the Dave's Hot Chicken Operations Manual or otherwise, does 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 Area Developer must adhere to when exercising its control of the day-to-day operations of the Restaurants. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. Area Developer agrees that fulfillment of any and all of Franchisor's obligations written in this AD Agreement, or based on any oral communications which may be ruled to be binding in an arbitration or court of law, shall be Franchisor's sole responsibility and none of Franchisor's



owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to Area Developer for any reason.

11.2 Indemnity by Area Developer. Area Developer and its Owners, jointly and severally, shall at all times, protect, defend and indemnify Franchisor and its Affiliates, and their respective past, present and future Owners, and any Entities in which the Owners maintain an ownership interest in, successors, assigns, officers, directors, employees, attorneys and designees (collectively the “**Indemnified Parties**”) and hold each of them harmless from and against any and all costs and expenses, including attorneys’ fees, court costs, losses, liabilities, damages, claims and demands of every kind and arising out of or in connection with (whether directly or indirectly) this AD Agreement, including, but not limited to (i) Area Developer’s construction, development or operation of Restaurants pursuant hereto, and (ii) for any breach of this AD Agreement by Area Developer. Area Developer shall give Franchisor and any other Indemnified Party prompt written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within three days of Area Developer’s actual or constructive knowledge of it. The Indemnified Parties shall have the right, in their sole discretion, to direct, manage, control and settle any such claim, including to (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. Area Developer agrees to give its full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and Area Developer and/or its Owners shall reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys’ fees, within ten days of the date of each invoice delivered by the Indemnified Parties to Area Developer and/or its Owners enumerating such costs, expenses and attorneys’ fees. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against Area Developer and its Owners under this subparagraph. Area Developer agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Area Developer or its Owners under this subparagraph. Franchisor’s or any of the other Indemnified Parties’ undertaking of defense and/or settlement will in no way diminish Franchisee and its Owners’ obligation to indemnify Franchisor and the other Indemnified Parties and to hold Franchisor and any of the Indemnified Parties harmless. The terms of this Section 11.2 shall survive the termination, expiration or cancellation of this AD Agreement.

11.3 No Consequential Damages for Legal Incapacity. Franchisor shall not be liable to Area Developer for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Area Developer by reason of any delay in the delivery of Franchisor’s Franchise Disclosure Document caused by legal incapacity during the Term, or other conduct not due to the gross negligence or intentional misfeasance of Franchisor.

11.4 Waiver and Delay. No waiver by Franchisor of any Default or Defaults, or series of Defaults in performance by Area Developer, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it hereunder or under any Franchise Agreement or other agreement between Franchisor and Area Developer, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Restaurants), or to insist upon strict compliance with or performance of Area Developer’s (or its Affiliates) obligations under this AD Agreement or any Franchise Agreement or other agreement between Franchisor and Area Developer (or its Affiliates), whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Restaurants), shall constitute a waiver of the provisions of this AD Agreement with respect to any



continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

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

11.6 Successors and Assigns. This AD Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Area Developer and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against assignment contained herein.

11.7 Joint and Several Liability. If Area Developer consists of more than one person or Entity, or a combination thereof, the obligations and liabilities of each of such person or Entity to Franchisor are joint and several, and such person(s) or Entities shall be deemed to be general partnership.

11.8 Governing Law. This AD Agreement shall, without giving effect to any conflict of laws principles, be governed by the laws of the state of Delaware, and any state law relating to (1) the offer and sale of franchises (2) franchise relationships, or (3) business opportunities, will not apply unless the applicable jurisdictional requirements are met independently without reference to this paragraph.

11.9 Entire Agreement. This AD Agreement and the Dave's Hot Chicken Operations Manual contain all the terms and conditions agreed upon by the parties with reference to the subject matter of this AD Agreement. No other agreements concerning the subject matter of this AD Agreement, oral or otherwise, shall be deemed to exist or to bind any of the parties. All prior or contemporaneous agreements, understandings and representations relating to the subject matter of this AD Agreement, are merged and are expressly and superseded by this AD Agreement, except such representations as are made in the Franchise Disclosure Document delivered to Area Developer and any representations made by Area Developer in acquiring this AD Agreement. Nothing in this AD Agreement or any related agreement is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document delivered to Area Developer. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this AD Agreement or in the Franchise Disclosure Document delivered to Area Developer, and Area Developer agrees that it has executed this AD Agreement without reliance upon any such representation or promise. This AD Agreement cannot be amended, modified or changed except by written instrument signed by all the parties.

11.10 Titles for Convenience. Section and paragraph titles used this AD Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this AD Agreement.

11.11 Gender and Construction. The terms of all Exhibits hereto are hereby incorporated into and made a part of this AD Agreement as if the same had been set forth in full herein. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this AD Agreement or any Section hereof may require. As used in this AD Agreement, the words "include," "includes", "including", and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. Unless otherwise expressly provided herein to the contrary, any consent, approval, acceptance or authorization of Franchisor which Area Developer may be



required to obtain hereunder may be given or withheld by Franchisor in its sole discretion, and on any occasion where Franchisor is required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's Standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. No provision herein expressly identifying any breach of this AD Agreement as material shall be construed to imply that any other breach which is not so identified is not material. Neither this AD Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this AD Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used to fairly accomplish the purposes and intentions of all parties hereto. Franchisor and Area Developer intend that if any provision of this AD Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

11.12 Severability, Modification. Nothing contained in this AD Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this AD Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this AD Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, Section, paragraph, sentence or clause of this AD Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this AD Agreement shall continue in full force and effect.

11.13 Counterparts. This AD 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.

11.14 Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand; one business day after electronically confirmed transmission by email to Area Developer at the address Area Developer designates below or to Franchisor at the address below (with a confirmation copy sent by regular U.S. mail); one business day after delivery by Express Mail or other recognized, reputable overnight courier; or three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

If to Franchisor: DAVE'S HOT CHICKEN FRANCHISE CO. SPV LLC
600 Playhouse Alley, Unit 504
Pasadena, California 91101
(626) 628-0850
Attention: President

If to Area Developer: Address set forth in Exhibit A or to such other address as such party may designate by 10 days' advance written notice to the other party.

11.15 No Recourse. Area Developer acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, Affiliates, Owners, controlling parties, entities under common control, ownership or management, vendors, service providers, agents,



attorneys or representatives will have any liability for (a) any of Franchisor's obligations or liabilities relating to or arising from this AD Agreement, (b) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Area Developer and Franchisor, or (c) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

SECTION 12 SUBMISSION OF AD AGREEMENT

12.1 General. The submission of this AD Agreement does not constitute an offer and this AD Agreement shall become effective only upon the execution thereof by Franchisor and Area Developer.

SECTION 13 ADDITIONAL COVENANTS

13.1 Entity Area Developer Information. If Area Developer is an Entity, Area Developer represents and warrants that the information set forth in Exhibit C which is annexed hereto and by this reference made a part hereof, is accurate and complete in all material respects. Area Developer shall notify Franchisor in writing within ten days of any change in the information set forth in Exhibit C, and shall submit to Franchisor a revised Exhibit C, which shall be certified by Area Developer as true, correct and complete and upon acceptance thereof by Franchisor shall be annexed to this AD Agreement as Exhibit C. Area Developer promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Area Developer, including providing copies of all amendments to Area Developer's "**Entity Documents**" as defined in Exhibit C. Area Developer shall conduct no business other than the business contemplated hereunder and under any currently effective Franchise Agreement between Franchisor and Area Developer. The Entity Documents of Area Developer shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in this AD Agreement and any Franchise Agreement executed pursuant thereto.

13.2 Operating Principal; Director of Operations; Multi-Unit Supervisor

13.2.1 The Operating Principal shall be principally responsible for communicating and coordinating with Franchisor regarding business, operational and other ongoing matters concerning this AD Agreement and the Restaurants developed pursuant hereto. The Operating Principal shall have the full authority to act on behalf of Area Developer in regard to performing, administering or amending this AD Agreement and all Franchise Agreements executed pursuant hereto. Franchisor may, but is not required to, deal exclusively with the Operating Principal in such regards unless and until Franchisor's actual receipt of written notice from Area Developer of the appointment of a successor Operating Principal, who shall have been accepted by Franchisor.

13.2.2 Commencing on the date which Area Developer, directly or indirectly through one or more Affiliate(s), opens its second Restaurant within the Development Area, and at all times throughout the Term and the term of each Franchise Agreement executed pursuant hereto after such date, Area Developer shall employ and retain, or shall cause the Entity to which each Franchise Agreement is assigned in accordance with Section 7.1 hereof to employ and retain, an individual (the "**Director of Operations**") who shall be vested with the authority and responsibility for the day-to-day operations of all Restaurants owned or operated, directly or indirectly, by Area Developer within the Development Area. The Director



of Operations shall, during the entire period he/she serves as such, unless otherwise agreed in writing by Franchisor devote 100% of his/her time and best efforts solely to operation of the Restaurants owned or operated, directly or indirectly, by Area Developer in the Development Area and to no other business activities. The Director of Operations may, with the prior written consent of Franchisor, may be the same individual as the Operating Principal. The Director of Operations shall be responsible for all actions necessary to ensure that all Restaurants owned or operated, directly or indirectly, by Area Developer in the Development Area are operated in compliance with this AD Agreement, all Franchise Agreements therefor and the Dave's Hot Chicken Operations Manual. If, during the Term hereof or any Franchise Agreement executed pursuant hereto, the Director of Operations is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, Area Developer shall promptly notify Franchisor and designate a replacement within 30 days after the Director of Operations ceases to serve.

13.2.3 Area Developer has the option, commencing on the date which Area Developer, directly or indirectly through one or more Affiliate(s), opens its second Restaurant within the Development Area, to employ and retain, or shall cause the Entity to which each Franchise Agreement is assigned in accordance with Section 7.1 hereof to employ and retain, one or more individuals (each a “**Multi-Unit Supervisor**”) vested with the authority and responsibility for the day-to-day supervision of two or more of the Restaurants owned or operated, directly or indirectly, by Area Developer within the Development Area. The Multi-Unit Supervisor shall, during the entire period he/she serves as such, unless otherwise agreed in writing by Franchisor devote 100% of his/her time and best efforts solely to operation of two or more of the Restaurants owned or operated, directly or indirectly, by Area Developer in the Development Area and to no other business activities. Multi-Unit Supervisors, if any, shall report to the Director of Operations.

13.2.4 Area Developer shall notify Franchisor in writing at least ten days prior to employing the Director of Operations and Multi-Unit Supervisor, if any, setting forth in reasonable detail all information reasonably requested by Franchisor. Franchisor's acceptance of the Operating Principal shall not constitute Franchisor's endorsement of such individual or a guarantee by Franchisor that such individual will perform adequately for Area Developer or its Affiliates, nor shall Franchisor be estopped from subsequently disapproving or otherwise challenging such person's qualifications or performance.

13.2.5 After Area Developer, directly or indirectly through one or more Affiliate(s), opens its second Restaurant within the Development Area, neither the Operating Principal nor the Director of Operations may serve as the general manager of any Restaurant. Multi-Unit Supervisors, if any, may serve as the general manager of any Restaurant, provided he/she meets Franchisor's training and other requirements for general managers.

13.3 Business Practices. Area Developer represents, warrants and covenants to Franchisor that:

13.3.1 As of the date of this AD Agreement, Area Developer and each of its Owners (if Area Developer is an Entity) shall be and, during the Term shall remain, in full compliance with all applicable laws in each jurisdiction in which Area Developer or any of its Owners (if Area Developer is an Entity), as applicable, conducts business that prohibits unfair, fraudulent or corrupt business practices in the performance of its obligations under this AD Agreement and related activities, including the following prohibitions:

(a) No government official, official of an international organization, political party or official thereof, or candidate is an owner or has any investment interest in the revenues or profit of Area Developer;



(b) None of the property or interests of Area Developer or any of its Owners is subject to being “blocked” under any Anti-Terrorism Laws. Neither Area Developer, nor any of its respective funding sources (including any legal or beneficial owner of any equity in Area Developer) or any of its Affiliates is or has ever been a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Laws or identified by name or address on any Terrorist List. Each of Area Developer and its Owners are in compliance with Applicable Law, including all such Anti-Terrorism Laws;

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

(d) Area Developer is neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor does Area Developer or its Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo.

13.3.2 Area Developer has taken all necessary and proper action required by Applicable Law and has the right to execute this AD Agreement and perform under all of its terms. Area Developer shall implement and comply with anti-money laundering policies and procedures that incorporate “know-your-customer” verification programs and such other provisions as may be required by applicable law.

13.3.3 Area Developer shall implement procedures to confirm, and shall confirm, that (a) none of Area Developer, any person or entity that is at any time a legal or beneficial owner of any interest in Area Developer or that provides funding to Area Developer is identified by name or address on any Terrorist List or is an Affiliate of any person so identified; and (b) none of the property or interests of Area Developer is subject to being “blocked” under any Anti-Terrorism Laws.

13.3.4 Area Developer shall promptly notify Franchisor upon becoming aware of any violation of this Section or of information to the effect that any person or entity whose status is subject to confirmation pursuant to Section 13.3.1(c) above is identified on any Terrorist List, any list maintained by OFAC or to being “blocked” under any Anti-Terrorism Laws, in which event Area Developer shall cooperate with Franchisor in an appropriate resolution of such matter.

13.3.5 In accordance with Applicable Law, none of Area Developer nor any of its Affiliates, principals, partners, officers, directors, managers, employees, agents or any other persons working on their behalf, shall offer, pay, give, promise to pay or give, or authorize the payment or gift of money or anything of value to any officer or employee of, or any person or entity acting in an official capacity on behalf of, the Governmental Authority, or any political party or official thereof or while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any official, for the purpose of (a) influencing any action or decision of such official in his or its official capacity; (b) inducing such official to do or omit to do any act in violation of his or its lawful duty; or (c) inducing such official to use his or its influence with any Governmental Authority to affect or influence any act or decision of such Governmental Authority in order to obtain certain business for or with, or direct business to, any person.

13.3.6 It is Area Developer’s sole and absolute obligation to research all Applicable Laws governing the operation of Restaurants and to ensure that such operation does not violate any Applicable Law. For example, there are various federal laws that could affect the Restaurants and that Area Developer



must comply with, such as the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but no limited to the use, storage, transmission and disposal of data regardless of media type). Area Developer should investigate these laws to understand its potential legal obligations.

13.3.7 The provisions of this Section shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this AD Agreement, or Franchisor's marks, System, trade secrets, or any other proprietary aspects of Franchisor's business.

(Signature Page Follows)



IN WITNESS WHEREOF, the parties hereto have caused this AD Agreement to be executed as of the Effective Date.

“FRANCHISOR”

**DAVE’S HOT CHICKEN FRANCHISE CO.
SPV LLC**

By: _____
Name: _____
Title: _____

“AREA DEVELOPER”

a(n) _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____



EXHIBIT A
DATA SHEET

1. **Effective Date.** The Effective Date set forth in the introductory Paragraph of the AD Agreement is: _____, 20____.
2. **Area Developer.** Area Developer set forth in the introductory paragraph of the AD Agreement is: _____, a _____.
3. **Expiration Date.** The Expiration Date set forth in Section 1.1 of the AD Agreement is the earlier of the date that the Development Obligation is fulfilled or _____, 20____.
4. **Operating Principal.** The Operating Principal set forth in Section 1.1 of the AD Agreement shall be: _____.
5. **Notice Address.** The address for notices to Area Developer under Section 11.14 of the AD Agreement is:

Attn: _____
6. **Development Fee.** The Development Fee amount paid by Area Developer to Franchisor set forth in Section 5.1 of the AD Agreement is: \$_____.
7. **Development Area.** The Development Area* is defined as the territory within the boundaries described below and as depicted on the following map:

*If the Development Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Development Area shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.

(Signature Page Follows)



FRANCHISOR:

**DAVE'S HOT CHICKEN FRANCHISE CO.
SPV LLC**

By: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

Entity name (if any)

By: _____

Printed Name: _____

Title: _____



EXHIBIT B

DEVELOPMENT OBLIGATION

Cumulative Number of Restaurants in Operation	Franchise Agreement Execution Deadline	Development Period Ending
1	Date of execution of Area Development Agreement	
	Earlier of site approval or 180 days prior to Development Period date	
	Earlier of site approval or 180 days prior to Development Period date	
	Earlier of site approval or 180 days prior to Development Period date	
	Earlier of site approval or 180 days prior to Development Period date	
	Earlier of site approval or 180 days prior to Development Period date	

FRANCHISOR:

AREA DEVELOPER:

**DAVE'S HOT CHICKEN FRANCHISE CO.
SPV LLC**

Entity name (if any)

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____



EXHIBIT C

ENTITY INFORMATION

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

- (1) Area Developer is a (check as applicable):
[] corporation
[] limited liability company
[] general partnership
[] limited partnership
[] Other (specify): _____
- (2) Area Developer shall provide to Franchisor concurrently with the execution hereof true and accurate copies of its charter documents including Articles of Incorporation, Bylaws, Operating Agreement, Regulations Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing ("**Entity Documents**").
- (3) Area Developer promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Area Developer.
- (4) The name and address of each of Area Developer's members, stockholders, or partners*:

Name	Address	Number of Shares / % Interest

*If any members, stockholders or partners are entities, please list the owners of such entities up through the individuals.

- (5) There is set forth below the names, and addresses and titles of Area Developer's principal officers or partners who will be devoting their full time to the Business:

Name	Title	Address

- (6) The address where Area Developer's Financial Records, and Entity Documents are maintained is:



APPENDIX 1

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

“Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future national, provincial, federal, state and local laws, ordinances, regulations, policies, lists, Orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

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

“Dave’s Hot Chicken Operations Manual” means Franchisor’s library of operations and training manuals, including a managers tools binder, Dave’s Hot Chicken intranet and any other written directive related to the System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

“Competitive Activities” means to, own, operate, lend to, advise, be employed by, or have any financial interest in (i) any restaurant that sells Nashville hot chicken or derives 20% or more of its Gross Sales from the sale of fried chicken, other than a Restaurant operated pursuant to a Franchise Agreement with Franchisor, or (ii) any business that specializes in developing, operating or franchising restaurants that sell Nashville hot chicken or derive 20% or more of their Gross Sales from the sale of fried chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any fried chicken food product, including Nashville hot chicken. Notwithstanding the foregoing, **“Competitive Activities”** shall not include the direct or indirect ownership solely as an investment, of securities of any Entity which are traded on any national securities exchange if the owner thereof (i) is not a controlling person of, or a member of a group which controls, such Entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

“Default” or “default” means any breach of, or failure to comply with, any of the terms or



conditions of an agreement.

“Development Area” shall have the meaning set forth in Section 1.2.1 of this AD Agreement.

“Development Period” means each of the time periods indicated on Exhibit B during which Area Developer shall have the right and obligation to construct, equip, open and thereafter continue to operate Restaurants in accordance with the Development Obligation.

“Development Obligation” shall mean Area Developer’s right and obligation to construct, equip, open and thereafter continue to operate at sites within the Development Area the cumulative number of Restaurants set forth in Exhibit B hereto within each Development Period and, if applicable, within the geographic areas specified therein.

“Director of Operations” shall have the meaning set forth in Section 13.2.2 of this AD Agreement.

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

“Equity” means capital stock, membership interests, Partnership Rights or other equity ownership interests of an Entity.

“Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to Area Developer the right to own and operate a single Restaurant in the Development Area, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“Franchise Disclosure Document” shall have the meaning set forth in Section Error! Reference source not found.

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; pandemics; or other similar forces which Area Developer could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Area Developer by any lender, landlord, contractor, or other person shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure.

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

“Initial Franchise Fee” is the fee paid to open each individual Restaurant as such term is defined in the Franchise Agreement.

“Marks” shall have the meaning set forth in Section 1.2.2 of this AD Agreement.

“Multi-Unit Supervisor” shall have the meaning set forth in Section 13.2.3 of this AD Agreement.

“Non-Traditional Restaurants” means a Restaurant that is located in a “Non-Traditional Venue,” as defined below.



“Non-Traditional Venues” means a facility operated under the Marks located within another primary business or in conjunction with other businesses or at institutional settings, including toll roads, train stations, amusement parks, travel stations, hotels and motels, ships, ports, piers, casinos, stadiums, airports, theaters, big-box retailers, building supply stores, warehouse club stores, colleges and universities, schools, outlet malls, hospitals, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, supermarkets and convenience stores and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

“Operating Principal” shall have the meaning set forth in Section 1.1 of this AD Agreement and is the person identified in Exhibit A to this AD Agreement.

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

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

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

“Restaurant” shall have the meaning set forth in Recital A of this AD Agreement.

“Site Review Request” shall have the meaning set forth in Section 6.1.1 of this AD Agreement.

“Standards” mean Franchisor’s then-current specifications, standards, policies, procedures and rules prescribed for the development, ownership and operation of Restaurants.

“System” means Franchisor’s operating methods and business practices related to its Restaurants, and the relationship between Franchisor and its area developers, including interior and exterior Restaurant designs; other items of trade dress; specifications of equipment, fixtures, and uniforms; defined product offerings and preparation methods; standard operating and administrative procedures; restrictions on ownership; management and technical training programs; and marketing and public relations programs; all as Franchisor may modify the same from time to time.

“Term” shall have the meaning set forth in Section 4.1 of this AD Agreement.

“Terrorist Lists” means all lists of known or suspected terrorists or terrorist organizations published by any U.S. Government Authority, including U.S. Treasury Department’s Office of Foreign Asset Control (“**OFAC**”), that administers and enforces economic and trade sanctions, including against targeted non-U.S. countries, terrorism sponsoring organizations and international narcotics traffickers.



EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

Section	Number of Pages
Introduction	8
Brand Standards	50
Quality Assurance	22
Raw Ingredients	12
Prepared Ingredients	16
Menu Build	10
Incident and Emergency Management	37
Marketing	14
Brand Signage Guidelines	20

Total Number of Pages: 192





Table of Contents

BRAND STANDARDS	9
WELCOME TO DAVE'S	10
OUR HISTORY	11
OUR PURPOSE	11
OUR VISION	11
OUR MISSION	11
OUR VALUES	11
OUR TEAM	12
JOB DESCRIPTIONS	13
Team Member Job Description	14
Shift Leader Job Description	15
Assistant Manager Job Description	18
Assistant General Manager Job Description	21
General Manager Job Description	24
UNIFORM GUIDELINES	28
POSITIONING & DEPLOYMENT	29
Diagram of Sequential Deployment	29
Positions by Number	31
Sequential Deployment Charts	32
DAILY ROUTINE CHECKLISTS	36
Manager Checklists	36
OPERATION ASSESSMENTS	37
Ecolab Audit	37
Food Safety & Operations Standards Assessment	37
INVENTORY METHODS & CONTROL	38
CASH HANDLING POLICIES	39
Management Cash Handling & Security Policies	39
Team Member Cash Handling Policies	48
BRAND STANDARDS TRAINING PROGRAM	50
Training Requirements	50
Franchisee Code of Conduct	51

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HOLIDAY OPERATING HOURS	53
INSURANCE REQUIREMENTS	54
ECOLAB.....	55
MARKET FORCE	56
APPROVED EQUIPMENT	58
QUALITY ASSURANCE.....	60
INJURY AND ILLNESS PREVENTION.....	61
Foodborne Illness	61
5 Major Causes of Foodborne Illness	61
Safety	62
EMPLOYEE HEALTH AND HYGIENE	63
Employee Health	63
Personal Hygiene	64
Handwashing	64
Glove Use	65
Hand Care	65
CLEANLINESS.....	66
Definitions.....	66
Chemicals.....	66
Cleaning and Sanitizing	67
Setting Up Sanitizer Bucket	68
Cleaning and Sanitizing Equipment, Dishes, & Utensils	68
Pest Control	69
FOOD SAFETY	70
Definitions.....	70
Preventing Cross-contamination	71
Receiving Product	71
Storing Product	73
Storage Temperatures.....	74
Food Temperatures	75
Cooling Product	76
Thawing Product.....	76
Labeling Product.....	78
Shelf-Life Chart	79

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Allergen Information	80
FOOD SAFETY AND CLEANLINESS LOGS	81
Daily Routine.....	81
Manager Checklists.....	81
Temp Logs.....	81
RAW INGREDIENTS.....	82
BREAD, WHITE ½" SLICED (S)	83
ROLLS, SANDWICH POTATO 4" (S)	83
BUTTER, SPRAY.....	83
CABBAGE, GREEN SHREDDED FINE.....	83
CABBAGE, PURPLE SHREDDED FINE.....	84
CHEESE, AMERICAN SLICES (S)	84
CHICKEN, TENDERLOIN – HALAL FRESH (S).....	84
CHICKEN, TENDERLOIN – HALAL FROZEN (S)	84
CORN STARCH	85
DRESSING, SLAW (P)	85
FLOUR (S)	85
FRENCH FRIES, 5/16" CRINKLE CUT CONQUEST DELIVERY PLUS (S).....	85
HONEY PACKETS (S)	86
KALE, SHREDDED BLEND	86
KETCHUP, PACKETS	86
HOT SAUCE, PACKETS (S)	86
MUSTARD POWDER (S).....	87
OIL, SOYBEAN	87
PEPPER, BLACK.....	87
PICKLE, DILL ¼" SLICED (S).....	87
SALT, BULK	88
SAUCE, CHEESE BASIC	88
SAUCE, CHEESE JALAPENO.....	88
SAUCE, DAVE'S POUCH (P).....	88
SAUCE, DAVE'S PACKET (P)	89

{00165244.DOCX.} Dave's Hot Chicken Franchise Co., LLC Confidential: Limited Internal Use Only





MAC & CHEESE (P)	89
SEASONING, FRIES (S)	89
SEASONING SLURRY (P).....	89
SODA, BOTTLES	90
SPICE, EXTRA HOT	90
SPICE, HOT CAPSICUM (S)	90
SPICE, MEDIUM (S).....	90
SEASONING, MILD (S).....	91
SPICE, REAPER CAPSICUM.....	91
SYRUP, SODAS BAG IN THE BOX (S)	91
SYRUP, VITAMIN WATER BAG IN THE BOX (S)	91
WATER, BOTTLED (P)	92
SYRUP, STRAWBERRY	92
SYRUP, CHOCOLATE	92
SYRUP, VANILLA	92
ICE CREAM MIX VANILLA 10%.....	93
TOPPING COOKIE CRUMB MED TFF	93
TOPPING M&MS CHOC PLN CHPD	93
PREPARED INGREDIENTS.....	94
BRINE.....	95
DE-BRINE SEASONING MIX	96
KALE SLAW	97
MAC & CHEESE.....	98
SAUCE, CHEESE FRIES	99
WET RUB	100
THE BASICS	101
Cleaning Tenders.....	101
Brining Tenders.....	102
De-Brining Tenders	103
Starching & Slurrying Tenders	104
Flouring Tenders	105
Frying Tenders	106
Spicing Tenders.....	107
Toasting Rolls.....	108
Frying & Seasoning Fries.....	109

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MENU BUILD	110
CHEESE FRIES	111
DAVE'S #1	112
DAVE'S #2	113
DAVE'S #3	114
DAVE'S #4	115
SIDES	116
SINGLE SLIDER	117
SINGLE TENDER	118
SUBSTITUTIONS	119
 INCIDENT & EMERGENCY MANAGEMENT	 121
POLICIES	122
Reporting a Food-related Illness or Incident	122
Media Relations & Guest Inquiries	123
CONTAGIOUS DISEASES	125
Coronavirus 2019 (COVID-19)	125
E. coli	130
Norovirus	132
INCIDENTS AND ILLNESS	134
Foodborne Illness	134
Chemical Contamination	135
Communicable Disease	135
Outbreak	135
INCIDENTS & ACCIDENTS – GENERAL GUIDELINES	136
Bodily Fluids	138
Burglary	140
Closure Policy	142
Earthquakes	144
Fatality	146
Fire	147
First Aid	149
Floods/Sewage Backups	150
Robbery	153
Severe Trauma	155
Storms/Power Outages	157

{00165244.DOCX } Dave's Hot Chicken Franchise Co., LLC Confidential: Limited Internal Use Only





MARKETING	159
FRANCHISEE CODE OF CONDUCT	160
BUILDING BRAND CONSISTENCY	160
INTRODUCTION TO ADVERTISING, SALES, AND MARKETING	160
Brand Marketing & Messaging Consistency	161
Approved Material	161
Graphic Design	161
Trademark and Usage	162
Guidelines for Logo Use	163
Obtaining Approval for Advertising & Marketing Materials	163
Advertising and Promotion	163
Brand Positioning Statement	164
Advertising Cooperative	164
Local Advertising	164
Regional Promotions	165
Discount or Discount with Purchase	166
Groupon/Coupons	166
Community Involvement and Local Relationships	166
Sponsorships	167
Local Memberships	167
Special Events	167
Resources	167
KNOWING THE COMPETITION	167
Researching the Competition & Target Customer	167
Evaluating the Competition	168
Analyzing Competitors' Strengths & Weaknesses	168
Setting Realistic Goals for Advertising & Promotion	168
How Guests Become Loyal Guests	168
Word of Mouth Advertising	169
MEDIA, EMAIL, AND SOCIAL NETWORKING	169
Photography and Filming	170
Negative Event	170
Email	170
Legal Risks	171
Legal Requirements	171
Personal Use	171
Social Media Use	172

{00165244.DOCX.} Dave's Hot Chicken Franchise Co., LLC Confidential: Limited Internal Use Only





BRAND SIGNAGE GUIDELINES	173
INTRO	174
CURRENT SIGNAGE CATALOG	174
Exterior Signage.....	174
Banners.....	175
A-Frames.....	175
Clings.....	175
Hanging Signs.....	176
Operational Signage	177
INTERIOR SIGNAGE	177
Clings.....	177
Stickers.....	178
DOUBLE DOORS WITH SIDE WINDOWS.....	179
DOUBLE DOORS WITH NO SIDE WINDOWS.....	180
SINGLE DOOR WITH SIDE WINDOWS	181
SINGLE DOOR WITH NO SIDE WINDOWS	182
BACK DOOR / PATIO DOOR - SINGLE & DOUBLE	183
COUNTER (POINT OF SALE).....	184
FOUNDER'S STORY	185
RESTROOMS	186
EXTERIOR BANNER / A-FRAME DISPLAY OPTIONS	187
UNDER CONSTRUCTION WALLPAPER	188
PICK UP WINDOW	189
DRIVE THRU LANE	190
DRIVE THRU WINDOW	191
HOW TO INSTALL	192

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EXHIBIT F

FRANCHISE DISCLOSURE QUESTIONNAIRE



FRANCHISE DISCLOSURE QUESTIONNAIRE

***The following language applies only to transactions governed by the California Franchise Investment Law – This questionnaire does not apply to franchises who intend to operate the franchised business in the State of California.**

The Following language applies only to transactions governed by the Hawaii Franchise Investment Act – This Questionnaire shall not apply to residents of Hawaii or if the franchise is located in Hawaii

As you know, Dave's Hot Chicken Franchise Co. SPV LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement and Area Development Agreement, if applicable, for the operation of a Dave's Hot Chicken franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and Area Development Agreement, if applicable.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

Do not sign this Questionnaire if you are a resident of Maryland or Washington, or the franchise is to be operated in Maryland or Washington.

1. Yes___ No___ Have you received and personally reviewed the Franchise Agreement and Area Development Agreement, if applicable, and each attachment or exhibit attached to it that we provided?
2. Yes___ No___ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes___ No___ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes___ No___ Do you understand all the information contained in the Franchise Disclosure Document, Franchise Agreement and Area Development Agreement, if applicable?
5. Yes___ No___ Have you reviewed the Franchise Disclosure Document, Franchise Agreement and Area Development Agreement, if applicable, with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes___ No___ Have you had the opportunity to discuss the benefits and risks of developing and operating a Dave's Hot Chicken Franchise with an existing Dave's Hot Chicken franchisee?
7. Yes___ No___ Do you understand the risks of developing and operating a Dave's Hot Chicken Franchise?



8. Yes___ No___ Do you understand the success or failure of your Dave's Hot Chicken Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9. Yes___ No___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement and Area Development Agreement, if applicable, must be arbitrated in California, if not resolved informally or by mediation (subject to state law)?
10. Yes___ No___ Do you understand that you must satisfactorily complete the initial training program before we will allow your Dave's Hot Chicken Franchise to open or consent to a transfer of the Dave's Hot Chicken Franchise to you?
11. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Dave's Hot Chicken Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and Area Development Agreement, if applicable, and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Dave's Hot Chicken Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes___ No___ Do you understand that the Franchise Agreement and Area Development Agreement, if applicable, including each attachment or exhibit to the Franchise Agreement and Area Development Agreement, if applicable, contains the entire agreement between us and you concerning the Dave's Hot Chicken Franchise?
15. Yes___ No___ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?



YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date

Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 071823



EXHIBIT G

LIST OF CURRENT AND FORMER FRANCHISEES/AREA DEVELOPERS



Current Franchisees as of December 31, 2024:

Entity	Address	City	State	Zip Code	Phone
DHC Licensing LLC	632 Montgomery Hwy	Vestavia Hills	AL	35216	205-236-0580
DHC Arizona, LLC	1567 N. Cooper Road	Gilbert	AZ	85233	480-903-8220
DHC Arizona, LLC	7616 S. 56th Ave.	Laveen	AZ	85339	480-405-6340
DHC Licensing LLC	3915 W. Costco Dr.	Marana	AZ	85741	520-329-4215
Elevated Restaurant Group AZ, LLC	475 East Bell Rd.	Phoenix	AZ	85022	480-864-9899
DHC Licensing LLC	5615 E. Broadway Blvd.	Tucson	AZ	87511	520-613-2420
Chuckin Yuma LLC	1525 S Yuma Palms Parkway	Yuma	AZ	85365	928-459-6477
Elevated Restaurant Group LLC	2065 E. Katella Ave.	Anaheim	CA	92806	657-390-5360
Hot Mother Cluckers Inc.	11615 South St.	Artesia	CA	90701	562-273-1333
AGA Enterprises, Inc.	5401 Lone Tree Way #140	Brentwood	CA	94513	925-306-4380
CLK HotNash LP	31875 Date Palm Dr.	Cathedral City	CA	92234	760-406-5561
AGA Enterprises, Inc.	4550-A Tassajara Rd.	Dublin	CA	94568	925-574-5660
DHC Licensing LLC	110 Fletcher Parkway Suite 100	El Cajon	CA	92020	858-258-5881
CW Strong Restaurant Group LLC	5010 El Cerrito Plaza	El Cerrito	CA	94530	510-983-9738
DHC Licensing LLC	1200 Auto Parkway	Escondido	CA	92029	442-237-5790
DAMM Fine Chicken LLC	8810 Madison Ave.	Fair Oaks	CA	95628	916-866-1670
DAMM Fine Chicken LLC	Iron Point Road & E. Bidwell	Folsom	CA	95630	279-278-8599
Hot Fountain Valley Cluckers, LLC	10832 Warner Ave.	Fountain Valley	CA	92708	657-383-7536
Hot Mother Cluckers Inc.	154 E. Orangethorpe Ave.	Fullerton	CA	92832	562-314-3660
CLK HotNash LP	1251 South Sanderson	Hemet	CA	92545	951-604-2002
CLK HotNash LP	42213 Jackson St.	Indio	CA	92203	760-262-1033
Cluck Inc.	15463 Culver Dr.	Irvine	CA	90292	949-534-4746
Elevated Restaurant Group LLC	5247 Clark Ave.	Lakewood	CA	90712	562-444-8411
MCM Hot Chicken LP	1027 W. Avenue K	Lancaster	CA	93534	661-429-0833
Elevated Restaurant Group LLC	4680 E. Los Coyotes Diagonal, Unit #106	Long Beach	CA	90815	562-735-5699
HS Nashville Birdz Inc.	30012 Town Center Drive, Suite 100	Menifee	CA	92584	951-309-0100
DHC Licensing LLC	10728 Westview Pkwy.	Mira Mesa	CA	92126	858-214-3757
Radik LLC	24440 Alicia Parkway, Suite 3	Mission Viejo	CA	92691	949-603-0057
Bay Area DHC Inc.	140 Vintage Way, Space #G-12	Novato	CA	94945	415-878-1105
CW Strong Restaurant Group LLC	2228 Broadway	Oakland	CA	94612	510-423-9400
DHC Licensing LLC	4201 Oceanside Blvd., Suite A	Oceanside	CA	92056	442-291-1830
DAMM Fine Chicken LLC	341 W. Esplanade Dr., Suite F	Oxnard	CA	93030	805-751-6644
CLK HotNash LP	72-333 CA-111, Suite F	Palm Desert	CA	92260	760-610-6900
AGA Enterprises, Inc.	2360 Monument Blvd Suite D	Pleasant Hill	CA	94523	925-444-0311
DAMM Fine Chicken LLC	587 W. Channel Islands Blvd.	Port Hueneme	CA	93041	805-609-3033
Redd Chic DHC, Inc.	917 Dana Drive	Redding	CA	96003	530-255-4997
DAMM Fine Chicken LLC	3409 Arden Way	Sacramento	CA	95825	916-993-3370
CLK HotNash LP	1060 East Harriman Pl., Suite C8	San Bernardino	CA	92408	909-494-6122
DHC Licensing LLC	1001 Garnet Ave., Suite 100	San Diego	CA	92106	858-246-6640
DHC Licensing LLC	2075 Camino De La Reina Suite B	San Diego	CA	92108	619-984-4562
CW Strong Restaurant Group LLC	5251 Prospect Rd.	San Jose	CA	95129	408-444-9249
CW Strong Restaurant Group LLC	1085 E. Brokaw Road, Suite 10	San Jose	CA	95131	669-369-3331
CW Strong Restaurant Group LLC	1495 E. 14th Street	San Leandro	CA	94577	341-946-6433
DAMM Fine Chicken LLC	299 Madonna Road	San Luis Obispo	CA	93405	805-706-0600
CW Strong Restaurant Group LLC	3948 Rivermark Plaza	Santa Clara	CA	95054	669-319-4384
DAMM Fine Chicken LLC	232 Betteravia Rd.	Santa Maria	CA	93455	805-203-9157
Bay Area DHC Inc.	2300 Mendocino Avenue	Santa Rosa	CA	95403	707-582-2200
Hot Mother Cluckers Inc.	12430 Seal Beach Blvd.	Seal Beach	CA	92740	562-286-6844
CW Strong Restaurant Group LLC	118 El Camino Real	Sunnyvale	CA	94087	408-900-0082
HS Nashville Birdz Inc.	31845 Temecula Pkwy	Temecula	CA	92592	951-904-4350
Elevated Restaurant Group LLC	17400 Hawthorne Blvd.	Torrance	CA	90504	424-408-4605
Cluck Inc.	556 East 1st Street	Tustin	CA	92780	714-881-0700
CW Strong Restaurant Group LLC	32200 Dyer Street	Union City	CA	94587	510-240-1000
DAMM Fine Chicken LLC	3301 S. Mooney Blvd.	Visalia	CA	93277	559-409-0770
JH Foods, Ltd.	Interquest Pkwy.	Colorado Springs	CO	80921	719-355-2399
TNT Restaurant Group LLC	1615 Platte St.	Denver	CO	90805	720-798-6188
TNT Restaurant Group LLC	99 S. Broadway	Denver	CO	80209	720-370-1499
TNT Restaurant Group LLC	1700 S. College Ave.	Fort Collins	CO	80525	970-792-3717
TNT Restaurant Group LLC	1601 Mayberry Dr.	Highlands Ranch	CO	80129	720-943-2185
TNT Restaurant Group LLC	6515 W. 104th Ave #100	Westminster	CO	80020	720-983-1301
Capitol Chicken, Inc.	3339 14th St. NW	Washington	DC	20010	771-200-3080
King Chicken, LLC	155 Cranes Roost Blvd.	Altamonte Springs	FL	32701	689-345-5250
BCP Food Services Group LP	18717 Biscayne Blvd., Suite 305	Aventura	FL	33180	786-396-0502
JAX Chicken, LLC	3524 SW Archer Rd., Suite 110	Gainesville	FL	32608	352-519-4430
King Chicken, LLC	4405 W. Lake Mary Blvd.	Lake Mary	FL	32746	407-710-9808

King Chicken, LLC	557 N. Alafaya Trail	Orlando	FL	32828	407-917-9447
HANs Hot Chicken, LLC	15855 Pines Blvd., Unit #55	Pembroke Pines	FL	33027	754-202-0416
AJI Holdings DHC, LLC	2540 E. Fowler Ave.	Tampa	FL	33612	813-683-5410
AJI Holdings DHC, LLC	2915 N Dale Mabry Hwy	Tampa	FL	33607	813-644-8481
AJI Holdings DHC, LLC	28358 Willet Way	Wesley Chapel	FL	33453	656-444-7199
DHC Licensing LLC	1447 Hwy 138 SE	Conyers	GA	30013	470-207-1404
Dirty Birds, LLC	3022 E. 53rd St.	Davenport	IA	52807	563-306-0103
Hot Chicken Idaho, LLC	3450 N. Eagle Road	Meridian	ID	83646	208-801-7184
Hot Chicken Idaho, LLC	16365 N. Marketplace Blvd.	Nampa	ID	83687	208-546-0685
Plena DHC DA, LLC	1493 S. Randall Rd.	Algonquin	IL	60102	224-348-7938
Hotville Chicken Inc.	119 S. Randall Rd.	Batavia	IL	60510	331-248-1013
Hotville Chicken Inc.	2009 S. Neil Street	Champaign	IL	61820	217-689-1940
Hotville Chicken Inc.	169 W. Ontario St.	Chicago	IL	60654	872-345-3066
Hotville Chicken Inc.	3643 N. Western Avenue	Chicago	IL	60618	773-754-1555
Hotville Chicken Inc.	2615 W. North Ave.	Melrose Park	IL	60160	708-540-2700
Hotville Chicken Inc.	2736 Showplace Drive	Naperville	IL	60564	630-526-0144
Hotville Chicken Inc.	15139 S. LaGrange Rd.	Orland Park	IL	60462	464-888-3002
Dave Diggity, LLC	314 – 316 E. Kirkwood Ave.	Bloomington	IN	47408	812-668-7860
Dave Diggity, LLC	927 Broad Ripple Ave.	Indianapolis	IN	46220	317-383-0567
Dave Diggity, LLC	530 Massachusetts Ave, Suite 150	Indianapolis	IN	46204	317-285-0200
Southern Dining, LLC	4125 Town Center Blvd.	Jeffersonville	IN	47130	812-913-6110
Hotville Chicken Inc.	121 US Highway 41	Schererville	IN	46375	219-319-5032
Hotville Chicken Inc.	1234 N Eddy St, Suite 101B	South Bend	IN	46556	574-381-4030
Spicybros Chicken, LLC	9095 Metcalf Ave.	Overland Park	KS	66212	913-391-8366
Southern Dining, LLC	2630 Richmond Rd.	Lexington	KY	40509	859-300-6230
WC Hospitality, LLC	123 Stuart St.	Boston	MA	2116	857-557-0182
WC Hospitality, LLC	10 District Ave., Unit C-10	Boston	MA	2210	857-271-4810
WC Hospitality, LLC	30 Forbes Boulevard	Braintree	MA	1284	781-579-7044
GQ Chicken Holding, LLC	40 Drum Hill Rd	Chelmsford	MA	1824	351-221-7003
GQ Chicken Holding, LLC	341 Cochituate Road	Framingham	MA	1702	774-456-6520
WC Hospitality, LLC	648 Old West Central St	Franklin	MA	2038	508-507-6116
GQ Chicken Holding, LLC	4110 Mystic Valley Parkway	Medford	MA	2155	339-545-0014
GQ Chicken Holding, LLC	165 Needham Street	Newton	MA	2461	857-328-1777
GQ Chicken Holding, LLC	890 Broadway	Saugus	MA	1906	781-264-6213
GQ Chicken Holding, LLC	296 Mishawum Road	Woburn	MA	1801	781-787-0314
Graziano Holdings II, LLC	41 Park Ave.	Worcester	MA	1605	508-948-0208
Capitol DH Restaurants, LLC*	6131 Columbia Crossing	Columbia	MD	21045	443-393-2094
Capitol DH Restaurants, LLC*	6633 Ritchie Hwy	Glen Burnie	MD	21061	667-405-3699
Capitol DH Restaurants, LLC*	9902 Reisterstown Rd.	Owings Mills	MD	21117	443-870-5799
DMV Enterprises, LLC*	12345 Columbia Pike	Silver Spring	MD	20904	240-650-3404
Hot North Chicken LLC	22208 Michigan Ave.	Dearborn	MI	48124	313-380-0699
Hot North Chicken LLC	194 Albert Avenue	East Lansing	MI	48823	517-853-7077
Hot North Chicken LLC	3667 E. Grand River	Howell	MI	48843	810-355-4544
Hot North Chicken LLC	13993 Hall Rd.	Shelby Township	MI	48315	586-254-1260
Hot North Chicken LLC	28674 Telegraph Rd	Southfield	MI	48034	947-282-2470
Hot North Chicken LLC	624 W. Big Beaver Rd.	Troy	MI	48084	248-918-0799
Hot North Chicken LLC	5823 E Thirteen Mile Rd.	Warren	MI	48092	586-365-7550
Minnesota Chicken LLC	7720 149th Street W.	Apple Valley	MN	55124	952-698-0998
Minnesota Chicken LLC	3574 Main Street Unit 102	Coon Rapids	MN	55448	612-268-0663
Minnesota Chicken LLC	1805 Plymouth Rd.	Minnetonka	MN	55305	612-230-6850
Minnesota Chicken LLC	1959 Ford Parkway	St. Paul	MN	55116	612-429-5969
Spicybros Chicken, LLC	4121 Broadway Blvd.	Kansas City	MO	64111	816-710-8155
Montana Chicken Company Holdings LLC	1020 Shiloh Crossing Blvd.	Billings	MT	59101	406-503-0214
N&N Restaurant Group, LLC	1703 Central Avenue	Charlotte	NC	28205	980-381-4349
N&N Restaurant Group, LLC	8926 J. M. Keynes Drive	Charlotte	NC	28262	980-392-2120
Plucky Bird LLC	114 Grand Hill Place	Holly Springs	NC	27540	984-600-3093
Plucky Bird LLC	Highway 98 & Ligon Mill Rd.	Wake Forest	NC	27587	984-401-2024
Plucky Bird LLC	3500 Oleander Drive	Wilmington	NC	28403	910-795-1277
Dakota Spicy Cluckers, LLC	1650 45th Street South Suite 3B	Fargo	ND	58103	701-997-2925
Spicybros Chicken, LLC	339 N. Saddle Creek Road	Omaha	NE	68131	531-375-2410
Graziano Holdings LLC	1071 South Willow Street	Manchester	NH	3103	603-836-8209
Graziano Holdings LLC	1600 Woodbury Ave.	Portsmouth	NH	2801	603-713-6978
NJ & PA Chicken, LLC	22 NJ-70	Cherry Hill	NJ	8002	856-651-1859
NJK Capital, LLC	East Brunswick, NJ – NJ-18	East Brunswick	NJ	8816	732-416-4044
North Jersey DHC, LLC	175 Passaic Street, Suite 12 B	Kearny	NJ	7032	201-299-6499
NJK Capital, LLC	2311 State Route 66, Suite 5	Ocean Township	NJ	7712	732-361-2025
North Jersey DHC, LLC	700 Plaza Drive	Secaucus	NJ	7094	201-293-0885
NJ & PA Chicken, LLC	610 Berlin – Cross Keys Road	Sickerville	NJ	8081	856-341-7728
North Jersey DHC, LLC	2401 Route 22	Union	NJ	7083	908-206-7309

North Jersey DHC, LLC	60 Willowbrook Blvd.	Wayne	NJ	7009	862-398-0008
JET Enterprises HC LLC	1210 Western Avenue	Albany	NY	12203	518-776-4065
JET Enterprises HC LLC	4930 State Highway 30	Amsterdam	NY	12010	518-684-5001
ADR Ventures BRK, LLC	1192 Fulton Street	Brooklyn	NY	11216	929-382-9998
ADR Ventures BRK, LLC	345 Adams Street	Brooklyn	NY	11201	347-428-0288
ADR Ventures BRK, LLC	418 86th Street	Brooklyn	NY	11209	917-967-4223
ADR Ventures BRK, LLC	311 7th Ave.	Brooklyn	NY	11215	929-298-0301
JET Enterprises HC LLC	7915 Brewerton Rd.	Cicero	NY	13039	315-915-0015
ADR Ventures NYC, LLC	1498 3rd Avenue	New York	NY	10028	646-632-9910
ADR Ventures NYC, LLC	252 West 125th Street	New York	NY	10027	332-219-9428
ADR Ventures NYC, LLC	944 8th Ave	New York	NY	10019	332-999-1825
JET Enterprises HC LLC	756 Upper Glen Street	Queensbury	NY	12804	518-742-8102
WNY CHX LLC	942 Jefferson Rd	Rochester	NY	14623	585-770-7006
WNY CHX LLC	1660 Niagara Falls Blvd.	Tonawanda	NY	14150	716-647-2778
JET Enterprises HC LLC	3714 Vestal Pkwy E.	Vestal	NY	13850	607-251-1110
Rackson Cayenne, LLC	405 Tarrytown Rd.	White Plains	NY	10607	914-227-2785
Hot Hot Chicken, LLC	5440 Whipple Avenue	Canton	OH	44720	234-262-9344
Dave Diggity, LLC	High Street & 15th	Columbus	OH	43201	614-999-9840
Dave Diggity, LLC	807 Polaris Parkway	Columbus	OH	43240	380-500-4772
Dave Diggity, LLC	3590 W. Dublin Granville Road	Columbus	OH	43235	380-203-0799
Hot Hot Chicken, LLC	15012 Detroit Ave.	Lakewood	OH	44107	216-238-4999
Hot North Chicken LLC	5231 Monroe Street, Suite C	Toledo	OH	43523	419-318-1465
Hot Hot Chicken, LLC	4025 Richmond Road	Warrensville Heights	OH	44122	216-279-1030
Okie Chicken, LLC	2404 East 2nd St.	Edmond	OK	73034	405-888-8504
Okie Chicken, LLC	13220 Pawnee Dr.	Oklahoma City	OK	73114	405-832-3020
Okie Chicken, LLC	208 Johnny Bench Dr.	Oklahoma City	OK	73104	405-563-9158
Okie Chicken, LLC	12544 NW 10th St.	Yukon	OK	73099	405-265-5162
JCK Birdz LLC	2695 SW Cedar Hills Blvd.	Beaverton	OR	97005	971-348-3600
JCK Birdz LLC	9757 SE Sunnyside Road	Clackamas	OR	97015	503-451-6999
JCK Birdz LLC	801 E. 13th Ave.	Eugene	OR	97401	541-790-2399
JCK Birdz LLC	2920 NE Sandy Blvd.	Portland	OR	97232	503-388-3855
JCK Birdz LLC	3817 Center Street NE	Salem	OR	97301	971-332-1688
JCK Birdz LLC	7715 SW Nyberg Suite D	Tualatin	OR	97062	503-427-1775
KPV DHC, LLC	6040 Carlisle Pike	Mechanicsburg	PA	17050	223-285-6201
TIG Reaper LLC	9113 Roosevelt Blvd.	Philadelphia	PA	19114	215-268-3046
TIG Reaper LLC	122 Park Avenue	Willow Grove	PA	19090	267-818-7993
KPV DHC, LLC	1189 Loucks Road	York	PA	17404	223-284-3006
Graziano Holdings II, LLC	619 W Main Rd	Middletown	RI	2842	401-417-2770
MPZ Hot, LLC	4601 Devine Street	Columbia	SC	29205	839-895-4440
MPZ Hot, LLC	1200 Woodruff Rd.	Greenville	SC	29607	864-813-9782
N&N Restaurant Group, LLC	2476 Cherry Rd.	Rock Hill	SC	29730	839-274-0152
DHC Tarrant County LLC	4908 S. Cooper Street	Arlington	TX	76017	682-338-5008
Dos Niños Enterprises, LLC	1512 Texas Ave S.	College Station	TX	77840	979-810-8133
GRR Hot Chicken LLC	14750 Preston Road	Dallas	TX	90066	214-613-1099
CW Strong Restaurant Group LLC	2710 W University Dr #1040	Denton	TX	76201	940-220-9660
MNT Haidar, LLC	121 E. Trenton Rd.	Edinburg	TX	78539	956-663-3268
DHC Licensing LLC	12261 Eastlake Boulevard	El Paso	TX	79928	915-603-3012
DHC Tarrant County LLC	3105 Cockrell Ave.	Fort Worth	TX	76109	682-350-3566
DHC Tarrant County LLC	4608 Bryant Irvin, Suite 430	Fort Worth	TX	76132	682-382-0111
Dos Niños Enterprises, LLC	12161 Westheimer Rd.	Houston	TX	77082	832-975-0244
Dos Niños Enterprises, LLC	2525 Rice Blvd., Suite B	Houston	TX	77005	832-701-0122
Dos Niños Enterprises, LLC	15245 Wallisville Road	Houston	TX	77049	281-606-3911
Dos Niños Enterprises, LLC	614 Dennis Street	Houston	TX	77006	281-584-3733
DHC Tarrant County LLC	1410 Precinct Line Rd.	Hurst	TX	76053	682-353-3720
GRR Hot Chicken LLC	8001 Bryson Rd.	Irving	TX	75063	214-447-7090
CW Strong Restaurant Group LLC	724 W. Main St., #500	Lewisville	TX	75067	802-710-1729
MNT Haidar, LLC	3620 W. Expressway 83, Suite 150	McAllen	TX	78501	956-468-2286
CW Strong Restaurant Group LLC	NWC Hwy 380 & Hardin Blvd.	McKinney	TX	75071	945-224-6503
GRR Hot Chicken LLC	1505 N Town E. Blvd, Suite 100	Mesquite	TX	75150	469-324-5510
Dos Niños Enterprises, LLC	6324 Highway 6 South	Missouri City	TX	77479	832-987-4799
Dos Niños Enterprises, LLC	21690 US Hwy 59	New Caney	TX	77357	346-966-2401
CW Strong Restaurant Group LLC	8315 Preston Road	Plano	TX	75024	469-825-4933
CW Strong Restaurant Group LLC	1709 Preston Rd., #A	Plano	TX	75093	972-850-0566
GRR Hot Chicken LLC	1545 E. Belt Line Rd.	Richardson	TX	75081	945-218-6830
DHC of San Antonio, LLC	SE Military & New Braunfels	San Antonio	TX	78223	726-208-6224
DHC of San Antonio, LLC	9602 State Hwy 151, Suite 108	San Antonio	TX	78251	726-208-5197
Dos Niños Enterprises, LLC	20740 Kuykendahl Rd.	Spring	TX	77379	346-380-4544
CW Strong Restaurant Group LLC	4017 Jack Kultgen Fwy	Waco	TX	76706	254-301-1098
Dos Niños Enterprises, LLC	18611-18811 Eastfield Dr.	Webster	TX	77598	346-712-2136

Hot Chicken, LLC	940 Fort Union Blvd	Midvale	UT	84047	385-534-0101
Hot Chicken, LLC	386 E University Parkway	Orem	UT	84058	385-585-4899
Hot Chicken, LLC	753 East 2100 South	Salt Lake City	UT	84106	385-563-1377
DHC Licensing LLC	2401 Taylor Road	Chesapeake	VA	23321	757-372-4431
Capitol Chicken, Inc.	9650 Main Street	Fairfax	VA	22031	571-295-4500
Capitol Chicken, Inc.	7005 Manchester Lakes Blvd.	Franconia	VA	22310	571-670-6325
DHC Licensing LLC	11525 W. Broad St	Richmond	VA	23233	804-944-8440
Capitol Chicken, Inc.	8350 Leesburg Pike	Vienna	VA	22182	571-765-1319
Graziano Holdings III, LLC	225 Dorset St.	South Burlington	VT	5403	802-710-1729
DWashington, LLC	1200 E Pike Street, Suite 2	Seattle	WA	98122	206-813-2924
JCK Birdz LLC	7904 NE 6th Avenue, #112	Vancouver	WA	98665	360-605-0613
MR Chicken LLC	2654 S. Oneida Street	Ashwaubenon	WI	54304	920-770-3030
MR Chicken LLC	6610 Green Bay Road	Kenosha	WI	53142	262-953-2537
MR Chicken LLC	7007 Sligo Drive	Madison	WI	53717	608-421-5273
MR Chicken LLC	4814 Annamark Dr.	Madison	WI	53704	608-421-5272
MR Chicken LLC	N92W16125 Falls Pkwy.	Menomonee Falls	WI	53051	262-953-2540
MR Chicken LLC	544 East Ogden Ave., #200	Milwaukee	WI	53202	414-239-6014
MR Chicken LLC	12345 Capitol Drive	Wauwatosa	WI	53222	414-867-3639

*Denotes area developers

List of Franchisees with Franchise Agreements Signed but Outlet Not Yet Opened as of December 31, 2024:

Entity	Address	City	State	Zip Cod	Phone
Hot Licensing LLC - TN Valley	8135 Hwy 72, Suite C	Madison	AL	35758	TBD
DHC Arizona, LLC	2760 W. Chandler Blvd	Chandler	AZ	85224	TBD
DHC Arizona, LLC	2621 S. Market Street	Gilbert	AZ	85295	TBD
Elevated Restaurant Group AZ, LLC	14980 W. McDowell Rd.	Goodyear	AZ	85395	TBD
MCM Hot Chicken LP	5277 Gosford Road "Pad J"	Bakersfield	CA	93313	TBD
D.I.E. Fryin', LLC	865 South Indian Hill Blvd.	Claremont	CA	91711	TBD
DAMM Fine Chicken LLC	481 E. Shaw Ave.	Fresno	CA	93710	TBD
AGA Enterprises, Inc.	4213 First Street	Livermore	CA	94551	TBD
DAMM Fine Chicken LLC	10363 Fairview Dr.	Roseville	CA	95661	TBD
CW Strong Restaurant Group LLC	5670 Cottle Rd, Suite 20	San Jose	CA	95123	TBD
Elevated Restaurant Group LLC	13321 Florence Avenue	Santa Fe Sprin	CA	90670	TBD
Elevated Restaurant Group LLC	11891 Whittier Blvd.	Whittier	CA	90601	TBD
JH Foods, Ltd.	5860 Barns Rd.	Colorado Sprin	CO	80922	TBD
TNT Restaurant Group LLC	NEC 56th Ave. & Tower Rd.	Denver	CO	80249	TBD
JH Foods, Ltd.	SEC of Syracuse St & Mesa Ridge Pkwy	Fountain	CO	80817	TBD
TNT Restaurant Group LLC	8525 E. Arapahoe Rd.	Greenwood V	CO	80112	TBD
TNT Restaurant Group LLC	725 Harvest Moon Dr., Suite F	Longmont	CO	80501	TBD
Rackson Cayenne, LLC	106 Federal Rd.	Brookfield	CT	06804	TBD
Rackson Cayenne, LLC	2165 Dixwell Ave.	Hamden	CT	06514	TBD
Rackson Cayenne, LLC	1611 Boston Post Rd	Milford	CT	06460	TBD
LU-LU & Bru's Chicken Coop, LLC	3384 Berlin Turnpike	Newington	CT	06111	TBD
LU-LU & Bru's Chicken Coop, LLC	99 Executive Blvd S	Southington	CT	06489	TBD
Rackson Cayenne, LLC	2135-2715 Summer St.	Stamford	CT	06905	TBD
TIG Reaper LLC - DE	318 North Dupont Highway	Dover	DE	19901	TBD
TIG Reaper LLC - DE	4365 Kirkwood Hwy	Wilmington	DE	19808	TBD
Cluck Beach, LLC	20642 SR-7 N	Boca Raton	FL	33498	TBD
Cluck Beach, LLC	320 N Congress Ave. Suite 375	Boynton Beach	FL	33426	TBD
King Chicken, LLC - Sarasota	2689 Gulf to Bay Blvd., #1840	Clearwater	FL	33759	TBD
HANs Hot Chicken, LLC	2558 & 2560 N. University Dr.	Coral Springs	FL	33065	TBD
JAX Chicken, LLC	10261 River Marsh Dr., #137	Jacksonville	FL	32246	TBD
King Chicken, LLC - Orlando	6113 W Irlo Bronson Hwy	Kissimmee	FL	34747	TBD
BCP Food Services Group LP	2431 NW 2nd Avenue	Miami	FL	33127	TBD
HANs Hot Chicken, LLC	3411 N. Federal Hwy	Oakland Park	FL	33306	TBD
AJI Holdings DHC, LLC - Tampa	13446 Pine Gap Spur	Odessa	FL	33556	TBD
King Chicken, LLC - Orlando	4969 International Dr, Suite 3E11B	Orlando	FL	32819	TBD
HANs Hot Chicken, LLC	2390 N. Federal Hwy	Pompano Beach	FL	33062	TBD
Cluck Beach, LLC	2089 Palm Beach Lakes Blvd.	West Palm Beach	FL	33409	TBD
Vision Food Group, LLC	11760 Haynes Bridge Rd.	Alpharetta	GA	30009	TBD
DHC Licensing LLC - GA	2925 Buford Drive, Suite 610	Buford	GA	30519	TBD
DHC Licensing LLC - AL, FL, GA & MS	5279 Whittlesey Blvd	Columbus	GA	31909	TBD
Vision Food Group, LLC	1985 Cobb Parkway NW	Kennesaw	GA	30152	TBD
Vision Food Group, LLC	6309 Roswell Road NE	Sandy Springs	GA	30328	TBD
MPZ Hot, LLC - SC & Savannah, GA	1800 E. Victory Dr.	Savannah	GA	31404	TBD
Hotville Chicken Inc. - IL	17629-31 S. Halsted	Homewood	IL	60430	TBD
Hotville Chicken Inc. - IL	16439 W. 159th St.	Lockport	IL	60441	TBD
Hotville Chicken Inc. - IL	1700 E College Avenue	Normal	IL	61761	TBD
Plena DHC DA, LLC	NWC Golf & Meacham	Schaumburg	IL	60173	TBD
Hotville Chicken Inc. - IL	2401 Wabash Avenue	Springfield	IL	62704	TBD
Spicybros Chicken, LLC	15139 W 119th St	Olathe	KS	66062	TBD
BLT Ventures, LLC	4960 Houston Rd., Suite I	Florence	KY	41022	TBD
DHC Licensing LLC - LA & TX	640 Arlington Creek Centre Dr.	Baton Rouge	LA	70820	TBD
WC Hospitality, LLC	1260 Boylston St.	Boston	MA	02215	TBD

WC Hospitality, LLC	797 Providence Hwy	Dedham	MA	02026	TBD
Graziano Holdings II, LLC - MA	355 Russell Street	Hadley	MA	01035	TBD
GQ Chicken Holding, LLC	1099 Lexington St.	Waltham	MA	02452	TBD
Capitol DH Restaurants, LLC *	114 Shawan Rd.	Hunt Valley	MD	21030	TBD
DMV Enterprises, LLC - Montgomery *	11564 Rockville Pike	Rockville	MD	20852	TBD
DMV Enterprises, LLC - Montgomery *	2477 Crain Highway	Waldorf	MD	20601	TBD
Graziano Holdings III, LLC - ME & VT	570 Stillwater Ave.	Bangor	ME	04401	TBD
Hot North Chicken LLC	2065 N. Squirrel Rd.	Auburn Hills	MI	48326	TBD
Hot North Chicken LLC	23071 Allen Road	Woodhaven	MI	48183	TBD
Minnesota Chicken LLC	500-528 Washington Ave North	Minneapolis	MN	55401	TBD
Minnesota Chicken LLC	1620 South Broadway	Rochester	MN	55904	TBD
Hotville Chicken Inc. - MO	17304 Chesterfield Airport Rd.	Chesterfield	MO	63005	TBD
Spicybros Chicken, LLC	1808a NW Chipman Rd	Lee's Summit	MO	64081	TBD
N&N Restaurant Group, LLC	9711 Northlake Centre Pkwy, Suite A	Charlotte	NC	28216	TBD
N&N Restaurant Group, LLC	1951 Battleground Ave.	Greensboro	NC	27408	TBD
KAMT NC LLC	300 Greenville Blvd.	Greenville	NC	27858	TBD
Plucky Bird LLC	2920 Sherman Oak Place, Unit 140	Raleigh	NC	27609	TBD
Dakota Spicy Cluckers, LLC	2650 32nd Ave. S., Suite F-1	Grand Forks	ND	58201	TBD
Spicybros Chicken, LLC	2615 S 180th	Omaha	NE	68130	TBD
NJ & PA Chicken, LLC	744 NJ-70 West	Brick	NJ	08723	TBD
NJK Capital, LLC	770 Route 33	Hamilton	NJ	08619	TBD
North Jersey DHC, LLC	850 W Edgar Rd.	Linden	NJ	07036	TBD
North Jersey DHC, LLC	65 Route 4	Paramus	NJ	07652	TBD
North Jersey DHC, LLC	1157 US-46	Parsippany	NJ	07054	TBD
North Jersey DHC, LLC	247 Route 10	Roxbury	NJ	07876	TBD
DHC Licensing LLC - NM & TX	3703 Ellison Rd. NW, Suite C	Albuquerque	NM	87114	TBD
DHC Vegas Holdings, LLC	10520 S Eastern Ave Suite 130	Henderson	NV	89052	TBD
DHC Vegas Holdings, LLC	6930 S Rainbow Blvd	Las Vegas	NV	89113	TBD
JV Ventures Inc.	5757 Wayne Newton Blvd.	Las Vegas	NV	89119	TBD
Sokaia Miracle Inc.	3663 S. Las Vegas Blvd.	Las Vegas	NV	89109	TBD
CW Strong Restaurant Group LLC	1565 E Lincoln Way Suite R-115	Sparks	NV	89434	TBD
TCB Restaurant Associates LLC	207 Glen Cove Road	Carle Place	NY	11514	TBD
TCB Restaurant Associates LLC	9015 Queens Blvd.	Elmhurst	NY	11374	TBD
WNY CHX LLC	4495 Milestrip Rd.	Hamburg	NY	14219	TBD
JET Enterprises HC, LLC - Hudson Valley	2521 South Rd.	Poughkeepsie	NY	12601	TBD
TCB Restaurant Associates LLC	61-45 188th Street	Queens	NY	11365	TBD
WNY CHX LLC	1267 E. Ridge Rd.	Rochester	NY	14621	TBD
JET Enterprises HC LLC - Albany & Syracuse	412 Balltown Rd. Suite D	Schenectady	NY	12304	TBD
Rackson Cayenne, LLC	2500 Central Park Ave	Yonkers	NY	10583	TBD
BLT Ventures, LLC	3208 Vandercar Way	Cincinnati	OH	45209	TBD
Hotville Chicken Inc. - OH	2650 N. Fairfield Rd., Suite B	Dayton	OH	45431	TBD
Hot Hot Chicken, LLC	36099 Euclid Ave.	Willoughby	OH	44094	TBD
CW Strong Restaurant Group LLC - OK	7454 S. Olympia Ave.	Tulsa	OK	74132	TBD
JCK Birdz LLC	1844-1868 NW Eastman Parkway	Gresham	OR	97030	TBD
JCK Birdz LLC	1363 Center Dr.	Medford	OR	97501	TBD
JCK Birdz LLC	839 NW 23rd St.	Portland	OR	97210	TBD
JCK Birdz LLC	1570 Mohawk Blvd.	Springfield	OR	97477	TBD
KPV DHC, LLC	540 Gateway Avenue	Chambersburg	PA	17201	TBD
Steely Birds LLC	700 Commerce Blvd Unit 11B	Dickson City	PA	18519	TBD
KPV DHC, LLC	1501 Quentin Rd.	Lebanon	PA	17042	TBD
TIG Reaper LLC - PA	1731 Chestnut Street 1	Philadelphia	PA	19103	TBD
TIG Reaper LLC - PA	218 N West End Blvd	Quakertown	PA	18951	TBD
MPZ Hot, LLC - SC & Savannah, GA	1923 W. Palmetto St.	Florence	SC	29501	TBD
Hot Licensing LLC - TN Valley	2260 Gunbarrel Rd	Chattanooga	TN	37421	TBD

DHC Licensing LLC - NM & TX	7725 Paseo del Norte Blvd	El Paso	TX	79912	TBD
DHC Tarrant County LLC	3240 Tracewood Way	Fort Worth	TX	76177	TBD
CW Strong Restaurant Group LLC	1039 W. University Ave	Georgetown	TX	78628	TBD
Raldco Operations, LLC	6309 82nd Street	Lubbock	TX	79424	TBD
Dos Niños Enterprises, LLC	32822 FM 2978, Suite 1100	Magnolia	TX	77354	TBD
DHC of San Antonio, LLC	2141 I35 S Frontage	New Braunfels	TX	78130	TBD
DHC of San Antonio, LLC	NEC of IH 35 and Cibolo Valley Dr.	Schertz	TX	78108	TBD
Hot Chicken, LLC - Salt Lake City	1065 North Main Street	Logan	UT	84341	TBD
Hot Chicken, LLC - Salt Lake City	4000 West 13400 South	Riverton	UT	84096	TBD
Capitol Chicken, Inc.	3556 E S. Jefferson St.	Bailey's Cross	VA	22041	TBD
PGC Capital LLC	435 Merchant Walk Sq.	Charlottesville	VA	22902	TBD
KChicken Holdings, LLC (DWashington, LLC)	16502 Redmond Way Suite W5	Redmond	WA	98052	TBD
RSM Hold Co., LLC	6100 N. Division St.	Spokane	WA	99208	TBD
KChicken Holdings, LLC (DWashington, LLC)	4502 S. Steele Street	Tacoma	WA	98409	TBD
MR Chicken LLC	4301 W. Wisconsin Ave.	Appleton	WI	54913	TBD
MR Chicken LLC	1300 Great Wolf Dr.	Baraboo	WI	53193	TBD
MR Chicken LLC	1200 N. Port Washington Rd.	Grafton	WI	53024	TBD
MR Chicken LLC	3721 S. Moorland Road	New Berlin	WI	53151	TBD

*Denotes area developers

LIST OF FRANCHISEES THAT LEFT THE SYSTEM

**(Mutual Termination/Canceled, Transferred, Not Renewed or otherwise Voluntarily or
Involuntarily Ceased to do business).**

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

(None)

Franchisees whose Restaurant Closed from January 1, 2025 to September 26, 2025

Entity	City	State	Phone
OC Hot Chicken, LLC	Costa Mesa	CA	602-696-2912
ADR Ventures BRK, LLC	Brooklyn	NY	917-416-3773

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

Transferred Restaurants from January 1, 2025 to September 26, 2025

Entity	City	State	Phone
Hot Tennessee 1 LLC*	Vestavia Hills	AL	818-471-3617
Dave's Management, LLC*	Burbank	CA	818-471-3617
Dave's Management, LLC*	Culver City	CA	818-471-3617
Dave's Management, LLC*	Glendale	CA	818-471-3617
Dave's Management, LLC*	Los Angeles	CA	818-471-3617
Radik LLC	Mission Viejo	CA	760-443-5011
Dave's Management, LLC*	North Hollywood	CA	818-471-3617
Dave's Management, LLC*	Sherman Oaks	CA	818-471-3617
Dave Diggity LLC	Blomington	IN	260-450-2062
Dave Diggity LLC	Indianapolis	IN	260-450-2062
Dave Diggity LLC	Indianapolis	IN	260-450-2062
ADR Ventures BRK, LLC	Brooklyn	NY	917-416-3773
ADR Ventures BRK, LLC	Brooklyn	NY	917-416-3773
ADR Ventures BRK, LLC	Brooklyn	NY	917-416-3773
ADR Ventures BRK, LLC	New York	NY	917-416-3773
ADR Ventures BRK, LLC	New York	NY	917-416-3773
ADR Ventures BRK, LLC	New York	NY	917-416-3773
Dave Diggity LLC	Columbus	OH	260-450-2062
Dave Diggity LLC	Columbus	OH	260-450-2062
Dave Diggity LLC	Columbus	OH	260-450-2062
Capitol Chicken Inc.*	Fredericksburg	VA	703-627-2269
Capitol Chicken Inc.*	Woodbridge	VA	703-627-2269

*These entities remain as franchisees in the Dave's Hot Chicken system.

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

EXHIBIT H

STATE ADDENDA AND AGREEMENT RIDERS



STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR DAVE'S HOT CHICKEN FRANCHISE CO. SPV LLC

The following modifications are made to the Dave's Hot Chicken Franchise Co. SPV LLC ("Franchisor," "us," "we," or "our") Franchise Disclosure Document ("FDD") given to franchisee ("Franchisee," "you," or "your") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20__ ("Franchise Agreement"). When the term "Franchisor's Choice of Law State" is used, it means the laws of the state where the Franchisee's Dave's Hot Chicken Restaurant is located. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement and the Area Development Agreement contain provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in California. 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 the Franchise Agreement or Area Development Agreement restricting venue to a forum outside the State of California. The Franchise Agreement contains a mediation provision. As such, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.



The Franchise Agreement and Area Development Agreement require the application of the laws of the state where the Franchisee's Dave's Hot Chicken Restaurant is located. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Area Development Agreement contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement and the Area Development Agreement contain a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur at the location closest to Franchisor's principal place of business (currently Pasadena, California) with the costs being shared equally by the parties; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Our website, www.daveshotchicken.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

Franchisees must sign a personal guarantee, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guarantee will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

California's Franchise Investment Law (Corporations Code section 31512) states as follows: "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order hereunder is void."



California's Franchise Investment Law (Corporations Code section 31512.1) states as follows: "Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

Item 5 of the FDD, the Franchise Agreement, and the Area Development Agreement are amended to state: "The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open."

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

See the last page of this Exhibit H for your required signature.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE



OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit J of the FDD on the page entitled, "State Effective Dates."
2. States which have refused, by order or otherwise, to register these Franchises are:

None
3. States which have revoked or suspended the right to offer the Franchises are:

None
4. States in which the proposed registration of these Franchises has been withdrawn are:

None

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

Acknowledgements

Sections 22.1(iv), (v), (vi), (vii), (ix), (xii) and (xiii) are deleted from the Franchise Agreement.

The undersigned does hereby acknowledge receipt of this addendum.



Dated this _____ day of _____, 20____.

FRANCHISOR

FRANCHISEE

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.” The Franchise Agreement and Area Development Agreement are amended accordingly. To the extent that the Franchise Agreement and Area Development Agreement would otherwise violate Illinois law, each Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Agreement, Area Development Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement and/or Area Development



Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

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

Governing Law

The following language is added to the end of Section 19.7 of the Franchise Agreement and Section 11.8 of the Area Development Agreement:

However, Illinois law will apply to claims arising under the Illinois Franchise Disclosure Act.

Consent to Jurisdiction

The following language is added to the end of Section 12.2.3 of the Franchise Agreement and Section 10.5 of the Area Development Agreement:

However, subject to the parties' arbitration obligations, the parties submit to the jurisdiction and venue of the state and federal courts of competent jurisdiction in Illinois for claims arising under the Illinois Franchise Disclosure Act.

Waiver of Jury Trial

The following language is added to the end of Section 18.8 of the Franchise Agreement and Section 10.7 of the Area Development Agreement:

However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

See the last page of this Exhibit H for your required signature.

INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.



Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in California. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement and Area Development Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, Area Development Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement or Area Development Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).



5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

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

See the last page of this Exhibit H for your required signature.

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND AREA DEVELOPMENT AGREEMENT

The following risk factors are added to the FDD State Cover Sheet titled “**Special Risks to Consider About This Franchise**”

Short Operating History. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Financial Condition. The franchisor’s financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor’s financial ability to provide services and support to you.

Item 5 of the FDD and the Area Development Agreement are amended to state: “Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

The Franchise Agreement is amended to state: “Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and



payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

Item 17 of the FDD, the Franchise Agreement and Area Development Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Item 17 of the FDD and sections of the Franchise Agreement and Area Development Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement, Area Development Agreement and Franchise Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

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

See the last page of this Exhibit H for your required signature.

MICHIGAN

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

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.



(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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



Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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

MINNESOTA

Despite anything to the contrary in the Franchise Agreement or Area Development Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement or Area Development Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the FDD, Franchise Agreement or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota. However, this paragraph will not affect the obligation in the Franchise Agreement or Area Development Agreement relating to arbitration.
3. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
4. Item 13 of the FDD and Section 11.5 of the Franchise Agreement is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
5. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, provisions of the FDD, Franchise Agreement and Area Development



Agreement which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the FDD, Franchise Agreement and Area Development Agreement, to the extent required by Minnesota law.

6. You cannot consent to the franchisor obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400J. Also, a court will determine if a bond is required.
7. The following language will appear as a new paragraph of the Franchise Agreement and Area Development Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement or Area Development Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 4.15 of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.
10. The following risk factor is added to the FDD State Cover Sheet titled “**Special Risks to Consider About This Franchise**”

Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

See the last page of this Exhibit H for your required signature.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR



HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend,**" and Item 17(m), entitled "**Conditions for franchisor approval of transfer:**"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this



proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**,” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

8. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in and the franchise will be operated in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

9. Releases - The following language is added to Sections 3.4.5, 13.2.3(e) and 13.4.1(j) of the Franchise Agreement, and Sections 6.3.4 and 7.2.2(j) of the Area Development Agreement:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

11. Termination by You - The following language is added to the end of Section 14 of the Franchise Agreement and Section 9 of the Area Development Agreement:

The franchisee may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.



12. Governing Law/Consent to Jurisdiction - The following language is added to the end of Sections 12.2.3 and 19.7 of the Franchise Agreement and Sections 1.5 and 11.8 of the Area Development Agreement:

The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by article 33 of the General Business law of the state of New York.

13. Limitation of Claims - The following language is added to the end of Section 18.9 of the Franchise Agreement and Section 10.8 of the Area Development Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

See the last page of this Exhibit H for your required signature.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, provisions of the FDD (including Item 17(u) and (v)), the Franchise Agreement (including Section 18) and the Area Development Agreement (including Section 10), relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement and the Supplemental Agreements requiring you to consent to a limitation under which you may bring a claim may not be enforceable under the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.



Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD, Section 12.1 of the Franchise Agreement and Section 8 of the Area Development Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD, Franchise Agreement and the Area Development Agreement are amended accordingly to the extent required by law.

The North Dakota Insurance & Securities Department has requested that we defer collection of initial franchise fees until such time as all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement. As such, the FDD, the Franchise Agreement, the Area Development Agreement, and the Supplemental Agreements are amended accordingly.

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

See the last page of this Exhibit H for your required signature.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including, but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

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



See the last page of this Exhibit H for your required signature.

SOUTH DAKOTA

The Securities Regulation Office has requested that the collection of the initial franchise fee be deferred until such time as all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement. As such, the FDD, the Franchise Agreement, and the Area Development Agreement are amended accordingly.

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

See the last page of this Exhibit H for your required signature.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Dave's Hot Chicken Franchise Co. SPV LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following risk factor is added to the FDD State Cover Sheet titled “**Special Risks to Consider About This Franchise**”

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$208,150 to \$3,218,000. This amount exceeds the franchisor's guarantor's stockholders' equity as of August 1, 2025 which is \$250,000.

The following statement is added to Item 17.h of the FDD:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involves the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

The following statement is added to Item 8 and Item 17.h of the FDD:

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any



statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

See the last page of this Exhibit H for your required signature.

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND RELATED AGREEMENTS.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the



franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgment.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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



17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Acknowledgements

Sections 22.1(v), (vi), (ix), (x) and (xiii) of the Franchise Agreement are hereby deleted.

Section 22.1(xii) of the Franchise Agreement is revised to read as follows:

That this Agreement’s terms and covenants are reasonably necessary for Franchisor to maintain its high standards of quality and service, as well as the uniformity of those standards with respect to every Restaurant and to protect and preserve the goodwill associated with the Marks.

Section 22.1(iv) of the Franchise Agreement is revised to read as follows:

That, like any other business, the nature of the business a Restaurant conducts may, and probably will, change over time.

See the last page of this Exhibit H for your required signature.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

(Signatures on following page)



APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California
☐ Hawaii
☐ Illinois
☐ Indiana
☐ Maryland

☐ Michigan
☐ Minnesota
☐ New York
☐ North Dakota

☐ Rhode Island
☐ South Dakota
☐ Virginia
☐ Washington
☐ Wisconsin

Dated: _____, 20____

FRANCHISOR:

DAVE’S HOT CHICKEN FRANCHISE CO. SPV LLC

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____



EXHIBIT I

CONTRACTS FOR USE WITH THE DAVE'S HOT CHICKEN FRANCHISE

The following contracts contained in Exhibit I are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Dave's Hot Chicken Business. The following are the forms of contracts that Dave's Hot Chicken Franchise Co. SPV LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.



EXHIBIT I-1

DAVE'S HOT CHICKEN FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20__ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Dave's Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Dave's Hot Chicken business;

WHEREAS, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

WHEREAS, as a condition to Franchisor's consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including



without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim. Releasor represents and warrants to the Released Parties, and agrees, that it may later learn of new or different facts, but that still, it is Releasor's intention to fully, finally, and forever release all of the claims that are released above. This includes the Releasor's waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor").

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchisee's Dave's Hot Chicken Restaurant is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or



impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

Signature

Typed or Printed Name

Rev. 060524



EXHIBIT I-2

DAVE'S HOT CHICKEN FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Dave’s Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company, and its successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means: (i) any restaurant that sells Nashville hot chicken or derives 20% or more of its Gross Sales from the sale of fried chicken, other than a Dave’s Hot Chicken Restaurant operated pursuant to a Franchise Agreement with Franchisor, or (ii) any business that specializes in developing, operating, licensing or franchising restaurants that sell Nashville hot chicken or derive 20% or more of their Gross Sales from the sale of fried chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any fried chicken food product, including Nashville hot chicken.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Dave’s Hot Chicken business or the solicitation or offer of a Dave’s Hot Chicken franchise, whether now in existence or created in the future.

“*Franchisee*” means the Dave’s Hot Chicken franchisee for which you are an, owner or guarantor.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Dave’s Hot Chicken business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Dave’s Hot Chicken business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Dave’s Hot Chicken business, including “DAVE’S HOT CHICKEN,” and any other trademarks, service marks, or trade names that we designate for use by a Dave’s Hot Chicken business. The term “Marks” also includes any distinctive trade dress used to identify a Dave’s Hot Chicken business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any financial or other interest (as an owner, proprietor, investor, member, principal, advisor, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar



capacity) in a Competitive Business (other than a direct or indirect ownership solely as an investment, of securities of any entity traded on any national securities exchange if you are not a controlling person or member of a group that controls such entity and you own less than 5% of any class of securities of such entity); and (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees).

“Restricted Period” means the two-year period after you cease to be an owner or guarantor of Franchisee’s Dave’s Hot Chicken business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the one-year period after you cease to be an owner or guarantor of Franchisee’s Dave’s Hot Chicken business.

“Restricted Territory” means the geographic area within: (i) a 10-mile radius from Franchisee’s Dave’s Hot Chicken business (and including the premises of the approved location of Franchisee); and (ii) a 10-mile radius from all other Dave’s Hot Chicken businesses that are operating or under construction as of the beginning of the Restricted Period.

“System” means our system for the establishment, development, operation, and management of a Dave’s Hot Chicken business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are an owner or guarantor of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Dave’s Hot Chicken business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an owner or guarantor of Franchisee’s Dave’s Hot Chicken business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an owner or guarantor of Franchisee’s Dave’s Hot Chicken business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted



Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.** To the extent that the non-competition covenants herein are deemed unenforceable by an arbitrator or court with competent jurisdiction, the parties expressly agree that such arbitrator or court shall have the authority to modify, revise or amend the scope of these non-competition covenants to the extent necessary to render such covenants enforceable.

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Dave's Hot Chicken franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of the state where the Franchisee's Dave's Hot Chicken Restaurant is located, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the



court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Date _____ Signature _____

Typed or Printed Name

Rev. 120619



EXHIBIT I-3

DAVE'S HOT CHICKEN FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Dave's Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Copyrights" means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Dave's Hot Chicken franchisees to use, sell, or display in connection with the marketing and/or operation of a Dave's Hot Chicken Business, whether now in existence or created in the future.

"Dave's Hot Chicken Business" means a business that features Nashville hot chicken tenders and sliders with made-to-order spices and related food and drink items in a fun, fast-casual restaurant format and other related products and services using our Intellectual Property.

"Franchisee" means the Dave's Hot Chicken franchisee for which you are an officer, director, manager, Operating Principal, CRM, independent contractor, agent, representative, or supplier.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Dave's Hot Chicken Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Dave's Hot Chicken Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Dave's Hot Chicken Business, including "DAVE'S HOT CHICKEN" and any other trademarks, service marks, or trade names that we designate for use by a Dave's Hot Chicken Business. The term "Marks" also includes any distinctive trade dress used to identify a Dave's Hot Chicken Business, whether now in existence or hereafter created.

"System" means our system for the establishment, development, operation, and management of a Dave's Hot Chicken Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an officer, director, manager, Operating Principal CRM, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.



3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Dave's Hot Chicken Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Dave's Hot Chicken Franchise Co. SPV LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Dave's Hot Chicken franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.



7. Miscellaneous.

a. Although this Agreement is entered into in favor of Dave's Hot Chicken Franchise Co. SPV LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of the state where the Franchisee's Dave's Hot Chicken Restaurant is located, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name



EXHIBIT I-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
☐ Checking ☐ Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.	

Authorization:

Franchisee hereby authorizes Dave's Hot Chicken Franchise Co. SPV LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable



opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____

Date: _____

Printed Name: _____

Its: _____

Federal Tax ID Number: _____

Rev. 032916

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.



EXHIBIT I-5

CREDIT CARD AUTHORIZATION FORM
CREDIT CARD AUTHORIZATION

This Credit Card Authorization (this “Authorization”) is entered into this ____ day of _____, 20__ by the undersigned credit card account owner (“Owner”). Owner agrees that Dave’s Hot Chicken Franchise Co. SPV LLC (“DHC”) may charge (in DHC’s sole discretion) the account(s) listed below for payment of fees, interest charges, past due fees or other charges owed to DHC or DHC’s approved supplier (as specified below), as follows:

1. Owner authorizes DHC to charge Owner’s account(s), as listed below, for Continuing Royalties, Creative Fund Contributions, technology fees, training and certification fees, conference fees, inspection and evaluation fees, late fees, interest charges, past due fees, and other fees and charges owed by Owner or a company controlled by Owner to DHC or an approved supplier of DHC under any agreement between the parties.

Type of Credit Card: ____ VISA ____ MASTERCARD

Credit Issuer: _____ Billing Address: _____

Account Number: _____ Expiration Date: _____

Current Credit Limit: \$ _____

Type of Credit Card: ____ VISA ____ MASTERCARD

Credit Issuer: _____ Billing Address: _____

Account Number: _____ Expiration Date: _____

Current Credit Limit: \$ _____

2. Owner agrees that this Authorization will remain in effect for each DHC Franchise Agreement of Owner, or a company controlled by Owner, throughout the duration of the applicable Franchise Agreement, unless DHC agrees to an earlier termination of this Authorization. Owner agrees not to revoke any Authorization prior to the termination of the applicable Franchise Agreement, without prior written consent of DHC. Owner agrees that the credit card issuer cannot cancel this Authorization without receiving written consent from DHC.

3. Owner agrees to maintain, at all times, sufficient available credit in each account covered by this Authorization to pay all due amounts and associated charges, as listed above, but, in any event the available credit on each account will not be less than \$10,000.00. Owner shall notify DHC of the expiration, termination, or any other change in its account(s) covered by this Agreement, within one business day of



the change, providing new account numbers and other information requested by DHC. Owner agrees to execute a new Authorization within three business days after receipt of a new Authorization form from DHC.

4. Owner agrees that DHC may charge Owner's account(s) listed above, as applicable, whenever fees owed by Owner, or a company controlled by Owner, are past due, as follows:

(a) DHC may charge Owner's credit card account(s) for the amount of all Continuing Royalties, Creative Fund Contributions, technology fees, training and certification fees, conference fees, inspection and evaluation fees, late fees, interest charges, past due fees, and other fees and charges owed by Owner or a company controlled by Owner to DHC each time Owner, or a company controlled by Owner, does not otherwise pay its fees when due or an EFT payment by Owner is unsuccessful.

(b) DHC may charge the following "Late Fee" and interest to Owner's credit card account, with or apart from the actual Continuing Royalties, Creative Fund Contributions, technology fees, training and certification fees, convention fees, inspection and evaluation fees, and other fees and charges as specified above. The Late Fee is \$100 per incident. If any payment required to be made by Owner to DHC under a Franchise Agreement is past due, DHC may also charge Owner's account(s) interest on the past due amount at the lesser of the daily equivalent of 12% per year simple interest or the highest rate allowed by law, accruing from the date of the default.

5. DHC may charge Owner a service charge of up to four percent of the total charge for any payment made by Owner or a company controlled by Owner to DHC under this Authorization.

6. DHC may bill Owner directly for any amounts owed by Owner, or a company controlled by Owner, to DHC for which DHC does not charge Owner's account(s) under this Authorization.

7. A company is considered to be "controlled by Owner" if Owner is a guarantor of a Franchise Agreement between the company and DHC; or if Owner has a 10 percent or greater shareholder, partnership, or member interest in the company, or is the sole proprietor of the company.

8. Owner agrees to execute any other documents required by any credit card processing company, any credit card issuer, any other entity, or by law, as necessary to enable DHC to exercise the rights granted to it by this Authorization.

9. All capitalized terms not defined in this Authorization are defined as in the applicable Franchise Agreement between DHC and Owner.

OWNER:

By: _____

Print Name: _____

Title: _____



EXHIBIT I-6

DAVE'S HOT CHICKEN FRANCHISE

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20____, is entered into by and between _____ ("**Landlord**"), _____ ("**Tenant**") and Dave's Hot Chicken Franchise Co. SPV LLC ("**Franchisor**"), collectively referred to herein as the "**Parties**".

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20____, and pertaining to the premises located at _____ ("**Lease**").

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to a Franchise Assignee (defined below) at any time during the term of the Lease, including any extensions or renewals thereof. If Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, a Franchise Assignee, will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures any then-existing material defaults of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until: (i) the Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchise Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee or subtenant shall retain all of the Tenant's rights granted in the



Lease including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by a reputable overnight delivery service to the following address:

Dave's Hot Chicken Franchise Co. SPV LLC
Attn: Real Estate Department
600 Playhouse Alley, Unit 504
Pasadena, CA 91101

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

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, colors and layouts, trademarks, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.



6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

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

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto as of the day, month, and year first written above.

LANDLORD:

TENANT:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

FRANCHISOR:

By: _____

Printed Name: _____

Title: _____

Rev. 022324



EXHIBIT I-6 Attachment 1

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ____ day of _____, 20__ (“**Effective Date**”), the undersigned, _____ (“**Assignor**”) hereby assigns, transfers and sets over unto _____ (“**Assignee**”) all of Assignor’s right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** (“**Lease**”) with respect to the premises located at _____. This Collateral Assignment of Lease (“**Assignment**”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor (“**Franchise Agreement**”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee’s sole discretion, to: (i) cure Assignor’s default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignor’s rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)



IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

By: _____

Printed Name _____

Its: _____

Rev. 022324



EXHIBIT I-7

DAVE'S HOT CHICKEN FRANCHISE

NON-TRADITIONAL LOCATION ADDENDUM TO FRANCHISE AGREEMENT

THIS NON-TRADITIONAL RESTAURANT LOCATION ADDENDUM ("**Addendum**") is entered into on the date set forth in Attachment A between Dave's Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company ("**Franchisor**"), and the franchisee identified on the signature page of this Addendum ("**Franchisee**").

RECITALS

A. Franchisor and Franchisee have entered that certain Dave's Hot Chicken franchise agreement of even date herewith ("**Franchise Agreement**"), pursuant to which Franchisee will operate a Dave's Hot Chicken franchise in a Non-Traditional Venue.

B. Franchisor and Franchisee desire to amend the terms of the Franchise Agreement to incorporate certain terms of this Addendum into the Franchise Agreement. Capitalized terms not defined in this Addendum shall have the meanings set forth in the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties and subject to the following terms and conditions, it is agreed as follows:

1. **NON-TRADITIONAL VENUE.** Franchisee desires to operate a Dave's Hot Chicken restaurant located in a Non-Traditional Venue (a "**Non-Traditional Restaurant**"). Franchisor and Franchisee acknowledge and agree that the products and services offered for sale from the Non-Traditional Restaurant, and the standards and specifications of Franchisor and its affiliates, may differ from that of a traditional Dave's Hot Chicken Restaurant and will be subject to alternative standards and specifications developed and made available by Franchisor and its affiliates.

2. **PREMISES.** The following is hereby added as a new Section 2.5 to the Franchise Agreement:

"2.5 **Host Facility.** If indicated in Attachment A to the Non-Traditional Addendum to this Franchise Agreement, the Franchised Restaurant shall be located within or adjacent to a host facility ("**Host Facility**") which is described in Attachment A thereto. If the placement and operation of the Franchised Restaurant in or in connection with the Host Facility requires the consent of the owner, franchisor, and/or licensor of the Host Facility, Franchisee agrees to obtain such consent in writing (and provide a copy thereof to Franchisor), and Franchisee acknowledges and agrees that such consent is a condition precedent to the grant of Franchisee's right to establish and operate the Franchised Restaurant. Franchisee acknowledges and agrees that the Location will be strictly limited to the physical area within the Host Facility occupied by the Franchised Restaurant. The "Location" cannot and will not under any circumstances be defined as a geographic area or be described in terms other than a specific location within the Host Facility. During the term of this Agreement, the Location shall be used exclusively to operate a Non-Traditional Restaurant. During the term of this Agreement, Franchisee may not relocate the Location within the Host Facility. If the Non-Traditional Location is within a Host Facility, Franchisor has accepted the location and



facility identified on Attachment A to the Non-Traditional Addendum. Franchisee acknowledges and warrants that Franchisor's acceptance of the Location and the Host Facility does not constitute a guarantee, recommendation, or endorsement of the Location or Host Facility and that the success of the Franchised Restaurant to be operated at the Location within the Host Facility depends upon Franchisee's abilities as an independent businessperson."

3. **OPERATING PRINCIPAL.** The definition of Operating Principal in Section 1.1 of the Franchise Agreement is hereby amended and restated as follows:

"a person, or such other individual hereafter designated by Franchisee, and accepted by Franchisor (and until subsequently disapproved by Franchisor), to serve as the prime representative in matters concerning the Franchisor's brand requirements under this Agreement. Operating Principals are Franchisee's designated employees who will complete the training required by Franchisor. They shall be full-time employees at the Premises but shall not be required to remain solely at the Franchised Dave's Hot Chicken Restaurant."

4. **INITIAL TRAINING.** Section 6.1.1 of the Franchise Agreement is hereby amended and restated as follows:

"Franchisor shall provide an Initial Training Program in the Franchisor's System and methods of operation (the "**Initial Training Program**") at the Franchisor's training facilities in Pasadena, California, or other location specified by Franchisor for Franchisee (or if Franchisee is an Entity, Franchisee's Operating Principal) and up to three management persons selected by Franchisee. In addition to the Initial Training Program, Franchisee's Operating Principal and, if applicable, Director of Operations (defined in Section 7.2.5) must also attend the extra practice week training program at least 60 days before your Franchised Restaurant opens for business (the "**Extra Practice Week**") and online training. Except as otherwise provided, the Initial Training Program and the Extra Practice Week shall be provided by Franchisor prior to the opening of the Franchised Restaurant and must be completed before the Franchised Restaurant opens to the public. Franchisee shall pay all Travel Expenses and Wages, and other expenses, if any, incurred by Franchisee and/or Franchisee's employees in connection with attendance at training programs. Franchisee may not open the Franchised Restaurant until such training has been completed to the satisfaction of Franchisor and Franchisee's management team has been certified by Franchisor. All personnel attending training must have first successfully completed the "ServSafe Manager" program or similar program specified by Franchisor. Franchisee's Operating Principal must attend a third week of extra practice training."

5. **OPERATING PRINCIPAL AND MANAGER.** Section 7.2 of the Franchise Agreement is hereby amended and restated as follows:

Section 7.2.1 of the Franchise Agreement is amended and restated as follows:

"The Operating Principal shall be principally responsible for communicating and coordinating with Franchisor regarding business, operational and other ongoing matters concerning this Agreement and the Franchised Restaurant. The Operating Principal shall have the full authority to act on behalf of Franchisee in regard to performing and administering the day-to-day operations under this Agreement. The Operating Principal shall, during the entire period he or she serves as such, meet the following qualifications: (a) unless otherwise agreed in writing, shall devote his/her time and best efforts to the operation of the Franchised Restaurant; (b) meet Franchisor's educational, experience, and other reasonable criteria for such position, as set forth in the Dave's Hot Chicken



Operations Manual or otherwise in writing by Franchisor; and (c) be an individual acceptable to Franchisor. The Operating Principal must be approved by Franchisor in writing. The Operating Principal shall be responsible for all actions necessary to ensure that the Franchised Restaurant is operated in compliance with this Agreement and the Dave's Hot Chicken Operations Manual. If during the Term the Operating Principal is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section (including Franchisor's subsequent disapproval of such person), Franchisee shall promptly notify Franchisor of such occurrence. Thereafter, Franchisee shall promptly, but not later than 30 days after the prior Operating Principal ceases to serve Franchisee, designate a replacement operating principal who meets Franchisor's then-current qualification requirements, provide Franchisor with such information about such new Operating Principal as Franchisor may request, and cause such replacement Operating Principal to undergo, at Franchisee's cost, such training as Franchisor may require."

Section 7.2.3 of the Franchise Agreement is hereby amended and restated as follows:

"Franchisee shall ensure that the operation of the Franchised Restaurant is always under the direct control of the Operating Principal. At all times that the Franchised Restaurant is open, the Franchised Restaurant shall be managed by a person that has successfully completed training and has successfully completed the ServSafe course and such other courses and training as may be specified by Franchisor and/or required by Applicable Law. Each such Operating Principal shall be primarily dedicated to the operation of the Franchised Restaurant to which the person is assigned. Franchisee shall supervise, direct and be responsible for in all respects, the activities and performance of all Operating Principals and other employees of Franchisee and shall ensure compliance with the Dave's Hot Chicken Operations Manual and otherwise. Franchisor will not have the power to hire or fire Franchisee's employees and/or independent contractors. Franchisee expressly agrees that Franchisor's authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions or operations for the Franchised Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire, or control any such employee or independent contractor. Franchisee alone is responsible for all employment decisions and functions of its Franchised Restaurant, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed Franchisor's employees or subject to Franchisor's control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisor will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and Franchisee agrees to indemnify Franchisor for any such liabilities it incurs. Franchisee agrees that any direction Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing Franchisee's own policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel well-versed in employment law."

Section 7.2.4 of the Franchise Agreement is amended by adding the following language at the end of the Section:



“Notwithstanding the foregoing, Franchisee must have at least one certified restaurant manager (“CRM”) on staff. The CRM may be the Operating Principal. If Franchisee operates multiple restaurants at the Non-Traditional Venue, the CRM may not serve or work for any other restaurants or operations of Franchisee except for the Non-Traditional Restaurant.”

6. **COMPUTER SYSTEMS.** Section 7.3.1 of the Franchise Agreement is hereby amended and restated as follows:

“Franchisor acknowledges and agrees that the point-of-sale system and associated software (“**POS System**”) used at the Site shall be that of Franchisee or its client. The Information Systems must always be connected to one or more high-speed communications media specified by Franchisor and be capable of accessing the Internet. Franchisee must electronically link the Information Systems to Franchisor or its designee. Franchisee must, at its sole cost and expense: (a) effect the Polling (as hereinafter defined) operation at such time or times as may be required by Franchisor, but Franchisor may itself initiate Polling whenever it deems appropriate; (b) permit Franchisor or its agents to Poll any information contained in the POS System at any time; (c) permit Franchisor or its agent to obtain all of the information referenced in this Section that may be in the possession of any third-party vendor from whom Franchisee obtained an approved POS System; and (d) if required by Franchisor, download the information referenced in this Section into machine readable information compatible with the system operated by Franchisor or its agents and to deliver that information to Franchisor by such method and within such timescale as Franchisor reasonably requires. For purposes of this Agreement, the term “**Polling**” means any process acceptable to Franchisor by which information or data about the Franchised Restaurant may be transmitted to or from a POS System or other system operated by Franchisee or its agent into a computer or system operated by Franchisor or its agents in the manner and format prescribed by Franchisor from time to time. For the avoidance of doubt, Franchisor may Poll for information including, without limitation, daily sales data, daily transaction level data, sales per visit and products and combination of products sold, otherwise known as product mix data or “**PMIX**,” and inventory data. Franchisee shall configure its POS System to accurately record every sale or other transaction. If the POS System will record sales from third-party businesses, the POS System must differentiate sales of the Franchised Restaurant from sales of the rest of the Host Facility by the use of “price look up” (“**PLU**”) or other keys that track and tally sales of the Franchised Restaurant separately. Franchisee grants Franchisor and its affiliates reasonable access to its records only on the POS System and authorizes Franchisor and its affiliates to obtain its sales, sales mix, and revenue information from the System. Franchisee acknowledges that Franchisor and its affiliates will use information from required reports primarily to make business and marketing decisions.”

7. **OPERATIONS MANUAL.** The following is hereby added to the end of Section 7.4.1 of the Franchise Agreement:

“Franchisee acknowledges that the Dave’s Hot Chicken Operations Manual includes information that will not be applicable to the Franchised Restaurant, due to the limited nature of its operations as a Non-Traditional Restaurant. Franchisor may, but shall have no obligation to, issue an abbreviated Dave’s Hot Chicken Operations Manual applicable specifically to Non-Traditional Restaurants, in which case references in this Agreement to the Dave’s Hot Chicken Operations Manual shall mean such abbreviated Dave’s Hot Chicken Operations Manual. The parties further agree that if there is a conflict between the provisions this Agreement and the Dave’s Hot Chicken Standard Guidelines and any other such guidelines, the provisions of this Agreement shall control.”



8. **HOURS.** Section 7.5 of the Franchise Agreement is hereby amended and restated as follows:

“Franchisee shall keep the Franchised Restaurant open and in normal operation during those days and hours during which it would reasonably be anticipated by consumers that the Franchised Restaurant would be open, taking into account the nature of the Franchised Restaurant, the nature of the Premises, and the operational hours of other foodservice businesses within the Premises. Franchisee shall diligently and efficiently exercise its best efforts to achieve the maximum Gross Sales possible at the Premises. Notwithstanding anything to the contrary in Section 7, it shall not be a breach of this Agreement if the Franchised Restaurant is closed during scheduled breaks, emergencies, holidays, or due to a Location Owner-directed closure.”

9. **UNIFORMS AND EMPLOYEE APPEARANCE.** The following is hereby added to the end of Section 7.11 of the Franchise Agreement:

“Employees of Franchisee shall not wear Dave’s Hot Chicken restaurant uniforms when working at any other business operated on the Premises, and shall not be assigned to work at the Franchised Restaurant and at any other business operated on the Premises contemporaneously during any shift of work hours.”

10. **GIFT AND LOYALTY CARDS.** Section 7.15 of the Franchise Agreement is hereby amended and restated as follows:

“Franchisee must participate in gift card or loyalty card programs (collectively referred to as “**Gift Cards**”). However, Franchisee shall only be required to redeem such Gift Cards and will not be required to sell or load them. In addition, Franchisee may use its own processors for such redemptions. Such processors must meet Franchisor’s standards for the redemption of Gift Cards.”

11. **ONLINE ORDERING.** Section 7.16 of the Franchise Agreement is hereby amended and restated as follows:

“If compatible with Franchisee’s POS Systems and the Franchised Restaurant, Franchisee will have the option to participate in customer online ordering and/or payment systems and programs which Franchisor may establish and modify from time to time.”

12. **DAVE’S HOT CHICKEN NON-TRADITIONAL RESTAURANT STANDARDS.** The following is hereby added as a new Section 7.18 to the Franchise Agreement:

“7.18 **Non-Traditional Restaurant Acknowledgements.** Franchisee acknowledges that the signs, equipment configuration, menu, products, services, size, specifications, and appearance of the Franchised Restaurant operated pursuant to this Agreement may significantly differ from that of a Traditional Dave’s Hot Chicken Restaurant and will be subject to alternative standards and specifications developed and made available by Franchisor. Changes in the standards, specifications, and procedures applicable to the operation of the Franchised Restaurant and related common areas may become necessary and desirable from time to time, and Franchisee agrees to accept and comply with such modifications and revisions. The adoption of such standards shall be solely at the discretion of Franchisor.”



13. **COMMON AREAS.** The following is hereby added as a new Section 7.19 to the Franchise Agreement:

“7.19 Common Areas. If the Franchised Restaurant shares a common customer seating, storage area, and/or freezer with any other business operated on the Premises, Franchisee will maintain the common customer seating, storage area, and/or freezer in accordance with the applicable provisions of the Dave’s Hot Chicken Operations Manual. If each of the businesses operated at the Premises has a separate restroom facility, the restroom located at the Franchised Restaurant shall be maintained in accordance with Franchisor’s standards for restroom cleanliness and repair. If there is only one restroom facility located on the Premises, it shall be maintained in accordance with Franchisor’s standards for cleanliness and repair.”

14. **CREATIVE FUND.** Franchisee’s Creative Fund Contribution shall be applied to the Creative Fund. However, notwithstanding anything to the contrary in Section 8.3 of the Franchise Agreement, Franchisee shall not be eligible to participate in the advertising, marketing, promotions, research, public relations programs, cash rewards or any other rewards program under the Creative Fund, and Franchisor shall not be obligated to provide Franchisee with any Creative Fund services, expenditures, or materials. Franchisor may, in Franchisor’s sole discretion, make available certain Creative Fund marketing and advertising materials to Franchisee. However, Franchisee shall pay Franchisor for any materials or support under the Creative Fund at Franchisor’s then-current a-la-carte pricing.

Additionally, the following is hereby added to the end of Section 8.3.3 of the Franchise Agreement:

“Notwithstanding anything to the contrary in this Section 8.3 or Section 8.4 of this Agreement, Franchisee will not be required to participate in any advertising, marketing, promotions, research and public relations programs (including any promotional campaigns set forth in Section 8.4) instituted by the Creative Fund if it is not able to obtain any required pre-approval by Location Owner.”

15. **GENERAL REPORTING.** The following is hereby added to the end of Section 10.1.1 of the Franchise Agreement:

“If Franchisor is unable to Poll the Franchised Restaurant by electronic link, Franchisee shall provide Franchisor with daily CSV files (machine readable) in a form acceptable to Franchisor. Notwithstanding anything to the contrary in this Agreement, this Section 10.1.1 shall apply to all Gross Sales reports.”

16. **INSPECTIONS.** Section 10.2 of the Franchise Agreement is hereby deleted and replaced with the following:

“10.2 Inspections. Franchisee acknowledges that Franchisor shall require access to the Non-Traditional Venue and the Premises in order to effectuate the terms of this Agreement. Accordingly, Franchisee hereby agrees that it will obtain the right, on behalf of itself and Franchisor, to enter the Non-Traditional Venue, the Franchised Restaurant, the common areas and all other areas of the Premises from any and all persons whose approval is required for the purpose of effectuating the terms of this Agreement.

Franchisor’s authorized representatives shall have the right, from time to time, to enter upon the entire Premises of the Franchised Restaurant and common areas during business hours to examine same, conferring with Franchisee’s employees, inspecting and checking operations, food,



beverages, furnishings, interior and exterior décor, supplies, fixtures, and equipment, and determining whether the business is being conducted in accordance with this Agreement, the System and the Dave's Hot Chicken Operations Manual. Franchisor shall use reasonable efforts to avoid materially disrupting the operation of the Franchised Restaurant. If any such inspection indicates any deficiency or unsatisfactory condition with respect to any matter required under this Agreement or the Dave's Hot Chicken Operations Manual, including quality, cleanliness, service, health and authorized product line, Franchisor will notify Franchisee in writing of Franchisee's non-compliance with the Dave's Hot Chicken Operations Manual, the System, or this Agreement, and Franchisee shall promptly correct or repair such deficiency or unsatisfactory condition. In accordance with this Section 10.2, Franchisor may require Franchisee to take, and thereafter Franchisee shall take, immediate corrective action, which action may include temporarily closing the Franchised Restaurant.

To ensure compliance with the terms of this Agreement, Franchisor reserves the right to examine and request copies of books and records relating to any other business operated on the Premises, including, without limitation, register tapes and receipts. Franchisee shall obtain the right, on behalf of itself and Franchisor, to obtain copies of such books and records from all persons whose approval is required."

17. **ABANDONMENT.** The following is hereby added to the end of the definition of "abandon" in Section 14.2.1 of the Franchise Agreement:

"or (vi) If Franchisee loses the right for whatever reason to operate within the Non-Traditional Venue."

18. **INSURANCE.** If requested by Franchisor, Franchisee agrees to ensure that the general business liability and any other insurance policies obtained under Section 16 of the Franchise Agreement cover all common areas within a Host Facility. If Franchisee shall operate other restaurants or businesses in the Host Facility in addition to the Franchised Restaurant, Franchisee agrees to obtain and maintain comprehensive business liability insurance and umbrella insurance policy collectively covering all of the businesses, including the Franchised Restaurant upon request of Franchisor.

19. **DELETION OF ATTACHMENT C.** Notwithstanding anything to the contrary in the Franchise Agreement, Franchisee and its Owners shall not be required to sign the Continuing Guaranty set forth in Attachment C of the Franchise Agreement. All references to Attachment C within the Franchise Agreement are hereby deleted.

20. **FURTHER ASSURANCE.** Each of the parties will, upon reasonable request of the other, sign any additional documents necessary or advisable to fully implement the terms and conditions of this Addendum.

21. **MISCELLANEOUS.** This Addendum will be considered an integral part of the Franchise Agreement, and the terms of this Addendum will be controlling with respect to the subject matter hereof. Except as specifically provided in this Addendum, all of the terms, conditions, and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement, the Dave's Hot Chicken Operations Manual, and this Addendum, the terms of this Addendum shall control.



IN WITNESS WHEREOF, the parties duly executed this Addendum as of the date first above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

**DAVE'S HOT CHICKEN FRANCHISE CO. SPV
LLC**, a Delaware limited liability company

By: _____

Name: _____

Title: _____



ATTACHMENT A TO NON-TRADITIONAL ADDENDUM

1. **Effective Date.** The date of this Non-Traditional Addendum to Franchise Agreement shall be _____, 20__.

2. **Host Facility.** CHECK ONE

____ Franchisee is operating the Franchised Restaurant within a Host Facility. All references to the "Host Facility" in this Non-Traditional Addendum shall have the same meaning as the term "Premises," as that term is defined within the Franchise Agreement. The Host Facility is described as follows:

____ Franchisee is not operating the Franchised Restaurant within a Host Facility. All references to the Host Facility in this Non-Traditional Addendum are hereby deleted.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

**DAVE'S HOT CHICKEN FRANCHISE CO. SPV
LLC**, a Delaware limited liability company

By: _____

Name: _____

Title: _____



EXHIBIT I-8

DAVE'S HOT CHICKEN FRANCHISE

FOOD TRUCK ADDENDUM TO FRANCHISE AGREEMENT

THIS FOOD TRUCK ADDENDUM (“**Addendum**”) is entered into on the date set forth in Attachment A between Dave’s Hot Chicken Franchise Co. SPV LLC, a Delaware limited liability company (“**Franchisor**”), and the franchisee identified on the signature page of this Addendum (“**Franchisee**”).

RECITALS

A. Franchisor and Franchisee have entered that certain Dave’s Hot Chicken area development agreement dated [insert date] (“**AD Agreement**”), pursuant to which Franchisee received the right to expand and develop “Dave’s Hot Chicken” restaurants in [] (the “**Development Area**”).

B. Franchisor and Franchisee have entered that certain Dave’s Hot Chicken franchise agreement of even date herewith (“**Franchise Agreement**”), pursuant to which Franchisee was provided the right to operate a Dave’s Hot Chicken franchise.

C. Franchisee desires to operate a mobile food truck business in the Development Area using the Marks and the System (the “**Food Truck**”) under the Franchise Agreement. The Food Truck will operate from a truck, vehicle and/or trailer that is identified in Attachment A and is owned or leased by Franchisee. As a result of the foregoing, the parties are entering this Addendum to modify certain terms of the Franchise Agreement. Capitalized terms not defined in this Addendum shall have the meanings set forth in the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties and subject to the following terms and conditions, it is agreed as follows:

1. **FOOD TRUCK.** Except as otherwise provided in this Addendum, all references in the Agreement to the defined term “Franchised Restaurant”, “Premises” and “Location” are deleted and replaced with “Food Truck” inserted in their place. Franchisor and Franchisee acknowledge and agree that the products and services offered for sale from the Food Truck, and the standards and specifications of Franchisor and its affiliates, may differ from that of a traditional Dave’s Hot Chicken Restaurant and may be subject to alternative standards and specifications developed and made available by Franchisor and its affiliates.

2. **NO TERRITORIAL RIGHTS.** Section 2.3 of the Franchise Agreement is deleted and replaced with the following:

“2.3 No Territorial Rights. Subject to the territorial rights provided for in the AD Agreement, Franchisee shall receive no territorial rights under this Franchise Agreement. Franchisee must only operate the Food Truck within the Development Area at locations that are pre-approved by Franchisor. Franchisee shall not operate the Food Truck within the protected territory or development area of any other Dave’s Hot Chicken corporate location, area developer or franchisee.



3. **INITIAL TERM.** Section 3.1 of the Franchise Agreement is deleted and replaced with the following:

“3.1 **Initial Term.** The term of this Agreement (“**Term**”) shall commence on the Effective Date and, unless sooner terminated pursuant to the rights under the Franchise Agreement, shall expire on the earlier of (i) the expiration or termination of the AD Agreement, or (ii) the Expiration Date identified on Attachment A hereto.

4. **SUCCESSOR TERM; CONDITIONS TO SUCCESSOR TERMS.** Section 3.2 of the Franchise Agreement is modified, such that the First Successor Term and Second Successor Term shall each be for five years, rather than ten years. Additionally, Section 3.4.2 of the Franchise Agreement is modified such that the parties acknowledge and agree that Franchisee may be required to purchase or lease a new Food Truck as a condition to renew the Franchise Agreement for the First Successor Term and/or Second Successor Term.

5. **CREATIVE FUND CONTRIBUTION.** Section 4.3 of the Franchise Agreement is modified such that Franchisee shall be required to pay a Creative Fund Contribution equal to 2% of Franchisee’s Gross Sales during the preceding Week, and Franchisor shall only have the right to increase the Creative Fund Contribution from 2% to up to 2.5% of Franchisee’s Gross Sales.

6. **OTHER FEES.** The following fees in Section 4 of the Franchise Agreement are modified or deleted in accordance with the following:

- a. Section 4.4 of the Franchise Agreement is modified such that the T&O Fee is payable annually (rather than Weekly) at Franchisor’s then-current rate (currently \$1,000).
- b. Section 4.8 of the Franchise Agreement (CTV Media Fee) is hereby deleted.
- c. Section 4.9 of the Franchise Agreement (New Restaurant Opening Fee) is hereby deleted.

7. **COMMENCEMENT OF BUSINESS.** Section 5 of the Franchise Agreement is deleted in its entirety and replaced with the following:

“5.1 **Food Truck.** Franchisee’s Food Truck must be retrofitted and outfitted by Franchisor’s approved supplier in accordance with Franchisor’s standards, and will operate as a mobile food serving business that Franchisor has approved in accordance with this Agreement.

5.1.1 The VIN Number for the Food Truck shall be identified in Attachment A. If no Food Truck has been inserted in Attachment A, Franchisee shall promptly following the execution hereof, but in any event within 90 days after the Effective Date, purchase or lease an approved vehicle to operate as the Food Truck.

5.1.2. Franchisee shall begin operating the Food Truck within 6 months after the Effective Date.

5.1.3 Franchisee may not conduct any activities associated with Franchisor or the Marks under this Agreement at any location except for the Food Truck in accordance with this Agreement.



5.2 Franchisor Approval. Franchisor must review and accept the Food Truck before franchisee commences operation of the Food Truck. Franchisor's acceptance of the Food Truck is solely an indication that the Food Truck meets Franchisor's minimum standards and specifications at the time of acceptance and such acceptance shall not be construed as any express or implied representation or warranty that the Food Truck will be profitable or successful. Franchisee acknowledges its sole responsibility for upfitting and installing all items into the Food Truck according to Franchisor's specifications.

5.3 Lease or Purchase of Food Truck.

5.3.1 If the Food Truck is leased (i) the lease shall name Franchisee as the sole lessee thereunder and may not be assigned without Franchisor's prior written consent; (ii) Franchisee shall neither create nor purport to create any obligations on behalf of Franchisor, nor grant or purport to grant to the lessor thereunder any rights against Franchisor, nor agree to any other term, condition, or covenant which is inconsistent with any provision of this Agreement; and (iii) Franchisee shall duly and timely perform all of the terms, conditions, covenants and obligations imposed upon Franchisee under the lease.

5.3.2 Other than the applicable purchase or lease agreement contemplated in Section 5.3.1 above, Franchisee shall not transfer, sell, pledge, give away or otherwise encumber the Food Truck without prior written approval of Franchisor.

5.4 Retrofitting.

5.4.1 Following the Effective Date and before the retrofitting of the Food Truck, Franchisor shall provide Franchisee with copies of Franchisor's specifications for the design and layout of the Food Truck and required equipment, decor, trade dress, and signs. Franchisee shall at its sole cost and expense promptly cause the Food Truck to be retrofitted, equipped, and improved in accordance with such standards and specifications, unless Franchisor shall, in writing, agree to modifications thereof. Franchisee shall also, at its sole cost and expense, obtain and maintain all Permits required to retrofit, remodel, renovate, wrap, re-wrap, equip and operate the Food Truck and all Permits to operate in each municipality that the Food Truck will operate in.

5.4.2 Franchisee shall complete retrofitting of the Food Truck and all improvements therein, including installation of all fixtures, signs and equipment as soon as possible, but in any event within 30 days after commencement.

5.4.3 Franchisor's acceptance of Franchisee's plans and specifications for the Food Truck, Franchisor's guidance with the development of the Food Truck, and Franchisor's authorization to open the Food Truck are to assure that Franchisee complies with Franchisor's standards and specifications, and shall not be construed as any express or implied representation or warranty that the Food Truck complies with any Applicable Laws, codes or regulations or that the retrofitting is sound or free from defects. Franchisee is solely responsible for ensuring that the Food Truck complies with any Applicable Laws. Franchisor will have no liability with respect to retrofitting of the Food Truck, nor shall Franchisor be responsible in any way for delays or losses occurring during the design, retrofitting or other preparation of the Food Truck, whether caused by the condition of the Food Truck, the design, engineering, retrofitting, equipping, decorating, or stocking of the Food Truck, or any other reason. Franchisee expressly acknowledges and agrees that Franchisor does not, directly or indirectly, warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvements of the Food Truck will guaranty Franchisee's success.



5.5 Maintaining and Remodeling of the Food Truck.

5.5.1 Franchisee shall maintain the condition and appearance of the Food Truck in a “like new” level of cosmetic appearance consistent with the image of Food Trucks as attractive, clean, and efficiently operated, offering high quality food products and beverages, efficient and courteous service, and pleasant ambiance. Franchisee accordingly agrees, without limiting the foregoing, to promptly effect repairs to the Food Truck to remedy or remove any graffiti, bumper stickers (except required permits or parking stickers), collision damage, surface scratches, dents, or similar damage. If such damage occurs, the Food Truck shall not be operated until repairs are made, except to transport the Food Truck to a repair facility or unless Franchisor approves, in its sole discretion, of Franchisee temporarily operating the Food Truck at an already approved event. Franchisee shall keep the Food Truck clean, and shall wash the exterior surfaces of the Food Truck and any interior surfaces that can be seen by the public at the start and end of every day that the Food Truck is in use. Franchisor shall have the right to inspect the Food Truck from time to time and without prior notice to Franchisee to ensure that the Food Truck is maintained in accordance with these terms. Franchisee shall re-wrap the Food Truck every three years or at such frequencies that Franchisor requires. If at any time in the Franchisor’s reasonable judgment, the state of repair, appearance or cleanliness of the Franchisee’s Food Truck, or its equipment, signs or utensils fail to meet the Franchisor’s standards therefor, Franchisee shall immediately, upon receipt of notice from Franchisor specifying the action to be taken by Franchisee (within the time period specified by Franchisor), correct such deficiency, repair and refurbish the Food Truck and make such modifications and additions to its layout, decor and general theme, as may be required, including replacement of worn out or obsolete equipment, signs and utensils, and repair and repainting of the interior and exterior of the Food Truck.

5.5.2 In addition to Franchisee’s obligations under Section 0, during the Term, but not more frequently than once every three years during the Term and as a condition to Franchisee’s exercising its Successor Franchise Right, Franchisor may require Franchisee, at Franchisee’s sole cost and expense, to refurbish, remodel and improve the Food Truck to conform the Franchisee’s building design, trade dress, color schemes, and presentation of Marks to Franchisor’s then-current specified public image. Franchisee shall undertake such a program promptly upon notice from the Franchisor, and shall complete any such remodeling as expeditiously as possible, but in any event within 90 days of commencing the same (and no later than the commencement of the applicable Successor Term), unless Franchisor expressly agrees to a longer period of time.

5.5.3 Franchisee shall not make, or allow any other person or entity to make, modifications to the Food Truck without Franchisor’s prior written consent, unless such modifications are consistent with Franchisor’s then-current standards set forth in this Franchise Agreement or the Dave’s Hot Chicken Operations Manual.”

8. **INITIAL TRAINING PROGRAM.** Section 6.1 of the Franchise Agreement is hereby modified in accordance with the following:

a. Section 6.1.1 is deleted and replaced with the following:

“6.1.1 Unless Franchisee has already completed the Initial Training Program in the Franchisor’s System and methods of operation, (the “**Initial Training Program**”) when it entered into a franchise agreement for traditional non-mobile restaurants, Franchisor shall provide the Initial Training Program at the Franchisor’s training facilities in Pasadena, California, or other location



specified by Franchisor for Franchisee (or if Franchisee is an Entity, Franchisee's Operating Principal) and up to three management persons selected by Franchisee. Provided such persons attend initial training at the same time, Franchisee shall incur no additional charge for those attendees of Franchisor's Initial Training Program. Franchisee is required to pay Franchisor's then-current training fee for any additional Food Trucks or additional attendees, including new certifications, re-certifications, multiple certification attempts, or training for newly hired managers or other personnel. In addition to the Initial Training Program, Franchisee's Operating Principal and, if applicable and Director of Operations (defined in Section 7.2.5), must also attend an extra training program at least 60 days before Franchisee's Food Truck opens (the "**Extra Practice**") and online training. The Initial Training Program and the Extra Practice must be completed before the Food Trucks opens to the public. If this Franchise Agreement is for Franchisee's first Food Truck, then Franchisee's Operating Principal and, if applicable Director of Operations must also attend the grand opening of another Dave's Hot Chicken franchised restaurant or food truck in Franchisor's sole discretion. Franchisee shall pay all Travel Expenses and Wages, and other expenses, if any, incurred by Franchisee and/or Franchisee's employees in connection with attendance at training programs. Franchisee may not open the Food Truck until such training has been completed to the satisfaction of Franchisor and Franchisee's management team has been certified by Franchisor. All personnel attending training must have first successfully completed the "ServSafe Manager" program or similar program specified by Franchisor."

b. Section 6.1.3 is deleted and replaced with the following:

"6.1.3 Franchisor may, in its sole discretion, require Franchisee and its Operating Principal and CRM and, if applicable, its Director of Operations, to complete the Initial Training Program and/or the Extra Practice, at Franchisor's then-current fees for additional certifications or recertification, if Franchisee's (or its Affiliate's) existing traditional Restaurants or Food Trucks are not in compliance with Franchisor's standards and specifications)."

9. **OPENING ASSISTANCE.** Section 6.2 of the Franchise Agreement is hereby deleted and replaced with the following:

"6.2 Opening Assistance. Commencing shortly before and ending shortly after the Food Truck opens to the public, Franchisor shall provide on-site training to Franchisee's Operating Principal and certified managers with a new food truck opening team. Franchisee agrees to pay Franchisor \$5,000 for Franchisor's food truck opening team. In addition, in the event of a delay in opening the Food Truck, Franchisee shall reimburse Franchisor for all costs, expenses and salaries that the food truck opening team incurs as a result of such delay. This fee is due eight weeks before the scheduled opening of the Food Truck and is not refundable under any circumstances. The duration of on-site assistance, personnel and number of members of the food truck opening team will be solely determined by Franchisor."

10. **OPERATING PRINCIPAL AND MANAGEMENT EMPLOYEES.** Section 7.2 of the Franchise Agreement is hereby modified in accordance with the following:

a. Section 7.2.4 of the Franchise Agreement is deleted and replaced with the following:

"7.2.4 Franchisee must have the minimum number of certified individuals required by Franchisor in the Dave's Hot Chicken Operations Manual that have completed Franchisor's training for offsite events and mobile businesses. At least one individual who has been certified by Franchisor must be present in and manage the Food Truck at all times."



b. Section 7.2.5 of the Franchise Agreement is deleted and replaced with the following:

“7.2.5 If Franchisee shall operate more than one Food Truck and/or Dave’s Hot Chicken Restaurant, Franchisee or one of its Affiliates shall employ and retain, an individual (the “**Director of Operations**”) who shall be vested with the authority and responsibility for the day-to-day operations of all Restaurants and Food Trucks owned or operated, directly or indirectly, by Franchisee and its Affiliates. The Director of Operations shall, during the entire period he/she serves as such, unless otherwise agreed in writing by Franchisor devote 100% of his/her time and best efforts solely to the operation of all Restaurants and Food Trucks owned or operated, directly or indirectly, by Franchisee and its Affiliates and to no other business activities. The Director of Operations may, with the prior written consent of Franchisor, be the same individual as the Operating Principal. The Director of Operations shall be responsible for all actions necessary to ensure that the Food Truck is owned or operated, directly or indirectly, by Franchisee in compliance with this Franchise Agreement and the Dave’s Hot Chicken Operations Manual. If, during the Term, the Director of Operations is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, Franchisee or its applicable Affiliate shall promptly notify Franchisor and designate a replacement within 30 days after the Director of Operations ceases to serve

Franchisee shall notify Franchisor in writing at least ten days prior to employing the Director of Operations, if any, setting forth in reasonable detail all information reasonably requested by Franchisor. The Director of Operations must complete Franchisor’s training requirements in accordance with the terms set forth in this Agreement and the Dave’s Hot Chicken Operations Manual prior to serving in these roles.”

11. **OPERATIONS MANUAL.** The following is hereby added to the end of Section 7.4.1 of the Franchise Agreement:

“Franchisee acknowledges that the Dave’s Hot Chicken Operations Manual includes information that will not be applicable to the Franchised Restaurant, due to the limited nature of its operations as a Food Truck. Franchisor may, but shall have no obligation to, issue an abbreviated Dave’s Hot Chicken Operations Manual applicable specifically to Food Trucks, in which case references in this Agreement to the Dave’s Hot Chicken Operations Manual shall mean such abbreviated Dave’s Hot Chicken Operations Manual. The parties further agree that if there is a conflict between the provisions this Agreement and the Dave’s Hot Chicken Standard Guidelines and any other such guidelines, the provisions of this Agreement shall control.”

12. **HOURS.** Section 7.5 of the Franchise Agreement is deleted and replaced with the following:

“7.5 Subject to Applicable Law or subsequent written agreement between Franchisor and Franchisee to the contrary, Franchisor and Franchisee agree that the Food Truck shall be open and operational the minimum hours, days and number of events proscribed by Franchisor in the Dave’s Hot Chicken Operations Manual. Franchisee shall diligently and efficiently exercise its best efforts to achieve the maximum Gross Sales possible from its Food Truck and shall remain open for longer hours if additional opening hours are reasonably required to maximize operations and sales. Notwithstanding the foregoing, Franchisor may authorize or direct Franchisee and other franchisees to operate during hours and on fewer or more days than are specified in this Agreement.”



13. **VENDING OR OTHER MACHINES.** Section 7.12 of the Franchise Agreement is not applicable and intentionally omitted.

14. **CARE AND SAFETY.** The following is added as Section 7.17 of the Franchise Agreement:

“7.17 Care and Safety. Franchisee shall ensure that the Food Truck is driven, moved, or otherwise transported with the highest degree of care and safety; and in connection therewith, Franchisee shall comply with such requirements that we may from time to time prescribe in the Dave’s Hot Chicken Operations Manual or otherwise in writing, including, but not limited to:

7.17.1 Obtaining and keeping current, and/or requiring that employees who are authorized to drive or move the Food Truck obtain and keep current, a valid driver’s permit or license which at all times meets all requirements pertaining to the operation of the Food Truck on public roads;

7.17.2 Requiring that at least one (1) person having a driver’s license or permit, as described in this Section, be present in the Food Truck at all times during operation;

7.17.3 Ensuring that the Food Truck is not moved or transported in any manner, except by persons having a valid driver’s license or permit, as described in this Section, and operating the Food Truck in a safe and prudent manner which is in full compliance with the regulations applicable to driving and operating such motor vehicle where operated; and

7.17.4 In addition to other insurance coverage required under this Franchise Agreement Franchisee shall also obtain and maintain appropriate motor vehicle coverage in the minimum amount of \$1,000,000 per occurrence, which motor vehicle insurance shall name Franchisor as an additional insured and Franchisee shall provide Franchisor with proof of same.”

15. **STORAGE.** The following is added as Section 7.18 of the Franchise Agreement:

“7.18 Storage. When not in use, Franchisee shall store the Food Truck at a secure indoor warehouse location which has been approved by Franchisor.”

16. **LOCATION OF FOOD TRUCK.** The following is added as Section 7.19 of the Franchise Agreement:

“7.19 Locations of Food Truck. Franchisee agrees (i) not to operate the Food Truck by driving in residential neighborhoods stopping at the request of customers (as in the manner of an ice cream truck), and (ii) not to drive from one work site to another to sell or offer for sale any food or beverage products or services (in the manner of a lunch truck), unless Franchisor approves, in its sole discretion, in writing of Franchisee doing so. For this purpose:

7.19.1 Franchisee shall provide Franchisor with at least 30 days’ prior written notice of every proposed location or event at which the Food Truck will be parked and selling or offering for sale the food and beverage products that have been expressly approved for sale in writing by Franchisor (“**Food Truck Locations**”). The notice shall be in such form as Franchisor may reasonably require, and shall include, without limitation, at least the following information relating to each Food Truck Location: the exact address of the Food Truck Location, a description of the position of the Food Truck at the Food Truck Location, the proposed hours and days of operation,



a description of any events anticipated to occur at or near the Food Truck Location, and a description of all operations at each Food Truck Location that are ancillary to the operation of the Food Truck including, but not limited to, the establishment of temporary seating areas and signs directing the public to the Food Truck.

7.19.2 If Franchisor does not provide written approval of the Food Truck Location(s) proposed in the notice within seven (7) days after receipt of the Notice from Franchisee, then the Food Truck Location(s) proposed in the notice shall be deemed approved. After approval of a Food Truck Location by Franchisor, if there is a change to the information provided in the notice, Franchisee must obtain Franchisor's prior written approval before operating the Food Truck at the Food Truck Location."

17. **LOCAL ADVERTISING COOPERATIVE**. Section 8.6 of the Franchise Agreement is not applicable and intentionally omitted.

18. **GRAND OPENING ADVERTISING**. Section 8.8 of the Franchise Agreement is not applicable and intentionally omitted.

19. **CATERING AND DELIVERY**. Section 9.8 of the Franchise Agreement is deleted and replaced with the following:

"9.8 **Catering and Delivery**. Franchisee acknowledges and agrees that the Food Truck shall not be equipped for delivery and will not be allowed to offer delivery or third-party delivery services which may limit the potential revenues that Franchisee may earn. Franchisee must follow Franchisor's Catering policies and procedures in the Dave's Hot Chicken Operations Manual. Franchisee acknowledges that Franchisor's Catering policies and procedures may allow other Food Trucks and Restaurants to provide Catering services in close proximity to Franchisee's Food Truck and that Franchisor may require Franchisee to discontinue Catering at any time in its sole discretion."

20. **DEFINITIONS**. Appendix 1 of the Franchise Agreement is modified in accordance with the following:

a. The definition of "Competitive Activities" is deleted and replaced with the following:

"**Competitive Activities**" means to, own, operate, lend to, advise, be employed by, or have any financial interest in (i) any restaurant or food truck that sells Nashville hot chicken or derives 20% or more of its Gross Sales from the sale of fried chicken, other than a Restaurant or Food Truck operated pursuant to a Franchise Agreement with Franchisor, or (ii) any business that specializes in developing, operating or franchising restaurants or food trucks that sell Nashville hot chicken or derive 20% or more of their Gross Sales from the sale of fried chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any fried chicken food product, including Nashville hot chicken. Notwithstanding the foregoing, "**Competitive Activities**" shall not include the direct or indirect ownership solely as an investment, of securities of any Entity which are traded on any national securities exchange if the owner thereof (i) is not a controlling person of, or a member of a group which controls, such Entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

b. The following definitions are hereby deleted: (i) "GC Turnover Date"; (ii) "Lease"; (iii) "Premises"; (iv) "Punch List"; (v) Site Review Request; and (vi) "Territory").



21. **ATTACHMENT A.** Attachment A of the Franchise Agreement is deleted and replaced with the Attachment A that is attached hereto.

22. **FURTHER ASSURANCE.** Each of the parties will, upon reasonable request of the other, sign any additional documents necessary or advisable to fully implement the terms and conditions of this Addendum.

23. **MISCELLANEOUS.** This Addendum will be considered an integral part of the Franchise Agreement, and the terms of this Addendum will be controlling with respect to the subject matter hereof. Except as specifically provided in this Addendum, all of the terms, conditions, and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement, the Dave's Hot Chicken Operations Manual, and this Addendum, the terms of this Addendum shall control.

[Signatures appear on following page]



IN WITNESS WHEREOF, the parties duly executed this Addendum as of the date first above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

**DAVE'S HOT CHICKEN FRANCHISE CO. SPV
LLC**, a Delaware limited liability company

By: _____

Name: _____

Title: _____



ATTACHMENT A TO FOOD TRUCK ADDENDUM

FRANCHISE DATA SHEET

1. **Effective Date.** The “Effective Date” set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20____.
2. **Franchisee.** The Franchisee set forth in the introductory paragraph of the Franchise Agreement is: _____, a _____.
3. **“Expiration Date”** means (check one):

☐ 5 years from the date the Food Truck first opens to the public.

☐ _____, 20____.
4. **“Franchisee Notice Address”** under Section 19.1 of the Franchise Agreement shall be the following:

Attn: _____
5. **“Initial Franchise Fee”** means \$____.
6. The **“Food Truck”** referred to in Section 5.1 of the Franchise Agreement is the following truck, vehicle and/or trailer and has the following make(s), model(s) and VIN Number(s):
_____.
7. **Initial Training Program and Extra Practice:** Franchisee (check one):

☐ is required to attend and complete the Initial Training Program and Extra Practice.

☐ has already completed the Initial Training Program and the Initial Training Program will not be provided. However, Franchisee will be required to attend and complete the Extra Practice.

☐ has already completed the Initial Training Program and the Initial Training Program will not be provided. Franchisee shall not be required to attend or complete the Extra Practice, which will not be provided.
8. **“Operating Principal”** means _____, or such other individual hereafter designated by Franchisee, and accepted by Franchisor (and until subsequently disapproved by Franchisor), to serve as the authorized representative of Franchisee, who Franchisee acknowledges and agrees shall act as Franchisee’s representative, who shall hold 10% or more of the Equity in Franchisee, and who shall have the authority to act on behalf of Franchisee during the Term.



FRANCHISOR:

**DAVE'S HOT CHICKEN FRANCHISE CO.
SPV LLC**

By: _____

Printed Name: _____

Title: _____

FRANCHISEE:

Entity name (if any)

By: _____

Printed Name: _____

Title: _____



EXHIBIT J

STATE EFFECTIVE DATES



State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	October 2, 2025
Maryland	
Michigan	October 3, 2025
Minnesota	
New York	
North Dakota	
Rhode Island	October 6, 2025
South Dakota	
Virginia	
Washington	
Wisconsin	October 2, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.



EXHIBIT K

RECEIPTS



RECEIPT
(Retain This 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 Dave's Hot Chicken Franchise Co. SPV LLC 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.

Under Iowa law, if applicable, Dave's Hot Chicken Franchise Co., LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Dave's Hot Chicken Franchise Co. SPV LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Dave's Hot Chicken Franchise Co. SPV LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:	
William L. Phelps, Dave's Hot Chicken Franchise Co. SPV LLC, 600 Playhouse Alley, Unit 504, Pasadena, CA 91101; (626) 628-0850	
Carolyn Canady, Dave's Hot Chicken Franchise Co. SPV LLC, 600 Playhouse Alley, Unit 504, Pasadena, CA 91101; (626) 628-0850	

Issuance Date: September 26, 2025

I received a disclosure document issued September 26, 2025 which included the following exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit E	Operations Manual Table of Contents
Exhibit F	Franchise Disclosure Questionnaire
Exhibit G	List of Current and Former Franchisees/Area Developers
Exhibit H	State Addenda and Agreement Riders
Exhibit I	Contracts for use with the Dave's Hot Chicken Franchise
Exhibit J	State Effective Dates
Exhibit K	Receipts

_____	_____	_____
Date	Signature	Printed Name

_____	_____	_____	Rev. 012417
Date	Signature	Printed Name	

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.



RECEIPT
(Our Copy)

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_____ Date	_____ Signature	_____ Printed Name	
_____ Date	_____ Signature	_____ Printed Name 012417	_____ Rev.

Please sign this copy of the receipt, date your signature, and return it to Dave's Hot Chicken Franchise Co. SPV LLC, 600 Playhouse Alley, Unit 504, Pasadena, CA 91101.

