

FRANCHISE DISCLOSURE DOCUMENT

FAMOUS DAVE'S OF AMERICA, INC.

12701 Whitewater Drive, Suite 100
Minnetonka, Minnesota 55343-4164
952-294-1300

www.famousdaves.com

www.famousfranchising.com

www.facebook.com/famousdaves



Famous Dave's of America, Inc. franchises authentic, down-home barbecue restaurants featuring genuine smoked barbecue. Famous Dave's® Restaurants operate under the name Famous Dave's®. Famous Dave's® Restaurants serve combinations of hickory-smoked spareribs, baby back ribs, beef brisket, herb-roasted chicken, barbecue sandwiches, char-grilled burgers, cornbread, potato salad, coleslaw, Wilbur™ beans, desserts, specialty cocktails, and other food and beverage items.

The total investment necessary to open a Famous Dave's® Restaurant ranges from \$4681,750 to \$2,920,750 if you lease the premises for a Famous Dave's® Restaurant, and from ~~\$8611,081,750~~ to ~~\$46,495120,750~~ if you purchase the land and building for a Famous Dave's® Restaurant. This includes \$95,750 to \$145,750 that must be paid to the franchisor. The total investment necessary to open an add-on ghost kitchen or cloud kitchen Famous Dave's® Restaurant ranges from ~~\$870,500~~ to ~~\$58645,000~~ if you lease the premises for a Famous Dave's® Restaurant, and from \$70,500 to \$2,145,000 if you purchase the land and building for an add-on ghost kitchen Famous Dave's® Restaurant. This includes \$60,000 to \$115,000 that must be paid to the franchisor. If you sign an Area Development Agreement, the Development Fee paid to the franchisor is determined by the number of Famous Dave's® Restaurants that you agree to develop. We do not require a commitment of a minimum number of Restaurants to enter into an Area Development Agreement, and there is not currently a maximum number of Restaurants that we would permit a qualified area developer to develop under an Area Development Agreement.

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, Famous Dave's or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~John Wuycheck, 9311 E. Via De Ventura, Scottsdale, Arizona 85258 and (480) 362-4800~~ the Franchise Sales Department at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, or 952-294-1300.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information on franchising.

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

| Issuance Date: March 28, 202~~3~~4.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E-1.
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 Famous Dave’s® 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 Famous Dave’s® franchisee?	Item 20 or Exhibit E-1 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 requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. 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 Minnesota than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

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

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

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, Williams Building, 1st Floor, Lansing, MI 48933; (517) 373-7117.

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

FAMOUS DAVE’S OF AMERICA, INC.
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1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

Famous Dave's of America, Inc., the Franchisor who does business under this name, is referred to as "Famous Dave's" or "Franchisor." The restaurant franchise offered and sold by Famous Dave's is referred to in this Disclosure Document as the "Famous Dave's[®] Restaurant" or the "Restaurant." "You" means the person or entity who buys the franchise. If the franchisee is a corporation, limited liability company, partnership or other entity, then "you" may also mean the shareholders, members, partners, or other owners of that entity.

Famous Dave's is a Minnesota corporation formed on March 14, 1994. Famous Dave's principal business address is 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, (952) 294-1300, www.famousdaves.com. Famous Dave's parent company is BBQ Holdings, Inc. ("BBQ"). On or about September 27, 2022, BBQ merged with a wholly-owned subsidiary of MTY Food Group, Inc. ("MTY") having an address at 8150 Transcanada Highway, Suite 200, Saint Laurent, Québec H4S 1M5. BBQ's parent company became MTY Franchising USA, Inc. ("MTY USA"), originally known as The Extreme Pita Franchising USA, Inc., and having an address of 9311 E Via De Ventura, Scottsdale, AZ 85258. MTY USA's parent corporation is MTY Franchising Inc. ("MTY Canada"), a Canadian corporation and a wholly owned subsidiary of MTY, formerly known as MTY Tiki Ming Enterprises Inc., and having an address at 8150 Route Transcanadienne, Suite 200, Ville Saint-Laurent, Quebec, H4S 1M5, Canada. Famous Dave's agents for service of process are listed in Exhibit A to this Disclosure Document.

Parents, Predecessors and Affiliates of Famous Dave's

Famous Dave's parent is BBQ, which is a Minnesota corporation. Its principal business address is 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164. BBQ was formed in 2019 to serve as the parent company of Famous Dave's and other concepts, and it has never operated franchises in any line of business

MTY or one or more of its Canadian-based subsidiaries franchises over (55) different restaurant concepts and has over 2,500 units under the following trademarks in Canada primarily, and other international countries: Allo Mon Coco, Baton Rouge Steakhouse & Bar, Ben & Florentine, Big Smoke Burger, Bunsmaster, Café Depot, Casa Grecque, Country Style, Cultures, Dagwoods, Frat's Cucina, Extreme Pita, Giorgio, Jugo Juice, Kim Chi, Koryo, Koya, Kuto Comptoir A Tartares, La Boite Verte, La Crémère, La Diperie (and Cakes & Shakes by La Dip), Madisons, Manchu Wok, Toujours Mikes, mmmuffins, Mr. Souvlaki, Mr. Sub, Mucho Burrito, Muffin Plus, O'Burger, Pizza Delight, Scores, Senseasian, South St. Burger, Sukiyaki, Sushi Go, Sushman, Sushi Shop, Thai Express, Thaizone, The Works, Tiki Ming, Timothy's World Coffee, The COOP Wicked Chicken, Tosto, Turtle Jack's, Tutti Frutti, Valentine, Van Houtte, Vanellis, Vie & Nam, Villa Madina, Spice Brothers, Steak Frites, Wasabi Grill & Noodle and YUZU trademarks. MTY also sub-franchises two (2) other different restaurant concepts: TCBY and TacoTime. MTY is a publicly-traded company headquartered in Montreal, Québec, Canada.

MTY Affiliates

Through common ownership by MTY, we have the following affiliates that also offer franchises: (1) MTY USA, a Tennessee corporation having an address of 9311 E. Via De Ventura, Scottsdale,

Arizona 85258; (2) MTY Canada, a Canada corporation having an address at 8210, route Transcanadienne, Suite 200, Saint-Laurent, Québec, H4S 1M5, Canada; (3) Kahala Franchising, LLC (“Kahala Franchising”), an Arizona limited liability company with its principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (4) BF Acquisition Holdings, LLC (“BFAH”), a Delaware limited liability company with a principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (5) La Salsa Franchise, LLC, a Delaware limited liability company with a principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (6) Imvescor Restaurant Group Inc. (“IRG”) a Canada corporation having an address at 8210, route Transcanadienne, Suite 200, Saint-Laurent, Québec, H4S 1M5, Canada; (7) Papa Murphy’s International, LLC (Papa Murphy’s), a Delaware limited liability company having an address at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662; (8) VI BrandCo, LLC (“Village Inn”), a Delaware limited liability company having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, (9) BQ Concepts, LLC, an Arizona limited liability company having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164; and (10) Wetzel’s Pretzels, LLC, a California limited liability company with a principal business office at 35 Hugus Alley, Suite 300, Pasadena, CA 91103. These affiliates franchise over 50 different concepts.

The following chart summarizes the franchise brands offered in the United States by MTY USA or its affiliates as of November 30, 2022³ (or the date following November 30, 2022³ when MTY USA or its affiliate acquired the rights to such franchised brand), including the type of business, number of franchised units in operation as of November 30, 2022³, and the date MTY USA or its current or former affiliates offered franchises in those brands:

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2022 ³	Dates unit franchises began being offered by us or our affiliate
America's Taco Shop	Restaurants serving freshly prepared Mexican food including tacos, burritos, and quesadillas	1 company-owned unit And, 2 licensed units.	November 2011 under Kahala Franchising
Blimpie	Restaurants serving submarine sandwiches and salads	14706 franchised units (1404 in the United States and 32 internationally) (plus 64 company-owned units in the United States)	From 2006 until 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Cereality cereal bar & cafe	Restaurants serving hot and cold cereals and cereal blends with toppings, oatmeal, and parfaits	0 franchised units	From 2007 until 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 <u>3</u>	Dates unit franchises began being offered by us or our affiliate
Chicken Strips and Dips	Ghost kitchen concept serving primarily chicken tenders.	<u>16</u> franchised unit	March 2022, Kahala Franchising.
Cold Stone Creamery	Restaurants serving super-premium freshly made ice cream, frozen yogurt, cakes, pies, smoothies, shakes, and other frozen dessert products	<p>1,289<u>348</u> franchised units (908<u>52</u> in the United States and 381<u>96</u> internationally)(plus <u>41</u> company-owned units).</p> <p>101<u>0</u> Cold Stone Creamery franchises also sell Rocky Mountain Chocolate Factory[®] products and 1 Cold Stone Creamery franchise also sells Tim Hortons[®] products.</p> <p>Additionally, 185<u>185</u> licensed units.</p>	From May 2007 until March 2008 by Cold Stone Creamery, Inc., from March 2008 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Frullati Cafe & Bakery	Restaurants serving sandwiches, salads, smoothies and baked goods	10 franchised units	From 1999 until 2004 by Frullati Franchise Systems, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Great Steak	Restaurants serving Philadelphia cheesesteak sandwiches, chicken sandwiches and French fries	<p>364<u>364</u> franchised units (265<u>265</u> in the United States and 109<u>109</u> internationally) (plus 1 company-owned unit).</p>	From 2004 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 2 <u>3</u>	Dates unit franchises began being offered by us or our affiliate
Johnnie's New York Pizzeria	Restaurants serving New York style pizza, calzones, salads, and related Italian cuisine menu items	2 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Kahala Coffee Traders	Restaurants serving coffee and espresso, tea, baked goods, parfaits, sandwiches and merchandise	3 <u>5</u> franchised units. And 1 licensed unit.	November 2011 under Kahala Franchising
Maui Wowi	Store fronts or portable units serving fruit smoothies, Hawaiian coffee and espresso	11 <u>9</u> 7 franchised units (10 <u>2</u> 89 in the United States and 8 internationally)	Since November 2015 under Kahala Franchising
NrGize Lifestyle Cafe	Cafes serving smoothies, fruit drinks and nutritional supplements	6 <u>0</u> 57 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Pinkberry	Restaurants serving frozen yogurt, yogurt drinks, smoothies and frozen desserts	64 3 <u>3</u> franchised units. And 24 3 <u>0</u> licensed units.	From July 2008 until April 2016 under Pinkberry Ventures, Inc. and since June 2016 under Kahala Franchising
Planet Smoothie	Restaurants serving smoothies, smoothie bowls, juices and nutritional supplements	15 6 <u>6</u> 3 franchised units (15 2 <u>8</u> in the United States and 4 5 <u>5</u> internationally) Additionally, as of fiscal year end there were 2 Tasti D-Lite outlets.	Since June 2016 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 2 <u>3</u>	Dates unit franchises began being offered by us or our affiliate
Ranch One	Restaurants specializing in grilled and crispy breaded chicken sandwiches	2 franchised units	From 2001 until 2004 by Ranch *1 Group, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Rollerz Rolled Sandwiches	Restaurants serving gourmet rolled sandwiches, salads, soups and baked goods	1 franchised unit	From 2000 until 2004 by Rollerz Franchise Systems, L.L.C., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Samurai Sam's Teriyaki Grill	Restaurants serving Japanese rice bowls and noodle bowls	13 <u>2</u> franchised units	From 2003 until 2004 by SP Franchising, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Surf City Squeeze	Juice bars serving smoothies, fruit drinks and nutritional supplements	69 <u>4</u> franchised units (plus 1 company-owned unit)	From 1994 until 2004 by Malibu Smoothie Franchise Corp. and Surf City Squeeze Franchise Corp., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
TacoTime	Restaurants serving freshly-prepared Mexican food including burritos, taco, quesadillas and nachos	226 <u>0</u> franchised units (105 <u>99</u> franchised in the United States and 121 internationally) Additionally, there are 78 licensed units.	From 2003 until 2004 by Taco Time International, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 2 ³	Dates unit franchises began being offered by us or our affiliate
Extreme Pita	Restaurants serving wrap-style hot and cold pita and wrap sandwiches	0 1 franchised units	From March 2001 to July 2014: The Extreme Pita Franchising USA, Inc.; since July 2014: MTY USA
Grabbagreen	Restaurants serving healthy food, juice, smoothies and related products	7 4 franchised units	Since February 2018 under MTY USA
Ginger Sushi Boutique + Poke Shop	Restaurant serving a variety of sushi menu items and drinks	0 franchised units	From September 2015 under MTY USA
Mucho Burrito	Restaurants offering burritos, quesadillas, tacos, nachos, and other assorted food and drinks	0 1 franchised units	From January 2010 under Mucho Burrito Franchising USA, Inc.; from March 2019 under MTY USA
Thai Express	Restaurant serving “Thai-style” foods and drinks	8 9 franchised units (7 in the United States and 2 internationally) (plus 1 company-owned)	From February 2015 under MTY USA
La Diperie	Restaurant serving retail sale of an ice cream product and various dips and toppings	1 franchised unit	From April 2019 under MTY USA

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 2 ³	Dates unit franchises began being offered by us or our affiliate
Baja Fresh	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	76 ⁷ 9 franchised units (76 ⁷ 7 in the United States and 2 internationally) (plus 7 ¹ 1 company-owned units)	October 2016 until July 2017 under Triune, LLC and since then under BFAH
La Salsa	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	6 franchised units	October 2016 under La Salsa Franchise, LLC
The Counter	Full service restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	22 ¹ 5 franchised units (19 ⁴ in the United States and 3 ¹ internationally) (<u>plus 2 company-owned units</u>)	December 2017 under CB Franchise Systems, LLC. Then from March 2019 under MTY USA
Built Custom Burgers	Fast casual restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	6 franchised units (3 in the United States and 3 internationally)	December 2017 under Built Franchise Systems, LLC. Then from March 2019 under MTY USA
sweetFrog	Restaurant offering frozen yogurt using a self-serve delivery format	23 ¹ 6 franchised units (22 ¹ 6 in the United States which include 13 ⁹ licensed franchisees plus 10 internationally)	September 2018 under MTY USA
Manchu WOK	Quick service restaurant serving fast and fresh Chinese cuisine	4 ¹ 8 franchised units	March 2015: MTY USA

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 23	Dates unit franchises began being offered by us or our affiliate
Ben & Florentine	Restaurant serving a superior breakfast & lunch experience	0 franchised units	From December 2018 under MTY USA
Papa Murphy's	Retail food outlet serving primarily take and bake pizza	1,18 254 franchised units (1,14 519 in the United States and 37 5 internationally) plus 2 38 company-owned units	From May 2019 Papa Murphy's International LLC
Famous Dave's	Authentic barbecue	988 franchised units (9081 in the United States and 8 7 internationally) plus 4 235 company-owned units	From March 1994 under Famous Dave's of America, Inc.
Village Inn	Restaurant specializing in pancakes, omelets, skilletts, eggs, and other popular breakfast items.	97 1 franchised units plus 23 company-owned units	From August 2020 under VI BrandCo, LLC
Barrio Queen	Authentic Southern Mexican	7 company-owned units	From March 2023 under BQ Concepts, LLC
<u>Champps Kitchen + Bar</u>	<u>sports theme restaurants that provide the public with high-quality food and beverage</u>	<u>2 franchised units plus 1 company-owned unit</u>	<u>From September 1999 to October 2008 under Champps Entertainment, Inc. and From August 2023 under BQ Concepts, LLC</u>
<u>Sauce Pizza / Wine</u>	<u>Restaurants serving wood-fired pizzas, a variety of pasta dishes, and salads</u>	<u>13 company-owned units</u>	<u>From March 2024 under BQ Concepts, LLC</u>

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202 2 ³	Dates unit franchises began being offered by us or our affiliate
Wetzel's Pretzels	Restaurant specializing in hand-rolled fresh-baked soft pretzels	3 2 ⁹ 56 franchised units (3 2 ² 46 in the United States and 7 1 ⁰ internationally) plus 3 8 ⁴ 0 company-owned units	From April 1996 under Wetzel's Pretzels, LLC

Franchised Business

Famous Dave's franchises authentic barbecue restaurants under the name "Famous Dave's®." Famous Dave's® Restaurants feature the service of high-quality foods and beverages in a casual, comfortable, and fun environment. Famous Dave's® Restaurants serve combinations of hickory-smoked spareribs, baby back ribs, beef brisket, herb-roasted chicken, barbecue sandwiches, char-grilled burgers, cornbread, potato salad, coleslaw, Wilbur™ beans, desserts, specialty cocktails, and other food and beverage items. Your Famous Dave's® Restaurant will offer one of six types of service to its customers: full service, counter service, line service, flex service, or add-on ghost kitchen, or cloud kitchen. Except for the differences related to the service type of the Restaurant, all Famous Dave's® Restaurants are substantially similar except for the add-on ghost kitchen and cloud kitchen. An add-on ghost kitchen operates out of a restaurant that does not operate under the Famous Dave's® marks or has been previously associated with Famous Dave's®, and a cloud kitchen operates out of a commercial kitchen that is not attached to any restaurant that offers any type of dine-in services. Both add-on ghost kitchen and cloud kitchens will only offer and sell delivery and to-go services, and will not conduct or permit any type of dine-in services at its premises. If you acquire an add-on ghost kitchen or a cloud kitchen, you will need to execute the respective addendum attached as an exhibit to the Franchise Agreement,

Unless specifically noted otherwise, the information in this Disclosure Document applies to and includes Famous Dave's® Restaurants that offer full service, counter service, line service, flex service, or add-on ghost kitchen services, and cloud kitchen services to their customers.

Famous Dave's® Restaurants operate in a developed market and you will compete with local, regional and national barbecue restaurants and other full-service and quick-service casual restaurant chains and eating establishments. There may be unforeseen changes in the economy and the industry.

Affiliates of Famous Dave's® may provide administrative, legal, IT and accounting services to Franchisor.

Regulations Specific to the Restaurant Industry

The restaurant industry is heavily regulated. Many of the laws, rules, and regulations that apply to businesses generally have particular applicability to restaurants, especially restaurants that serve alcoholic beverages. All Famous Dave's® Restaurants must comply with federal, state, and local laws applicable to the operation and licensing of restaurant businesses, including nutritional

disclosure requirements, regulations affecting the content of foods served in restaurants and obtaining all applicable health permits and/or inspections and approvals by municipal, county, or state health departments that regulate food and liquor service operations. Your Famous Dave's® Restaurant must also meet applicable municipal, county, state, and federal building codes and handicap access codes. You should consider these laws and regulations when evaluating your purchase of a franchise.

Unless Famous Dave's agrees otherwise, Restaurants 4,000 square feet or greater must serve beer, wine and other alcoholic beverages. Restaurants less than 4,000 square feet may serve beer and wine. You must have a liquor license before you sell alcoholic beverages at your Restaurant. The difficulty and cost of obtaining a liquor license, and the steps for securing the license, vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state dram shop laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including limiting the use of tobacco products in public places, such as restaurants.

Area Development Agreement

If you meet the qualifications established by Famous Dave's, you may enter into an Area Development Agreement for the development of multiple Famous Dave's® Restaurants in a designated geographic area called a "Territory." Under the Area Development Agreement, you must develop an agreed upon number of Famous Dave's® Restaurants within an agreed upon period of time. You must sign a separate Franchise Agreement for each Famous Dave's® Restaurant you develop under an Area Development Agreement.

Prior Business Experience of Famous Dave's During Last 10 Years

Famous Dave's commenced its franchise program in 1998, and as of November 30, 2023, had 81 operational franchises in the United States (see Item 20 and Exhibit E-1). Famous Dave's does not operate or offer franchises in any other line of business. Famous Dave's has operated Famous Dave's® Restaurants since 1994. As of November 30, 2023, Famous Dave's owned and operated 42-35 company-owned Famous Dave's® Restaurants (see Item 20 and Exhibit E-2).

From 1996 until 2020, Famous Dave's operated a Famous Dave's® BBQ & Blues Club at Calhoun Square in Minneapolis, Minnesota. Famous Dave's never offered franchises for the Famous Dave's® BBQ & Blues Club concept.

Certain proprietary products which have been developed by Famous Dave's, such as sauces, seasonings, rubs, potato chips and marinades, are distributed in retail grocery stores throughout the United States under licensing agreements.

2. BUSINESS EXPERIENCE

References to titles and positions for the persons listed in this Item 2 may be assigned to MTY, MTY Canada, MTY USA, or any one or more Famous Dave's affiliated companies.

Chairman of the Board and Chief Executive Officer: Eric Lefebvre

Mr. Lefebvre was promoted and became the Chief Executive Officer of MTY effective November 2018. Prior to that, Mr. Lefebvre was the Chief Financial Officer of MTY since June 2012, and was Vice President of Finance of MTY from November 2009 until June 2012.

Director, Chief Financial Officer: Renee St-Onge

Ms. St-Onge was promoted to Chief Financial Officer of MTY effective November 2018. Prior to that, Ms. St-Onge was with MTY as Controller since 2012.

Director, Chief Operating Officer of Kahala Brands: Jeff Smit

Mr. Smit has been the Chief Operating Officer of Kahala Brands since June 2009 and has been a Director of MTY USA since November 2018. Prior to that, Mr. Smit was the Blimpie Brand President from November 2007 until December 2010 and the Sr. Vice President of Operations for Cold Stone Creamery from February 2005 to December 2007.

Co-Chief Operating Officer: Al Hank

Al Hank began his career with Famous Dave's as an hourly team member in 2005. During 2020 and up to his election as COO, he served as FDA's Senior Vice President of Operations. During 2018 to 2019, he served FDA in various management roles including Senior Director Strategy and Development, Senior Director of Operations and Franchise Business Consultant. From 2015 to 2017, Mr. Hank served FDA as an Area Director. Prior to that starting in 2012, he served as a General Manager of FDA's Westbury, New York location.

Co-Chief Operating Officer: Adam Lehr

Mr. Lehr has been Famous Dave's Co-Chief Operating Officer since October 2022 and prior to that was the Senior Vice President of Operations over both corporate and franchise restaurants since January 2020. Since joining Famous Dave's in 2018 he was also involved with the franchise operations as both the Director of Operations and as an FBC.

Sr. Vice President of Finance: Jason Schanno

Mr. Schanno as of October 2022 has been the Sr. Vice President of Finance and prior to his current role was the Chief Financial Officer of BBQ Holdings, Inc. since August 2021. Mr. Schanno has also served as Senior Director, Finance and Accounting of Waitr Holdings, Inc. from August 2020 to August 2021 in Lafayette, Louisiana. Prior to that he was the CFO at Dunn Brothers Coffee

~~from January 2019 to August 2020 in Roseville, Minnesota. From January 2018 to December 2018 Jason was a Financial Reporting Manager of AgriBank, FCB in St. Paul, Minnesota. Mr. Schanno has also served as a Financial Reporting Manager of Buffalo Wild Wings, Inc. from July 2015 to December 2017 in Golden Valley, Minnesota.~~

General Counsel/Chief Legal Officer: Jenny Moody

Ms. Moody has been with the Kahala Brands' Legal department since June 2010. In August 2012 she was named Corporate Counsel, in September 2013 International Counsel, in September 2016 Deputy General Counsel, and in November 2019 General Counsel. In August 2023, Ms. Moody assumed her current role.

Franchise Sales

Vice President of Business Development – USA: Ramin (Ray) Zandi

Mr. Zandi is the Vice President of Business Development – USA, a position he has held since February 2009.

Senior Vice President of Development: John Wuycheck

Mr. Wuycheck has served as Kahala Brands' Senior Vice President of Development since September 2014.

Vice President of Franchise Development: Jay Goldstein

~~Mr. Goldstein has held his current role since May of 2009. Prior to this, he served as Senior Director of Operations, then Senior Director of Development for Kahala Franchising and Mr. Goldstein has worked with the Cold Stone Creamery brand since October 2005. In January 2008, he became the Senior Director of Development for Kahala Franchising, and from January 2008 until November 2008, he served as Senior Director of Operations. Mr. Goldstein was promoted to Vice President of Franchise Development in May 2009.~~

Director of Franchise Development: Doug Merenda

Mr. Merenda joined Kahala Brands' sales team in October 2015 as a Director of Franchise Development and was a franchise broker for Kahala Brands from April 2015 through October 2015.

Franchise Development Manager: Traci Zandi

Ms. Zandi has assisted ~~Kahala Brands'~~our Development team in awarding franchise units since October 2016. She also served as Office Manager and Executive Assistant for Extreme Pita from April 2011 until October 2016.

Vice President of Franchise Development: Peter Tsafoulias

Mr. Tsafoulias is the Vice President of Franchise Development, a position he has held since March of 2018. Prior to that, he served as the Director of Franchising of IRG from January 2008 until March 2018.

Senior Director of Franchise Sales: Shemar Pucel

Shemar Pucel joined the company in November 2020 as Director of Franchise Sales and was promoted to Senior Director of Franchise Sales in February 2022. From October 2018 to August 2020, Ms. Pucel was a Director of Development for sweetFrog Premium Frozen Yogurt & Samurai Sam's. From October 2015 to October 2018, Ms. Pucel was with SFF, LLC (formerly SweetFrog Enterprises, LLC) where she first served as Manager of Franchise Marketing and Development and was promoted to Director of Franchise Marketing and Development in August 2016.

Jon Fischer: Head of Development – Wetzel's Pretzels

Jon Fischer serves as Head of Development - Wetzel's Pretzels as of March 2023. Previously, Mr. Fischer served as our Chief Development Officer from October 2019. Previous to that, Mr. Fischer held a variety of Vice-President positions, including in real estate and development, at Papa Murphy's International from August 2014 to October 2019.

Adam Lueras: Sr. Director of Franchise Sales

Adam Lueras became the Director of Franchise Sales for Wetzel's Pretzels effective March 2020 and was promoted to Sr. Director of Franchise Sales in February 2023. Mr. Lueras previously served as a Franchise Development Director with Jackson Hewitt Tax Service in Jersey City, New Jersey from March 2019 through November 2019. Prior to that Mr. Lueras served as a Franchise Development Director with Wyndham Hotel Group in Parsippany, New Jersey from March 2016 through July 2018. Prior to that, Mr. Lueras served as a National Sales Manager with Avalara Software in Seattle, Washington from February 2014 through March 2016.

Ross Duggal: Director of Franchise Sales – Non-Traditional

Ross Duggal became the Director of Franchise Sales – Non-Traditional for Wetzel's Pretzels effective July 2022. Mr. Duggal previously served as the Senior Director of Business Development for OLM Foods located in Sioux Falls, SD from June 2020 through July 2022. Prior to that, Mr. Duggal served as the Director of Business Development for Chester's International in Birmingham, AL from March 2015 through May 2020.

Diana Krankl: Franchise Sales Manager

Diana Krankl became the Franchise Sales Manager for Wetzel's Pretzels effective September 2021. Ms. Krankl previously owned and operated D's Superblends, a food truck business in Los Angeles, California from July 2016 through March 2020, where Ms. Krankl's responsibilities included training, customer service, human resources, quality control, event booking, maintaining and strengthening partner relationships, marketing, bookkeeping, inventory management, design development as well as menu and recipe development.

3. LITIGATION

LITIGATION INVOLVING FRANCHISOR, PREDECESSORS, AND AFFILIATES

Concluded Arbitration and Litigation Involving The Extreme Pita Franchising USA, Inc. predecessor in interest to MTY Franchising USA, Inc.

Purav Enterprises, LLC, Balwant Bahia, and Paramjit Samra v. The Extreme Pita Franchising USA, Inc., EP Development, Inc., and Feisal Ramjee; Superior Court of the State of Washington for King County; Case No. 15-2-15120-7.

On June 22, 2015, Purav Enterprises, LLC, Balwant Bahia, and Paramjit Samra (collectively “Plaintiffs”), filed a complaint against The Extreme Pita Franchising USA, Inc., EP Development, Inc., and Feisal Ramjee (collectively “Defendants”). Plaintiffs alleged: (i) violations under the Franchise Investment Protection Act in the State of Washington (“FIPA”); (ii) misrepresentation by the Area Developer of the financial performance of the franchise, omissions of mandatory and material information and inherently misleading information that were material factors in the Plaintiff’s purchase of the franchise; and (iii) the Area Developer was not a registered broker in the State of Washington. Plaintiffs sought: (i) rescission of the franchise agreement, the corresponding personal guarantee and related agreements; (ii) treble damages under FIPA; and (iii) costs and attorney’s fees. The parties entered into a settlement agreement on March 11, 2016, in which Defendants paid Plaintiffs the sum of \$20,000. The matter was dismissed on March 16, 2016.

Concluded Arbitration and Litigation Involving Kahala Franchising, L.L.C.

KOHO, Inc. v. Kahala Franchising, L.L.C.; Superior Court of the State of California for the County of Los Angeles; Case No.: BC572565.

On or about February 17, 2015, Koho, Inc. (“Koho”) filed a Complaint against Kahala Franchising, L.L.C. (“Kahala”) alleging: (i) breach of contract; (ii) unjust enrichment; and (iii) declaratory relief. Koho sought: (i) no less than \$540,000 in special and general damages; (ii) litigation costs; (iii) prejudgment interest; (iv) reasonable attorney’s fees; and (v) declaratory relief. On or about May 5, 2015, Kahala filed a Cross-Complaint against Koho; Heeyong Kyle Chung; and Hannah Kim; alleging: (i) breach of contract; (ii) unjust enrichment; (iii) disgorgement and restitution; (iv) fraud-deceit and concealment; (v) negligent misrepresentation; (vi) conversion; (vii) negligence; and (viii) declaratory relief. Kahala sought: (i) breach of contract damages in amount according to proof; (ii) disgorgement and restitution on Unjust Enrichment cause of action; (iii) judicial determination that Kahala is permitted and entitled to set off amounts owed to it by Koho with funds in its possession which would otherwise have been due Koho; (iv) costs; (v) attorneys’ fees; (vi) punitive damages; and (vii) prejudgment interest; (viii) any other relief the Court deems just and proper. On or about June 15, 2015, Koho filed a Notice of Hearing on Demurrer and Demurrer to Kahala’s Cross-Complaint; Memorandum of Points and Authorities; Declaration of Daniel D. Hoffman and Exhibits in Support Thereof. Koho filed its Notice of Motion and Motion to Strike Certain Portions of Kahala’s Cross Complaint; Memorandum of Points and Authorities on June 17, 2015. On October 16, 2015, the Court overruled Koho’s Demurrer to Kahala’s Cross Complaint in its entirety and denied their motion to strike Kahala’s punitive damages claims; the

Court sustained the Demurrer as to Hannah Kim. Mediation was held on May 3, 2016, which failed to yield a settlement between the two parties. On May 5, 2016, Kahala dismissed the claims against Koho and Kyle Chung because they satisfied the debts owed to Kahala, and, therefore, the claims were moot. Hannah Kim was subsequently awarded attorney's fees on June 15, 2016, in the amount of \$10,233. A bench trial commenced on June 15, 2016, and ended on June 16, 2016. Upon the conclusion of Koho's case, Kahala presented its case-in-chief and moved for judgment pursuant to Code of Civil Procedure section 631.8. The Court granted Kahala's Judgment as Koho failed to establish the requisite elements of "breach" and "damages" on the three causes of action asserted in the Complaint. On July 18, 2016, the Court awarded Kahala attorneys' fees in the amount of \$205,000. On September 22, 2016, Koho filed a Notice of Filing of Notice of Appeal and requested that Kahala participate in a mediation to resolve the outstanding award to Kahala. Koho failed to post an appeal bond. On February 13, 2017, Kahala commenced its self-help pursuant to Section 8(i) and (j) of the ARA and began withholding 100% of the Area Representative fees to which Koho would have otherwise been entitled. On June 19, 2017, the parties entered into a settlement agreement whereby Kahala repurchased Koho's Area Developer territory for the sum of \$75,000 and forgave the remaining damages owed in the amount of \$130,000.

Texas Nrgize #1, Inc. v. Kahala Franchising, L.L.C. and Kahala Holdings, L.L.C.; 67th Judicial District Court, Tarrant County, Texas; Civil Action No.: 067-272652-14 subsequently removed to United States District Court for the Northern District of Texas; Case No.: 4:14-cv-544-Y.

On or about June 18, 2014, Texas Nrgize #1, Inc., an Nrgize franchisee ("Plaintiff"), filed a Petition and Request for Disclosure against Kahala Franchise Corp and Kahala Holdings, L.L.C. (collectively "Defendants") alleging (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) Breach of Contract and Warranties. Plaintiff sought: (i) economic damages in excess of \$200,000, plus treble damages and pre- and post-judgment interest at the maximum rates allowed by law; (ii) attorneys' fees and costs; and (iii) such other relief to which the Plaintiff may be justly entitled. On July 16, 2014, Defendants filed a Notice of Removal to the United States District Court for the Northern District of Texas. On July 24, 2014, the judge executed the Order Granting the Unopposed Motion to Substitute Parties and Changing Case Style. Kahala Franchising, L.L.C. ("Defendant") was substituted in as a defendant instead of Kahala Franchise Corp. On July 28, 2014, Defendant filed a Motion to Transfer Pursuant to 28 U.S.C. §1404(A) and Brief in Support. This motion sought an order to transfer the litigation to the United States District Court for the District of Arizona pursuant to the parties' forum selection clause contained in the franchise agreement. On August 1, 2014, Defendant filed its Answer, Counterclaim and Third Party Claim. The Counterclaim was against Plaintiff and the Third Party Claim was filed against Duane W. Martin, Argentina Saldivar, and Margena Wood ("Third Party Defendants"). Defendant alleged: (i) Breach of Franchise Agreement against Plaintiff, and (ii) Breach of Guaranty against Third Party Defendants. Defendant sought: (i) judgment against Plaintiff and the Third Party Defendants in an amount to be proven at trial; (ii) attorneys' fees; (iii) costs pursuant to A.R.S. §§12-341 and 12-341.01 and the parties' contractual agreements; and (iv) any other relief the Court deemed fit. Plaintiff filed its Response to Defendant's Motion to Transfer Pursuant to 28 U.S. C. §1404 (A) and Brief in Support on August 18, 2014, then filed its Answer to Defendant's Counterclaim on August 22, 2014. On August 28, 2014, Defendant filed its Reply in Support of Motion to Transfer Pursuant to 28 U.S. C. § 1404(A)

and Brief in Support. On September 24, 2014, the United States District Court for the Northern District of Texas Court requested that each party submit a supplemental brief to benefit the Court in resolving the Defendant's Motion to Transfer. Mediation was held on September 29, 2014, but the parties failed to come to an agreement. On October 17, 2014, Third Party Defendants filed their Answer and Counterclaim. Third Party Defendants alleged: (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) breach of contract and warranties. Third Party Defendants sought: (i) economic damages in excess of \$200,000, plus treble damages under the Code and pre- and-post judgment interest at the maximum rates allowed by law; (ii) attorney's fees; (iii) costs; and (iv) any other general or special relief that the Court deemed fit. On October 24, 2014, Defendant filed its Supplemental Briefing In Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 10, 2014, Defendant filed its Answer to the Third Party Counterclaims. On November 13, 2014, Defendant filed its Notice of Dismissal Without Prejudice as to Third Party Defendant Argentina Saldivar only. On November 14, 2014, Plaintiff filed its Response to Defendant's Supplemental Briefing In Support of Their Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 26, 2014, Defendant filed its Reply to Plaintiff's Response to Defendant's Supplemental Briefing in Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On February 24, 2015, the Court granted Defendant's Motion to Transfer the case to the United States District Court of the District of Arizona; Phoenix Division; Case No.: CV15-0337 PHX DGC. In April 2015, Plaintiff moved to compel arbitration which was ultimately denied by the Court. The parties participated in a mediation in August 2015, which was unsuccessful. In December 2015, the parties executed a settlement agreement in which Defendant paid Plaintiff the sum of \$35,000. The parties filed a Stipulation to Dismiss With Prejudice on December 18, 2015.

Concluded Arbitration and Litigation Involving Cold Stone Creamery, Inc.

Kenneth J. Kirwin v. Cold Stone Creamery/Kahala Corp; Commonwealth of Massachusetts Plymouth Superior Court, Civil Action No. 13-01126A subsequently removed to the United States District Court of Massachusetts; Case No.: 1:14-cv-11691.

On or about October 21, 2013, Kenneth J. Kirwin ("Plaintiff") filed a Complaint In Equity and Demand For Jury Trial against Kahala Corp, inadvertently named as Cold Stone Creamery/Kahala Corp ("Defendant"). The Complaint alleged: (i) promissory estoppel; breach of contract; breach of implied covenant of good faith and fair dealing; (ii) misrepresentation; fraud and deceit violation of M.G.L. Chap. 93A, §11; (iii) unjust enrichment; (iv) misrepresentation and deceit in violation of M.G.L. Chap. 93A, §11; and (v) intentional infliction of emotional distress. Plaintiff sought: (i) judgment against Defendant in an amount the Court deemed appropriate; (ii) interest; (iii) costs of the action; (iv) compensatory damages; (v) punitive damages; (vi) attorneys' fees; and (vii) court costs. On April 7, 2014, Defendant filed its Notice of Removal seeking removal to the United States District Court for the District of Massachusetts. On April 16, 2014, Defendant filed its Motion to Dismiss or Transfer; which Plaintiff opposed in its filing of the April 16, 2014 Opposition to Kahala Corporation's Motion to Dismiss. On May 5, 2014, Defendant filed its Reply to Plaintiff's Opposition to Motion to Dismiss. On May 16, 2014, Defendants filed a Petition to Compel Arbitration against Plaintiff in the United States District Court for the District of Arizona; Case No.: 2:14-cv-01059-NVW. Defendants sought a court order to compel Plaintiff

to arbitrate before the American Arbitration Association in Phoenix, Arizona per the language of the franchise agreements. On June 2, 2014, Plaintiff executed a Declaration With Consent to Relief Requested agreeing to arbitrate before the American Arbitration Association in Phoenix, Arizona. On June 3, 2014, Defendants filed a Notice of Voluntary Dismissal against Plaintiff as he had agreed to arbitrate all claims. Mediation occurred on July 15, 2014, and the parties arrived at a settlement in which Defendants would pay Plaintiff \$37,500 to settle all disputes. The Settlement Order of Dismissal was filed on July 17, 2014, in the United States District Court District of Massachusetts.

Gregory Fowler, and Doubri Enterprises, L.L.C. v. Cold Stone Creamery, Inc.; State of Rhode Island Kent Superior Court; Case No.: KC-13-0986; subsequently removed to United States District Court for the District of Rhode Island; Case No.: CA 1:13-cv-00662-S-PAS; subsequently removed to United States District Court for the District of Arizona; Case No.: 2:13-02414 PHX PGR.

On or about September 13, 2013, Gregory Fowler and Doubri Enterprises, LLC (collectively “Plaintiffs”) filed a Complaint against Cold Stone Creamery, Inc. (“Defendant”). Plaintiffs alleged: (i) breach of sublease; (ii) breach of franchise agreement; (iii) breach of good faith and fair dealing; (iv) tortious interference with contractual relationships; (v) fraud; (vi) defamation of business character; and (vii) negligent infliction of emotional distress. Plaintiffs sought: (i) punitive damages; (ii) attorneys’ fees; (iii) interest; and (iv) costs. On September 17, 2013, Defendant filed a Notice of Removal, removing the lawsuit to the United States District Court for the District of Rhode Island. On October 9, 2013, Defendant filed a Motion to Dismiss the Complaint, or alternatively, to transfer the lawsuit to the United States District Court for the District of Arizona. The Motion to transfer was granted on November 25, 2013, and the matter was transferred to the Arizona court. On December 9, 2013, Defendant filed its Answer to the Complaint. On March 5, 2014, the Court entered a scheduling order establishing dates for completion of discovery and pre-trial motions and setting the matter down for trial on October 28, 2014. The parties participated in mediation and ultimately entered into a settlement agreement whereby Defendant paid Plaintiffs \$250,000.

Concluded Arbitration, and Litigation Involving SFF, LLC, successor in interest to SweetFrog Enterprises, LLC

Sun Yop Cho v. Imagination Enterprises, Inc., American Arbitration Association, Case No. 16 114 Y 00250 13.

On May 15, 2013, Sun Yop Cho (“Claimant”), a sweetFrog licensee, filed an arbitration action against Imagination Enterprises, Inc., predecessor to SweetFrog Enterprises, LLC (“Respondent”). Claimant asserted that: (i) Respondent breached the license agreement by violating the territorial exclusivity provision in the license agreement; (ii) Respondent violated the Virginia Retail Franchising Act; and (iii) Respondent breached an alleged oral promise to partner with Claimant in developing a sweetFrog shop in Leesburg, Virginia. Claimant sought: (i) damages in the amount of \$900,000; (ii) attorneys’ fees; (iii) reformation of the license agreement; and (iv) injunctive relief. Respondent vehemently disputed Claimant’s claims. On December 13, 2013, Claimant and Respondent entered into an agreement pursuant to which: (i) the parties settled

their disputes and jointly dismissed the arbitration proceeding with prejudice; and (ii) Respondent repurchased Claimant's License Agreement and acquired the assets of his sweetFrog shop for a total price of \$504,162.63.

Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc. v. SweetFrog Enterprises, LLC; SFF, LLC and Ki Young Cha a/k/a Derek Cha; United States District Court, Eastern District of New York; Case No. 2:14-cv-02356-JS-WDW.

On April 11, 2014, Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc., (collectively "Plaintiffs"), two sweetFrog franchisees, filed a lawsuit against SweetFrog Enterprises, LLC, SFF, LLC (collectively "Franchisor"), and Ki Young Cha a/k/a Derek Cha (collectively with Franchisor, "Defendants"). Plaintiffs alleged that Defendants: (i) violated the New York Franchise Sales Act; (ii) violated the New York General Business Law § 680, *et seq.* ("NYFSA") by making unauthorized and fraudulent pre-sale financial performance representations; and (iii) failed to register the franchise offering with the New York Attorney General prior to entering into franchise agreements with Plaintiffs. Plaintiffs demanded: (i) damages in excess of \$685,000; (ii) rescission of their franchise agreements; and (iii) recovery of their attorneys' fees. Defendants disputed Plaintiffs' claims, but agreed to mediate the dispute. Prior to the deadline to respond to the complaint, on July 29, 2014, the parties entered into an agreement pursuant to which: (i) Plaintiffs would attempt to sell their franchised shops and transfer their franchise agreements to any third party(ies) approved by Franchisor before November 1, 2014; and (ii) if Plaintiffs were unable to identify a suitable buyer for their franchised shops by November 1, 2014, the parties agreed to mutual termination of the franchise agreements and that Franchisor would purchase the equipment from each franchised shop at a price of \$50,000. The case was dismissed with prejudice on August 6, 2014.

Tri Star Consulting Group, Inc. and Sweet Frog Hauppauge, Inc. v. SweetFrog Enterprises, LLC, SFF, LLC, Ki Young Cha a/k/a Derek Cha; United States District Court, Eastern District of New York; Case No. 2:14-cv-02228-ADS-AKT.

On April 9, 2014, Tri Star Consulting Group, Inc., a licensee and area developer of SweetFrog Enterprises, LLC ("Plaintiff Tri Star"), and Sweet Frog Hauppauge, Inc., a licensee of SweetFrog Enterprises, LLC ("Plaintiff Hauppauge"); (collectively "Plaintiffs"); filed a lawsuit against SweetFrog Enterprises, LLC, ("Defendant SweetFrog"), SFF, LLC ("Defendant SFF"), and Ki Young Cha a/k/a Derek Cha (collectively "Defendants"). Plaintiff Tri Star alleged Defendant SweetFrog breached its license/area development agreement with Plaintiff Tri Star by: (i) terminating the license/area development agreement for nonpayment of royalty fees; (ii) licensing to Defendant SFF the right to sell franchises in New York City, Plaintiff Tri Star's development territory; and (iii) failing to pay fees allegedly owed to Plaintiff Tri Star related to the operation of franchised sweetFrog locations within Plaintiff Tri Star's development territory. Plaintiff Tri Star sought: (i) damages in excess of \$75,000; (ii) a declaration that it was not in default of the license/area development agreement; (iii) a declaration that Defendant SweetFrog was obligated to pay fees to Plaintiff Tri Star based on revenues of all franchised sweetFrog locations in New York City; (iv) an order enjoining Defendant SFF from selling franchises in New York City; and (v) recovery of its attorneys' fees. Prior to the deadline to respond to the complaint, on September 9, 2014, Plaintiff Tri Star and Defendants entered into an agreement pursuant to which (1) the

parties agreed to mutual termination of Plaintiff Tri Star’s license/area development agreement; (2) Defendant SweetFrog agreed to pay Plaintiff Tri Star \$19,830.58; (3) Defendant SFF agreed to pay Plaintiff Tri Star an ongoing commission equal to 2% of the net sales of all franchised sweetFrog locations in New York City through November 2031; and (4) Plaintiff Tri Star agreed not to operate any competitive business in New York City for so long as Defendant SFF was obligated to make commission payments to Plaintiff Tri Star.

Plaintiff Hauppauge asserted that Defendants: (i) violated the New York Franchise Sales Act, (ii) violated the New York General Business Law § 680, et seq. (“NYFSA”); (iii) committed fraudulent and negligent representations by making unauthorized and fraudulent pre-sale financial performance representations; and (iv) failed to register the franchise offering with the New York Attorney General prior to entering into franchise agreements with Plaintiffs. Plaintiff Hauppauge sought: (i) damages in excess of \$330,000; (ii) rescission of its license agreement, and (iii) recovery of its attorneys’ fees. Defendants disputed Plaintiffs’ claims but agreed to mediate the dispute. Prior to the deadline to respond to the complaint, on September 9, 2014, Plaintiff Hauppauge, on the one hand, and Defendants on the other hand, entered into an agreement pursuant to which: (i) the parties agreed to mutual termination of Plaintiff Hauppauge’s license agreement; and (ii) Defendant SweetFrog agreed to pay Plaintiff Hauppauge \$75,000. The case was dismissed with prejudice on September 20, 2014.

Urquieta Sweet Frog, LLC and Ana Urquieta v. SweetFrog Enterprises, LLC d/b/a SFF, LLC, American Arbitration Association; Case No. 01 14 0001 8086.

On December 23, 2014, Urquieta Sweet Frog, LLC and Ana Urquieta, a former sweetFrog franchisee and its owner (collectively “Plaintiffs”), filed a Demand for Arbitration against SweetFrog Enterprises, LLC (“Defendant”). Plaintiffs alleged: (i) Defendant engaged in fraud; (ii) unfair practices; and (iii) deceptive actions. On February 2, 2015, Defendant timely filed an Answer and Counterclaim and denied all allegations, and further asserted a counterclaim against Plaintiffs for unpaid royalties. This matter was settled in December of 2015. Under the settlement, Defendant agreed to pay Plaintiffs \$300,000 and the parties executed mutual releases.

SFF, LLC v. Carmel Village Yogurt Company LLC; City of Richmond, Virginia Circuit Court; Case No. CL16-3927.

On August 29, 2016, SFF, LLC (“Plaintiff”) filed a lawsuit against three sweetFrog franchisee entities, Carmel Village Yogurt Company LLC (“Defendant Carmel YC”), Huntersville Yogurt Company, LLC (“Defendant Huntersville YC”), and Mooresville Yogurt Co, LLC (“Defendant Mooresville YC”), and their main member, Steve Anto (“Defendant Anto”); (all named Defendants collectively referred to as, “Anto Defendants”). Plaintiff alleged: (i) Defendant Carmel YC breached its franchise agreement through its unauthorized closure of its franchised shop; and (ii) as a result of the breach, Plaintiff had the contractual right to terminate Defendant Carmel YC’s franchise agreement and cross terminate the franchise agreements of Defendant Huntersville YC and Defendant Mooresville YC. Plaintiff sought: (i) declaratory judgment that the three franchise agreements had terminated; (ii) specific performance of the Anto Defendants’ post-termination obligations; (iii) damages for past due fees; (iv) lost future royalties in excess of \$116,000; and (v) recovery of its attorneys’ fees. In response to Plaintiff’s complaint, Anto

Defendants denied Plaintiff's claims and asserted counterclaims against Plaintiff and alleged: (i) Defendant Carmel YC's franchise agreement was unenforceable and, alternatively, that Plaintiff was in breach of Defendant Carmel YC's franchise agreement due to Plaintiff's allowance of another franchisee to open a shop within three miles of Defendant Carmel YC's shop. Anto Defendants sought: (i) a declaratory judgment that they were not in default of their franchise agreements; (ii) damages of not less than \$425,000; and (iii) recovery of their attorneys' fees. Plaintiff denied Anto Defendants' claims and filed a demurrer and pleas in bar seeking to have those claims dismissed. Prior to the court hearing and ruling on Plaintiff's motion, the parties entered into an agreement pursuant to which: (i) the parties acknowledged the valid termination of Defendant Carmel YC's franchise agreement; (ii) Defendant Carmel YC transferred the assets of its business to Plaintiff and Plaintiff paid Defendant Carmel YC \$25,000; (iii) Plaintiff reinstated Defendant Huntersville YC's and Defendant Mooresville YC's terminated franchise agreements; and (iv) Plaintiff granted Defendant Anto the right to develop a new sweetFrog shop at a mutually acceptable location on or before November 8, 2018. The case was dismissed with prejudice on December 15, 2016.

Concluded Arbitration and Litigation Involving Fresh Enterprises, LLC successor in interest to BF Acquisition, LLC

Fresh Enterprises v. Ledang Investment Group, LLC, Vincent Tienn Le, Ho Tien Le and Hue Thi Dang Superior Court of the State of California, County of Santa Clara, Case No. 1-13-CV-257219.

On July 2, 2013, Fresh Enterprises, as successor-in-interest to Baja Fresh Westlake Village, Inc. ("Plaintiff"), filed a complaint against Ledang Investment Group, LLC; Vincent Tien Le, Ho Tien Le and Hue Thi Dang (collectively "Defendants Ledang" or "Cross Claimants Ledang") for: (i) implied indemnity; (ii) equitable indemnity; (iii) express indemnity; (iv) breach of contract; (v) declaratory relief seeking unspecified damages; (vi) indemnification; (viii) a judgment of unlawful detainer; and (ix) declaration that Defendants Ladang were obligated to reimburse Plaintiff for various expenses. On January 6, 2014, Cross Claimants Ledang filed a Cross-Complaint against Plaintiff, Baja Fresh Westlake Village, LLC, Triune Corporation and National Franchise Sales, Inc. (collectively "Counter Defendants") for: (i) breach of contract; (ii) breach of covenant of good faith and fair dealing; (iii) negligent misrepresentation; and (iv) intentional misrepresentation. On February 19, 2014, Counter Defendants filed a Motion to Compel Arbitration, which was granted. The disputes between the parties were then arbitrated before the American Arbitration Association (Case Number 72-20-1400-0126). On February 2, 2015, the Arbitrator issued an award in favor of Cross Claimants Ledang in the amount of \$660,620.84. The parties entered into a Settlement and Release Agreement on July 20, 2015, under which Counter Defendants paid the Cross Claimants Ledang the sum of \$585,000 and the matter was dismissed with prejudice.

Concluded Arbitration and Litigation Involving Famous Dave's of America, Inc. Concluded Actions

Desert Ribs, LLC, Famous Gracie, LLC, Famous Freddie, LLC, Famous George, LLC and Famous Charlie, LLC v. Famous Dave's of America, Inc., American Arbitration Association, Minneapolis, Minnesota, Case No. 01 16 0000 8549. On March 14, 2016, the franchisees for the Famous

Dave's® Restaurants in Chandler, Peoria, Mesa and Gilbert, Arizona ("Claimants") filed a Demand for Arbitration against Famous Dave's alleging that Famous Dave's (1) violated the Minnesota Franchise Act ("MFA"), (2) breached the implied covenant of good faith and fair dealing under the Famous Dave's® Franchise Agreements with Claimants (the "Franchise Agreements"), and (3) breached certain express provisions of the Franchise Agreements. Claimants sought damages of \$2,984,098, and a permanent injunction prohibiting Famous Dave's from engaging in discriminatory conduct in violation of the MFA. On July 20, 2016, the arbitrators ruled in partial favor of the pre-hearing motion filed by Famous Dave's by dismissing Claimants' MFA claims against Famous Dave's. Upon the dismissal of the MFA claims, Claimants voluntarily dismissed their remaining claims against Famous Dave's and entered into a confidential settlement agreement and mutual release (the "Settlement Agreement"), dated August 22, 2016, with Famous Dave's. The Settlement Agreement included the following material terms: (i) the territorial rights granted to Claimants in the Franchise Agreements were modified; (ii) the managing member of Claimants (the "Consultant") entered into a consulting agreement with Famous Dave's that provided for the design, development and build-out of a counter-service/line-service prototype barbecue restaurant concept (the "Prototype") and the payment of a consulting fee of \$410,000 to the Consultant in installments over a three-year period; and (iii) Claimants entered into a right of first offer agreement with Famous Dave's granting to a Claimant the first right to enter into an area development agreement with Famous Dave's for the development of seven Prototype restaurants in a reserved territory in Arizona.

Tacoma BBQ, Inc. et. al. v. Famous Dave's of America, Inc., FORUM, Case No. FA1705001729911. On or about April 10, 2017, former franchisees of the Famous Dave's® Restaurants in Midvale, Utah; Layton, Utah; Jordan, Utah; Tukwila, Washington; Puyallup, Washington; Tacoma, Washington; Silverdale, Washington; and Everett, Washington ("Claimants") filed a Demand for Arbitration against Famous Dave's disputing Famous Dave's assertion that the Claimants were in default under their Franchise Agreements, and disputing Famous Dave's performance under the Franchise Agreements. On or about June 7, 2017, Famous Dave's filed its Answer and Counterclaim denying the Claimants' claims. The parties elected to enter into a confidential settlement agreement and mutual release of all claims (the "Settlement Agreement") dated December 6, 2017, which included the following material terms: (i) Famous Dave's consented to the sale of the Claimants' restaurants to CD Holding Company, LLC and, accordingly, terminated all of the applicable Franchise Agreements; (ii) the Claimants paid to Famous Dave's a settlement amount of \$350,000; and (iii) the Claimants and Famous Dave's executed a mutual release of all claims.

Famous Dave's of America, Inc. v. SR El Centro, Inc., et al., Superior Court of the State of California, County of Los Angeles, Central Division, Case No. BC589329, filed July 24, 2015. Famous Dave's commenced this lawsuit against the former franchisees for the Famous Dave's® Restaurants in El Centro, Long Beach, Palmdale, Simi Valley, and Tracy, California, and others ("Defendants") based in part on the continued operation of the Restaurants as Famous Dave's® Restaurants using Famous Dave's Marks and Restaurant System after the termination of their Franchise Agreements by Famous Dave's for failure to cure breaches of the Franchise Agreement, including the failure to pay the Royalty and Marketing Fund Fees due under the Franchise Agreements, within the prescribed cure period after receipt of written notice, in violation of the post-termination obligations of the Franchise Agreements. Famous Dave's alleged Lanham Act violations, including federal trademark infringement, federal trademark dilution, federal unfair competition and false advertising, and federal trade dress dilution; trademark infringement,

trademark dilution, unfair competition and false advertising under California law; common law trademark infringement; breach of the Franchise Agreements; breach of the implied covenant of good faith and fair dealing; and intentional interference with contract. Famous Dave's sought injunctive relief to enjoin Defendants from continuing to use the Marks and Restaurant System and enforcing compliance with the post-termination obligations of the Franchise Agreements, and also sought damages in an amount that was to be determined at trial, reasonable attorneys' fees, interest and costs of suit. On September 29, 2018, the parties agreed to enter into a confidential settlement agreement and a mutual release of claims (the "El Centro Settlement Agreement"), which contained the following material terms: (i) Famous Dave's paid \$75,000 to SR Restaurant Holdings Group, Inc. as reimbursement for a portion of the attorneys' and other professional fees it allegedly incurred; (ii) Allan Gantes paid to SR Restaurant Holdings Group, Inc. \$7,500; (iii) Defendants agreed to de-identify the Restaurants in Long Beach, California and Tracy, California; (iv) notices were provided to certain customers of the Long Beach, California and Tracy, California Restaurants; and (v) Famous Dave's consented to the sale of certain Restaurant assets by SR El Centro FD, Inc. to Shoreline FD Investors, LLC, John Gantes, and Allan Gantes (or an affiliate), so long as certain designated criteria were met. All of the Famous Dave's Franchise Agreements between the parties were terminated. As a result, the matter was dismissed by the Superior Court of the State of California, County of Los Angeles, Central Division on November 26, 2018.

On January 26, 2018, Famous Dave's commenced an arbitration action pursuant to FORUM Arbitration Rules against FDWNY, Inc. and Timothy Cloe, seeking past due fees, attorneys' fees, and costs. The parties have agreed to settle the matter in exchange for the defendants' payment of a settlement amount in excess of \$165,000 to Famous Dave's.

SR El Centro, Inc., et al. v. Famous Dave's of America, Inc., Superior Court of the State of California, County of Los Angeles, Case No. NC060189, filed July 28, 2015. The franchisees for the Famous Dave's® Restaurants in El Centro, Long Beach, Palmdale, Simi Valley, and Tracy, California ("Plaintiffs") filed a complaint against Famous Dave's in the South Judicial District of the Superior Court of the County of Los Angeles. On March 10, 2016, Plaintiffs re-filed this Complaint as a First Amended Cross-Complaint in matter described above [Famous Dave's of America, Inc. v. SR El Centro, Inc., et al., Superior Court of the State of California, County of Los Angeles, Central Division, Case No. BC589329] alleging that Famous Dave's breached the Franchise Agreements for these Restaurants by failing to provide certain marketing support and access to customer contact data, vendors, internet reporting and support to Plaintiffs, and failing to provide operations and preferred practices training to Plaintiffs' designated representative. Plaintiffs further alleged that such conduct by Famous Dave's was a breach of the covenant of good faith and fair dealing. Plaintiffs also alleged that Famous Dave's aided and abetted John and Allan Gantes in breach of their fiduciary duty to Plaintiffs. Plaintiffs sought compensatory damages in an amount not less than \$20 million, punitive damages, costs and attorneys' fees. On September 29, 2018, the parties agreed to settle the matter in the El Centro Settlement Agreement described above. As a result, the matter was dismissed by the Superior Court of the State of California, County of Los Angeles, Central Division on November 26, 2018.

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

4. BANKRUPTCY

Lehr Restaurant Group, Lehr Real Estate (dba Dvincis Restaurant), Adam Lehr

Our co-COO Adam Lehr in connection with his ownership of Lehr Restaurant Group and Lehr Real Estate filed a bankruptcy proceeding as debtor under Chapter 13 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Minnesota on January 30, 2018, under Case No. 18-40253-KHS. The bankruptcy was discharged on June 29, 2021.

5. INITIAL FEES

Initial Fee

If you sign a Franchise Agreement for a single Restaurant that offers full service, counter service, or line service, you must pay Famous Dave's a nonrefundable Initial Fee of ~~\$15,000~~-\$45,000 depending on the service model.

If you sign a Franchise Agreement for a single add-on ghost kitchen or cloud kitchen Restaurant, you must pay Famous Dave's a nonrefundable Initial Fee of \$10,000. We will not grant you a ghost kitchen or cloud kitchen add-on unless you have also entered into a Franchise Agreement for a Restaurant.

You must pay the Initial Fee in full when you sign the Franchise Agreement.

Development Fee

If you sign an Area Development Agreement, you must pay Famous Dave's a Development Fee, will be determined based on the number of Famous Dave's® Restaurants you must develop. We anticipate that a typical area developer will develop three Restaurants pursuant to an Area Development Agreement, and the Development Fee for three Famous Dave's® Restaurants (that offer full service, counter service, line service, or flex service) is \$99,000. If you seek to develop fewer or additional Restaurants, you and we will negotiate the Development Fee.

You must pay the Development Fee in full when you sign the Area Development Agreement. The Development Fee is payable for the reservation of future development rights and is not refundable under any circumstances. You must sign a separate Franchise Agreement for each Famous Dave's® Restaurant you develop under the Area Development Agreement and in addition to the Development Fee, you must also pay a nonrefundable Initial Fee for each Famous Dave's® Restaurant you develop. You will pay the Initial Fee each time you sign a Franchise Agreement for a Restaurant you develop according to the Development Schedule in the Area Development Agreement. The Initial Fee is nonrefundable. You must sign your first Franchise Agreement when you sign the Area Development Agreement.

Opening Team Expenses

You will reimburse Famous Dave's for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team members who assist you with the opening of your Restaurant (see Item 11). These expenses are nonrefundable and will typically range between \$50,000 and \$100,000, but

may be lower or higher depending upon the service model and the location of your Restaurant. You will pay to Famous Dave's 50% of the estimated Opening Team expenses for your Restaurant, which Famous Dave's will determine based on the size of the Opening Team, distance traveled, and other factors, before the date that the Opening Team arrives at your Restaurant. Upon completion of the Opening Team's assistance, Famous Dave's will send you an invoice for the actual amount of remaining Opening Team costs. You must pay this invoice within 30 days.

Site Model Report Fee (For all Restaurants except an add-on ghost kitchen)

You will pay to Famous Dave's the then-current Site Model Report Fee after Famous Dave's prepares a site model report and issue a "no objection" letter for the proposed site of your Restaurant. The current Site Model Report Fee is \$750. The Site Model Report Fee is nonrefundable.

During Famous Dave's 2021 fiscal year, because some franchisees operate under different forms of agreements with Famous Dave's (such as Area Development Agreements with different obligations), Famous Dave's collected from franchisees amounts ranging from \$0 to \$45,000 for the Initial Fees identified in this Item 5.

6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Royalty Fees	5% of Revenues (3)	Tuesday of each week for the preceding week (4)	See Note 3.
Marketing Fund Fees	Currently 1% of Revenues (5)	Tuesday of each week for the preceding week	Deposited into one or more local, regional, national or international marketing funds controlled by Famous Dave's.
Audit Fees	Amount incurred by Famous Dave's to audit your Famous Dave's® Restaurant business, estimated to range from \$1,000 to \$10,000	Within 15 days after receipt of an invoice	Payable only if an audit shows that you understated your Revenues by more than 2% in any reporting period.
Assignment Fee	\$5,000	On or before the date of the assignment	You must obtain Famous Dave's approval for an assignment. See Item 17 for more information on assignment.
Collection Costs	Amount incurred by Famous Dave's to collect unpaid fees	On demand	Includes attorneys' fees and costs.

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Interest Charges	The lesser of 18% per annum or the maximum legal rate allowable by applicable law	On demand	Applies to past due payments payable to Famous Dave's.
Additional Training	You must pay the then-current Per Diem Training Fee (currently \$750 per day) for each trainer provided by Famous Dave. You must also reimburse Famous Dave's for the Travel Expenses it incurs, estimated to range from \$100 to \$1,000 per trainer.	On demand after training is completed	Payable if additional training is required by Famous Dave's because your Restaurant fails to meet certain performance standards or Famous Dave's otherwise determines that additional training is necessary, or if you request that one or more members of your Management Staff undergo additional training.
Reacquisition Fee	50% of the Initial Fee in the then-current standard Franchise Agreement	When you sign a new Franchise Agreement for your Famous Dave's® Restaurant	Payable only if, after the expiration of your Franchise Agreement, you meet all requirements and reacquire the Franchise for your Famous Dave's® Restaurant.
Local Advertising	Minimum of 1.5% of Revenues	Payable to suppliers as incurred	You must spend at least 1.5% of your quarterly and annual Revenues on approved local advertising. When two or more independently owned or controlled Famous Dave's Restaurants, including the Franchisee's Restaurant, are opened in the Franchisee's Designated Market Area ("DMA"), you will contribute Local Advertising Fees equal to 1.5% of your weekly Revenues to a local advertising group (the "Local Advertising Association"). Local Advertising Fees will meet your local advertising requirement (see Item 11).
Review of Unapproved Supplier	You must reimburse Famous Dave's for the expenses it incurs inspecting an unapproved supplier, estimated to range from \$500 to \$3,000	Within 30 days after you receive an invoice from Famous Dave's	Payable only if you request that Famous Dave's review and approve an unapproved supplier.

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Remodeling Costs	The amount you incur to remodel your Franchised Location. These costs may range from \$75,000 to \$400,000 each time you remodel.	Payable to suppliers as incurred	You must remodel your Franchised Location in accordance with Famous Dave's requirements. Famous Dave's can require that you extensively remodel your Restaurant once every five years. This does not include routine maintenance costs.
Third-Party Performance Measurement Evaluations	Up to one-half of the cost of set programs, estimated to range from \$300 to \$600 per month, per unit	Within 30 days after receipt of an invoice	Famous Dave's can hire an independent shopping service and/or utilize feedback programs to evaluate your operations, quality, compliance and food safety. You and Famous Dave's may share the cost for these services, the frequency, nature, and extent of which Famous Dave's may determine.
Costs, Expenses, and Attorneys' Fees	Variable	Upon demand	Payable only if Famous Dave's prevails in any action it commences or defends to enforce the Franchise Agreement or Area Development Agreement (including injunction proceedings), which may arise from your indemnification obligations.
Document Administration Fee	\$500	As incurred	Applicable if an amendment must be prepared, including for an affiliate transfer.

Notes:

- (1) With the exception of the costs associated with local advertising, maintenance, and remodeling, unless otherwise specified, each fee is imposed by and payable to Famous Dave's. Different versions of the

Franchise Agreement and Area Development Agreement from prior registration periods contain different fees, due dates and fee amounts. Famous Dave's may in its discretion waive or reduce certain fees described in this Item from time to time.

- (2) All fees are nonrefundable and, unless otherwise directed, are payable to Famous Dave's via electronic transfer of funds.
- (3) Revenues include the total dollar sales from your Restaurant. It does not include sales, use, or gross receipt taxes, or coupons, discounts or employee meals.
- (4) Paid by electronic transfer initiated by Famous Dave's.
- (5) Famous Dave's can increase the percentage of your Revenues payable for the Marketing Fund Fee by up to 1/2% per year after giving you at least 60 days prior notice of the increase.
- (6) If you sign an Area Development Agreement, then for the second and each subsequent Franchise Agreement you sign for the Restaurants you must develop under the Area Development Agreement, you will pay the Royalty Fees that are set forth in the Franchise Agreement for your first Restaurant, even if the amount of the Royalty Fees in subsequent Franchise Agreements differ. You will pay all other fees in the amounts specified in each Franchise Agreement that you sign for the Restaurants you develop under the Area Development Agreement.
- (7) Additional fees associated with the acquisition of a Refranchised Restaurant are described in Item 5 above.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Add-On Ghost Kitchen/ Cloud Kitchen)	Amount (Line Service)(1)	Amount (Counter Service)(1)	Amount (Full Service)(1)	Method of Payment (2)	When Due	To Whom Payment is to be Made
Initial Fee	\$10,000	\$245,000	\$45,000	\$45,000	Lump Sum	See Item 5 of this Disclosure Document	Famous Dave's
Leasehold Improvements (3)	\$0-\$300,000	\$200,000 - \$500,000	\$300,000 - \$700,000	\$475,000 - \$1,600,000	As Incurred	Before Opening	Suppliers
Land, Building and Construction (4)	\$0-\$1,500,000	\$600,000 - \$1,500,000	\$1,575,000 - \$2,407,500	\$2,410,000 - \$3,200,000	As Arranged	Before Opening	Suppliers
Travel and Living Expenses for You and Your Management Staff During Training (5)	\$10,000 - \$20,000	\$10,000 - \$20,000	\$15,000 - \$30,000	\$25,000 - \$40,000	As Incurred	During Training	Employees, Airlines, Hotels and Restaurants
Reimbursement of Expenses for Opening Team	\$25,000-\$40,000	\$40,000 - \$60,000	\$40,000 - \$85,000	\$55,000 - \$100,000	50% in advance; balance due	See Items 5 and 11 of this	Famous Dave's

					upon completion	Disclosure Document	
Furniture, Fixtures, Décor, and Equipment (6)	\$0-\$100,000	\$100,000 - \$250,000	\$200,000 - \$350,000	\$500,000 - \$650,000	As incurred	As Incurred	Supplier or Leasing Company
Architectural and Engineering Fees	\$0-\$50,000	\$20,000 - \$40,000	\$40,000 - \$75,000	\$50,000 - \$170,000	As Arranged	Before Opening	Suppliers
Signs	\$10,000-\$25,000	\$25,000 - \$45,000	\$30,000 - \$55,000	\$45,000 - \$75,000	Lump Sum	Before Opening	Suppliers
Liquor License Costs (7)	\$500 - \$5,000	\$500 - \$5,000	\$5,000 - \$50,000	\$25,000 - \$75,000	Lump Sum	Before Opening	Governmental Agencies and for Professional Services
Site Model Report Fee	\$0	\$750	\$750	\$750	Lump Sum	As Incurred	Famous Dave's
Restaurant Lease Payments - 3 Months (8)	\$0 - \$25,000	\$10,500 - \$25,000	\$20,000 - \$45,000	\$10,500 - \$25,000	As Incurred	As Incurred	Landlord
Employee Salaries - 3 Months (9)	\$0 - \$35,000	\$15,000 - \$35,000	\$25,000 - \$50,000	\$60,000 - \$95,000	As Incurred	As Incurred	Employees
Miscellaneous (10)	\$5,000 - \$10,000	\$5,000 - \$10,000	\$5,000 - \$10,000	\$5,000 - \$10,000	As Incurred	Before Opening or otherwise as arranged	Landlord, Utilities, Government Agencies, Insurance Companies, Attorneys, Accountants, and Other Professionals
Grand Opening Celebration (11)	\$5,000-\$15,000	\$5,000 - \$15,000	\$5,000 - \$15,000	\$15,000 - \$25,000	As Arranged	Before Opening	Suppliers
Additional Funds - 3 Months [these figures have not been offset by operating revenues] (12)	\$5,000 - \$10,000	\$5,000 - \$10,000	\$5,000 - \$15,000	\$5,000 - \$10,000	As Incurred	As Incurred	Famous Dave's, Employees, Suppliers and Utilities
Total if premises leased by you (13)	\$870,500- \$585,645,000	\$4681,750 - \$1,060,750	\$735,750 - \$1,525,750	\$1,316,250 - \$2,920,750			
Total if premises purchased by you (13)(14)	\$70,500-\$2,145,000	\$8611,081,7 50 - \$2,056,750	\$1,965,7952 310,750 - \$3,233,2503 <u>.993,250</u>	\$3,240726,7 250 - \$46,495120,750			

Notes:

- (1) This estimated initial investment is for one new Famous Dave's® Restaurant that you develop after signing a Franchise Agreement. If you purchase a Refranchised Restaurant, the estimated initial investment will be different. For instance, unless we otherwise consent, you will assume a Refranchised Restaurant's existing lease. As a result, the costs you incur in connection with identifying and developing a site will be different. Additionally, you may not need to hold a Grand Opening Celebration.

For the estimated range of costs, Famous Dave's relied on its years of experience in the restaurant business, as discussed in Item 1 of this Disclosure Document. You should carefully review these figures with your business advisor before making any decision to purchase a franchised Famous Dave's® Restaurant.

- (2) Payments are not refundable unless otherwise noted. Famous Dave's does not offer direct or indirect financing.
- (3) Lease only: These figures represent the cost to lease and remodel an existing building to a Famous Dave's® Restaurant. Famous Dave's® Restaurants are generally located in free-standing buildings and end caps in retail centers, and require from 2,400 square feet up to 6,200 square feet of floor space with seating for 50 to 210 guests. The rental rate will generally be between \$15 and \$35 per square foot. For add-on ghost kitchens, the low estimate assumes that you will operate your add-on ghost kitchen out of an existing restaurant that does not operate under the Famous Dave's® marks. For cloud kitchens, the low estimate assumes that you that you will operate your cloud kitchen out of your existing commercial kitchen that you already own or lease. The high estimate assumes for both an add-on ghost kitchen and a cloud kitchen assumes that you will be purchasing equipment and building out a commercial kitchen that is several hundred square feet.
- (4) Purchase only: If you choose to purchase the land and building for your Famous Dave's® Restaurant, your initial costs likely will be significantly higher than if you choose to lease the premises for your Restaurant. Except for an add-on ghost kitchen or cloud kitchen, the land required for your Famous Dave's® Restaurant will require from 0.75 acres to 2 acres, and the building will require from 2,400 square feet to 6,200 square feet of floor space with seating for 50 to 210 guests. Your initial investment if you chose to purchase the land and building may range from \$400,000 to \$1,250,000 for the cost of the property and \$100,000 to \$1,300,000 for the cost of construction or remodeling (not including equipment costs). In addition, you may be required to landscape or make other improvements to your site which may range from \$100,000 to \$350,000. Thus, your total estimated expenditures to purchase the land and building for your Restaurant that offers full service, counter service or line service may range from \$600,000 to \$2,900,000. For add-on ghost kitchens, the low estimate assumes that you will operate your ghost kitchen out of an existing restaurant that does not operate under the Famous Dave's® marks. For cloud kitchens, the low estimate assumes that you that you will operate your cloud kitchen out of your existing commercial kitchen that you already own or lease. The high estimate for both an add-on ghost kitchen and a cloud kitchen assumes that you will be purchasing and constructing the building that will house your add-on ghost kitchen or cloud kitchen. Some of your costs for the property, construction and other site improvements may be financed through a bank or other financial institution. The cost to purchase land on which to construct a Restaurant may vary widely

depending upon the location of the land, the demand for the site, the zoning, the assessed value of the parcel, the attributes of the parcel and related area, such as parking availability, accessibility and traffic flow, and the general economic conditions. These estimates are based upon the experience of Famous Dave's in the Midwestern and Eastern United States; depending upon your area, your costs may be higher.

- (5) You must pay for the Travel Expenses and other expenses while you and your Management Staff attend the initial training program (see Item 11). Salaries and Benefits are not included.
- (6) This includes the cost of the computer hardware, peripherals, and software that will serve as your point-of-sale system, and the maintenance agreement for that system (see Item 11), and also includes the costs for décor items and installation services. For add-on ghost kitchens, the low estimate assumes that you will operate out of an existing restaurant that does not operate under the Famous Dave's® marks. For cloud kitchens, the low estimate assumes that you already operate out of a commercial kitchen not attached to a restaurant. Your furniture, fixtures, décor and equipment may be financed through a bank or other financial institution, leased or purchased outright.
- (7) Liquor license costs generally are less than \$35,000. However in isolated instances, Famous Dave's or one of its franchisees has had to pay up to \$900,000 for a liquor license. You should check with the issuing authority to determine the cost and availability of your liquor license.
- (8) Lease only: The monthly rental if you lease the premises for your Franchised Location may include common area maintenance fees and real estate taxes. The amount indicated may also include a one month advanced rental payment, security deposit and prepaid expenses. Isolated instances could be higher. For add-on ghost kitchens, the low estimate assumes that you will out of an existing restaurant that does not operate under the Famous Dave's® marks. For cloud kitchens, the low estimate assumes that you already operate out of a commercial kitchen not attached to a restaurant.
- (9) This estimate does not include the salaries for you or your Management Staff during training. For ghost kitchens, the low estimate assumes that you will operate your ghost kitchen out of your existing Famous Dave's® Restaurant and will not require additional employees to perform the services.
- (10) Miscellaneous fees include such items as security, utility and license deposits, impact fees, insurance premiums for three months, and professional services such as attorneys and accountants. You should check with the local agency that issues building permits to determine what impact, connection, or other site development fees might be required for the specific site for your Famous Dave's® Restaurant. Environmental impact fees vary significantly for each location, and may range from .5% to 3% of the value of the land. You must maintain general liability insurance with coverage of at least \$2,000,000 per occurrence and \$5,000,000 aggregate coverage, liquor liability insurance with coverage of at least \$2,000,000 per occurrence if your Famous Dave's® Restaurant serves any alcoholic beverages, employment practices liability insurance with Franchisor defense coverage of at least \$1,000,000 per occurrence, hired and non-owned automobile liability insurance with coverage of at least \$1,000,000 combined single limit per accident, business personal property insurance with 100% of full replacement cost coverage – no coinsurance - Special Form or equivalent (minimum of \$100,000), spoilage coverage with limits of \$5,000,

business interruption insurance with coverage of at least \$300,000 per occurrence, building improvement and betterments insurance with coverage of at least 100% of full replacement cost – no coinsurance (minimum of \$100,000) umbrella liability insurance with coverage of at least \$3,000,000 per occurrence, and all insurance required by law, such as workers' compensation and employer's liability insurance, and flood, earthquake and volcanic eruption coverage that is subject to territory limitations and required if in a designated Flood Zone.

You must obtain all insurance we require and obtain it from an insurer having an A.M. Best's financial strength rating of "A-VIII" or better. Your insurance must: (i) insure the particular Franchisee listed on your Franchise Agreement; (ii) name us and our parents, subsidiaries, affiliates, directors, officers, and employees as additional insured; (iii) contain a waiver by the insurance carrier of all subrogation rights against us and our affiliates for casualty losses; (iv) provide that we will receive by an endorsement 30 days' prior written notice of cancellation; and (v) provide that failure by franchisee to comply with any term, condition or provision of the contract, or other conduct by franchisee, will not void or otherwise affect the coverage afforded us. Our minimum insurance coverage requirements are subject to change, including to increase.

You need to evaluate if your particular business will require greater coverage or other types of insurance. For example, we strongly recommend that you consult with an insurance broker to discuss whether your particular lease/situation requires and/or should obtain additional common types of insurance (including without limitation cyber liability/data breach insurance coverage). Such insurance may significantly increase your premiums but may also save you money in the long run. We make no representation that the minimum coverage that we specify will be sufficient for your business.

You must always keep the required insurance coverage in force, and you must comply with any changes we make periodically to our insurance requirements. Upon 30 days' notice to you, we may require you to increase and/or otherwise change the minimum coverage of the insurance referred to above including to reflect identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. In the event you fail to obtain or maintain the required insurance coverage, we reserve the right, but are not obligated to, obtain the required insurance on your behalf and charge the insurance premium to you.

- (11) You must spend a minimum of \$15,000 on the grand opening celebration for your first Restaurant. Famous Dave's can require that you spend up to \$25,000 for the initial marketing and advertising campaign for your Restaurant.
- (12) During the first three months of operations, you will need additional funds to cover your expenditures for supplies, food and beverage inventories, local advertising, utilities, and other miscellaneous operating costs. This estimate has not been offset by any allowance for your operating revenues during this three month period. Your working capital requirements may increase or decrease depending upon your geographic area, number of employees, labor rates, minimum wage laws, and employment laws and regulations, operating revenues and other economic factors.
- (13) These figures are estimates only, and it is possible that you may have additional or greater expenses during this period. Your costs will vary depending on the size of your Famous

Dave's[®] Restaurant, your geographic area, economic and market conditions, competition, interest rates, wage rates, sales levels attained, and other economic factors.

- (14) You must pay the Development Fee in full when you sign the Area Development Agreement. You must sign a separate Franchise Agreement for each Famous Dave's[®] Restaurant you develop under the Area Development Agreement and in addition to the Development Fee, you must pay a nonrefundable Initial Fee for each Famous Dave's[®] Restaurant you develop. You will pay the Initial Fee each time you sign a Franchise Agreement for a Restaurant you develop according to the Development Schedule in the Area Development Agreement. You must sign your first Franchise Agreement when you sign the Area Development Agreement.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, Famous Dave's will not derive revenue or other material consideration based upon your purchases of products or services from designated suppliers or approved suppliers or based upon your purchases of products or services that must meet Famous Dave's standards and specifications. Except as described below, Famous Dave's does not provide any material benefit to you based upon your use of designated or approved suppliers. Famous Dave's and/or its affiliates may derive revenue from these services by charging more than its costs.

Obligation to Purchase or Lease Products or Services from Famous Dave's

As of the date of this Disclosure Document, Famous Dave's is the only approved supplier for services related to the preparation of the Site Model Report for your Restaurant. Otherwise, you do not have to purchase or lease any products or services from Famous Dave's, although in the future Famous Dave's or an affiliate may be an approved supplier of products and services for your Restaurant, including a single source for proprietary or other products and services. You will pay the then-current price in effect for all purchases you make from Famous Dave's or an affiliate, and Famous Dave's or its affiliate may derive revenue from such purchases by charging you more than its costs.

Obligation to Purchase or Lease Products or Services under Famous Dave's Restrictions

There are certain sauces, seasonings, spices, food, food items, disposable and tabletop items, and recipe ingredients that are proprietary to Famous Dave's or that are selected by Famous Dave's for consistency in quality and other considerations. These items, such as certain brand name products, are manufactured or produced only by manufacturers or producers approved by Famous Dave's in writing. To ensure that you adhere to the uniformity requirements and quality standards associated with all Famous Dave's® Restaurants, you must purchase all proprietary sauces, seasonings, spices, food, food items, disposable and tabletop items, and recipe ingredients from a member of Famous Dave's Distribution Marketing Advantage system, Sysco Corporation, or from any other vendor/distributor Famous Dave's may designate in the future. Famous Dave's reserves the right to limit the number of approved suppliers. Famous Dave's will provide a written list of these proprietary or selected products and services. Famous Dave's will also notify you of any additions to or deletions from the list.

Famous Dave's will provide you with written standards and specifications for the layout of your Famous Dave's® Restaurant premises, your equipment and signs, the décor of your Restaurant, and certain food and beverage items. Famous Dave's will issue specifications for the insurance you must carry. You must maintain commercial general liability insurance with coverage of at least what is required by law in your jurisdiction, including, building insurance with coverage of at least replacement cost if you or any of the franchisee's owners own the building or the business premises for the Franchised Location, umbrella liability insurance with coverage, and all other insurance required by law, such as workers' compensation insurance. Famous Dave's determines its standards and specifications at its sole discretion. Famous Dave's may modify its written standards and specifications and you must comply with any modifications. You will be responsible for ensuring that all products and services you select will continue to conform to the standards and specifications Famous Dave's establishes.

You must also purchase or lease some other products and services required for your Famous Dave's® Restaurant from suppliers approved or designated by Famous Dave's throughout the term of your agreement with Famous Dave's. As of the date of this Disclosure Document, such products and services include certain food, food items, spices and ingredients, tabletop and disposable supplies, and proprietary training tools. Famous Dave's will provide a written list of designated and approved suppliers for these other products and services. Famous Dave's will also notify you of any additions to or deletions from the list. You must use in the development and operation of the Restaurant the management system and computer hardware and software and related technology designated by us, including without limitation, features such as high-speed broadband connectivity, high-speed broadband monitoring, online ordering, methods and means of encryption and access to our network resources, and other internet-based technology and peripheral devices that we specify from time to time (the "Brand Technology"). Famous Dave's may modify all aspects and the components of the Brand Technology from time to time. As part of the Brand Technology, Famous Dave's may require you to obtain computer hardware and/or software Famous Dave's specifies from a single vendor designated by Famous Dave's and Famous Dave's or its affiliates may be the sole supplier of all or any part of the Brand Technology. You may use only such items and services as Famous Dave's specifies in connection with the Brand Technology. Famous Dave's may require that you enter into a license exclusively with Famous Dave's or its affiliates to use proprietary software developed by or for Famous Dave's. You may also be required to enter into agreements with others for use of third-party software incorporated or used in connection with the Brand Technology. Famous Dave's modification of such specifications or components for the Brand Technology may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Brand Technology during the term of the Franchise Agreement. If you want to purchase products or services subject to approved supplier requirements from a supplier who has not been previously approved by Famous Dave's, then you must, at your expense, send representative samples or specifications of that supplier's goods or services, and certain other information about the supplier's products and business, to Famous Dave's. Famous Dave's will also have the right to inspect the supplier's facilities and you must reimburse Famous Dave's for the expenses it incurs if it conducts an inspection within 30 days after receiving an invoice from Famous Dave's indicating the amount owed. Within 45 days after receiving the necessary samples and information, Famous Dave's will notify you in writing as to whether the supplier's products or services comply with the uniformity requirements, quality standards and specifications established by Famous Dave's, and whether the supplier's business reputation, delivery performance, credit rating, and other relevant information are satisfactory. The criteria for supplier approval are available to franchisees upon request. Famous Dave's has the right to limit the number of approved suppliers for any given product or service.

As of the date of this Disclosure Document, no officer of Famous Dave's owns an interest in any approved supplier.

Famous Dave's estimates that purchases of products and services under Famous Dave's requirements, including purchases of proprietary and selected products and services, purchases of products and services that meet Famous Dave's standards and specifications and purchases from designated or approved suppliers, including costs of initial construction, will range from 70% to 90% of your initial investment if you develop a brand new Famous Dave's® Restaurant and 50% to 80% of your initial investment if you acquire a Refranchised Restaurant, 25%-50% of your

initial investment if you develop an add-on ghost kitchen or cloud kitchen, and approximately 30% to 40% of your ongoing expenses of operating your Famous Dave's® Restaurant.

Consideration Provided to Famous Dave's or You from Suppliers

You must purchase certain branded food and drink items according to Famous Dave's standards and specifications, subject to Famous Dave's right to change or discontinue any identified brands. Drink items include syrups for carbonated and non-carbonated Pepsi, Dr. Pepper, Tropicana and other drink products. If applicable, you must also purchase dispensing equipment for the drink products, which may be purchased or leased from any supplier that distributes this equipment. Famous Dave's reserves the right to receive discounts, rebates, allowances, and other consideration from suppliers of products and services as a result of franchisee purchases. As of the date of this Disclosure Document, Famous Dave's and Pepsi are parties to a Marketing Agreement which provides marketing and equipment support to the Famous Dave's® Restaurant System. In some instances, Pepsi paid Famous Dave's amounts based on franchisee purchases of drink products. In this instance, Famous Dave's has passed or will pass these amounts along to franchisees within 90 days of Famous Dave's receipt, on a pro rata basis, in the form of a rebate check; provided that Famous Dave's may withhold, or offset, any amount of rebate due to you from or against any amount owed by you to Famous Dave's. Amounts Famous Dave's retained for purchases made by company-owned Restaurants are included in its total revenue for Item 8 purchases, as noted further below. In addition to the above arrangement with Pepsi, Famous Dave's is party to a similar agreement with Dr. Pepper whereby Dr. Pepper provides marketing and equipment support to the Restaurant System generally consistent with the above-described protocol.

Famous Dave's also has negotiated certain national purchasing arrangements with suppliers of food products and equipment. Famous Dave's negotiates national purchasing arrangements to obtain lower net prices for both franchisees and company-owned Restaurants than Famous Dave's would be able to obtain separately from these suppliers. Some of these suppliers have paid Famous Dave's amounts that Famous Dave's generally allocates for use in conventions and annual general managers meetings or to support the development of marketing materials for both company-owned and franchised Restaurants, as noted further below. Famous Dave's does not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers. Famous Dave's has not established purchasing or distribution cooperatives.

In addition to the cash payments from suppliers that Famous Dave's pays pro rata to franchisees or generally uses for conventions and annual general managers meetings, Famous Dave's solicits support in the form of products or other non-cash items from its suppliers for these events and other events, including charitable events. This support is used to provide a higher quality convention and/or reduce costs to Famous Dave's and its franchisees. The value of the products Famous Dave's received for these events cannot be reliably estimated, but in any event, products from any given individual supplier are not material to Famous Dave's. In addition, several of Famous Dave's suppliers contribute goods and services to Famous Dave's and its franchisees, such as product-specific equipment, training services at Restaurant openings, menu development, and promotion services and other goods and services, which individually are not material to Famous Dave's. To the extent possible, Famous Dave's attempts to pass on to franchisees and company-owned Restaurants equally the benefit of these contributions of goods and services from suppliers,

either directly or to offset certain costs related to owning and operating a Famous Dave's® Restaurant. However, Famous Dave's cannot guarantee or otherwise assure you that all these goods and services will be passed on to the franchisees or will directly benefit franchisees.

Pursuant to the mergers as fully described in Item 1, the total revenues and expenses of Franchisor and its subsidiaries and affiliates have been consolidated with MTY USA's, as reflected in the audited consolidated financial statements presented in this disclosure document. For the year ending November 30, 2023, MTY USA and its subsidiaries, as of such date, derived revenues from the sales of products, services, and vendor allowances in the amount of \$453,890,026, which was approximately 87.5% of MTY USA's total consolidated recognized revenue in the amount of \$518,789,676.

Various suppliers and vendors of MTY USA and its subsidiaries contribute marketing and other revenues to MTY USA and/or its subsidiaries based upon system-wide purchases from those suppliers and vendors. During our last fiscal year, MTY USA and its subsidiaries on a consolidated basis earned a total of \$20,618,596 of the \$453,890,026 from such vendors. Additional miscellaneous revenues (for example, revenue from the sale of branded merchandise from certain corporate-owned stores) in the amount of \$4,518,201 were also received by MTY USA and its subsidiaries during the last fiscal year.

We may use rebate and allowance funds or other non-cash items received from Franchisor's suppliers related to the Famous Dave's system to benefit the Famous Dave's system in our sole and absolute discretion.

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	Article in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Article 10 of Franchise Agreement	Item 11
b. Pre-opening purchases/leases	Articles 7, 8, 11 and 12 of Franchise Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Article 10 of Franchise Agreement	Items 7 and 11
d. Initial and ongoing training	Article 14 of Franchise Agreement; Article 6 of Area Development Agreement	Item 11

Obligation	Article in Franchise Agreement	Item in Disclosure Document
e. Opening	Article 14 of Franchise Agreement; Article 5 of Area Development Agreement	Item 11
f. Fees	Articles 4 and 5 of Franchise Agreement; Article 4 of Area Development Agreement	Items 5 and 6
g. Compliance with standards and policies/ Operating Manual	Articles 7, 8, 9, 10, 11 and 12 of Franchise Agreement; Article 7 of Area Development Agreement	Items 8, 11 and 14
h. Trademarks and proprietary information	Articles 9 and 13 of Franchise Agreement; Article 1 of Area Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Articles 7 and 8 of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Article 7 of Franchise Agreement	Item 16
k. Territorial development and sales quotas	Article 5 of Area Development Agreement	Item 12
l. Ongoing product/service purchases	Articles 8 and 11 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Articles 7 and 10 of Franchise Agreement	Items 7 and 11
n. Insurance	Article 12 of Franchise Agreement	Items 7 and 8
o. Advertising	Article 5 of Franchise Agreement	Items 6 and 11
p. Indemnification	Article 22 of Franchise Agreement; Article 13 of Area Development Agreement	Item 6

Obligation	Article in Franchise Agreement	Item in Disclosure Document
q. Owner's participation/management/staffing	Articles 7 and 14 of Franchise Agreement; Article 6 of Area Development Agreement	Items 11 and 15
r. Records/reports	Articles 4, 5 and 6 of Franchise Agreement	Item 6
s. Inspections/audits	Articles 6, 7 and 10 of Franchise Agreement	Items 6 and 11
t. Transfer	Articles 16 and 20 of Franchise Agreement; Articles 8 and 11 of Area Development Agreement	Items 6 and 17
u. Renewal	Article 3 of Franchise Agreement; Article 3 of Area Development Agreement	Item 17
v. Post-termination obligations	Article 19 of Franchise Agreement; Article 10 of Area Development Agreement	Item 17
w. Non-competition covenants	Article 21 of Franchise Agreement; Article 12 of Area Development Agreement	Item 17
x. Dispute resolution	Articles 23 and 24 of Franchise Agreement; Articles 14 and 15 of Area Development Agreement	Item 17

10. FINANCING

Famous Dave's does not typically offer direct or indirect financing. Famous Dave's does not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing. Famous Dave's does not typically guarantee your notes, leases, or other obligations.

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

Except as listed below, Famous Dave's is not required to provide you with any assistance.

Assistance Before Opening Your Famous Dave's® Restaurant:

(1)(a) *For full service, counter service, line service, or cloud kitchen Restaurants:*

Although Famous Dave's has no obligation, duty, or liability to you as a result of the site selected by you and/or the purchase or lease of the Franchised Location, Famous Dave's will provide a Site Model Report for the proposed site for the Franchised Location and if a Lease exists, may review the Lease for the premises for compliance with the terms and conditions of this Agreement. You will provide the information as may be reasonably specified by Famous Dave's for the proposed site selected by you. Famous Dave's reserves the right, that within 30 days, Famous Dave's will visit the proposed site and prepare a Site Model Report for you which provides certain site information relevant to assessing whether the proposed site is suitable for development of a Famous Dave's® Restaurant. Factors considered when reviewing a proposed site include visibility, potential traffic flows, population trends, household income and financial considerations, lease terms and other demographic information. The Site Model Report is not a warranty, representation or guaranty by Famous Dave's that a Famous Dave's® Restaurant opened at that site will be a financial success or that the site complies with any or all applicable laws, codes, ordinances or regulations (including without limitation, the Americans with Disabilities Act). If applicable, you may not purchase or lease any proposed site until Famous Dave's has issued a "no-objection" letter, signifying the site simply meets brand standards. Once a "no-objection" letter is issued, you will pay Famous Dave's the then-current fee (currently \$750) for the Site Model Report (see Item 5). Famous Dave's can terminate your Franchise Agreement if you do not purchase or lease a site for your Restaurant within 90 days after you sign the Franchise Agreement. Famous Dave's can also terminate your Franchise Agreement if you fail to open your Restaurant before the Required Opening Date, as defined in the Franchise Agreement.

(1)(b) *For add-on ghost kitchen Restaurants:*

Although Famous Dave's has no obligation, duty, or liability to you as a result of the site selected by you and/or the purchase or lease of the Franchised Location, Famous Dave's may review the proposed site for the Franchised Location whether respect to the kitchen and the operations of the to-go service. You will provide the information as may be reasonably specified by Famous Dave's for the proposed site selected by you. Famous Dave's reserves the right to visit the proposed site to evaluate and approve how to-go services will be operated and that the kitchen layout meets Famous Dave's then-current standards for a ghost kitchen. Review of any site information and/or any visits by Famous Dave's to a proposed site does not constitute an approval of the site by Famous Dave's or a warranty or representation by Famous Dave's or any other party that the site for the Franchised

Location chosen by Franchisee will be a financial or operational success, or that the site complies with any or all applicable laws, codes, ordinances or regulations (including without limitation, the Americans with Disabilities Act). Any issuance of a no-objection letter by Famous Dave’s means only that it has received the site information required from Franchisee and Famous Dave’s has no objections to the Franchised Location from a brand standards perspective. Famous Dave’s can terminate your Franchise Agreement if you do not purchase or lease a site for your Restaurant within 90 days after you sign the Franchise Agreement. Famous Dave’s can also terminate your Franchise Agreement if you fail to open your Restaurant before the Required Opening Date, as defined in the Franchise Agreement.

- (2) After you sign the Franchise Agreement and pay the Initial Fee, or any other agreed upon Fees based on the Restaurant service model, Famous Dave’s will train you and your Management Staff. Your Management Staff includes your Operating Partner, General Manager and, if applicable, Multi-Unit Manager, and a minimum of two and a maximum of four members of management personnel. Depending on your Restaurant service model, Famous Dave’s will train your Operating Partner up to of 20 shifts, your General Manager up to 35 shifts, and two to four other members of your Management Staff up to 35 shifts (see Article 14.1 of the Franchise Agreement). Each shift is an eight to ten hour day. All training programs will be held at a certified training location designated by Famous Dave’s. Depending on your Restaurant service model, the current training program includes classroom and on-the-job instruction on the topics selected by Famous Dave’s and is summarized in the following chart:

TRAINING PROGRAM ⁽¹⁾

Subject ⁽²⁾	Hours of Classroom Training	Hours of On-The-Job Training	Location
Orientation and Initial Kitchen Training, including overview of Restaurant operations, and recipes and technical skills	5	0	Certified training location designated by Famous Dave’s
Kitchen Training, including technical skills, kitchen positions, and food preparation	30	160	Certified training location designated by Famous Dave’s
Front of the Restaurant, including food presentation, service, and front positions and functions	15	35	Certified training location designated by Famous Dave’s
Management Training, including management functions, purchasing and inventory, openings and closing, and documentation and systems	15	85	Certified training location designated by Famous Dave’s

Subject ⁽²⁾	Hours of Classroom Training	Hours of On-The-Job Training	Location
Review of training, Restaurant System, goal-setting and problem-solving	10	0	Certified training location designated by Famous Dave's
Totals:	75	280	

Notes:

(1) This table is for the training provided to your General Manager, Multi-Unit Manager (if applicable), Kitchen Manager and Assistant Manager(s).

(2) You will utilize the Standard Operating Procedures/Training Manual(s) (the “Manuals”) and other proprietary training tools and documents required by Famous Dave's.

All training will be conducted under the supervision of Adam Lehr, or another suitable instructor provided by Famous Dave's. Mr. Lehr has been Famous Dave's Co-Chief Operating Officer since October 2022 and prior to that was the Senior Vice President of Operations over both corporate and franchise restaurants since January 2020. Since joining Famous Dave's in 2018 he was also involved with the franchise operations as both the Director of Operations and as an FBC. Prior to joining Famous Dave's, Mr. Lehr was the Director of Franchise Operations for the University of Minnesota where we oversaw 18 different franchise operations, including Chick-Fil-A, Papa John's, Subway, Starbucks and more. All instruction will be conducted by instructors who have experience with Famous Dave's and/or with restaurant operations.

The initial training program is provided to you and your Management Staff at no additional cost to you. You must pay the Salaries and Benefits, Travel Expenses and all other expenses for all persons who attend training on your behalf. The training program generally takes seven weeks (35 shifts) for you and your Management Staff to complete. You and your Management Staff must begin the training program before the scheduled opening of your Restaurant and must successfully complete the training program before you open your Restaurant. If the opening of your Restaurant is delayed, you and your Management Staff may have to attend re-training as determined by Famous Dave's.

(3) After you and your Management Staff have successfully completed the training program, Famous Dave's will arrange for an Opening Team, at your expense, to assist you with opening your Famous Dave's® Restaurant (see Article 14.5 of the Franchise Agreement). For up to 14 consecutive days, certain Opening Team members will assist you with implementing the Restaurant System at your Restaurant and training your staff and kitchen employees. For your second and each subsequent Restaurant opening, you will be asked to provide a prescribed number of certified trainers for the Opening Team based upon your existing number of staff. Famous Dave's will determine and provide, at your expense, the additional personnel needed to complete the Opening Team who will be on site at your Restaurant for a minimum of 14 days. All Opening Teams will be assembled based on guidelines established by Famous Dave's. There is no fee for this opening assistance (see

Article 6.2 of the Area Development Agreement). However, you will pay Famous Dave’s for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team within 30 days after receipt of an invoice from Famous Dave’s. Note: 50% of this expense is billed up front before the opening date.

- (4) Famous Dave’s will provide franchisees access to Manuals (see Articles 9 and 15 of the Franchise Agreement). The Manuals are confidential and will remain the property of Famous Dave’s during and after the term of the Franchise Agreement. The Manuals consist of operations and training documentation and are primarily made available online to Famous Dave’s® franchisees. The Manuals available currently discuss most or all of the following subjects:

OPERATIONS	PURCHASING
Hours of Operation Training/Trainer Certification Manager’s Communication Log Opening/Closing checklists Guest Service Standards Phone Answering Reservations Call-Ahead Seating Carry-out Catering Beverages Server Banking Tip out	Approved Vendors List Vendor Approval process Setting Par Levels Ordering Process Receiving Storage/Rotation Transfers in/out Waste tracking Inventory process Approved cleaning supplies Approved Vendors List Vendor Approval process Setting Par Levels Food and Beverage Recipe Vault
MARKETING	FACILITY MANAGEMENT
LSM Community Involvement Fund raisers Promotions	Cleaning Lists Preventative Maintenance Schedule Equipment Cleaning
HUMAN RESOURCE ISSUES	FINANCIAL MATTERS
Orientation Store transfers MSDS/Chemicals Food Safety Security	P&L Accounting Accounts Payable Gift Cards Credit Cards Counterfeit Bills Paid outs Voids/Refunds

- (5) Famous Dave’s will provide a written schedule of all foods, food items, beverages, furniture, fixtures, supplies, and equipment required for your Famous Dave’s® Restaurant (see Article 15 of the Franchise Agreement).

- (6) Famous Dave's will provide a list of the approved suppliers and distributors for the goods and services required by Famous Dave's for use in your Famous Dave's® Restaurant (see Articles 8 and 15 of the Franchise Agreement).
- (7) You must lease or purchase the computer hardware, computer peripherals and software, that meet the specifications and requirements set forth in the Manuals which will serve as, or integrate with, your point-of-sale system and other equipment and devices as required by Famous Dave's for your Restaurant business. You must purchase an integrated front-of-house and back-of-house POS system that includes terminals, guest check printers, a mechanism to communicate orders to the kitchen, and a mechanism for electronically accepting credit cards and gift cards which complies with then-current Payment Card Industry Payment Application Data Security Standards that is required by Famous Dave's. In addition, Famous Dave's will approve the required office and telecommunications equipment, and computer hardware, peripherals and software you use in your Famous Dave's® Restaurant (see Article 11 of the Franchise Agreement), which must include (a) a back-office personal computer for managing e-mail, composing and editing documents, running restaurant management applications, and web browsing; and (b) high-speed Internet connectivity with antivirus and data security software (as Famous Dave's specifies in the Manuals or otherwise in writing). Currently, these items cost approximately \$10,000 fully installed. You may be required to maintain and make periodic updates to the computer hardware, peripherals and software at an estimated annual average cost of \$5,000. Fax and telecommunications equipment, computer hardware and peripherals, maintenance agreement, and computer software and operating systems required for your Restaurant are all available through approved, designated or commercial office and telecommunications equipment, and computer hardware and software vendors. Famous Dave's reserves the right to have independent access to the information and data collected and generated by your computer system.
- (8) If you have a Restaurant that offers full service, counter service, or line service, Famous Dave's will provide access to a "grand opening celebration" package which will include advertising and promotional materials for your Famous Dave's® Restaurant (see Article 5 of the Franchise Agreement). For all types of Restaurants, you must spend a minimum of \$15,000 (or a higher amount as determined by Famous Dave's) on the grand opening celebration for your first Restaurant (see Item 7).

Generally, the opening of your Famous Dave's® Restaurant will take place within six months (for a conversion) and up to 24 months (for new construction) after you sign the Franchise Agreement. Factors which will affect your opening date include selecting the location for your Restaurant, whether your Restaurant will be operated out of a converted premises or newly constructed building, obtaining the required licenses, including the liquor licenses, the delivery and installation of your furniture, fixtures, décor and equipment, acquiring inventory and supplies, obtaining financing (if applicable), hiring and training your employees, and completing the training program. You must obtain authorization from Famous Dave's to open your Famous Dave's® Restaurant before you can commence business (see Article 10 of the Franchise Agreement and Article 6 of the Area Development Agreement).

Assistance During Operation of Restaurant - After Opening Of Your Famous Dave's® Restaurant:

- (1) Famous Dave's will provide additional training if, during the term of the Franchise Agreement, you hire a new member of your Management Staff who has not attended and successfully completed the Famous Dave's® training program. The training program will be conducted at a certified training Restaurant designated by Famous Dave's. You must pay the Salaries and Benefits, Travel Expenses and all other expenses for each new Management Staff member who attends the training program on your behalf (see Article 14 of the Franchise Agreement). Your Operating Partner and your General Manager must successfully complete the training program before managing your Restaurant.
- (2) Famous Dave's will make available to you basic business and accounting procedures through the training program and other materials. Famous Dave's will not charge you for such materials and information unless you seek Famous Dave's advice on business and accounting procedures at the Franchised Location (see Article 15 of the Franchise Agreement).
- (3) Famous Dave's will make advertising and marketing recommendations (see Article 15 of the Franchise Agreement). You must spend at least 1.5% of your quarterly and annual Revenues on approved local advertising (see Article 5 of the Franchise Agreement). If you fail to meet these minimum requirements, you will have to deposit with Famous Dave's the difference between what you should have spent and what you actually spent, which Famous Dave's will spend on advertising within your marketing area. Franchisees who operate more than one Famous Dave's® Restaurant may spend up to 50% of the required per-Restaurant amount on approved local advertising for any other Restaurant owned and operated by the same Franchisee in the market area. You may conduct advertising or promotion for your Famous Dave's® Restaurant if Famous Dave's has approved your advertising and promotion concepts, materials and media. You will not establish a Home Page (website) for your Restaurant without Famous Dave's consent. In addition, when Famous Dave's provides the Franchisee with access to the local restaurant template page (the "Subpage") on Famous Dave's public website (www.famousdaves.com) or another website maintained by Famous Dave's, the Franchisee will be required to maintain its own content and information on the Subpage consistent with the standards and specifications that Famous Dave's may set forth in the Manuals or otherwise. Finally, you may not use the words "Famous Dave's®" or any other Marks as any part of an email address, any domain name or, absent Famous Dave's prior approval, in any online medium, including social media networks such as Facebook, Twitter, LinkedIn, YouTube and the like.

When there are two or more independently owned or controlled Famous Dave's® Restaurants, including your Restaurant, in your DMA, you may be required by Famous Dave's to contribute Local Advertising Fees equal to 1.5% of your weekly Revenues for the preceding week to the Local Advertising Association (the "LAA") by Tuesday of each week. The weekly Local Advertising Fees paid by you to the LAA will meet your quarterly and annual local advertising requirements. The LAA will be governed and organized by the terms of the Franchise Agreement and administered by the "Members" of the LAA (see Article 5.6 of the Franchise Agreement). The Members of the LAA will include the franchised Famous Dave's® Restaurants and the Famous Dave's® Restaurants owned and operated by Famous Dave's in the DMA. Each Member will have

one vote for each franchised or company-owned Restaurant owned by it in the DMA. Famous Dave's can form, merge, dissolve or change the LAA.

The LAA will conduct advertising, promotion, marketing and public relations for the benefit of the Famous Dave's® Restaurants located in the DMA. The LAA will not conduct any advertising, promotion, marketing or public relations program or campaign for the Famous Dave's® Restaurants in the DMA until Famous Dave's has given the LAA written approval for all proposed concepts, materials or media. The LAA will provide a written summary of the Members' contributions to the LAA and an accurate accounting of the LAA's expenditures for approved local advertising and promotion to Famous Dave's and its Members as set forth in the Manuals or otherwise.

Famous Dave's has established one or more local, regional, national or international marketing funds (collectively, the "Fund") which will be administered and controlled by Famous Dave's (see Article 5 of the Franchise Agreement). You will contribute 1% of your weekly Revenues to the Fund (see Item 6). Famous Dave's will deposit 1% of the weekly Revenues generated by the company-owned Restaurants and payments made to Famous Dave's by certain suppliers for marketing support into the Fund (see Item 8). Not all franchisees contribute to the Fund or contribute to the Fund at the same rate.

Famous Dave's will determine how and where the payments deposited into the Fund will be spent. This includes the right of Famous Dave's to purchase and pay for product and market research, production development, production of point-of-purchase materials, ads, brochures, radio and television commercial production costs, services provided by advertising agencies, in-store advertising, signs, public relations, telemarketing, direct mail advertising, online media, promotional programs, advertising market research, graphics and design costs, creation and maintenance of a Home Page or website, Internet costs, miscellaneous advertising costs, other costs and expenses as Famous Dave's deems appropriate and in the best interests of all Famous Dave's® Restaurants and the Restaurant System, and local, regional, national and/or the Restaurant System wide promotional programs and advertising. All costs for the administration of the Fund, collection costs and office supplies will be paid from the Fund (including attorneys' fees paid in collecting past due Marketing Fund Fees).

Famous Dave's does not have to spend the monies in the Fund in any particular market and will not have to spend the Marketing Fund Fees in your market area in proportion to the Marketing Fund Fees paid by you. Famous Dave's does not have to spend the funds in the Fund in the calendar year in which the payments were made. Payments to the Fund not spent in the calendar year in which they were paid and the interest accrued will remain in the Fund. Famous Dave's will not use the monies in the Fund for the direct solicitation of prospective franchisees. The Fund is not a trust or escrow account, and Famous Dave's does not have any fiduciary obligations regarding the Fund. A summary showing the income to and the expenditures from the Fund during each calendar year will be prepared by Famous Dave's, and copies of the summary will, upon written request, be provided to you on a confidential basis once per year. During the last fiscal year, the expenditures from the Fund were made in the following areas:

Production costs	65.21%
Media placement	9.7%
Professional Fees (Media, PR, Legal)	9.7%
Innovation	13.660%
Miscellaneous	1.830%
	<u>100.0%</u>

To the extent there are amounts paid into the Fund in prior years that were not spent in the prior year, they are available for expenditure in future years.

- (4) Famous Dave's will periodically visit and review your Restaurant and render written reports if deemed appropriate by Famous Dave's (see Article 15 of the Franchise Agreement).
- (5) Famous Dave's will legally protect the Marks and the Restaurant System (see Article 13 of the Franchise Agreement).
- (6) Famous Dave's may develop and register new Marks (see Article 13 of the Franchise Agreement).
- (7) Famous Dave's will provide advisory services by telephone or in writing (see Article 15 of the Franchise Agreement).
- (8) Famous Dave's will furnish a sample Famous Dave's® menu and modifications to the sample menu and all supplements and modifications to the Manuals (see Articles 9 and 15 of the Franchise Agreement).
- (9) Famous Dave's will provide the names and addresses of newly approved and designated suppliers for the products and services required by Famous Dave's to be used in your Famous Dave's® Restaurant (see Articles 8 and 15 of the Franchise Agreement).

12. TERRITORY

If you sign a Franchise Agreement, you will operate out of a single "Franchised Location," except in the event the authorized restaurant type includes a Cloud Kitchen and/or Add-On Ghost Kitchen, then you also will receive a "Designated Area" within which to operate the Restaurant. ~~within a "Designated Area."~~ You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that Famous Dave's owns, or from other channels of distribution or competitive brands that Famous Dave's controls. Your Designated Area will consist of a geographical area surrounding the Franchised Location, the specific size of which will be determined by Famous Dave's with reference to market research materials and the service model you open. The precise boundaries of your Designated Area may be identified with reference to (1) a radius, roadways, natural and/or man-made landmarks, or any other identifiers Famous Dave's chooses; or (2) an area determined by Famous Dave's in its sole business judgment if Famous Dave's believes the requirements noted above do not apply, such as in more rural market areas.

The precise Designated Area for your Restaurant will be specified in an exhibit to the Franchise Agreement.

Your Designated Area typically will consist of one or more cities or counties. You are not restricted from soliciting or accepting orders outside your Designated Area, but you may not sell any of the products or services offered in connection with your Restaurant on a wholesale basis, at any location other than your Restaurant, or through the Internet, catalog, mail order and telemarketing, or any other method of sales or distribution. The continuation of your Designated Area is not dependent upon your achieving a certain sales volume, market penetration, or any other contingency. The Franchise Agreement does not grant any options, rights of first refusal, or similar rights to you for the acquisition of additional franchises within your Designated Area or contiguous areas.

If you operate an add-on ghost kitchen or cloud kitchen, you will be able to offer and sell delivery services within the ~~geographic Designated Area~~ where that the third-party designated service partners are willing to conduct delivery services for you, and if you offer self-delivery with Famous Dave's prior written consent, then you can conduct self-delivery within the Designated Area if applicable.

If you enter into an Area Development Agreement with Famous Dave's, you will receive the right to develop and operate Famous Dave's® Restaurants in a specified geographic area called a "Territory." The Territory typically consists of one or more cities or market areas and will be delineated by roadways, county lines, natural and/or man-made landmarks, or any other identifiers Famous Dave's designates, which form the boundaries of the Territory. Before you sign the Area Development Agreement, a description of the Territory will be placed in the Area Development Agreement and a map of the Territory may also be attached. The size of the Territory and the number of Famous Dave's® Restaurants you will develop within the Territory are determined by the population of the Territory and its market potential, taking into account demographics, economics, the business climate, competition and other relevant factors. Your Territory may not be altered or relocated during the term of the Area Development Agreement. You must meet the Development Schedule in the Area Development Agreement or you will lose your right to continue to develop Famous Dave's® Restaurants in the Territory. Otherwise, the continuation of your Territory is not dependent upon your achieving a certain sales volume, market penetration or any other contingency. The Area Development Agreement does not grant any options, rights of first refusal or similar rights to you for the acquisition of additional development rights in your Territory or contiguous areas.

Famous Dave's will not franchise, license, develop, own, or operate another Famous Dave's® Restaurant in your Designated Area if you sign a Franchise Agreement, or in your Territory if you sign an Area Development Agreement. However, Famous Dave's has the absolute right to: (1) develop other restaurant business concepts under other brand names even if the locations for the concept are within your Designated Area or Territory; (2) develop Famous Dave's® Restaurants in your Designated Area or Territory if they are located at or within an airport, a train station or other mass transit facility, a theme or entertainment park, or a stadium or arena or other venue for semi-professional or professional sports, a military installation, within the boundaries of an Indian reservation, or at a school, college, university or hospital or other similar captive market venues; (3) if you open a ghost kitchen, we have the right to reduce or terminate the franchise agreement if any brick and mortar service model wishes to enter that Designated Area or Territory; (4)

develop other food service businesses using the Marks, menu and Restaurant System concepts, so long as they are not Famous Dave's® Restaurants; (5) market, distribute, and sell or license for sale, on a wholesale or retail basis, seasonings, sauces, food products including beans, meats, poultry and fish (in cooked or uncooked form), biscuit and muffin mixes, music (on compact discs or in other media), clothing, or any other food products or other goods under any of the Marks, by direct sale, the Internet, mail order, infomercials, telemarketing, or by any other marketing or distribution method, even if the sales are made by distributors or retailers who are located in your Designated Area or Territory; and (6) advertise, promote, and participate in special promotions in your Designated Area or Territory, including "Ribfests," cooking, recipe or restaurant competitions.

Famous Dave's is not required to pay you if it exercises any of the rights specified above inside your Designated Area or Territory.

In addition to the franchised brands listed in Item 1, our affiliates also own and operate restaurant concepts which are not franchised. Another of our affiliates, BBQ Ventures, Inc., owns a concept called Real Urban Barbecue. Real Urban Barbecue is also a barbecue restaurant. Real Urban Barbecue does not have a registered trademark, but it has certain common law rights to the mark "Real Urban Barbecue" and other marks. There are currently two Real Urban Barbecue restaurants, which are both located in Illinois, and operated by BBQ Ventures, Inc. Additional locations may open at any time. BBQ Ventures, Inc. has never operated franchises in any line of business, and there are currently no plans to franchise the Real Urban Barbecue concept. Famous Dave and its affiliates have the absolute right to develop other restaurant business concepts under other brand names, like Real Urban Barbecue, even if the locations for the concept are located within your Designated Area or Territory.

13. TRADEMARKS

Under the Franchise Agreement, Famous Dave's licenses you to operate your Restaurant under the name "Famous Dave's®" and to use certain other current and future Marks. You may only use the Marks in the manner authorized in writing by Famous Dave's. You may not use any of the Marks as part of your corporate or other name. You must also follow the instructions of Famous Dave's for identifying yourself and for filing and maintaining the requisite trade name or fictitious name registrations.

The following are the primary Marks used by Famous Dave's in commerce that have been registered on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

Mark	Registration No./Serial No.	Registration Date/Filing Date
	2,364,913	07/04/00
	2,360,550	06/20/00
FAMOUS DAVE'S (SM)	2,457,218	06/05/01
FAMOUS DAVE'S (TM)	2,461,570	06/19/01
	3,271,978	07/31/07
FAMOUS DAVE'S QUICK QUE (SM)	6,720,294	05/03/2022
	6,720,293	05/03/2022
	90,557,228	03/03/21

In addition to the above-referenced Marks, Famous Dave's makes use of other trademarks, service marks, tag lines, and slogans, from time to time, in which it claims intellectual property ownership. The Marks are not registered in any state. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator in any state or any court, no pending infringement or opposition proceeding, and no pending material litigation involving the Marks. The Marks are owned by Famous Dave's. There are no agreements currently in effect which significantly limit the rights of Famous Dave's to use or license the use of the Marks in any manner material to you. Famous Dave's has no actual knowledge of any prior or infringing uses that could materially affect your use of the Marks in your particular market.

You must provide Famous Dave's with written notice of any claims made against or associated with the Marks. Famous Dave's is obligated under the Franchise Agreement to protect your right to use the Marks and other related rights and to protect you against claims of infringement and unfair competition with respect to the Marks. However, if anyone establishes to the satisfaction of Famous Dave's that its rights are, for any legal reason, superior to the rights of Famous Dave's as to any of the Marks, then you must use the variances or other service marks, trademarks or trade names required by Famous Dave's to avoid a conflict with the superior rights.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Famous Dave's does not own any patents and there are no pending patent applications that are material to the franchised business. Famous Dave's has copyrighted or will copyright advertising copy and design, menu and menu designs, training videotapes, workbooks, the Manuals, and other written materials and items. Famous Dave's has not applied to the U. S. Copyright Office to register these copyrights.

You must keep confidential the Manuals, any supplements to the Manuals, and any other manuals or written materials used in your Famous Dave's[®] Restaurant. The Manuals contain information about the Restaurant System and recipes and cooking techniques developed by Famous Dave's. Famous Dave's considers this information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and to prevent any unauthorized duplication or reproduction of this information.

You should immediately inform Famous Dave's if you learn of any unauthorized use or infringement of, or challenge to, the copyrighted materials or any of the proprietary or confidential information. Famous Dave's will take the action it deems appropriate, in its sole discretion. If anyone establishes to the satisfaction of Famous Dave's that its rights to the materials are superior, then you must modify or discontinue your use of the materials as required by Famous Dave's.

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

Your Operating Partner is required to have at least a 20% ownership interest in the entity that is the Franchisee and participate full time in the operation of your Famous Dave's[®] Restaurant. If

you enter into an Area Development Agreement for at least six Famous Dave's® Restaurants, then you may employ a Multi-Unit Manager who will work full time in the operations of your Famous Dave's® Restaurants, but is not required to have any ownership interest in the Franchisee. You and each Management Staff member you employ must successfully complete the training program. Your employees do not have to own an equity interest in your Famous Dave's® Restaurant. Your Restaurant must be open during the business hours as specified in the Manuals.

The operating company responsible for operating and managing your Famous Dave's® Restaurant, or the Restaurants you develop under an Area Development Agreement, must be dedicated solely to developing and operating Famous Dave's® Restaurants, and may not hold any interest in, operate, or manage any other business without the prior written approval of Famous Dave's.

If the party entering into the Franchise Agreement with Famous Dave's is not an individual, then you must personally guarantee all of the obligations to Famous Dave's under the Franchise Agreement. You must also agree that during the term of the Agreement you will not participate in any competitive business, and that for one year after the expiration or termination of the Agreement you will not participate in any competitive business located within five miles of your Restaurant(s) or any other Famous Dave's® Restaurant or within any exclusive area granted by Famous Dave's. These covenants not to compete also apply to the Personal Guarantors and, if the Franchisee is not an individual, to the Franchisee's Owners.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the foods, beverages, food products, clothing, services, and other items ("products and services") specified or approved by Famous Dave's in writing. Selling products and services that have not been specified or approved by Famous Dave's is a material breach of the Franchise Agreement and is grounds for the termination of the Franchise Agreement. You must sell the products and services required by Famous Dave's. Famous Dave's can change the products and services that you must offer. There is no limitation on the right of Famous Dave's to change the products and services offered by Famous Dave's® Restaurants. Except as disclosed below, Famous Dave's does not impose any restrictions or conditions that limit your access to customers, except that you may not sell any of the products or services offered in connection with your Restaurant on a wholesale basis, at any location other than your Restaurant, or through the Internet (including all current and future forms of social media networks), catalogue, mail order, telemarketing, or any other method of sales or distribution (see Article 8 of the Franchise Agreement). Additionally, add-on ghost kitchens and cloud kitchens may only offer and sell the products and services through delivery and to-go services, and may not offer or conduct any form of dine-in services to customers at the premises of the add-on ghost kitchen or cloud kitchen.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Franchise Agreement

Provision	Article in Franchise Agreement	Summary
a. Term of the Franchise	3.1	<p><u>For a new or existing non-operating Famous Dave’s Restaurant: (i) 10 years from the Required Opening Date- date of the Restaurant opens to the public if you own the property or enter into a lease directly with the landlord or other third party where the Famous Dave’s Restaurant is located; or (ii) if you enter into a sublease with one of Famous Dave’s affiliates, the expiration of the term of the sublease for the franchised location, excluding any extensions or renewals. For an existing and operating Famous Dave’s Restaurant: (i) 10 years from the effective date of the franchise agreement if you own the property or enter into a lease directly with the landlord or other third party where the Famous Dave’s Restaurant is located; or (ii) if you enter into a sublease with one of Famous Dave’s affiliates, the expiration of the term of the sublease for the franchised location, excluding any extensions or renewals.</u></p>
b. Renewal or extension of the term	3.2	<p>Right to reacquire for a period of two<u>one</u> additional periods of 10 years.</p>
c. Requirements for you to renew or extend	3.2	<p>You must give 180 days’ notice; have complied with all material terms and conditions of your current Franchise Agreement; paid all monetary obligations owed to Famous Dave’s and timely met your obligations to Famous Dave’s during the term of the Franchise Agreement; agreed in writing to remodel your Franchised Location; have the right to continue to occupy the Franchised Location; you and your Management Staff have been retrained; sign the then-current standard Franchise Agreement; pay the Reacquisition Fee. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you must sign a new Franchise</p>

Provision	Article in Franchise Agreement	Summary
		Agreement that may contain terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements and territorial rights.
d. Termination by you	18.1, 18.2, 18.4	If Famous Dave’s violates any material provision, term or condition of the Franchise Agreement, or fails to timely pay any material uncontested obligation due or owing to you, you may terminate the Franchise Agreement on any grounds available by law.
e. Termination by Famous Dave’s without cause	Not Applicable	
f. Termination by Famous Dave’s with cause	17.1, 17.2, 17.4	If you breach the Franchise Agreement.
g. “Cause” defined - defaults which can be cured	17.4	You will have 30 <u>fourteen (14)</u> days to cure a breach not listed in Articles 17.1 and 17.2 of the Franchise Agreement, <u>except the lesser periods of (i) you will have five <u>seven (7)</u> business days to cure a failure to pay any fees due to Famous Dave’s; (ii) <u>forty-eight (48)</u> hours to cure a failure to participate in any limited time product offering, value offering, contest, promotion or charity event; (iii) <u>twenty-four (24)</u> hours to cure a violation of any law, regulation, order or standards for health, sanitation or safety, or if you cease to operate the restaurant for a 48-hour period without our written consent, or if you post any defamatory or offensive comments on any website, page, post, blog or other social media site; and (iv) immediate cure (less than 24 hours) if you post any inappropriate public displays of affection, our or other confidential information or materials, violations of health or safety standards, foul or obscene language, or any images or information about any persons you did not receive prior written consent.</u>
h. “Cause” defined - defaults which cannot be cured	17.1, 17.2	Famous Dave’s has the right (subject to applicable state law) to immediately terminate the Franchise Agreement upon notice -if you: or any of your current directors, officers, or majority Owners are convicted or plead guilty to a charge of violating any law that could have a material adverse effect on the Marks and/or your Restaurant; are deemed

		<p>insolvent, any involuntary petition for bankruptcy is filed against you, or you file for bankruptcy or are adjudicated a bankrupt; make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of your assets for the benefit of creditors; voluntarily or otherwise abandon the Restaurant; fail or refuse to provide the Financial Records or to produce and permit Famous Dave's to audit your Financial Records; are involved in any act or conduct which materially impairs the goodwill associated with the Marks or the Restaurant System, and you fail to correct the breach within 24 hours; violate any provision, term or condition of the Franchise Agreement three or more times during any 12-month period; provide any required or other financial, personal, or other information to Famous Dave's that is materially false, misleading, incomplete, or inaccurate; have not purchased or leased a site for the Franchised Location within 90 days after the date of the Franchise Agreement; have not obtained a valid license for the service of food before the Restaurant is scheduled to open; have not obtained a valid liquor license before the Restaurant is scheduled to open; or any member of the Management Staff has not completed the initial training program before opening of the Restaurant; have not opened the Restaurant by the Required Opening Date; are in an ongoing condition of financial impairment for more than 30 days which impairs your ability to fulfill the obligations of the Franchise Agreement; are evicted from the Franchised Location; have your food service license or liquor license for the Restaurant is canceled for any reason; repeatedly fails to comply with <u>fail to timely pay the fees, rents, or any other monetary obligations or fees due and payable under the Franchise Agreement, whether or not subsequently cured; having twice previously cured a default under the Franchise Agreement and commits the default again; or engages in trademark misuse or otherwise materially misuses or makes an unauthorized use of any of the restaurant system or commits any other act which does, or can be reasonably be expensed to, materially impair the goodwill or reputation associated with any aspect of the restaurant system</u> fail to timely pay any other uncontested obligations or liabilities; or issue any check or any</p>
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Provision	Article in Franchise Agreement	Summary
		electronic transfer of funds which is dishonored because of insufficient funds or closed accounts and either the failure or event of dishonor is not fully corrected within five business days; or any of the failures or dishonors have occurred three times in any 12-month period.
i. Your obligations on termination or non-renewal	19	You must pay what you owe under the Franchise Agreement within five days of termination; immediately return all printed materials relating to the Restaurant; cease using the Marks and the Restaurant System; alter the appearance of your Franchised Location; transfer your telephone directory listings to Famous Dave's.
j. Assignment of the contract by Famous Dave's	16.1	No restrictions on the right of Famous Dave's to assign the Franchise Agreement; the assignee is required to fully perform all obligations of Famous Dave's under the Franchise Agreement.
k. "Transfer" by you - definition	16.2, 16.3, 16.4	Includes assignment in the event of death or disability, sale of ownership interests, and assignment of rights under the Franchise Agreement.
l. Approval of Famous Dave's of a transfer by you	16.3	Famous Dave's has the right to approve any assignment made by you but will not unreasonably withhold its consent.
m. Conditions for approval by Famous Dave's of a transfer by you	16.3	You must provide Famous Dave's with 45 days written notice of the assignment; pay all money owed to Famous Dave's; agree to observe all applicable provisions of the Franchise Agreement; sign a joint and mutual <u>general</u> release between you and Famous Dave's; pay the Assignment Fee. The assignee must meet the standards established by Famous Dave's for franchisees; sign the required legal agreements between the assignee and Famous Dave's; acquire the right to occupy the Franchised Location; acquire a valid food service and liquor license; successfully complete training; <u>completes all required remodeling and improvements and upgrading equipment and devices; agreement not to assert any security interest, lien, right or claim in the Restaurant.</u>
n. Right of first refusal of Famous Dave's to acquire your business	20	You must offer the Restaurant to Famous Dave's if you receive a bona fide offer to purchase.

Provision	Article in Franchise Agreement	Summary
o. Option of Famous Dave's to purchase your business	20	Famous Dave's has the option to purchase at the price and terms stated in the offer.
p. Your death or disability	16.2	If you are an individual, your Franchise Agreement may be transferred to your beneficiary without paying an Assignment Fee to Famous Dave's, subject to the requirements described in "m" above.
q. Noncompetition covenants during the term of the Franchise Agreement	21.2	You may not participate in any food service business that Famous Dave's determines serves the same general range of consumer demand (regardless of menu) as a Famous Dave's® Restaurant.
r. Noncompetition covenants after the Franchise Agreement is terminated or expires	21.3	For a period of 12 months after the termination or expiration of your Franchise Agreement, you may not participate in any food service business that Famous Dave's determines serves the same general range of consumer demand (regardless of menu) as a Famous Dave's® Restaurant that is within: (i) five miles of the Franchised Location or any other Famous Dave's® Restaurant, or within any exclusive area granted by Famous Dave's; or (ii) ten miles of the Franchised Location or any other Famous Dave's® Restaurant, or within any exclusive area granted by Famous Dave's, if you operate an add-on ghost kitchen or cloud kitchen.
s. Modification of the agreement	29.2	Only by written agreement between you and Famous Dave's.
t. Integration/merger clauses	29.1	The Franchise Agreement and System standards in the Manuals are binding (subject to applicable law). Any statements or promises not in the Franchise Agreement or this Disclosure Document should not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration or mediation	23	Except for certain claims, all disputes are subject to the dispute resolution provisions of Article 23.
v. Choice of forum	23.8, 24.10	Minnesota (subject to applicable state law).
w. Choice of law	27.1	Governing law will be the laws of the state in which the Restaurant is located.

Area Development Agreement

Provision	Article in Area Development Agreement	Summary
a. Term of the Area Development Agreement	3	To be determined by you and Famous Dave's.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	You may terminate the Area Development Agreement on any grounds available by law.
e. Termination by Famous Dave's without cause	Not Applicable	Not Applicable
f. Termination by Famous Dave's with cause	9.1-9.4, 9.6	If you breach the Area Development Agreement.
g. "Cause" defined - defaults which can be cured	9.4	You will have 30 days to cure a breach not listed in Articles 9.1 and 9.2 of the Franchise Agreement. You will have five business days to cure a failure to pay any fees due to Famous Dave's.

Provision	Article in Area Development Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	9.1, 9.2	Famous Dave's has the right (subject to applicable state law) to terminate the Area Development Agreement immediately upon notice if you: or any of your current directors, officers, or majority Owners are convicted or plead guilty to a charge of violating any law that could have a material adverse effect on the Marks and/or your Restaurants; are deemed insolvent, any involuntary petition for bankruptcy is filed against you, or you file for bankruptcy or are adjudicated a bankrupt; make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of your assets for the benefit of creditors; fail or refuse to provide the Financial Records or to produce and permit Famous Dave's to audit your Financial Records; are involved in any act or conduct which materially impairs the goodwill associated with the Marks or the Restaurant System, and you fail to correct the breach within 24 hours; violate any provision, term or condition of the Area Development Agreement three or more times during any 12-month period; provide any required or other financial, personal, or other information to Famous Dave's that is materially false, misleading, incomplete, or inaccurate; are in an ongoing condition of financial impairment for more than 30 days which impairs your ability to fulfill the obligations of the Area Development Agreement; fail to timely pay the fees, rents, or any other monetary obligations or fees due and payable under the Area Development Agreement; fail to timely pay any other uncontested obligations or liabilities, or issue any check or any electronic transfer of funds which is dishonored because of insufficient funds or closed accounts and either the failure or event of dishonor is not fully corrected within five business days, or any of the failures or dishonors have occurred three times in any 12-month period; fail to comply with the Development Schedule; breach any Franchise Agreement or other agreement with Famous Dave's or an affiliate; or any Franchise Agreement with Famous Dave's is terminated for any reason.
i. Your obligations on termination or non-renewal	10	You must pay what you owe under the Area Development Agreement and all Franchise Agreements; your rights under the Area Development Agreement revert to Famous Dave's; you must continue to operate the Restaurants you opened before termination of the Area Development Agreement.

Provision	Article in Area Development Agreement	Summary
j. Assignment of the contract by Famous Dave's	8.1	No restrictions on the right of Famous Dave's to assign the Area Development Agreement.
k. "Transfer" by you - definition	8.2, 8.3, 8.4	Includes assignment in the event of death or disability, sale of ownership interests, and assignment of rights under the Area Development Agreement.
l. Approval of Famous Dave's of a transfer by you	8.3	Famous Dave's has the right to approve any assignment made by you but will not unreasonably withhold its consent.
m. Conditions for approval by Famous Dave's of a transfer by you	8.3, 8.6	You must provide Famous Dave's with 45 days written notice of the assignment; pay all money owed to Famous Dave's; agree to observe all applicable provisions of the Area Development Agreement; sign a joint and mutual release between you and Famous Dave's; pay the Assignment Fee. The assignee must meet the standards established by Famous Dave's for area developers; sign the legal agreements between the assignee and Famous Dave's; successfully complete training.
n. Right of first refusal of Famous Dave's to acquire your business	11.1	You must offer the Area Development Agreement and your ownership interests to Famous Dave's if you receive a bona fide offer to purchase.
o. Option of Famous Dave's to purchase your business	11.1	Famous Dave's has the option to purchase at the price and terms stated in the offer.
p. Your death or disability	8.2	If you are an individual, your Area Development Agreement may be assigned to your beneficiary without paying an Assignment Fee to Famous Dave's, subject to the requirements described in "m" above.
q. Noncompetition covenants during the term of the Area Development Agreement	12.2	You may not participate in any food service business that Famous Dave's determines serves the same general range of consumer demand (regardless of menu) as a Famous Dave's® Restaurant.
r. Noncompetition covenants after the Area Development Agreement is terminated or expires	12.3	For a period of 12 months after the termination of your Franchise Agreement, you may not participate in any food service business that Famous Dave's determines serves the same general range of consumer demand (regardless of menu) as a Famous Dave's® Restaurant that is located in or within five miles of the Territory or any other Famous Dave's® Restaurant, or within any territory granted by Famous Dave's.
s. Modification of the agreement	20.2	Only by written agreement between you and Famous Dave's.

Provision	Article in Area Development Agreement	Summary
t. Integration/merger clauses	20.1	The Area Development Agreement and System standards in the Manuals are binding (subject to applicable law). Any statements or promises not in the Area Development Agreement or this Disclosure Document should not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration or mediation	14	Except for certain claims, all disputes are subject to the dispute resolution provisions of Article 14.
v. Choice of forum	14.8, 15.10	Minnesota (subject to applicable state law).
w. Choice of law	18	Governing law will be the laws of the state in which the Territory is located.

18. PUBLIC FIGURES

Famous Dave’s does not currently use any public figure to promote its franchise. No public figure is involved in the management of Famous Dave’s.

19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Unless otherwise indicated, the financial information in this Item was compiled from 34 company-owned (excludes corporate-owned ghost kitchen outlets) and 68 franchised Famous Dave’s® Restaurants (excludes franchised ghost kitchen outlets) open for the entire fiscal year in the United States.

The company-owned Famous Dave’s® Restaurants included in this Item are substantially similar to franchised Famous Dave’s® Restaurants, that offered line service, full service, counter service, or line service. However, the revenues, expenses and profitability of your Restaurant or Ghost Kitchen will be directly affected by factors which include the Restaurant’s geographic location; competition in the market; presence of other restaurants; the quality of both management and service at the Restaurant or Ghost Kitchen; contractual relationships with lessors and vendors; the extent to which you finance the operation of your Restaurant or Ghost Kitchen; your legal, accounting and other professional fees; federal, state and local income taxes, gross profits taxes or other taxes; discretionary expenditures; accounting methods used; certain benefits and economies of scale which Famous Dave’s may derive as a result of operating restaurants on a consolidated

basis; and the fees payable to Famous Dave's by franchised Famous Dave's® Restaurants or Ghost Kitchens. See Items 5 and 6 for information on the fees you must pay under the Franchise Agreement and the Area Development Agreement.

**Net Revenues⁽¹⁾ for Systemwide Restaurants
for the 2022~~3~~ Fiscal Year Ended November 30, 2022~~3~~**

Company-Owned and Franchised Restaurants	Total/Average
System-wide Restaurant Average Net Revenues	\$2,401,356
System-wide Restaurant Median Net Revenues	\$2,544,829
System-wide Number of Restaurants	119
Number Above/Below Average Net Revenues	65 / 54
Number Above/Below Median Net Revenues	59 / 60
Low/High Net Revenues	\$20,076 / \$6,723,415

**Net Revenues⁽¹⁾ for Franchised Restaurants
During the 2022~~3~~ Fiscal Year Ended November 30, 2022~~3~~**

	Total/Average
Total Number of Franchised Restaurants	87
Average Annual Franchised Restaurant Net Revenues	\$2,279,942
Median Annual Franchised Restaurant Net Revenues	\$2,701,327
Number Above/Below the Average Annual Franchised Restaurant Net Revenues	48 / 39

Number Above/Below the Average Median Franchised Restaurant Net Revenues	43 / 44
Low/High Annual Franchised Restaurant Net Revenues	\$20,076 / \$6,723,415

Net Revenues⁽¹⁾ for Company-Owned Restaurants for the 202~~23~~3 Fiscal Year Ended November 30, 202~~23~~3

Company-Owned Restaurants	Total/Average
Total Number of Company-Owned	32
Average Restaurant Net Revenues	\$2,731,451
Median Net Revenues	\$2,528,714
Number Above/Below the Average	14 / 18
Number Above/Below the Average Median	16 / 16
Low/High Annual Franchised Restaurant Net Revenues	\$1,195,463 / \$4,929,467

Notes:

Percentages other than number of restaurants are as a percentage of restaurant revenues, net.

⁽¹⁾ Includes food, liquor, and merchandise sales, net of discounts for both full-service and counter company-owned and franchised Restaurants open all of fiscal 2023.

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

The revenue figures contained in this Item do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised Famous Dave's® Restaurant. Furthermore, if you decide to operate a ghost-kitchen, the amounts above will likely be materially different than the results of a ghost kitchen. The

franchisees listed in Exhibit E-1 of this Disclosure Document may be one source of this information.

For each franchisee-owned restaurant, we compiled the figures for these financial performance representations using historical information that franchisees report to us. Please be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form. For each company-owned Restaurant, these figures utilized a uniform accounting system and the data was prepared on a basis consistent with generally accepted accounting principles during the covered period. The information contained in this Item has not been audited.

This information is provided as reference information only for your use with other information. Famous Dave's urges you to consult with your financial, business, tax, accounting and legal advisors about the information contained in this Item.

Famous Dave's will provide written substantiation of the data used to prepare the information contained in this Item upon your reasonable request.

Other than the above financial performance representation, Famous Dave's does not make any financial performance representations. Famous Dave's also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, Famous Dave's may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to Famous Dave's management by contacting ~~John Wuycheek~~ Legal Department, 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164 9311 E. Via de Ventura, Scottsdale, Arizona 85258, (952) 480-2943 62-1300-4800, the Federal Trade Commission, and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2021	90	97	7
	2022	97	92	-5
	2023	92	81	-11
Company-Owned	2021	32	29	-3
	2022	29	36	7
	2023	36	35	-1
Total Outlets (1)	2021	122	126	4
	2022	126	128	2
	2023	128	116	-12

(1) As of November 2023, 2022, and 2021.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
California	2021	0
	2022	0
	2023	0
Kentucky	2021	0
	2022	0
	2023	0
Totals (1)(2)	2021	0
	2022	0
	2023	0

Note:

- (1) As of November 202~~23~~, 202~~2~~, and 202~~1~~.
- (2) States not listed had no transfer activity to report during the relevant time period.

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Arizona	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
California	2021	13	1	0	0	0	0	14
	2022	14	1	0	0	0	0	15
	2023	15	0	0	0	0	2	13
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Delaware	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0

	2023	0	0	0	0	0	0	0
Florida	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Idaho	2021	0	3	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Illinois	2021	8	0	0	0	0	1	7
	2022	7	0	0	0	0	2	5
	2023	5	0	0	0	0	1	4
Indiana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Iowa	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021	1	1	0	0	1	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Louisiana	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Maine	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Maryland	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Michigan	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4

Minnesota	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Missouri	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Montana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Nebraska	2021	3	0	0	0	0	1	2
	2022	2	0	0	0	2	0	0
	2023	0	0	0	0	0	0	0
Nevada	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
New Jersey	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
North Dakota	2021	3	0	0	0	0	1	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	1	2
Ohio	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Puerto Rico	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2021	1	0	0	0	0	0	1

South Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	3	0	0	0	3	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Texas	2021	4	8	0	0	0	0	12
	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	2	10
Utah	2021	3	0	0	0	0	1	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	2	1
Virginia	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Washington	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Wisconsin	2021	6	0	0	0	0	1	5
	2022	5	0	0	0	1	0	4
	2023	4	0	0	0	0	1	3
Totals	2021	90	17	0	0	4	6	97
	2022	97	4	0	0	3	6	92
	2023	92	0	0	0	0	11	81

Notes:

- (1) As of November 2023, 2022, and 2021. If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.
- (2) States not listed had no franchised activity to report during the relevant time period.

Table No. 4
Status of Company-Owned Outlets
For Years 20201 to 20223

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Arizona	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
Colorado	2021	5	0	0	1	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
Illinois	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Indiana (2)	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
Iowa (2)	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Kentucky	2021	1	0	0	1	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Michigan	2021	3	0	0	1	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Minnesota	2021	10	2	0	2	0	10
	2022	10	0	0	1	0	9
	2023	9	0	0	0	0	9
Missouri (2)	2021	0	1	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
Nebraska	2021	0	0	0	0	0	0
	2022	0	0	2	0	0	2
	2023	2	0	0	0	0	2
New Jersey	2021	2	0	0	1	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
New York	2021	1	0	0	0	0	1

	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Ohio	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Tennessee	2021	0	0	0	0	0	0
	2022	0	0	3	0	0	3
	2023	3	0	0	0	0	3
Wisconsin	2021	3	0	0	0	0	3
	2022	3	0	1	0	0	4
	2023	4	0	0	0	0	4
Totals	2021	32	3	0	6	0	29
	2022	29	1	7	1	0	36
	2023	36	0	0	1	0	35

Notes:

- (1) As of As of November 2023, 2024², and 2020¹. States not listed had no corporate activity to report during the relevant time period.
- (2) During 2024³, Famous Dave's opened a ghost kitchen in this state.

Table No. 5
Projected Openings for Upcoming Fiscal Year⁽¹⁾

State	Franchise Agreements Signed But Not Opened (1)	Projected New Franchised Outlets in Next Fiscal Year (2)(3)	Projected New Company-Owned Outlets in Next Fiscal Year (2)
Florida	1	1	0
Total	1	1	0

Notes:

- (1) As of November 30, 2023³; these Franchise Agreements are listed in Exhibit E-1.
- (2) By November 30, 2024.
- (3) Includes the signed Franchise Agreements listed in the preceding column of this Table.

Exhibit E-1 lists the names of all of Famous Dave's operating franchisees and area developers, as well as the addresses and telephone numbers of their Restaurants as of November 30, 2023³. Exhibit E-1 also lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee/area developer who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business

under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with Famous Dave's within 10 weeks of the issuance date of this Disclosure Document.

Exhibit E-2 lists all the Famous Dave's® Restaurants owned by Famous Dave's as of November 30, 202~~2~~3.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience with Famous Dave's. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The Franchise Advisory Board is sponsored by Famous Dave's, but its members are nominated by franchisees. The Franchise Advisory Board can be reached at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, (952) 294-1300.

21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B-1 are the audited consolidated financial statements of Franchisor's parent company, MTY Franchising USA, Inc. ("Guarantor") for the fiscal years ended November 30, 202~~2~~3, 202~~1~~2, and ~~2020~~for the fiscal years ended on November 30, 2022, 2021 and 2020.

Guarantor absolutely and unconditionally guarantees to assume the duties and obligations of Franchisor under its franchise registration in each state where the franchise is registered, and under the Franchise Agreement, 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 guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns. (See Exhibit B-2: Guarantee of Performance).

22. CONTRACTS

Attached to this Franchise Disclosure Document are the following exhibits:

- Exhibit C: Franchise Agreement
- Exhibit D: Area Development Agreement
- Exhibit F: Form of Release Agreement

23. RECEIPTS

Exhibit G to this Disclosure Document is a detachable Receipt.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

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

Item 3 is amended by the addition of the following language:

Neither Famous Dave's nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchise concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following). The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur at Minneapolis, Minnesota with the costs being borne by you if Famous Dave's prevails. 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 Procedures Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

Section 31125 of the Franchise Investment Law requires Famous Dave's to give to you a disclosure document approved by the California Department of Business Oversight before Famous Dave's asks you to consider a material modification of your Franchise Agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Sections 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516.) Business and Professions Code Section 200010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

If Famous Dave's negotiates the terms of a Franchise Agreement for a Famous Dave's Restaurant in California, a copy of the Notice of Negotiated Sale of Franchise will be made available for your review upon written request to the attention of "Legal Department" at the address and telephone number of Famous Dave's disclosed on the cover page of this Franchise Disclosure Document. You will receive a copy of the Notice of Negotiated Sale of Franchise within five business days after Famous Dave's receives your written request.

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.

OUR WEBSITE 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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII**

For franchises and franchisees subject to Hawaii statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, 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 THE FRANCHISOR AND FRANCHISEE.

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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

For franchises and franchisees subject to Illinois statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

Your Franchise Agreement and Area Development Agreement will be governed by Illinois law. Consequently, Items 17v and 17w of this Disclosure Document are revised to comply with Illinois law.

Section 4 of the Illinois Franchise Disclosure Act of 1987 provides that the provisions of the Franchise Agreement and Area Development Agreement which designate jurisdiction or venue in a forum outside of Illinois are void. However, the Franchise Agreement and Area Development Agreement may provide for mediation and arbitration in Minnesota.

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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA**

For franchises and franchisees subject to Indiana statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

The scope of the joint and mutual release executed by you as a condition of assignment of the franchised business will be limited by applicable law.

Indiana Code Section 23-2-2.7-1(9) requires that the post-termination noncompetition covenant be limited to within your exclusive territory.

Under Indiana law, you do not waive any right afforded by Indiana statutes with regard to prior representations made by Famous Dave's.

Indiana Code Section 23-2-2.7-1(10) requires that litigation between an Indiana developer and Famous Dave's will be conducted in Indiana or at a site mutually agreed upon by the parties.

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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

The following information applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

1. Item 8 is supplemented by the addition of the following language:

“Famous Dave’s is the sole supplier of certain products and services associated with your Restaurant, including certain décor items, installation services and services related to the preparation of the Site Model Report. Famous Dave’s believes that the amounts you pay to Famous Dave’s for these products and services are approximate to the prevailing market prices you would pay if you obtained products and services of comparable quality from third-parties. This does not mean that Famous Dave’s offers the lowest price for such products and services; however, its experience in developing and operating company-owned Famous Dave’s® Restaurants (and in helping franchisees develop their own Restaurants) suggests that vendors that provide lower pricing for certain products and services for a single franchisee or small group of franchisees do not promote the same level of uniformity in long-term system. If Famous Dave’s is no longer able to provide these products and services, it will endeavor to provide these services to you through one or more alternate suppliers at a comparable cost.”

2. The Uniform Consent to Service of Process which Famous Dave’s must file pursuant to Section 14-216(25) of the Maryland Franchise Registration and Disclosure Law requires that Famous Dave’s be available for suit in Maryland.
3. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits Famous Dave’s from requiring you to assent to any release, estoppel or waiver of liability under the Maryland franchise statute as a condition of purchasing a franchise.
4. Nothing in this Disclosure Document will act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

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.

ADDENDUM TO FAMOUS DAVE'S OF AMERICA, INC.
DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN

Section 445.1508(1) of the Michigan Franchise Investment Law requires franchisor to give you a copy of the Franchise Disclosure Document earlier of: (i) 10 business days prior to signing the Agreement; or (ii) 10 business days prior to franchisor's receipt of any consideration.

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:

(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 Agreement 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 Agreement without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise Agreement is less than five (5) years; and (ii) the franchisee is 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 Agreement or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the Franchise Agreement.

(E) A provision that permits the franchisor to refuse to renew a Franchise Agreement 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.

(J) 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 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 shall be directed to:

STATE OF MICHIGAN
DEPARTMENT OF THE ATTORNEY GENERAL
ATTENTION: FRANCHISE SECTION
P.O. BOX 30213
LANSING, MICHIGAN 48909
(517) 373-7117

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

For franchises and franchisees subject to Minnesota statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

The scope of the joint and mutual release executed by you as a condition of assignment of the franchised business will be limited by applicable law.

Famous Dave's will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given written notice 90 days before termination (with 60 days to cure) and 180 days before the non-renewal of your franchise.

Minn. Rule 2860.4400D prohibits Famous Dave's from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minn. Stat. Secs. 80C.01 to 80C.22.

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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.

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently

effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): To the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687.4 and 687.5 be satisfied.

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

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

The following is added to the Summary sections of Items 17(v) and 17(w): The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

For franchises and franchisees subject to North Dakota statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

Covenants not to compete are generally unenforceable in North Dakota, except in limited circumstances provided by law.

The North Dakota Securities Commissioner has held that requiring you to consent to the jurisdiction of courts outside of North Dakota is unenforceable.

The North Dakota Securities Commissioner has held that specifying the governing law of a state other than North Dakota is unenforceable. Consequently, the Franchise Agreement and the Area Development Agreement will be governed by the laws of the State of North Dakota.

The Franchise Agreement includes a waiver of exemplary and punitive damages, which the Commissioner has determined to be void and unenforceable as to North Dakota Franchisees.

In addition, North Dakota franchisees will be bound by the applicable statute of limitations under North Dakota law rather than the one-year contractual limitations period.

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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

For franchises and franchisees subject to Rhode Island statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

Sec. 19-28.1-14 of the Rhode Island Franchise Investment Act provides that any provision of the Franchise Agreement or Area Development Agreement which restricts jurisdiction or venue to a forum outside Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment 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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

For franchises and franchisees subject to South Dakota statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

Covenants not to compete are generally unenforceable in South Dakota, except in limited circumstances provided by law.

Any provision of the Franchise Agreement or Area Development Agreement which designates jurisdiction or venue outside South Dakota or requires jurisdiction or venue in a forum outside of South Dakota is void if the cause of action is otherwise enforceable in South Dakota.

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.

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

For franchises and franchisees subject to Virginia statutes and regulations, the Famous Dave’s® Franchise Disclosure Document is modified to include the following:

Pursuant to Section 13.1–564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the 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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON**

For franchises and franchisees subject to Washington statutes and regulations, the Famous Dave's® Franchise Disclosure Document is modified to include the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Assignment or transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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.

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN**

For franchisees subject to Wisconsin statutes and regulations, the Famous Dave® Franchise Disclosure Document is modified to include the following:

Item 17

1. For all franchisees residing in the State of Wisconsin, Famous Dave's will provide you at least 90 days prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

2. For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or related contract, which is inconsistent with the law.

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.

FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A: STATE AGENCY EXHIBIT

STATE AGENCY EXHIBIT

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation	124 S. Euclid, Suite 104

	Division of Insurance – Securities Regulation	Pierre, SD 57501 605-773-3563
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B-1: FINANCIAL STATEMENTS

FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B-2: GUARANTEE OF PERFORMANCE

FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C: FRANCHISE AGREEMENT

FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D: AREA DEVELOPMENT AGREEMENT

FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E-1: LIST OF CURRENT AND FORMER
FRANCHISEES AND AREA DEVELOPERS

List of Current Franchisees and Area Developers⁽¹⁾
As of November 30, 202~~23~~

Franchise Company	Owners	Address	City	State	Zip	Phone
Triple A Restaurants Inc	Alejandro Orozco	3007 East Speedway Boulevard	Tucson	AZ	85716	5208881512
Triple A Restaurants Inc	Alejandro Orozco	1501 South Yuma Palms Parkway	Yuma	AZ	85365	9283297600
TACAZA, INC.	Anand Gala	11470 4th Street	Rancho Cucamonga	CA	91730	9094812271
Star Ribs North LP	John Gantes	3103 South Dogwood Avenue	El Centro	CA	92243	7063529044
TACAZA, INC.	Anand Gala	7603 North Blackstone Avenue	Fresno	CA	93720	5592614227
TACAZA, INC.	Anand Gala	27500 Lugonia Avenue	Redlands	CA	92374	9097924151
TACAZA, INC.	Anand Gala	7777 Rosedale Highway	Bakersfield	CA	93308	6618292128
TACAZA, INC.	Anand Gala	61 Curtner Avenue	San Jose	CA	95125	4082927444
TACAZA, INC.	Anand Gala	790 West Winton Avenue	Hayward	CA	94595	5107822030

PDX	John Gantes	300 S Pine Ave	Long Beach	CA	90802	5625806060
TACAZA, INC.	Anand Gala	2690 Fifth St. Suite B	Alameda	CA	94501	5107643786
Carino's/vFD Downey #3302	Allan Gantes	12036 Lakewood Blvd	Downey	CA	90242	5628030108
Carino's/vFD Modesto #3304	Allan Gantes	3401 Dale Rd	Modesto	CA	95356	2095789432
Carino's/vFD Fairfield #3305	Allan Gantes	1640 Gateway Blvd	Fairfield	CA	94533	7074381801
Carino's/vFD Victorville #3315	Allan Gantes	11920 Amargosa Rd	Victorville	CA	92392	7609498700
DCI Colorado Springs #3312	Dave Crimmins	8330 Razorback Road	Colorado Springs	CO	80920	7194344771
FD-1 Dining	Jim Gyarmathy	12148 South Cleveland Avenue	Ft. Myers	FL	33907	2396903283
Doral	Robert Barany	8210 NW 36th Street	Miami	FL	33166	305 4037919
UCX CAPITAL LLC	Gesa.Barany,Robert.Barany			FL		
Elmore Foods	Tom Ketelsen	1110 East Kimberly Road	Davenport	IA	52807	5633888555
DTSG Iowa, Inc.	John Glockner,Julie Wright Card	201 Pierce Street	Sioux City	IA	51101	7122778800
Carino's/vFD Ammon #3309	Allan Gantes	2833 S 25th East	Ammon	ID	83406	2085234411
Carino's/vFD Twin Falls #3310	Allan Gantes	1921 Blue Lakes Blvd N	Twin Falls	ID	83301	2087344833
Carino's/vFD Meridian #3311	Allan Gantes	3551 E. Fairview Ave	Meridian	ID	83642	2088887801
Ranger Ribs, LLC	Sunil Puri, Tom Ketelsen, J. Frederick White	3303 North Perryville Road	Rockford	IL	61114	8156360300

Windy City Restaurants	Elliott Baum	1631 West Lake Street	Addison	IL	60101	6302610100
Windy City Restaurants	Elliott Baum	7201 West 25th Street	North Riverside	IL	60546	7084478848
Windy City Restaurants	Elliott Baum	15657 South Harlem Avenue	Orland Park	IL	60462	7085327850
Hoosier Ribs	Arti Shaw	3645 Vincennes Road	Indianapolis	IN	46268	3178240200
MIDWEST BBQ VENTURES OVERLAND PARK, LLC	Dave Jones	1320 Village West Parkway	Kansas City	KS	66111	9133348646
Carino's/vFD Lexington #3327	Allan Gantes	2333 Sir Barton Way	Lexington	KY	4052	8592661254
Capital Blue Ribbon	Elliott Baum	6201 Columbia Crossing Circle	Columbia	MD	21045	4102900091
Capital Blue Ribbon	Elliott Baum	14140 Baltimore Avenue	Laurel	MD	20707	3014833500
Capital Blue Ribbon	Elliott Baum	3046 Waldorf Market Place	Waldorf	MD	20603	3018851555
Blue Ribbon Restaurants II, LLC	Elliott Baum	36601 Warren Road	Westland	MI	48185	7345951000
Blue Ribbon Restaurants II, LLC	Elliott Baum	20300 East 13 Mile Road	Roseville	MI	48066	5862932900
Blue Ribbon Restaurants III, LLC	Elliott Baum	23811 Eureka Road	Taylor	MI	48180	7343742700
Blue Ribbon Restaurants II, LLC	Elliott Baum	43350 Crescent Boulevard	Novi	MI	48375	2487351111
River Valley BBQ Inc	Randy Jernberg	431 NW 16th Avenue	Rochester	MN	55901	5072824200

Bayfront BBQ Inc	Joshua Wright,Greg Toon	4135 Richard Ave Ste 101	Hermantown	MN	55811	2187403180
DTSG	Julie Wright Card	3221 Northdale Blvd NW	Coon Rapids	MN	55448	(763) 2055194
Rib Kings of Owatonna, LLC	Leon Agami	4355 West Frontage Road	Owatonna	MN	55060	5074552900
Jones Restaurants Missouri LLC	Dave Jones	1855 W. 76 Country Boulevard	Branson	MO	65616	4173344858
Joplin Jiat LLC	Allan Gantes	137 N Rangeline Rd	Joplin	MO	64801	4172069090
Rocky Mountain Ribs, Inc.	Casey & Pat Ryan	2883 King Avenue West	Billings	MT	59102	4066524880
Rocky Mountain Ribs, Inc.	Casey & Pat Ryan	2915 North Reserve Street	Missoula	MT	59808	4065417427
Rocky Mountain Ribs, Inc.	Casey & Pat Ryan	2340 US Highway 93 North	Kalispell	MT	59901	4067527427
DTSG Bismarck, Inc.	Randy Thorson	401 East Bismarck Expressway	Bismarck	ND	58504	7015309800
Rocky Mountain Ribs, Inc.	Casey & Pat Ryan	1518 14th Street West	Williston	ND	58801	7016095459
Triple A Restaurants Inc	Alejandro Orozco	1951 North Rainbow Blvd	Las Vegas	NV	89108	7026465631
Triple A Restaurants Inc	Alejandro Orozco	4390 Blue Diamond Road	Las Vegas	NV	89139	7026337427
Triple A Restaurants Inc	Alejandro Orozco	2630 E. Craig Road	Las Vegas	NV	89030	7023998000
Savory Investments	Rory O'Neal	4925 Kietzke Lane	Reno	NV	89509	7758267427
Triple A Restaurants Inc	Alejandro Orozco	651 Mall Ring Circle	Henderson	NV	89014	7024330013

Triple A Restaurants Inc	Alejandro Orozco	4480 Paradise Rd	Las Vegas	NV	89139	7028797910
Cedar Fair	Joe Viviano	1 Cedar Point Drive	Sandusky	OH	44870	4196092054
Buckeye BBQ	Elliott Baum	26410 Great Northern Shopping Center	North Olmsted	OH	44070	4407770200
PDX	John Gantes	7121 SW Nyberg Street	Tualatin	OR	97062	5034865631
PDX	John Gantes	9911 NE Cascades Parkway	Portland	OR	91220	503 4939000
B&B Restaurants	Bart Kinzel	917 Cabela's Drive Suite 102	Fort Mill	SC	29708	8032283311
DTSG	Julie Wright Card	2700 South Minnesota Avenue	Sioux Falls	SD	57105	605 3348800
Triple A Restaurants Inc	Alejandro Orozco	7501 North Mesa	El Paso	TX	79912	9157605355
Triple A Restaurants Inc	Alejandro Orozco	1360 George Dieter Drive	El Paso	TX	79936	9158498400
Triple A Restaurants Inc	Alejandro Orozco	1135 Airway Boulevard	El Paso	TX	79925	9158438400
Triple A Restaurants	Alejandro Orozco	12704 1/2 Montana Avenue	El Paso	TX	79938	9152598400
Carino's/vFD San Antonio #3308	Allan Gantes	231 SW Loop 410	San Antonio	TX	78238	2106477705
Carino's/vFD Austin Slaughter #3316	Allan Gantes	9500 S IH 35 Service Rd #2	Austin	TX	78748	5122921658

Carino's/vFD Parmer #3317	Allan Gantes	12901 N Interstate 35 Frontage Rd	Austin	TX	78753	5129896464
Carino's/vFD Baytown #3319	Allan Gantes	7017 Garth Road	Baytown	TX	77521	2814217077
Carino's/vFD Corpus Christi #3323	Allan Gantes	1652 S. Padre Island Dr	Corpus Christis	TX	78416	3612529757
Laredo Laredo Hilltop LLC	Allan Gantes	7605 San Dario Ave	Laredo	TX	78045	9567288945
Olympic BBQ	Paul and Elaina Herber	7273 South Plaza Center Drive	West Jordan	UT	84084	8012808844
Commonwealth Blue Ribbon Restaurants LLC	Elliott Baum	2430 Prince William Parkway	Woodbridge	VA	22192	7034921300
Commonwealth Blue Ribbon Restaurants LLC	Elliott Baum	2910 Chain Bridge Road	Oakton	VA	22124	7032813800
Commonwealth Blue Ribbon Restaurants LLC	Elliott Baum	6630 Richmond Highway	Alexandria	VA	22306	7036608541
Olympic BBQ	Paul and Elaina Herber	17770 South Center Parkway	Tukwila	WA	98188	2066312000
Olympic BBQ	Paul and Elaina Herber	1901 South 72nd Street Ste C-39	Tacoma	WA	98408	2537220500
PDX	John Gantes	1504 E. Washington Street	Yakima	WA	90903	5094697427
Rib Kings of America, Inc.	Leon Agami	435 Broadway	Wisconsin Dells	WI	53965	6082536683
Rib Kings of Eau Claire LLC	Shlomi Fedida,Sorin Husau	2911 Mall Drive	Eau Claire	WI	54701	7158352227

Rib Kings of America, Inc.	Shlomi Fedida	31 Meadow View Drive	Lake Delton	WI	53940	6082548900
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Notes:

- (1) If you buy this franchise, your contact information may be disclosed to other potential buyers or parties otherwise related to the system.
- (2) See Item 3 of this Disclosure Document.

List of Franchisees/Area Developers

With Signed Franchise Agreements And Unopened Outlets as of November 30, 202~~3~~4

None.

**List of Former Franchisees and Area Developers as of November 30, 2023,
and Those Who Have Not Communicated With Us
Within 10 Weeks of the Issuance Date of this Disclosure Document**

The following Franchisees/Area Developers transferred, closed, were terminated or otherwise ceased to do business under their Franchise Agreements in 2023, and are no longer Famous Dave's® Franchisees/Area Developers:

Former Franchisees/Area Developers:

None

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E-2: LIST OF COMPANY-OWNED RESTAURANTS

List of Company-Owned Restaurants as of November 30, 202~~2~~3

FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F: FORM OF RELEASE AGREEMENT

Address	City	State	Zip	Phone
16148 North 83rd Avenue	Peoria	AZ	85382	6239793706
3250 West Frye Road	Chandler	AZ	85226	4807821212
1011 North Dobson Road	Mesa	AZ	85201	4806151444
15725 E. Briarwood Circle	Aurora	CO	80016	3033966227
2440 Highway 6 & 50	Grand Junction	CO	81505	9702458227
7557 East 36th Avenue	Denver	CO	80238	3033993100
16539 North Washington Street	Thornton	CO	80020	3032806227
1720 22nd Street	West Des Moines	IA	50266	5152670800
6222 University Avenue	Cedar Falls	IA	50613	3192660200
8605 Citadel Way	Louisville	KY	40220	5024932812
G-3558 Miller Road	Flint	MI	48507	8107204600
5665 Bay Road	Saginaw	MI	48604	9897977675
2131 Snelling Avenue	Roseville	MN	55113	6516334800
7825 Vinewood Lane	Maple Grove	MN	55369	7634164600
1930 West 7th Street	St. Paul	MN	55116	6516998800
7593 147th Street	Apple Valley	MN	55124	9528916400
43 19th Street SW	Forest Lake	MN	55025	6514644400
14601 Highway 7	Minnetonka	MN	55345	9529339600
11308 Highway 55	Plymouth	MN	55441	7635250500
800 West Lake Street	Minneapolis	MN	55408	6122388070
2750 Pine Lake Road	Lincoln	NE	68516	4024213434
2015 Pratt Avenue	Bellevue	NE	68123	(402) 9342300
1443 Route 22 East	Mountainside	NJ	7092	9082325619
1060 Corporate Drive	Westbury	NY	11590	5168327300
4757 Monroe Street	Toledo	OH	43623	4194757427
5000 Old Hickory Boulevard	Hermitage	TN	37076	6158820999
208 Advantage Place	Knoxville	TN	37922	8656949990
991 Industrial Boulevard	Smyrna	TN	37167	6152202276
3030 Milton Avenue	Janesville	WI	53545	6087578100
900 South Park Street	Madison	WI	53715	6082869400
5077 South 27th Street	Greenfield	WI	53221	4147271940
3055 State Hwy 16	La Crosse	WI	54601	(608) 7794100

FORM OF RELEASE AGREEMENT
(Subject to Change by Famous Dave’s of America, Inc.)

For and in consideration of the Agreements and covenants described below, Famous Dave’s of America, Inc. (“Famous Dave’s”) and _____ (“Franchisee”) enter into this Release of Claims (“Agreement”).

RECITALS

A. Famous Dave’s and Franchisee entered into a Famous Dave’s® Franchise Agreement dated _____,

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

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Famous Dave’s and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration. [Note: Describe the consideration paid.]**

2-3. **[NOTE: Detail other terms and conditions of the release.]**

4. **Release of Claims by Famous Dave’s.** Except as noted in this Section 4, and subject to your compliance with the terms and conditions of this Agreement, including the payment of \$_____ to Famous Dave’s, Famous Dave’s, for itself, its predecessors, successors, assigns, current and former affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the “Franchisor Parties”), hereby release and forever discharge Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”) from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement (collectively, “Claims”), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices law, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between Franchisee and Franchisor or Franchisee’s affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties’ failure to comply with those obligations. Further, the Franchisor Parties do not release Franchisee Parties from any Claims related to Franchisee’s (i) indemnification obligations under Article __ of the Franchise Agreement, (ii) non-disclosure obligations under Article __ of the Franchise Agreement, and (iii) post-termination non-compete obligations under Article __ of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between Franchisee and Franchisor or Franchisee's affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

6. **Acknowledgement.** The release of Claims set forth in Section 4 and Section 5 of this Agreement are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claims would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

7. **Reservation of Claims Against Non-Settling Parties.** Famous Dave's and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

9. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and they fully understand and voluntarily accept the terms.

10. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

11. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right to remedy allowed by law. In the event of a breach of this

Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorney's fees and costs incurred by reason of the breach.

Dated: _____, 20__

FAMOUS DAVE'S OF AMERICA, INC.

By: _____

Title: _____

FRANCHISEE:

Dated: _____, 20__

By: _____

Title: _____

FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G: STATE EFFECTIVE DATES & RECEIPTS

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

Except as noted below, if Famous Dave’s of America, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Famous Dave’s or an affiliate in connection with the proposed franchise sale.

In Iowa and New York, Famous Dave’s of America, Inc. must give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. In Michigan, Famous Dave’s of America, Inc. must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Famous Dave’s of America, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is: 12701 Whitewater Dr., Suite 100, Minnetonka, MN 55343-4164, (952) 294-1300, www.famousfranchising.com;. The franchise seller for this offering is _____, () _____.

Issuance Date: March 28, 20234

See Exhibit A for Famous Dave’s of America, Inc.’s registered agents authorized to receive service of process.

I have received a Disclosure Document, dated March 28, 20234, that included the following Exhibits:

STATE AGENCY EXHIBIT	A
FINANCIAL STATEMENTS	B-1
GUARANTEE OF PERFORMANCE	B-2
FRANCHISE AGREEMENT (AND STATE-SPECIFIC ADDENDA, IF APPLICABLE)	C
AREA DEVELOPMENT AGREEMENT (AND STATE-SPECIFIC ADDENDA, IF APPLICABLE) ...	D
LIST OF CURRENT AND FORMER FRANCHISEES/DEVELOPERS	E-1
LIST OF COMPANY-OWNED RESTAURANTS	E-2
FORM OF RELEASE AGREEMENT	F
STATE EFFECTIVE DATES & RECEIPTS.....	G

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

KEEP THIS COPY FOR YOUR RECORDS.

Prospective Franchisee’s Copy

FRANCHISE AGREEMENT

FAMOUS DAVE'S OF AMERICA, INC.
12701 Whitewater Drive, Suite 290
Minnetonka, MN 55343-4164
Telephone: (952) 294-1300
Fax: (952) 294-0242

Legal Name of Franchisee

Franchised Location

Legal Name

Street

Street

City, State, Zip Code

City, State, Zip Code

Telephone Number Facsimile Number

Email Address

_____, 20____
Date of Franchise Agreement

**FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT**

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FAMOUS DAVE'S OF AMERICA, INC.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made, entered into and effective as of _____ (the "Effective Date"), by and between Famous Dave's of America, Inc., a Minnesota corporation ("Famous Dave's", "Franchisor", "we" or "our"), and _____, a(n) _____ ("Franchisee", "you" or "your"). Famous Dave's and Franchisee may be referred to together herein as the "Parties." In consideration of the mutual promises and covenants set forth in this Agreement, Famous Dave's and Franchisee agree as follows:

ARTICLE 1 NATURE AND PURPOSE OF THIS AGREEMENT

1.1 Restaurant System.

Famous Dave's has developed a distinctive business system for operating and franchising authentic, down-home barbecue restaurants featuring genuine smoked barbecue including, as of the Effective Date, combinations of hickory-smoked spareribs, baby back ribs, beef brisket, herb-roasted chicken, barbecue sandwiches, char-grilled burgers, cornbread, potato salad, coleslaw, Wilbur™ beans, desserts and other high-quality Foods, Beverages, and Products in a distinctive atmosphere under the name "Famous Dave's®" and associated with the Marks, copyrights, distinctive interior and exterior building designs, décor, furnishings, menus, recipes, uniforms, signs, color combinations, uniformity requirements, standards of consistency and quality, procedures, cleanliness, sanitation, controls, specifications, technology, training, advertising, and instructions promulgated by Famous Dave's (the "Restaurant System"), and has extensively publicized the name "Famous Dave's®" to the public as an organization of restaurant businesses operating under the Restaurant System. During the Term: (a) the Restaurant System may be modified by Famous Dave's in the exercise of its business judgment; and (b) regional or local variations in the Restaurant System, tests of potential new menu items or products and introduction of menu items or products in stages over time may all be authorized by Famous Dave's in the exercise of its business judgment in order to enhance the marketing, consumer acceptance, competitive position, compliance obligations, and other objectives intended to facilitate operations over the Term.

1.2 Marks.

Famous Dave's has the right and authority to license the use of the name "Famous Dave's®" and the other trademarks, trade names, service marks, logos, commercial symbols, phrases, slogans and tag lines designated by Famous Dave's in writing which are now owned or which will be developed by Famous Dave's (the "Marks") for use in connection with the Restaurant System to selected persons, businesses or Entities who will comply with the uniformity requirements and quality standards of Famous Dave's. Famous Dave's intends, in the exercise of its business judgment, to develop, use and control the use of the Marks in order to identify for the public the source of the Foods, Beverages, and Products marketed under the Restaurant System, and to represent to the public the Restaurant System's high standards of quality, appearance, cleanliness and service to the public.

1.3 Franchisee's Objective.

Franchisee desires to develop, own and operate a Famous Dave's® Restaurant (the "Famous Dave's® Restaurant" or the "Restaurant") in conformity with the Restaurant System, Famous Dave's uniformity requirements applicable to the Restaurant, and quality standards as established and promulgated from time to time by Famous Dave's, and all other provisions of this Agreement. In determining whether or not to enter into this Agreement, Franchisee has had the opportunity to consult with legal counsel and other advisors selected by Franchisee, as well as Famous Dave's Franchise Disclosure Document.

1.4 **Restaurant Type.**

It is understood and agreed that the Restaurant authorized by this Agreement will be as checked and initialed below (check only one):

- Full Service
- Counter Service
- Line Service
- Flex Service
- Cloud Kitchen (*Parties must also execute the Cloud Kitchen Addendum attached as Exhibit D*)
- Add-on Ghost Kitchen (*Parties must also execute the Add-On Ghost Kitchen Addendum attached as Exhibit E*)

Franchisee

Famous Dave's

The Famous Dave's® Restaurant designed, constructed or remodeled and operated pursuant to this Agreement will serve the Foods, Beverages, and Products to its customers in compliance with the Restaurant System for the Restaurant type indicated above in this provision.

1.5 **Operations in Conformity with Agreement; Relationship of the Parties.**

(a) Without limiting the effect of any of the specific provisions of this Agreement, Franchisee understands and acknowledges the importance of the high standards of quality, appearance, procedures, controls, cleanliness, service and other aspects of the Restaurant System established and from time to time revised by Famous Dave's, and the necessity of operating Franchisee's Restaurant in strict conformity with the mandatory standards and specifications (as opposed to voluntary standards and best practices) established and from time to time revised by Famous Dave's, all of which is the foundation for this Agreement.

(b) Within the framework established ~~by this Agreement and subject to the principle that efforts by which Famous Dave's seeks to avoid and prevent conduct which is likely to impair the value of and the goodwill associated with the Marks and the Restaurant System being licensed under this Agreement do not reflect any right or effort by Famous Dave's to control the overall operation of the Restaurant or the business prerogatives of Franchisee, as stated further in Article 7.1 of this Agreement,~~ Franchisee is totally and solely responsible for the operation of its Famous Dave's® Restaurant, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Franchisee, including the right to hire and fire its employees. Franchisee is responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all discrimination laws, sexual harassment laws and laws relating to the disabled. Famous Dave's has no right, obligation or responsibility to control, supervise or manage Franchisee's employees, agents or independent contractors, and will in no way be involved in the day-to-day operations of Franchisee's Restaurant, irrespective of the use by Franchisee of any tools, hardware or software that would enable such control, supervision or management by Famous Dave's.

(c) Franchisee understands and acknowledges that this Agreement does not create a fiduciary relationship with Famous Dave's, that Famous Dave's and Franchisee are each independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of Famous Dave's or represent that their relationship is other than that of franchisor and franchisee, and will affirmatively advise its employees, agents and contractors of that fact. Neither Famous Dave's nor Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. Franchisee agrees to indemnify, defend (with

attorneys reasonably acceptable to Famous Dave's), and hold harmless Famous Dave's against any losses, expenses, debts, or liabilities arising from Franchisee's breach of this provision.

(d) Famous Dave's is not the employer, co-employer, or joint employer of Franchisee or any of Franchisee's employees. Franchisee will control and be solely responsible for the day-to-day operations of the Restaurant and the terms and conditions and employment of Franchisee's personnel. Franchisee will be solely responsible for all employment decisions and functions of the Restaurant including, without limitation, those related to soliciting, hiring, firing, training, disciplining, paying, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, managing and supervising its employees, regardless of whether Franchisee receives information from Famous Dave's on these subjects. Franchisee acknowledges and agrees that all personnel decisions will be made by Franchisee, without any influence or advice from Famous Dave's, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Famous Dave's. Franchisee acknowledges and agrees that all employees of its Restaurant are the exclusive employees of Franchisee and will not be employees of Famous Dave's nor joint or co-employees of Franchisee and Famous Dave's. Neither Franchisee nor any employee of Franchisee will be considered an employee of Famous Dave's under any circumstances. To the extent that any legal authority determines that Famous Dave's has a duty to act or not act with respect to any of Franchisee's employees, Famous Dave's hereby assigns to Franchisee any such duty, and Franchisee hereby accepts such assignment.

(e) Franchisee will identify itself in all dealings with customers, vendors, public officials, employees, and others as the owner of the Restaurant under a franchise granted by Famous Dave's. Should it ever be asserted that Famous Dave's is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration, or other setting, Franchisee irrevocably agrees to assist Famous Dave's in defending said allegation, including (if necessary) appearing at any venue requested by Famous Dave's to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Famous Dave's is the employer, joint employer or co-employer of any of Franchisee's employees).

1.6 Disclosure, Review and Advice of Counsel.

(a) Franchisee acknowledges that it received a copy of this Agreement with all material blanks fully completed prior to the date that this Agreement was executed by Franchisee. Franchisee further acknowledges that it received a copy of Famous Dave's Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed, or as required by law.

(b) Franchisee acknowledges that this Agreement constitutes a legal document that grants certain rights to and imposes certain obligations upon Franchisee. Franchisee has been advised by Famous Dave's to retain an attorney or advisor prior to the execution of this Agreement to review Famous Dave's Franchise Disclosure Document, to review in detail this Agreement, including its exhibits and attachments, to review all legal documents, including the Lease, all purchase agreements and architectural and construction contracts, to review the economics, operations and other business aspects of the Famous Dave's® Restaurant, to determine compliance with applicable laws, to advise Franchisee on economic risks, liabilities, obligations and rights under this Agreement, and to advise Franchisee on tax issues, financing matters, applicable state and federal laws, liquor laws, health and safety laws, environmental laws, employee issues, insurance, structure of the Restaurant business, and other legal and business matters, and that Franchisee has in fact had an opportunity to consult with legal counsel, and to review this Agreement (including, but not limited to, the fact that this Agreement contains capitalized terms which are further defined in Article 28 of this Agreement) and all exhibits and related documents in detail.

ARTICLE 2 GRANT OF FRANCHISE

2.1 **Franchise Grant and Location.**

Famous Dave's hereby grants Franchisee the personal right to operate one Famous Dave's® Restaurant in conformity with the Restaurant System using the name "Famous Dave's®" and other specified Marks at the Franchised Location set forth and described in Exhibit A. Franchisee and Famous Dave's agree that, except as expressly granted to Franchisee in this Article 2, all rights respecting designated areas and venues and/or types of operation, are outside the scope of this Agreement and will remain and be retained by Famous Dave's. Rights granted to Franchisee in this Article 2 are strictly limited to those expressly granted and may not be enlarged or modified by interpretation, implication or any other process. Franchisee has no right to franchise, sub-franchise, license, or sublicense its rights under this Agreement, or any part thereof. Franchisee will not have the right to Assign this Agreement or its rights under this Agreement in whole or in part, or to Assign the income stream from the operation of the Restaurant, except as specifically provided for in this Agreement.

2.2 **Designated Area.**

Subject to the limitations of this Article 2, Franchisee will operate the Restaurant only at the Franchised Location ~~in the Designated Area~~ set forth in Exhibit A to this Agreement. In the event the authorized Restaurant type outlined in Article 1.4 of the Agreement includes a Cloud Kitchen and/or Add-On Ghost Kitchen, Franchisee may also operate the Restaurant within the Designated Area set forth in Exhibit A to this Agreement. Franchisee's Designated Area consists of an area around the Franchised Location, the specific size of which has been determined by Famous Dave's in the exercise of its reasonable business judgment. The Designated Area may be expressed with reference to a radius, to roadways, to natural and/or man-made landmarks, or such other identifiers as Famous Dave's determines. By its signature to this Agreement, Franchisee accepts such determination.

2.3 **Limited Exclusivity.**

(a) The Famous Dave's® Restaurant granted under this Agreement is non-exclusive. Notwithstanding the foregoing, Famous Dave's will not Develop a Famous Dave's® Restaurant location with a Designated Area that intersects with or is located within Franchisee's Designated Area, if applicable. No other type of franchisee exclusivity is intended.

(b) Famous Dave's and its licensees, appointees, designated developers, franchisees and agents have the absolute and exclusive right to advertise, promote, and sell all of the Foods, Beverages, and Products associated with the Restaurant System at special promotions conducted within or outside of the Designated Area, if applicable, including, without limitation, fund-raising and charitable events, and events conducted at exhibitions, any state fair, any county fair, or a community-wide event sponsored by a state or local government (in a metropolitan area with a population in excess of 300,000 people).

(c) Famous Dave's has the absolute and exclusive right to (i) Develop other restaurant business concepts of any kind under other brand names anywhere, even if the locations for the concepts are within the Designated Area, if applicable; (ii) Develop Famous Dave's® Restaurants in the Designated Area, if applicable, if they are located at or within an airport, a train station or other mass transit facility, a theme or entertainment park, a stadium or arena or other venue for semi-professional or professional sports, a military installation, within the boundaries of an Indian reservation, a school, college, university, or hospital, or at other similar venues that Famous Dave's determines, in the exercise of its reasonable business judgment, to be entirely or in principal part "captive markets"; and (iii) Develop other food service businesses using the Marks, menu items and Restaurant System concepts anywhere, even in the Designated Area, if applicable, so long as they are not Famous Dave's® Restaurants of the sizes, types and character described in Article 1.4 above.

(d) Famous Dave's has the absolute and exclusive right to, market, distribute, and sell or license for sale, on a wholesale or retail basis, seasonings, sauces, food products including beans, meats, poultry and fish (in cooked or uncooked form), biscuit and muffin mixes, music (on compact discs or in other media), clothing, or any other food products or other goods under any of the Marks, by direct sale, the Internet, mail order, infomercials, telemarketing, or by any other marketing or distribution method, even if such sales are made to customers, distributors, or retailers or ultimate consumers who are located in the Designated Area, if applicable.

(e) Notwithstanding the foregoing provisions of this Article 2.3, Franchisee has the right to participate in special promotions conducted within the Designated Area, if applicable, including, without limitation, "Ribfests," and cooking, recipe or restaurant competitions. Should the venue for such events be outside the Designated Area, if applicable, but not in the designated area of another Famous Dave's® franchisee, Franchisee may be authorized to participate in such events after written application to and the approval of Famous Dave's, on such terms and conditions as Famous Dave's determines to be appropriate.

2.4 Personal Guarantors.

If Franchisee is an Entity, then all Owners of Franchisee (and, if married, such Owners' spouses), must sign the Personal Guaranty attached to this Agreement.

2.5 Operating Partner.

When Franchisee signs this Agreement, Franchisee will designate in writing the individual who will serve as Franchisee's Operating Partner. If Franchisee is an individual, then the Operating Partner will be Franchisee. If Franchisee is an Entity, the designated Operating Partner must have at least five years of restaurant management experience, as may be further described in the Standard Operating Procedure/Training Manual(s). The Operating Partner will also, during the entire period he or she serves as the Operating Partner: (a) maintain, at all times, an Ownership Interest in Franchisee of at least 20% of the issued and outstanding Ownership Interests in Franchisee; (b) execute the Personal Guaranty of this Agreement in the form attached hereto and execute this Agreement as one of the Owners of Franchisee; and (c) devote his or her full time and best efforts to the supervision, conduct and operations of Franchisee's Restaurant. The Operating Partner must attend and pass Famous Dave's then-current training program, at Franchisee's cost and expense, before participating in the management and operation of the Restaurant. If during the term of this Agreement, the Operating Partner is not able to or is not qualified to continue to serve in the capacity of Operating Partner, then Franchisee will promptly notify Famous Dave's in writing and will designate a duly qualified replacement Operating Partner within 30 days after the former Operating Partner ceases to serve in that capacity.

2.6 Multi-Unit Manager.

If this Agreement has been executed pursuant to an Area Development Agreement that requires the development of six or more Famous Dave's® Restaurants, then the Operating Partner need not satisfy the full-time requirement set forth in Article 2.5(c) above if Franchisee (or the Affiliate of Franchisee that executed the Area Development Agreement pursuant to which this Agreement was executed) employs an additional individual who devotes his or her full time and best efforts to the operation of the Restaurant and the other Famous Dave's® Restaurants developed pursuant to the Area Development Agreement (the "Multi-Unit Manager"). The Multi-Unit Manager must have at least five years of multi-unit restaurant management experience and operations experience, as may be further described in the Standard Operating Procedure/Training Manual(s). If during the term of this Agreement, the Multi-Unit Manager is unable to continue to serve in such position, then Franchisee will notify Famous Dave's in writing and will designate a new Multi-Unit Manager within 30 days after the former Multi-Unit Manager ceases to serve in such capacity. All Multi-Unit Managers must attend and pass Famous Dave's then-current training program, at Franchisee's (or its Affiliate's) cost and expense, before assuming his or her duties as the Multi-Unit Manager.

2.7 Undetermined Franchised Location.

At such time as the specific address of the Franchised Location is determined, its street address, city, state, and the Designated Area of the Franchised Location, if applicable, will be inserted into Exhibit A and signed by the Parties, and Exhibit A, as completed, will amend this Agreement.

2.8 Required Opening Date.

(a) Franchisee will, at its sole expense, cause Franchisee's Restaurant to be open and operating in compliance with Famous Dave's standards and specifications on or before the Required Opening Date. Time is of the essence and Franchisee's failure to open the Restaurant by the Required Opening Date is a material breach of this Agreement, entitling Famous Dave's to exercise all rights with respect thereto, including termination.

(b) Notwithstanding the foregoing, (i) if the failure to open before the Required Opening Date is due to fire or other casualty or act of God, Famous Dave's may, in the exercise of its reasonable business judgment, extend the Required Opening Date in writing for up to 12 months after the date of the event of casualty; and (ii) if Franchisee will not be able to meet the deadline, Franchisee may obtain one 60-day extension of the Required Opening Date, upon giving written notice to Famous Dave's before the Required Opening Date, describing and certifying to the circumstances qualifying for an extension. No rights to any further extensions are contemplated by Famous Dave's or Franchisee. In the event Famous Dave's decides to offer a further extension, such extension will be based on Famous Dave's sole judgment on such terms and conditions as Famous Dave's may then determine, and shall be expressed in a written extension signed by both Famous Dave's and Franchisee.

ARTICLE 3 TERM OF AGREEMENT

3.1 Term.

This Agreement will commence on the Effective Date and continue as set forth in either Section 3.1a. or 3.1b. below ("Term").

(a) If Franchisee is purchasing a new or existing non-operating Famous Dave's® Restaurant, the Term will expire on either: (1) the ten (10) year anniversary of the date Franchisee opens this Famous Dave's® Restaurant to the public if Franchisee owns the property where this Famous Dave's® Restaurant is located or if Franchisee enters into a lease directly with the landlord or other third-party for the property where this Famous Dave's® Restaurant is located; or (2) if Franchisee has entered into a sublease with one of Famous Dave's affiliates, the expiration of the term of the sublease for the Franchised Location excluding any

extensions or renewal options, unless terminated earlier in accordance with Article 17 or any other provisions of this Agreement, reacquired in accordance with Article 3.2, or assigned in accordance with Article 16; or

(a)(b) If Franchisee is purchasing an existing and operating Famous Dave's® Restaurant, the Term will expire on either: (1) the ten (10) year anniversary of the Effective Date if Franchisee owns the property where this Famous Dave's® Restaurant is located or if Franchisee enters into a lease directly with the landlord or other third-party for the property where this Famous Dave's® Restaurant is located; or (2) if Franchisee has entered into a sublease with one of Famous Dave's affiliates, the expiration of the term of the sublease for the Franchised Location excluding any extensions or renewal options, unless terminated earlier in accordance with Article 17 or any other provisions of this Agreement, reacquired in accordance with Article 3.2, or assigned in accordance with Article 16~~This Agreement is effective as of the Effective Date, and will expire on the date which is 10 years after the Restaurant's Required Opening Date, unless earlier terminated in accordance with the terms and conditions of this Agreement (the "Term").~~

3.2 Franchisee's Option to Reacquire Franchise.

(a) At the end of the Term, Franchisee has the right to reacquire the Franchise for the Franchised Location for ~~two~~one additional 10-year terms, provided that Franchisee has timely complied with all terms and conditions of this Agreement including the timely payment of all Royalty Fees and other fees due, and provided that: (i) Franchisee has given Famous Dave's written notice at least 180 days prior to the end of the Term of its intention to reacquire the Franchise for the Franchised Location; (ii) all monetary obligations owed by Franchisee to Famous Dave's have been paid or satisfied prior to the end of the Term; (iii) Franchisee has agreed, in writing, to make the reasonable capital expenditures necessary to remodel the Franchised Location to comply with the then-current Famous Dave's® image, décor and specifications; (iv) Franchisee either owns or has the right to lease the Franchised Location for a term that coincides with the additional 10-year terms; (v) Franchisee and its employees have completed the required training designated by Famous Dave's; (vi) Franchisee and its Owners execute a release in a form satisfactory to Famous Dave's releasing and discharging Famous Dave's and its directors, officers, Affiliates, successors and assigns from and against all claims and demands which Franchisee may have against Famous Dave's and the other released parties; and (vii) Franchisee executes Famous Dave's then-current standard franchise agreement, provided that Franchisee will pay Famous Dave's a Reacquisition Fee equal to 50% of the ~~then-current~~ Initial franchise fee specified in the then-current standard franchise agreement in lieu of the Initial Fee thereunder, and that there will be no further right or option to reacquire the Franchise or further extend the term of such franchise agreement. The terms, conditions and economics of future franchise agreements may vary substantially in substance and form from this Agreement. Franchisee will pay Royalty Fees and all other fees at the rates specified in the then-current standard franchise agreement.

(b) Any reacquisition of the Franchise shall not be effective unless and until Franchisee executes Famous Dave's then-current standard franchise agreement (modified to reflect that the Reacquisition Fee and the fact that the franchise agreement is for a 10-year renewal term only) at least 30 days before the expiration of the original Term.

ARTICLE 4 INITIAL FEE, ROYALTY FEE AND REPORTS

4.1 Initial Fee.

Franchisee will pay Famous Dave's a non-refundable Initial Fee of \$45,000 at the time this Agreement is signed by Franchisee and Famous Dave's.

4.2 Weekly Revenue Reports and Royalty Fee Payments.

(a) Franchisee will pay Famous Dave's a Royalty Fee equal to 5% of the Revenues received by Franchisee with respect to its activity during the entire Term of this Agreement. Franchisee's obligation to pay Royalty

Fees pursuant to the terms of this Agreement are absolute and unconditional, and remain in full force and effect for the entire Term of this Agreement.

(b) Franchisee will maintain an accurate written record of the daily and weekly Revenues for Franchisee's Famous Dave's® Restaurant. Revenue Reports of the Restaurant's Revenues for the previous week (Monday to Sunday) will be required on a weekly basis. The weekly Revenue Reports will be electronically transmitted to Famous Dave's by Franchisee by 12:00 noon, Central Time on Tuesday of each week for the previous week or retrieved by Famous Dave's from Franchisee's electronic cash registers or computers anytime after 12:00 noon Central Time on Tuesday of each week for the previous week. All Revenue Reports for the Restaurant will align to the Famous Dave's fiscal calendar and will be in the form specified by Famous Dave's.

(c) Royalty Fees will be paid to Famous Dave's by electronic transfer, using such methods and technologies for effecting payment as Famous Dave's may specify. Such methods may be modified from time to time by Famous Dave's in writing, as it solely determines, in order to reflect improvements and new technologies available for fund reporting and transfer. Franchisee agrees to adopt and install any equipment needed to implement such changes and enter into any and all agreements required in connection therewith. In all cases, the Royalty Fee is payable by Franchisee each Tuesday with respect to the previous week's Revenues, unless that day is a non-business day, in which case the Royalty Fee is payable to Famous Dave's on the next business day.

(d) As of the date of this Agreement, Famous Dave's draws payments due to it using electronic transfer from Franchisee's bank. Accordingly, in conjunction with the execution of this Agreement, Franchisee must sign the Famous Dave's electronic transfer of funds authorization form, a ~~template sample form~~ of which is attached as Exhibit B, authorizing and directing Franchisee's bank or financial institution to transfer, electronically, direct to Famous Dave's account and to charge Franchisee's account all amounts owed to Famous Dave's under this Agreement when due, except in the event that Famous Dave's notifies Franchisee that certain amounts need not be paid via electronic transfer of funds. Franchisee must at all times maintain a balance in its account sufficient to allow Famous Dave's to collect the amount owed when due. Franchisee is responsible for any penalties, fines, or other similar expenses associated with the transfer of funds described in this provision, including without limitation a Fifty Dollar (\$50) fee, subject to applicable state law, for each electronic funds transfer attempted from Franchisee's account that is returned for non-sufficient funds.

4.3 Access to Information.

Franchisee will, at its expense, install and maintain equipment to permit Famous Dave's to access and retrieve over telephone lines, the Internet or other forms of telecommunication all information Famous Dave's is entitled to obtain from Franchisee under this Agreement, including all information which is stored on Franchisee's electronic cash registers and computers and the Revenue Reports for the Restaurant as provided for in Article 4.2(b) of this Agreement. Franchisee will install and utilize at the Franchised Location (i) the equipment and software specified in the Standard Operating Procedure/Training Manual(s) to permit Famous Dave's to electronically inspect, monitor and retrieve at any time all information concerning Franchisee's Restaurant, Revenues and other information contained in Franchisee's electronic cash registers and point-of-sale computers, and (ii) the telephone line, modem, Internet connection or other electronic communication portal required to permit Famous Dave's to access Franchisee's electronic cash registers and point-of-sale computers by telephone or the Internet at all of the times specified in the Standard Operating Procedures/Training Manual(s). Franchisee agrees and acknowledges that Famous Dave's has the right to access and retrieve all information concerning Franchisee and the Restaurant that is stored on Franchisee's electronic cash registers and computers.

4.4 Interest on Unpaid Fees; No Right of Offset; Breaching Royalties.

If Franchisee fails to timely remit any fees or other amounts due to Famous Dave's, then the amount of the past due fees will bear simple interest at the lesser of the maximum legal rate allowable by applicable law or 18% simple interest per annum. Franchisee will, on the date invoiced, immediately reimburse Famous Dave's for any and all costs incurred by Famous Dave's in the collection of any past due payments, including attorneys' fees and costs. Franchisee has not "right of offset" and, as a consequence, Franchisee must timely pay any and all fees due to Famous Dave's under this Agreement regardless of any claims or allegations Franchisee may allege against Famous Dave's.

Famous Dave's has the absolute right to charge Franchisee the greater of: three (3) times the fixed Royalty Fee; or, if on a percentage Royalty Fee, the Royalty Fee will be increased up to eighteen percent (18%) of Revenues, with respect to any period during which Franchisee is in breach or default of its/his/her obligations under this Agreement. The Royalty Fees paid or owing to Famous Dave's with respect to the period during which Franchisee is in breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14) day period, regardless of the length of the actual breach or default.

ARTICLE 5 MARKETING FUND AND LOCAL ADVERTISING

5.1 Marketing Fund Fees.

In addition to all amounts payable to Famous Dave's by Franchisee pursuant to this Agreement, each Tuesday Franchisee will pay Famous Dave's a Marketing Fund Fee (the "Marketing Fund Fees") equal to a specified percentage of the Revenues generated by Franchisee's Famous Dave's® Restaurant for the preceding week, unless that day is a non-business day, in which case the Marketing Fund Fee is payable to Famous Dave's on the next business day. The Marketing Fund Fees will be deposited into one or more local, regional, national or international Marketing Funds (collectively, the "Fund" or the "Marketing Fund"), which will be administered and controlled exclusively by Famous Dave's. The Marketing Fund Fee amount that Franchisee must pay pursuant to this Article 5.1 is an amount equal to 1% of the Restaurant's weekly Revenues. Famous Dave's reserves the right to increase this percentage upon 60 days prior written notice to Franchisee; provided however, that Famous Dave's may not increase the Marketing Fund Fee by more than ½% in any 12-month period.

5.2 Use of Marketing Fund Fees.

(a) Famous Dave's will determine when, how and where the Marketing Fund Fees and other payments will be deposited into the Fund and how the Fund will be spent in the exercise of its reasonable business judgment. This includes, without limitation, the right of Famous Dave's to purchase and pay for product and market research, market strategy, production development, production of point-of-purchase materials, ads, brochures, radio and television commercial production costs, services provided by advertising agencies, maintaining sales and marketing staff and related expenses (including reasonable salaries, administrative costs, travel expenses, overhead and similar expenses Famous Dave's may incur in activities related to the administration of the Marketing Fund), in-store advertising, signs, public relations, telemarketing, direct mail advertising, promotional programs, advertising market research, brand development, online media, graphics and design costs, creation and maintenance of a website for the Restaurant System, Internet costs, miscellaneous advertising costs, expenditures for items, materials and services provided by third parties, the costs incurred in administering the Marketing Fund, other costs and expenses as Famous Dave's deems appropriate and in the best interests of all Famous Dave's® Restaurants and the Restaurant System, and for local, regional, national and/or Restaurant System wide promotional programs and advertising. All costs for the administration of the Fund, collection costs and office supplies will be paid from the Fund (including attorneys' fees paid in collecting past due Marketing Fund Fees or in addressing disputes of any kind involving the Fund and its expenditures).

(b) Franchisee and Famous Dave's agree that the Fund is not a trust or escrow account, and Famous Dave's does not have any fiduciary obligations regarding the Fund. Famous Dave's is not required to spend the Marketing Fund Fees in any particular geographic or DMA market and has no obligation to spend the Marketing Fund Fees in Franchisee's market area in proportion to the Marketing Fund Fees paid by Franchisee. Famous Dave's is not required to spend the Marketing Fund Fees in the calendar year in which the payments were made. Payments to the Fund not spent in the calendar year in which they were paid and the interest accrued will remain in the Fund to be used at a later date. A summary showing the income to the Fund and the expenditures made from the Fund during each calendar year will, upon written request, be provided to Franchisee on a confidential basis no more frequently than once per year.

5.3 Local Marketing and Advertising.

Beginning with the calendar quarter that the Restaurant opens, Franchisee will, each calendar quarter, spend a minimum of 1.5% of its Revenues on approved local marketing and advertising for its Restaurant (as specified in the Standard Operating Procedures/Training Manual(s)). Each calendar year during the Term, Franchisee's cumulative quarterly expenditures on approved local advertising must total at least 1.5% of Franchisee's Revenues for the calendar year. If Franchisee spends less than 1.5% of its Revenues for approved local advertising in any calendar quarter or less than 1.5% of its Revenues for approved local advertising during any calendar year, then Franchisee will deposit with Famous Dave's the difference between the amount Franchisee was required to spend and the amount actually spent by Franchisee. Famous Dave's will have the right to spend all of the funds deposited by Franchisee under this provision for advertising and promotion in Franchisee's DMA in the manner deemed appropriate by Famous Dave's. Franchisee will not conduct any advertising and/or promotion programs for its Restaurant, except those permitted by the Standard Operating Procedures/Training Manual(s) or otherwise provided by Famous Dave's, without the prior written approval of Famous Dave's. Franchisee will not permit any party to advertise its business, services, or products on the premises of or in connection with Franchisee's Restaurant, or in a manner that suggests any association with Franchisee's Restaurant.

5.4 Multiple Restaurants.

If Franchisee (or any affiliated Entity or individual) operates more than one Famous Dave's® Restaurant pursuant to a franchise agreement with Famous Dave's, then Franchisee may spend up to 50% of the amount required to be spent on approved local advertising for any Restaurant on approved local advertising for any other Restaurant owned and operated by Franchisee (or any affiliated Entity or individual); provided however, that in no event will Franchisee spend less than 1.5% of the aggregate Revenues from all of its Restaurants on approved local advertising per calendar quarter or per calendar year. If Franchisee spends less than 1.5% of the aggregate Revenues from all of its Restaurants on approved local advertising during any calendar quarter or calendar year, then Franchisee will deposit with Famous Dave's the difference between the amount Franchisee was required to spend and the amount actually spent by Franchisee. Famous Dave's will have the right to spend all of the funds deposited by Franchisee under this provision for advertising and promotion in any of Franchisee's DMAs in the manner deemed appropriate by Famous Dave's in its sole and absolute discretion.

5.5 Reports of Local Advertising.

Within 30 days after the end of each calendar quarter, Franchisee will, in the prescribed form, furnish Famous Dave's with an accurate accounting of Franchisee's expenditures for local advertising for the previous calendar quarter.

5.6 Local Advertising Association.

If two or more independently owned or controlled Famous Dave's® Restaurants, including Franchisee's Restaurant, are opened in Franchisee's DMA (or other market area designated by Famous Dave's), Famous Dave's may require that Franchisee become a "Member" of and participate in a local advertising group (the "Local Advertising Association" or the "LAA") which will conduct and administer media advertising,

promotion, marketing and public relations for the benefit of the Famous Dave's® Restaurants located in the DMA, subject to the terms and conditions set forth in the Standard Operating Procedures/Training Manual(s). If Franchisee is a member of an LAA, Franchisee will contribute Local Advertising Fees equal to 1.5% of its weekly Revenues to the LAA by each Tuesday with respect to the previous week's Revenues, unless that day is a non-business day, in which case the Local Advertising Fee is payable on the next business day. The weekly Local Advertising Fees paid by Franchisee to the LAA will meet the local advertising requirement set forth in Article 5.3 of this Agreement.

5.7 Grand Opening Celebration.

Famous Dave's will provide access to a "grand opening celebration" package that will include advertising and promotional materials for Franchisee's Restaurant. Franchisee will spend a minimum of (a) \$15,000 (or such other greater amount determined by Famous Dave's, in its sole and absolute discretion, and specified in writing by Famous Dave's) on the grand opening celebration for Franchisee's Restaurant if the Restaurant is Franchisee's first Restaurant in the market area (as determined by Famous Dave's), or (b) \$10,000 if when Franchisee executes this Agreement, Franchisee already owns and operates at least one other Famous Dave's® Restaurant in the same market area as the Restaurant. The grand opening expenditures can be applied toward the local advertising requirements set forth in Article 5.3 of this Agreement. Famous Dave's reserves the right to request written documentation from Franchisee sufficient to establish to Famous Dave's satisfaction that such expenditures were actually made by Franchisee. Such documentation will be provided to Famous Dave's within 15 days after Famous Dave's request.

ARTICLE 6 FINANCIAL STATEMENTS

6.1 Financial Statements.

Franchisee will, at its expense, prepare monthly, quarterly and year-to-date Financial Statements and will deliver those Financial Statements to Famous Dave's within 30 days after the end of each period. Franchisee will also prepare annual Financial Statements that will be delivered to Famous Dave's no later than 21 days after the end of Franchisee's fiscal year. All Financial Statements will be in the form prescribed by Famous Dave's. The Financial Statements must be verified by an officer or Owner of Franchisee as to accuracy and completeness. All financial information provided to Famous Dave's by or on behalf of Franchisee may be used or disclosed by Famous Dave's for any purpose it deems necessary including, but not limited to, in the marketing of franchises and/or preparing financial performance information.

6.2 Sales and Income Tax Returns.

Within three business days after receipt of a written request, Franchisee will furnish Famous Dave's with complete signed copies of all sales tax returns and income tax returns for Franchisee's Restaurant for the fiscal years or other periods requested.

6.3 Audit Rights.

Within three business days after receiving written notice from Famous Dave's, Franchisee and Franchisee's accountants will make all of their Financial Records available during regular business hours for Famous Dave's or its designees to review, copy, and audit. The Financial Records for each fiscal year will be maintained by Franchisee in a safe place for each of the last five fiscal years. The audit will be conducted at the location where Franchisee maintains the Financial Records. Franchisee will provide adequate facilities to enable Famous Dave's or its designee to conduct the audit.

6.4 Payment of Audit Costs.

If an audit of Franchisee's Financial Records reveals any deficiencies in the Royalty Fees, Marketing Fund Fees or any other fees payable to Famous Dave's under this Agreement, then Franchisee will, within five days after receipt of an invoice, pay to Famous Dave's any deficiency owed, together with interest as

provided for herein. In addition, if an audit establishes that Franchisee's Revenues were understated by more than 2% in any reporting period, then Franchisee will, within 15 days after receipt of an invoice, pay Famous Dave's for all costs and expenses incurred for the audit of Franchisee's Financial Records (including employee salaries, Travel Expenses, and audit fees).

ARTICLE 7 STANDARDS AND OTHER FRANCHISEE OBLIGATIONS

7.1 Compliance with Standards.

(a) Franchisee will use the Marks and the Restaurant System in strict compliance with the mandatory moral and ethical standards, quality standards, health standards, operating procedures, data security standards, and other specifications, requirements and instructions required by Famous Dave's.

(b) It is understood and agreed that the mandatory standards established by this Agreement including, but not limited to, the inspection and audit rights provided in this Agreement, and the provisions of Famous Dave's Standard Operating Procedures/Training Manual(s) are reasonable means by which Famous Dave's seeks to create a uniform customer experience and to avoid and prevent conduct which is likely to impair the value of and the goodwill associated with the Marks and the Restaurant System being licensed under this Agreement, and do not reflect any right or effort by Famous Dave's to control the day-to-day operation of the Restaurant or the business prerogatives of Franchisee. Franchisee agrees to comply with all mandatory provisions of Famous Dave's Standard Operating Procedures/Training Manual(s), as they may be revised from time to time by Famous Dave's in the exercise of its business judgment; provided, however, that those portions of such Manuals that are expressly designated as recommendations are not intended to limit or control the business prerogatives of Franchisee.

(c) Franchisee understands and acknowledges that over the Term it may be appropriate for Famous Dave's, in the exercise of its business judgment, to adopt standards and business principles needed to maintain the reputation, legal status or competitive position of the Marks and the Restaurant System and to reflect such details in Famous Dave's Standard Operating Procedures/Training Manual(s). To the extent such Manuals, as they may be amended from time to time, conflict with the provisions of this Article 7, the provisions of the Manuals then in effect shall control. Franchisee further understands and acknowledges that due to local circumstances, Famous Dave's may occasionally adopt different standards and business principles to apply to different market areas or types of Famous Dave's® Restaurants.

(d) Franchisee agrees to participate, at its expense, in any quality assurance monitoring programs Famous Dave's specifies, including telephonic or electronic customer polling or onsite "secret shopper" programs, and Franchisee agrees to share the results of such programs with Famous Dave's. Franchisee agrees to participate in all required customer surveys and satisfaction audits, which may require Franchisee to provide discounted or complimentary foods, products and services, provided that such discounted or complimentary sales will not be included in the Revenues of Franchisee's Restaurant. Additionally, Franchisee agrees to participate in any customer complaint resolution and other programs that Famous Dave's may reasonably establish for the Restaurant System, which programs may include, without limitation, providing discounts or refunds to customers.

7.2 Quality and Service Standards; Business Efforts of Franchisee and Owners.

(a) Famous Dave's has developed and will continue to develop uniform standards of quality, cleanliness and service regarding the business operations of Franchisee's Restaurant to protect and maintain (for the benefit of Famous Dave's and all of its franchisees) the distinction, valuable goodwill, and uniformity represented and symbolized by the Marks and the Restaurant System. Franchisee agrees to maintain the uniformity and quality standards required by Famous Dave's for all foods, products, and services associated with the Marks and the Restaurant System and agrees to the terms and conditions contained in this Article to assure the public that all Famous Dave's® Restaurants will be uniform in nature and will sell and

dispense quality foods, products, and services, except to the extent any variations from such standards have been expressly permitted by Famous Dave's.

(b) Franchisee understands and acknowledges that maintenance of required quality and service standards requires continuous personal effort by Franchisee and its senior management and that, during the Term, Franchisee, the Owners and the Personal Guarantors acknowledge that Franchisee, its partners or officers, and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipes, cooking and food preparation information, and trade secrets from Famous Dave's pertaining to the Restaurant System and the operation of the Famous Dave's® Restaurant. ~~Franchisee, the Owners and the Personal Guarantors have also been advised that Famous Dave's will not sell a Franchise to any person or Entity that owns or intends to own, operate or be involved in any enterprise whose sales of barbecue or barbecue style food products constitute 15% or more of that enterprise's gross annual sales (a "Competitive Business").~~ Franchisee, the Owners and the Personal Guarantors each warrant and represents that they do not own, operate or have any involvement with or interest in any enterprise whose sales of barbecue or barbecue-style food products constitute 15% or more of that enterprise's gross annual sales (a "Competitive Business") that has not been disclosed in writing to Famous Dave's before the Effective Date. Accordingly, Franchisee, the Owners and the Personal Guarantors each agree that except as Famous Dave's may authorize in writing in the exercise of its sole and absolute judgment, during the Term, the food-related business efforts of Franchisee, the Owners and the Personal Guarantors will be devoted to the operation of Franchisee's Restaurant and any other Famous Dave's® Restaurants operated by Franchisee or its Affiliates, to the exclusion of any Competitive Business. Notwithstanding the foregoing terms of this Article 7.2(b) and the terms of Article 21.2: (i) Famous Dave's may, in the exercise of its sole judgment, on such conditions as Famous Dave's determines, give written consent to existing Competitive Businesses owned and operated by Franchisee, the Owners and the Personal Guarantors as of the Effective Date of this Agreement, to own and operate designated Competitive Businesses during the Term and thereafter in accordance with such written consent; and (ii) a passive ownership of a financial interest in the stock of a publicly-held business that constitutes 3% or less of that publicly-held Entity shall not constitute a violation of this Article 7.2(b) or Article 21.2.

7.3 Identification of Restaurant.

Franchisee will operate the Restaurant so that it is clearly identified and advertised as a Famous Dave's® Restaurant. The style and form of the words "Famous Dave's®" and the other Marks used in any advertising, marketing, public relations, or promotional program must have the prior written approval of Famous Dave's. Franchisee will use the name "Famous Dave's®," the approved logos and all graphics commonly associated with the Restaurant System and the Marks on all materials in the manner prescribed by Famous Dave's.

7.4 Franchisee's Business Name and Entities.

Franchisee will not use the name "Famous Dave's®" or any derivative thereof in the name of the Entity that is Franchisee or in any name of an affiliated or controlled Entity of Franchisee in any incorporation, organization, or other legal formation documents filed with any state government or agency. Franchisee will hold itself out to the public and to its employees as an independent ~~contractor-business~~ operating an independently owned and operated Restaurant pursuant to a Franchise ~~Agreement from~~ Agreement with Famous Dave's, using such signage and other forms of notification as prescribed by Famous Dave's. Franchisee will file for a certificate of assumed name in the manner required by applicable state law to notify the public that Franchisee is operating its Restaurant as an independent contractor operating an independently owned and operated business.

7.5 Business Hours; Personnel; Customer Reservations.

Franchisee's Restaurant will be open during the hours specified in the Standard Operating Procedures/Training Manual(s). During business hours, Franchisee will have sufficient management

personnel on duty who are responsible for supervising the Restaurant's employees and operations. Franchisee will have a sufficient number of adequately trained and competent service, kitchen and other personnel on duty to guarantee efficient service to the customers of the Restaurant. Franchisee will require its employees to wear the standard attire or uniforms described in the Standard Operating Procedures/Training Manual(s). In the event Franchisee determines to accept reservations or offer any form of pre-reserved seating at Franchisee's Restaurant, it shall comply with the provisions of Famous Dave's Standard Operating Procedures/Training Manual(s) with respect to such practices.

7.6 Inspection Rights.

Franchisee will permit Famous Dave's or its representatives to enter, remain on, and inspect the Restaurant without prior notice. Famous Dave's may: (a) interview Franchisee's employees and customers; (b) take photographs and record video of the interior and exterior of the Franchised Location; (c) examine and remove samples of the Foods, Beverages, and Products sold or used at Franchisee's Restaurant; (d) evaluate the quality of the Foods, Beverages, and Products, and the services provided by Franchisee to its customers; and (e) inspect the premises of the Franchised Location and the operation of Franchisee's Restaurant to determine compliance with the Restaurant System. Famous Dave's will have the right to use all interviews, photographs, and videotapes of Franchisee's Restaurant for such purposes as Famous Dave's deems appropriate, including use in advertising, marketing, and promotional materials, without compensating Franchisee.

7.7 Default Notices and Significant Correspondence.

Franchisee will deliver to Famous Dave's, immediately upon receipt by Franchisee or delivery at the Franchised Location, an exact copy of all: (a) notices of default received from the landlord of the Franchised Location or any mortgagee, trustee under any deed of trust, contract for deed holder, lessor, or any other party; (b) notifications or other correspondence relating to any legal proceeding relating in any way to Franchisee's Restaurant or to the Franchised Location; (c) inspection reports or any other notices, warnings or citations from any governmental authority, including any health or safety authority; and (d) all written consumer and employee complaints or claims immediately upon receipt. Franchisee will provide all additional information requested by Famous Dave's relating to any of these matters.

7.8 Catastrophes.

If the Restaurant is damaged or destroyed by fire or other casualty or Franchisee is unable to operate the Restaurant due to an act of eminent domain or an act of God and this Agreement has a remaining term of at least five years, then: (a) Franchisee will, within 30 days thereafter, ~~initiate the process to~~ commence the repairs and reconstruction necessary to restore the Franchised Location to its original condition prior to such casualty, or (b) Franchisee will relocate the Restaurant to a location approved in writing by Famous Dave's, and in any event, the Term will be extended for the period from the date the Franchised Location was damaged or destroyed as a result of the casualty or as a result of eminent domain until the date it opens ~~if Franchisee elects to extend the term~~. Franchisee will relocate the Restaurant or repair or reconstruct the premises of the Restaurant in conformance with Famous Dave's then-current standard décor specifications and will open the Restaurant or the relocated Restaurant for business within 18 months after the date of such casualty, ~~or~~ act of eminent domain or an act of God.

7.9 Vending and Gaming Machines; Unauthorized Devices or Items.

Franchisee will not, except with the written permission of Famous Dave's, permit any jukeboxes, electronic games, vending machines (including cigarette, gum, and candy machines), ATM machines, newspaper racks, entertainment devices, coin or token operated machines, gambling devices or other devices not specified by Famous Dave's to be used on the Restaurant premises. Franchisee will not sell or allow its employees or others on the Restaurant premises to sell any items to consumers that have not been specified by Famous Dave's including, but not limited to, tickets, subscriptions, raffles, lottery tickets, or participation in games of chance.

7.10 Compliance with Applicable Law.

(a) Franchisee is responsible for the operation of its Restaurant, and will control, supervise, and manage all the employees, agents, and independent contractors who work for or with Franchisee. Famous Dave's will not have any right, obligation, or responsibility to control, supervise or manage Franchisee's employees, agents, or independent contractors. Franchisee will advise its employees, agents and independent contractors of the foregoing facts, in writing, upon hiring or contracting with them, and in any employee manual or human resources materials made available to employees, agents or independent contractors.

(b) Franchisee will comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations pertaining to the construction or remodeling and the operation of Franchisee's Restaurant including, but not limited to: (i) health, food service, business, and liquor licensing laws; (ii) health and safety regulations and laws; (iii) environmental laws; (iv) labor and employment laws (including all wage and hour laws, employment laws, workers' compensation laws, discrimination laws, sexual harassment laws, disability and discrimination laws and laws and regulations governing employment of aliens); (v) tax laws (including those relating to individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, inventory taxes, liquor taxes, personal property taxes and real estate taxes, and federal, state and local income tax laws); (vi) credit, charge, courtesy and cash card transactions and processing laws including all financial privacy laws; (vii) laws pertaining to the privacy of consumer, employee, and transactional information, and all data collection and protection laws; and (viii) laws pertaining to the transmission of advertisements or solicitations by telephone, text, fax, email, or any other communication medium. Franchisee will, at its expense, be solely and exclusively responsible for determining the licenses and permits required by law for Franchisee's Restaurant, for obtaining and qualifying for all licenses and permits, and for compliance with all applicable laws by its employees, agents and independent contractors.

(c) Famous Dave's will have no liability for any taxes which arise or result from Franchisee's Restaurant and Franchisee will indemnify Famous Dave's for any such taxes that may be assessed or levied against Famous Dave's which arise out of or result from Franchisee's Restaurant. If any "franchise" or other tax which is based upon the Revenues, receipts, sales, business activities, or operation of Franchisee's Restaurant is imposed upon Famous Dave's by any taxing authority, then Franchisee will reimburse Famous Dave's for all such taxes paid by Famous Dave's.

7.11 Alcoholic Beverages.

If the premises of the Restaurant are 4,000 square feet or greater, and unless otherwise approved in writing by Famous Dave's, Franchisee will serve beer, wine and other alcoholic beverages, including hard liquor and mixed drinks, at its Restaurant. If the premises of the Restaurant are less than 4,000 square feet, Franchisee may serve beer and wine only. Franchisee will comply with: (a) all federal, state, city, local and municipal licensing, insurance and other laws, regulations, and requirements applicable to the sale of alcoholic beverages by Franchisee; and (b) the liquor liability insurance requirements set forth in this Agreement.

7.12 Security Interests or Other Form of Interest in Franchise Agreement.

This Agreement and the Franchise granted to Franchisee hereunder (including any right to receive the gross nor net income realized by Franchisee) may not be used directly or indirectly, as collateral or be the subject of a security interest, lien, levy, attachment, or execution by Franchisee's creditors, any financial institution, or any other party.

7.13 Credit Cards; Gift Cards/Certificates.

Franchisee will honor all debit, credit, charge, cash cards and all other types of payment cards, devices or methods approved by Famous Dave's. To the extent Franchisee will store, process, transmit or otherwise

access or possess cardholder data in connection with the sale of the Foods, Beverages, and Products provided under this Agreement and the operation of Franchisee's Restaurant, Franchisee will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, and any future generally-accepted security standards for the protection of cardholder data throughout the Term. Franchisee will not create or issue any gift cards or certificates and will only sell gift cards or certificates that have been issued by Famous Dave's or an affiliated Entity, and which are accepted at all Famous Dave's® Restaurants. Franchisee will not issue coupons or discounts of any type except as approved by Famous Dave's. In the event that the Restaurant closes or is otherwise abandoned, whether due to termination of this Agreement or for any other reason, Franchisee will pay Famous Dave's the full amount of the Restaurant's outstanding gift card liability at the time of closing, reduced by the then-current percentage of anticipated gift card non-redemption as established by Famous Dave's. Such amount will be paid together with all other fees and amounts payable to Famous Dave's in connection with Restaurant closure pursuant to this Agreement.

7.14 Music and Music Selection.

~~Franchisee agrees and acknowledges that it will play only the music and music selections approved by Famous Dave's for the Restaurant System and as set forth in the Standard Operating Procedures/Training Manual(s) or otherwise in writing. Franchisee will only play the music and music selections that have been approved by Famous Dave's as set forth in the Standard Operating Procedures/Training Manual(s) or otherwise in writing.~~

7.15 Maintenance.

Franchisee will, at its expense, repair and maintain the Restaurant in a clean and sanitary condition and will replace all décor items as they become worn-out, soiled, or in disrepair. All mechanical equipment must be kept in good working order by Franchisee. All replacement equipment and décor items used in the Restaurant must comply with the standards and specifications in the Standard Operating Procedures/Training Manual(s).

7.16 Remodeling of Business Premises.

Franchisee will make the reasonable capital expenditures necessary to extensively remodel, modernize, redecorate, and renovate ("remodel" or "remodeling") Franchisee's Restaurant and to replace and modernize the FF&E so that Franchisee's Restaurant will reflect the then-current image of a Famous Dave's® Restaurant and conform to Famous Dave's then-current specifications. Franchisee will commence remodeling the Restaurant within seven months after receiving written notice from Famous Dave's specifying the required remodeling, and will diligently complete such remodeling within a reasonable time after its commencement. Except as provided for in Article 7.15 of this Agreement, Franchisee will not be required to remodel the Restaurant, or to replace and modernize its FF&E more than once every five years.

7.17 Décor Items.

Franchisee will purchase, install, and/or display in the Restaurant the décor items specified in the Standard Operating Procedures/Training Manual(s). Franchisee is responsible for paying any supplier or vendor for all décor and installation costs, in accordance with terms established by agreement with such suppliers or vendors. Décor items that have been approved for use in the Restaurant will not be sold by Franchisee without Famous Dave's prior written consent.

7.18 Other Business Activity at or Related to Franchised Location.

Franchisee will use the Franchised Location solely for the operation of a Famous Dave's® Restaurant and will not directly or indirectly operate or engage in any other business or activity from the Franchised Location. Franchisee will not participate in any dual branding program, or in any other program, promotion or business activity pursuant to which another trademark, service mark, trade name, or commercial symbol

is used in connection with Franchisee's Restaurant or which suggests an association with Franchisee's Restaurant or seeks to derive any form of benefit from an association with Franchisee's Restaurant, except to the extent expressly permitted in a prior writing by Famous Dave's.

7.20 Annual Conference.

Franchisee's Operating Partner, other Owners, senior executives and the other persons designated by Franchisee will attend each annual franchise system conference (the "Annual Conference") held by Famous Dave's. The date and location of all Annual Conferences will be at the sole determination of Famous Dave's. Franchisee will pay the conference registration fee established by Famous Dave's for each person attending the Annual Conference. Franchisee will also pay the Salaries and Benefits, the Travel Expenses, and all other expenses incurred by the persons attending the Annual Conference on Franchisee's behalf. Franchisee acknowledges that the attendance of at least one of its senior executives at the Famous Dave's Annual Conference is mandatory.

7.21 Disclosure of Franchisee Information.

Famous Dave's has the right to disclose in its Franchise Disclosure Document as required by law or regulation, and to retrieve and disseminate in other documents and places, as determined by Famous Dave's, any information relating to Franchisee and the Restaurant, including Franchisee's name, any address and/or telephone number(s), and the Revenues, expenses, results of operations and/or other information regarding the Restaurant utilizing the retrieval method and disseminated via the medium and in the format determined by Famous Dave's, in its sole discretion. Any disclosure by Famous Dave's of such information will be for reasonable business purposes, and its rights under this provision will survive the Assignment, termination or expiration of this Agreement.

7.22 Payment of Obligations.

Franchisee will timely pay any and all of its uncontested obligations or liabilities when due and owing under this Agreement, any other contract or otherwise payable to Famous Dave's, any affiliated or controlled Entity of Famous Dave's, the Local Advertising Association, the landlord for the Franchised Location, suppliers, vendors, distributors, banks, purveyors, lessors, creditors and any federal, state, local and municipal government.

ARTICLE 8 FOODS, BEVERAGES AND PRODUCTS; RELATED OPERATIONS

8.1 Limitations on Foods, Beverages and Products.

Franchisee will only sell the Foods, Beverages, and Products specified in writing by Famous Dave's or in the Standard Operating Procedures/Training Manual(s) and will offer and sell all of the Foods, Beverages, and Products specified by Famous Dave's in writing or in the Standard Operating Procedures/Training Manual(s). Franchisee will maintain sufficient inventories to realize the full potential of the Restaurant and will conform to all customer service standards prescribed by Famous Dave's in writing. Franchisee will set the retail price of Foods, Beverages, and Products sold at the Restaurant; provided, however, that Famous Dave's may exercise all rights with respect to retail price available to it under applicable law including, but not limited to, setting maximum prices for items sold at the Restaurant. Franchisee will only sell the Foods, Beverages, and Products on a retail eat-in or take-out basis and will not offer or sell the Foods, Beverages, and Products: (a) on a wholesale or retail basis at any other location; (b) by means of the Internet, catalogue or mail order sales, or telemarketing; and (c) by any other method distribution.

8.2 Delivery.

Franchisee will not, without the prior written consent of Famous Dave's, offer or provide delivery, or enter into arrangements for third party delivery, to locations outside Franchisee's Restaurant, whether for a fee or not, of any Foods, Beverages, and Products offered for sale by Franchisee's Restaurant; provided,

however, that Franchisee may provide catering services not involving individual consumer orders, in compliance with the provisions of Famous Dave's Standard Operating Procedures/Training Manual(s).

8.3 Approved Suppliers.

Franchisee will purchase the Foods, Beverages, and Products which will be used or sold at its Restaurant from suppliers approved in writing by Famous Dave's. Certain approved Foods, Beverages, and Products may only be available from one source, as noted in Article 8.4 of this Agreement, and Famous Dave's or its Affiliates may be that source. Franchisee will pay the then-current price in effect for all purchases Franchisee makes from Famous Dave's or an Affiliate. Except for single source Foods, Beverages, and Products purchases and instances where Famous Dave's has made volume commitments on behalf of franchisees that may be compromised, Franchisee will have the right to purchase the Foods, Beverages, and Products from other suppliers provided they conform to Famous Dave's standards and specifications and Famous Dave's determines, in the exercise of its business judgment, that the supplier's or distributor's business reputation, quality standards, delivery performance, credit rating, and other factors are acceptable and that approval of such supplier or distributor will not have a negative effect on the economical and efficient operation of the network of Famous Dave's® Restaurants or the Restaurant System as a whole. If Franchisee desires to purchase any Foods, Beverages, and Products from other suppliers, then Franchisee must, at its expense, submit samples, specifications, and product information requested by Famous Dave's, for review and testing to determine whether these Foods, Beverages, and Products comply with Famous Dave's standards and specifications. Famous Dave's will also have the right to inspect the facilities of the proposed supplier, and Franchisee will reimburse Famous Dave's for the costs and expenses incurred to conduct the inspection and the review of the supplier and the product(s) reviewed. Famous Dave's will complete all product testing within 30 days after being provided with adequate samples, specifications and product information, and will notify Franchisee of its determination within 45 days after Famous Dave's receives the samples and other requested information from Franchisee. The written approval of Famous Dave's must be obtained before any previously unapproved Foods, Beverages, and Products are sold or used by Franchisee.

8.4 Designated Suppliers; Brand Name Products.

Franchisee will purchase from designated suppliers the Foods, Beverages, and Products designated in writing by Famous Dave's which are to be used or sold by the Restaurant and which Famous Dave's determines must meet the standards of quality and uniformity required to protect the valuable goodwill and uniformity symbolized by and associated with the Marks and the Restaurant System. In addition, Franchisee will purchase and use in its Restaurant operations all of the brand name products specified by Famous Dave's in the Standard Operating Procedures/Training Manual(s). Franchisee will purchase all proprietary proteins, sauces, seasonings, and other food products from a member of Famous Dave's Distribution Marketing Advantage system or from any other distributor Famous Dave's may designate in the future.

8.5 Branding of Foods, Products or Services.

Franchisee has no right to: (a) use or display the Marks on or in connection with any foods, products, or services that have not been approved by Famous Dave's; (b) acquire, develop, or manufacture any food or product using the name "Famous Dave's®" or any of the Marks or any confusingly similar marks, or direct any other person or Entity to do so; (c) acquire (other than for resale pursuant to this Agreement in Franchisee's Restaurant), develop, or manufacture any foods or product that has been developed or manufactured by or for Famous Dave's for use in conjunction with the operations of the Restaurant and which is sold under any of the Marks, or direct any other person or Entity to do so; and (d) use, have access to, or have any rights to any proprietary formulas, ingredients, or recipes for any foods or products created by or at the direction of Famous Dave's and sold under the name "Famous Dave's®" or any of the Marks.

8.6 Third Party Performance Evaluations.

In its sole and absolute judgment, Famous Dave's may hire providers of independent and secret shopping or other services to: (a) visit and evaluate food safety at the Restaurant; (b) visit and dine at Franchisee's Restaurant; (c) interview the customers of Franchisee's Restaurant by telephone, electronically, interactive voice response, or in person; (d) summarize information from customer surveys or comment cards for Franchisee's Restaurant; and (e) communicate with customers of Franchisee's Restaurant by email or in writing, by direct contact, electronically, or interactive voice response for the purpose of evaluating: (i) the operations of Franchisee's Restaurant; (ii) the quality of the Foods, Beverages, and Products provided to customers by Franchisee's Restaurant; and (iii) whether Franchisee is in compliance with the operational and quality standards specified in the Standard Operating Procedures/Training Manual(s). Famous Dave's will determine the frequency, nature and extent of the services that will be provided and the form of the reports the service providers will provide to Famous Dave's. The fees charged by the service provider for evaluating Franchisee's Restaurant will be shared equally by Famous Dave's and Franchisee. Famous Dave's will provide Franchisee with copies of all evaluation reports prepared by the service provider for Franchisee's Restaurant and the invoices for the service evaluation. Franchisee will pay amounts invoiced by Famous Dave's within 30 days after receipt. In the event Franchisee fails a food safety evaluation, and without waiving any of the rights afforded to Famous Dave's under Article 17 herein, Franchisee must pay the full cost of any required follow-up evaluation, as well as the full cost of the original failed evaluation.

8.7 Purchasing Cooperative.

Famous Dave's may require that Franchisee join and make required purchases/leases through a purchasing cooperative or other Entity designated by Famous Dave's. Such Entity may adopt its own by-laws, rules, regulations and procedures, subject to Famous Dave's prior review and approval, which may include required provisions intended to meet applicable legal and regulatory principles. Franchisee's failure to timely pay amounts due to, or comply with the by-laws, rules, regulations and procedures of such cooperative is a breach of this Agreement. Famous Dave's will have the right, but not the obligation, to offset against amounts Famous Dave's owes to Franchisee the amount of Franchisee's unpaid cooperative obligations.

8.8 Payments to Suppliers.

Franchisee will timely pay when due and owing any and all of its uncontested obligations or liabilities for purchases made by Franchisee from designated suppliers, approved suppliers, Famous Dave's, any Affiliate of Famous Dave's, and/or other suppliers, vendors and distributors ("Suppliers") for the Foods, Beverages, and Products, or other items, goods, products, merchandise or services for the Restaurant. Franchisee agrees and acknowledges that Famous Dave's has the right to require that information be provided by Franchisee's Suppliers to Famous Dave's regarding the purchases and payments made by Franchisee to Suppliers and/or the status of Franchisee's accounts with its Suppliers, and Franchisee hereby authorizes Famous Dave's to direct Franchisee's Suppliers to promptly provide Famous Dave's with the information and documents, including order forms and invoices, requested by Famous Dave's. Franchisee's Suppliers will accept this Agreement as evidence of the right of Famous Dave's to require that it be provided with information and documents regarding Franchisee's accounts with its Suppliers, and this Agreement will constitute the authority from Franchisee for Franchisee's Suppliers to provide such information and documents to Famous Dave's.

8.9 Payments by Suppliers.

Franchisee acknowledges that Famous Dave's and/or its Affiliates will have the right to receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and other payments ("Payments") based upon the actual purchases of the Foods, Beverages, and Products by Famous Dave's, its Affiliates, area developers and franchisees from Suppliers.

Any Payments made to Famous Dave's by a Supplier as a result of Franchisee's direct purchases from the Supplier may be retained by Famous Dave's or distributed to franchisees in such amounts and using such allocation methods as Famous Dave's deems appropriate, in its sole discretion. If Famous Dave's receives any Payments from a Supplier that are not based on the direct purchases by Franchisee, Famous Dave's or an Affiliate, or if Famous Dave's receives a Payment from a Supplier that it cannot reasonably determine was based on purchases made by (a) Famous Dave's and/or (b) any or all of Famous Dave's area developers or franchisees, then such amounts will be retained by Famous Dave's or deposited into the Fund and used by Famous Dave's as provided for in Article 5.2 of this Agreement. All Payments received from a Supplier for a designated purpose (such as purchase of menu boards, purchase of specific equipment, participation at the national convention, etc.) will be spent in accordance with the Supplier's designated purpose. All Payments made by Franchisee to Famous Dave's or an Affiliate as a result of direct purchases by Franchisee from Famous Dave's or the Affiliate for Foods, Beverages, or Products will be retained in their entirety by Famous Dave's or the Affiliate. Notwithstanding the foregoing, Famous Dave's, in its sole discretion, may withhold or offset any amount for allowances or rebates it may be required to pay to Franchisee under this Agreement from or against any amount owed by Franchisee to Famous Dave's under this Agreement or any other agreement.

ARTICLE 9 STANDARD OPERATING PROCEDURES/TRAINING MANUAL(S); OTHER CONFIDENTIAL INFORMATION

9.1 Compliance with Standard Operating Procedures/Training Manual(s).

(a) Famous Dave's will provide Franchisee access to the Standard Operating Procedures/Training Manual(s) which may be provided by any reasonable method to Franchisee, including online or electronically. The purpose of the Standard Operating Procedures/Training Manual(s) is to protect the Marks and the Restaurant System, and not for the purpose of exercising control over those duties and responsibilities reserved to Franchisee. Franchisee will be responsible for the costs associated with the delivery method chosen by Famous Dave's to provide Franchisee with access to the Standard Operating Procedures/Training Manual(s).

(b) Franchisee will conform to the common image and identity created by the foods, beverages, products, music, food portions, recipes, ingredients, cooking techniques and processes, cleanliness, sanitation, and services associated with Famous Dave's® Restaurants which are portrayed and described by the Standard Operating Procedures/Training Manual(s) as well as with other aspects of the Restaurant System so portrayed and described therein. Franchisee will modify the operations of the Restaurant to implement all mandatory changes, additions, and supplements made by Famous Dave's to the Restaurant System which are reflected by the Standard Operating Procedures/Training Manual(s) as promptly as reasonably possible. Franchisee will not use the Standard Operating Procedures/Training Manual(s) or any information contained therein for any purpose other than the operation of Franchisee's Restaurant. The Standard Operating Procedures/Training Manual(s) are confidential and proprietary as further described in Article 9.3. Franchisee acknowledges receiving access to one copy of the Standard Operating Procedures/Training Manual(s) from Famous Dave's.

9.2 Revisions to Standard Operating Procedures/Training Manual(s).

The Standard Operating Procedures/Training Manual(s) will at all times remain the sole and exclusive property of Famous Dave's. Famous Dave's may, from time to time, revise the Standard Operating Procedures/Training Manual(s) in the exercise of its reasonable business judgment. Franchisee expressly agrees to operate its Restaurant in accordance with all such revisions to mandatory provisions of the Standard Operating Procedures/Training Manual(s). Franchisee is responsible to have access to the most current and up-to-date Standard Operating Procedures/Training Manual(s), and in the event of any dispute regarding the Standard Operating Procedures/Training Manual(s), the terms of the master copy of the

Standard Operating Procedures/Training Manual(s) maintained by Famous Dave's will be controlling in all respects. Famous Dave's will have the right to "update" the Standard Operating Procedures/Training Manual(s) and notify Franchisee of the latest versions which may be provided online or electronically to Franchisee. Franchisee will be responsible for the costs associated with the delivery method chosen by Famous Dave's to provide Franchisee with access to updates to the Standard Operating Procedures/Training Manual(s) and the latest versions of the Manuals.

9.3 Confidentiality of Other Information.

Famous Dave's and Franchisee expressly understand and agree that Famous Dave's will be disclosing and providing to Franchisee certain confidential and proprietary information concerning the Restaurant System and the procedures, operations, technology, and data used in connection with the Restaurant ("Confidential and Proprietary Information"). Further, Franchisee understands and agrees that the Confidential and Proprietary Information may include certain of Famous Dave's trade secrets concerning the manner in which it conducts business including, but not necessarily limited to: recipes and formulas; methods of doing business or business processes; strategic business plans; client lists and information; marketing and promotional campaigns; and Famous Dave's materials clearly marked or labeled as trade secrets. Franchisee agrees that the foregoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to Famous Dave's. Franchisee agrees that Famous Dave's derives independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. Franchisee agrees to take reasonable measures as directed by Famous Dave's to keep such information secret. Further, Franchisee will not, during the Term or thereafter, communicate or divulge to any person, or use for the benefit of any other person or Entity any such Confidential and Proprietary Information, knowledge, trade secrets or know-how concerning the methods of operation of the Restaurant which may be communicated to Franchisee, or of which Franchisee may be apprised by virtue of this Agreement. Franchisee will divulge such Confidential and Proprietary Information only to its employees who must have access to it to operate Franchisee's Restaurant, advising them of its confidential nature and taking all reasonable steps to maintain such confidentiality. Notwithstanding any other provision of this Agreement to the contrary, there may be certain instances where applicable law allows for the disclosure of certain Confidential and Proprietary Information, including trade secrets, under limited circumstances as specified in the Standard Operating Procedures/Training Manual(s) or otherwise in writing by Famous Dave's. Any Confidential and Proprietary Information will also include any and all information, knowledge, and know-how including, without limitation, drawings, materials, equipment, technology, methods, procedures, techniques, specifications, computer programs, systems, and other data which Famous Dave's copyrights or designates as confidential or proprietary will be deemed confidential and proprietary for the purposes of this Agreement.

ARTICLE 10 SITE SELECTION; CONSTRUCTION; SIGNS

10.1 Site Selection; Purchase or Lease of Site.

(a) Franchisee is solely responsible for selecting the site of the Franchised Location for Franchisee's Restaurant. Famous Dave's recommends that Franchisee retain: (i) an experienced commercial real estate broker or salesperson; and (ii) an experienced attorney to provide advice and counsel on Franchisee's business and the terms, conditions, and economics of the legal and other documents required to lease or purchase the site.

(b) Franchisee must provide Famous Dave's with a copy of the proposed Lease in final and executable form for the site selected by Franchisee at least 10 days before the date the Lease is to be signed (including any Lease in any sale/leaseback transaction). Famous Dave's review of the Lease will be only to determine whether the terms of the Lease comply with the terms and conditions of this Agreement, and not to provide any business, economic, legal or real estate advice, or analysis.

(c) Franchisee is solely responsible for all terms of the Lease, including the enforceability, economics, and legality of all provisions in the Lease. Franchisee agrees that it will not sign the Lease until this Agreement has been signed by both Franchisee and Famous Dave's and the Lease contains the terms required under this provision. The Lease will include the Lease Addendum attached hereto as Exhibit C, containing provisions confirming the right, but not the obligation, of Famous Dave's to enter the premises of the Franchised Location to conduct inspections during regular business hours, and the right, but not the obligation, of Famous Dave's to assume, or cause another franchisee to assume, the Lease in the event Franchisee's right to operate a Famous Dave's® Restaurant is terminated, and other provisions specified by Famous Dave's for the purpose of insuring conformity and continuity of the Franchised Location as a part of the network of franchised Famous Dave's® Restaurants. Franchisee agrees and acknowledges that Famous Dave's has the right to request that Franchisee's landlord promptly deliver to Famous Dave's, or such other party as Famous Dave's may designate: (i) written confirmation (1) that the Lease is in full force and effect without modification or amendment, and (2) that Franchisee is not in default under the terms of the Lease, and/or (ii) such other information, documents, confirmations and/or certifications regarding the Lease as may be reasonably requested by Famous Dave's.

(d) Site selection for the site of Franchisee's Restaurant is solely Franchisee's responsibility. It is agreed that Famous Dave's has no duty or obligation to assist Franchisee in the selection of a site for the Franchised Location, or in the purchase or lease of the Franchised Location, and has no obligation, duty to Franchisee regarding the site selected by Franchisee. To the extent Famous Dave's provides information, assistance or advice in such matters, it is agreed that Famous Dave's has no liability of any kind whatsoever with respect to such information, assistance or advice.

10.2 Site Information; Site Visit.

(a) Franchisee will provide the information as may be specified by Famous Dave's in writing for the proposed site, in the exercise of its business judgment. Such information may include submission of preliminary set of building plans in electronic or computerized formats specified by Famous Dave's and final drawings including all furniture, furnishings, fixtures and equipment installed in the Restaurant, before opening. Upon receipt of all items requested by Famous Dave's from Franchisee, Famous Dave's will have 30 days to visit and/or review the site proposed by Franchisee and prepare a Site Model Report that will provide Franchisee with certain site information relevant to assessing whether the proposed site is suitable for development of a Famous Dave's® Restaurant. The Site Model Report represents Famous Dave's opinion based on its past experience, and is offered for consideration and independent evaluation by Franchisee and its advisors. It is not a representation of fact, or guaranty of any type and is provided only on the express understanding, stated in Article 10.1 above, that Famous Dave's has no liability of any kind whatsoever with respect to the information provided. Franchisee agrees and acknowledges that the Site Model Report may provide an estimate of revenues for the site selected by Franchisee but that there is no representation, warranty, or guaranty that Franchisee's Famous Dave's® Restaurant will attain these estimated revenues if Franchisee selects this site as the Franchised Location or that the estimate is based on any validated or substantiated methodology.

(b) Franchisee will pay Famous Dave's the then-current fee for the Site Model Report after Famous Dave's issues a "no-objection" letter for the site. The fee for a Site Model Report is currently \$750, but this fee may be increased by Famous Dave's at any time. Franchisee will not purchase or lease a proposed site until Famous Dave's has provided Franchisee with a no-objection letter for that proposed site. Franchisee will provide Famous Dave's with a copy of the Lease, including the Lease Addendum required by Article 10.1(c) of this Agreement, or the purchase closing documents for the Franchised Location within 10 days after signing.

(c) Review of any site information, any visits by Famous Dave's to a proposed site, the review of the Site Model Report, and/or the issuance of a no-objection letter by Famous Dave's does not constitute an approval of the site by Famous Dave's or a warranty or representation by Famous Dave's or any other party

that the site for the Franchised Location chosen by Franchisee will be a financial or operational success. The issuance of a no-objection letter by Famous Dave's means only that it has received the site information required from Franchisee and Famous Dave's has no objections to the Franchised Location.

10.3 Site Release.

By executing this Agreement, and in furtherance of the provisions of Articles 10.1 and 10.2 above, Franchisee releases Famous Dave's and its officers, directors, Owners, agents and employees, in their corporate and individual capacities, from any and all claims by Franchisee arising from, in connection with, or as a result of Franchisee's purchase or lease of the site selected by Franchisee for the Franchised Location, whether such claims arise before or after the execution of this Agreement.

10.4 Standard Plans and Specifications.

Famous Dave's will, at its expense, provide Franchisee with a set of the standard plans, standards, and specifications for an existing Famous Dave's® Restaurant. Franchisee will, at its cost, retain a licensed architect and will be responsible for the preparation of working drawings and construction and architectural plans and specifications for Franchisee's Restaurant. Franchisee will be responsible for the accuracy of all drawings, plans, and specifications for its Restaurant.

10.5 Compliance with Specifications.

The Franchised Location and Franchisee's Restaurant will conform to all construction and décor specifications established by Famous Dave's. Franchisee will purchase and install the FF&E specified in the Standard Operating Procedures/Training Manual(s) for Franchisee's Restaurant according to the then-current design guidelines.

10.6 Construction Costs.

Franchisee is solely responsible for all costs and expenses incurred for the construction of Franchisee's Restaurant at the Franchised Location including, but not limited to, all costs for architectural plans and specifications, all modifications to the standard plans and specifications necessitated by the structure, construction or layout of the Franchised Location, building permits, site preparation, demolition, construction of the parking lot, landscaping, heating, ventilation and air conditioning, interior décor and decorations, FF&E, leasehold improvements, labor, architectural and engineering fees, electricians, plumbers, general contractors and subcontractors, including the per diem rate and the Travel Expenses for Famous Dave's décor consultants who may consult with Franchisee on the interior and exterior decorations for the Restaurant and who will install the interior and exterior decorations for the Restaurant.

10.7 Inspection.

Franchisee will be solely responsible for inspections during construction or renovation to confirm that the Franchised Location and the Restaurant is being constructed or renovated in a workmanlike manner and according to the specifications established by Famous Dave's. Franchisee will be solely responsible for complying with all federal, state and local laws, ordinances, statutes, and building codes, and for acquiring all licenses and building and other permits required by law in connection with the construction or renovation of Franchisee's Restaurant at the Franchised Location including without limitation the Americans with Disabilities Act ("ADA"). Famous Dave's will have no responsibility to Franchisee or any other party if the Restaurant is not constructed or renovated by Franchisee or its architect or contractor: (a) according to the standard plans and specifications established by Famous Dave's; (b) in compliance with all applicable federal, state or local laws or ordinances; or (c) in a workmanlike manner. Famous Dave's approval of any items in connection with construction or renovation is solely for complying with the brand system standards, and not for determining compliance with anything else (including without limitation, the ADA, or any other federal, state and local laws, ordinances, statutes, and building codes, or any requirement of the landlord (if applicable)). Franchisee will not open the Restaurant for business without the prior written approval of Famous Dave's.

10.8 Approved Signage.

All exterior and interior signs at the Franchised Location (the “Signs”) must comply with the standard sign plans and specifications established by Famous Dave’s and provided to Franchisee. Franchisee will, at its expense, prepare or cause the preparation of complete and detailed plans and specifications for the Signs and will submit them to Famous Dave’s for written approval. Famous Dave’s will have the absolute right to inspect, examine, videotape, and photograph the Signs during the Term. Franchisee is responsible for any and all installation costs, sign costs, architectural fees, engineering costs, construction costs, permits, licenses, repairs, maintenance, utilities, insurance, taxes, assessments, and levies in connection with the construction, erection, maintenance, or use of the Signs including, if applicable, all electrical work, construction of the base and foundation, relocation of power lines and all required soil preparation work. Franchisee will comply with all federal, state and local laws, regulations, building codes, and ordinances relating to the construction, erection, maintenance, and use of the Signs. Franchisee may not alter, remove, change, modify, or redesign the Signs unless approved by Famous Dave’s in writing. Famous Dave’s will have the right to redesign the specifications for the Signs without the approval or consent of Franchisee. Within 90 days after receipt of written notice from Famous Dave’s, Franchisee will, at its expense, either modify or replace the Signs so that the Signs displayed at the Franchised Location will comply with the new specifications. Franchisee will not be required to modify or replace the Signs more than once every five years.

10.9 Ownership of Franchised Location.

Franchisee must lease or own the Franchised Location. If any of the Owners, or an Entity owned by Franchisee and/or any of the Owners, owns or otherwise controls the Franchised Location, including the land, building and related real estate, or if Franchisee, any of the Owners, or an Entity owned by Franchisee and/or any of the Owners individually or collectively own 25% or more of an Entity that owns, leases or otherwise controls the Franchised Location, then Franchisee will, as the lessee, enter into a Lease for the Franchised Location for a term coextensive with the Term containing terms and conditions that are commercially reasonable and substantially similar to a commercial lease that would be executed by unrelated parties in an arm’s length transaction for similarly situated real estate. A copy of the Lease (or evidence of property ownership, if applicable) will be provided to Famous Dave’s within 10 days after execution and will be deemed to be a Major Asset of Franchisee. If Franchisee owns the Franchised Location and the Franchised Location is reflected as an asset on Franchisee’s Financial Statements, the Franchised Location will be deemed a Major Asset of Franchisee, and Franchisee will provide Famous Dave’s with written evidence of such ownership.

ARTICLE 11 OFFICE EQUIPMENT; COMPUTER HARDWARE AND SOFTWARE

11.1 Office and Telecommunication Equipment; Telephone Lines.

Franchisee will, at its sole expense, obtain and maintain the telephone lines, facsimile (“fax”) equipment (as applicable), other telecommunications equipment, and all other technology infrastructure and equipment for Franchisee’s Restaurant as specified in the Standard Operating Procedures/Training Manual(s). Franchisee will install the telephone answering machines and other telephone devices at the Restaurant, and will play the required messages and music while a caller is on hold in accordance with the Standard Operating Procedures/Training Manual(s).

11.2 Computer Hardware and Software.

Franchisee will, at its sole expense, lease or purchase all computer hardware, computer peripherals and software, including antivirus and data security software, that may be required by Famous Dave’s from time to time, including the Franchisee’s point-of-sale system and other equipment and devices as required by Famous Dave’s. Franchisee will, upon written notice from Famous Dave’s, update the computers and software to the standards and specifications set forth in the then-current Standard Operating

Procedures/Training Manual(s). Upon Famous Dave's written request, Franchisee further must provide to Famous Dave's proof of Franchisee's compliance with Payment Card Industry Payment Application Data Security Standards, as such standards may be modified from time to time.

11.3 Internet Provider; Email Address.

Franchisee will, at Franchisee's expense, have access to the Internet/World Wide Web (the "Internet") and will maintain an email address on the Internet. Franchisee's email address will be provided to Famous Dave's and will be used for Franchisee and Famous Dave's to communicate and to transmit documents and other information. Neither Franchisee nor its Affiliates will use the words "Famous Dave's®" or any of the Marks as any part of an email address, any domain name (Uniform Resource Locator) for any home page on the Internet, or (absent Famous Dave's prior approval) in any online medium (including, without limitation, social media networks such as Facebook, Twitter, LinkedIn, YouTube, and the like).

11.4 Internet Website.

Franchisee will not establish a website or home page on the Internet (the "Home Page") to advertise or promote its Restaurant without the prior written consent of Famous Dave's. All features of any proposed Home Page, including the domain name, content, format, and links to other websites or home pages must be approved by Famous Dave's in writing. Franchisee's Home Page may only advertise Franchisee's Restaurant, and all content and information on the Home Page will be subject to the terms and conditions of this Agreement. At such time as Famous Dave's provides Franchisee with access to the local restaurant template page (the "Subpage") on Famous Dave's public website (www.famousdaves.com) or another website maintained by Famous Dave's, Franchisee will be required to maintain its own content and information on the Subpage consistent with the standards and specifications that Famous Dave's may set forth in the Standard Operating Procedures/Training Manual(s) or otherwise.

11.5 Internet Disruptions.

Franchisee is responsible for protecting itself from Internet disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. Franchisee waives any and all claims Franchisee may have against Famous Dave's as the direct or indirect result of such disruptions, failures and attacks.

11.6 Social Networking.

Franchisee and its Management Staff, employees and agents will not use any of the Marks or other intellectual property of Famous Dave's in communications that reference the Marks or involve the Restaurant in any social network, social media or online community on the Internet or any other online, digital or electronic medium including, but not limited to, any "blog," YouTube, Facebook, Instagram, Snapchat, Wikipedia, professional networks such as LinkedIn, live-blogging tools such as Twitter, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools now or hereafter in existence ("Digital and Social Media"), except as expressly permitted by Famous Dave's Standard Operating Procedures/Training Manual(s). Famous Dave's may require Franchisee to set up accounts, pages or similarly participate in Digital and Social Media, and may require that Famous Dave's be given administrative privileges for such accounts and pages. Famous Dave's may require that Franchisee post appropriate content to such accounts and pages and Franchisee will be permitted to do so independently.

ARTICLE 12 INSURANCE

12.1 General Liability Insurance.

Franchisee will purchase and maintain, at its sole cost, a commercial comprehensive general liability insurance policy with coverage amounts as specified in Famous Dave's Standard Operating Procedures/Training Manual(s). As of the date of this Agreement, required coverage must be at least

\$2,000,000 per occurrence and \$5,000,000 aggregate coverage, insuring Franchisee and its officers, directors, agents, and employees from loss, liability, claim, damage or expense, including bodily injury, personal injury, food poisoning or other sickness, death, property damage, products liability, data security/cyber breach liability and other legal liability, resulting from the condition, operation, use, business, or occupancy of Franchisee's Restaurant and the Franchised Location, including the surrounding premises, the parking area, and the sidewalks.

12.2 Liquor Liability Insurance.

If Franchisee serves alcoholic beverages of any type at its Restaurant, then Franchisee will purchase and maintain, at its sole cost, liquor liability insurance with minimum coverage of \$2,000,000 per occurrence, insuring Franchisee and its officers, directors, agents, and employees from loss, liability, claim, damage or expense, including bodily injury, personal injury, death, property damage, and other legal liability resulting from or related to the sale or service of liquor by Franchisee and/or any of Franchisee's employees at or from Franchisee's Restaurant.

12.3. Employment Practices Liability Insurance.

Franchisee will purchase and maintain, at its sole cost, employment practices liability insurance with minimum coverage of \$1,000,000 per occurrence, insuring Franchisee and its officers, directors, agents, and employees from loss, liability, claim, damage, or expense resulting from or related to discrimination or harassment claims asserted by Franchisee's employees.

12.4 Automobile Insurance.

Franchisee will purchase and maintain, at its sole cost, automobile liability insurance with minimum coverage of \$500,000 per occurrence insuring Franchisee and its officers, directors, agents, and employees from loss, liability, claim, damage or expense resulting from the use, operation or maintenance of each automobile or vehicle owned or used by Franchisee or any of Franchisee's employees in Franchisee's Famous Dave's® Restaurant (including automobiles owned or leased by any employee of Franchisee).

12.5 Famous Dave's as Additional Insured.

In recognition of the likelihood that potential plaintiffs and their legal counsel often seek to name franchisors or their personnel as parties/defendants in litigation even where the conduct at issue is not under a franchisor's immediate control and where no basis for franchisor liability can be established, and the fact that such practices may impose significant costs on Famous Dave's, Franchisee agrees that all insurance coverage obtained by Franchisee shall name Famous Dave's, Famous Dave's parents and affiliates, and their respective officers, agents and employees as additional insureds covered by the policies in question and will contain endorsements by the insurance companies waiving all rights of subrogation against Famous Dave's. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors, or omissions of us Famous Dave's and other additional insureds. All insurance policies, of whatever type, must provide that Famous Dave's will receive copies of all notices of cancellation, nonrenewal, or coverage reduction or elimination at least 30 days prior to the effective date of such cancellation, nonrenewal, or coverage change.

12.6 Property Insurance.

Franchisee will procure and maintain in full force and effect, at its sole cost, "special perils" property insurance coverage, which will include fire and extended coverage, for the inventory, machinery, and FF&E owned, leased or used by Franchisee at the Franchised Location. Franchisee's property insurance policy (including fire and extended coverage) must have coverage limits equal to at least actual "replacement" cost.

12.7 Business Interruption Insurance.

Franchisee will procure and maintain in full force and effect, at its sole cost, business interruption insurance with coverage of at least \$300,000 per occurrence insuring Franchisee for and against all compensable losses and damages resulting from an interruption in the operation of Franchisee's Restaurant. In the event Franchisee receives proceeds from business interruption insurance, Franchisee shall pay Famous Dave's 5% of the proceeds.

12.8 Building Insurance.

If Franchisee, or any of Franchisee's Owners, owns, either directly or indirectly, the building or the business premises at the Franchised Location, then Franchisee will insure the building or the business premises for and against special perils, loss and damages in an amount equal to at least actual "replacement" cost. If the Franchised Location is either partially or completely destroyed by fire or any other catastrophe, then Franchisee will use the insurance proceeds to repair or reconstruct the Franchised Location as provided for in this Agreement and recommence business as soon as reasonably possible.

12.9 Umbrella Liability.

Franchisee will procure and maintain in full force and effect, at its sole cost, umbrella liability insurance in the minimum amount of \$3,000,000 that will provide liability insurance coverage for loss, liability, claim, damage, or expense incurred by Franchisee and Famous Dave's in excess of the primary liability insurance coverage carried by Franchisee.

12.10 Insurance Required by Law.

Franchisee will, at its sole cost and expense, procure and maintain all other insurance required by state or federal law, including workers' compensation insurance for its employees.

12.11 Insurance Companies; Evidence of Coverage.

All insurance companies providing coverage to Franchisee must be licensed in the state where coverage is provided. Franchisee will provide Famous Dave's with certificates of insurance evidencing the insurance coverage required of Franchisee pursuant to this Article (or such other evidence of coverage as Famous Dave's may require from time to time) no later than the date Franchisee opens for business, and Franchisee will immediately provide, upon expiration, change or cancellation, a new certificate of insurance to Famous Dave's.

12.12 Defense of Claims.

All liability insurance policies procured and maintained by Franchisee in connection with Franchisee's Restaurant will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits, or claims brought against Franchisee, Famous Dave's, and their officers, directors, agents and employees.

12.13 Franchisee's Insurance Obligations.

Franchisee's obligation to obtain and maintain these insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that Famous Dave's may maintain, nor does Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnity obligations described in Article 22.1 or elsewhere in this Agreement. Franchisee's insurance procurement obligations under this Article are separate and independent of Franchisee's indemnity obligations. Famous Dave's does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage for Franchisee. The requirements of insurance specified in this Agreement are for Famous Dave's protection. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Famous Dave's. Famous Dave's periodically may, with prior written notice to

Franchisee, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability.

ARTICLE 13 LICENSING OF MARKS AND RESTAURANT SYSTEM

13.1 Right to License Marks.

Famous Dave’s warrants that it has the right to grant the Franchise and to license the Marks and the Restaurant System to Franchisee. Any and all changes or improvements made by Franchisee to the Marks or the Restaurant System (regardless of whether Famous Dave’s approves their use with the Restaurant System) will be the sole and absolute property of Famous Dave’s, which will have the exclusive right to register and protect all such changes and improvements in its name in accordance with applicable law. Franchisee’s right to use and identify with the Marks and the Restaurant System will exist concurrently with the Term and such use by Franchisee will inure exclusively to the benefit of Famous Dave’s.

13.2 Conditions to License of Marks.

Famous Dave’s hereby grants to Franchisee the nonexclusive personal right to use the Marks and the Restaurant System in accordance with the provisions of this Agreement. Franchisee’s nonexclusive personal right to use “Famous Dave’s®” as the name of Franchisee’s Restaurant and its right to use the Marks and the Restaurant System applies only to Franchisee’s Restaurant at the Franchised Location and such rights will exist only during the Term of this Agreement and only so long as Franchisee fully performs and complies with all of the conditions, terms, and covenants of this Agreement. “Nonexclusive,” for the purposes of this Article, means that Famous Dave’s has the right to grant franchises to other developers, franchisees, persons or Entities authorizing them to own and operate Famous Dave’s® Restaurants in conformity with the Restaurant System using the name “Famous Dave’s®” and the other Marks, and that Famous Dave’s, its Affiliates and/or subsidiaries have the right to own and operate, and will continue to own and operate, Famous Dave’s® Restaurants.

13.3 Franchisee’s Authorized Use.

Franchisee will only use the Marks designated by Famous Dave’s (or as Famous Dave’s otherwise direct in writing) and only in the manner authorized and permitted by Famous Dave’s. Franchisee’s right to use the Marks is limited to the uses set forth in this Agreement and any unauthorized use will constitute an infringement of the rights of Famous Dave’s under this Agreement and under the Lanham Act (15 U.S.C. §1051 et seq.). Franchisee will not have or acquire any rights in any of the Marks or the Restaurant System other than the right of use as provided herein. Franchisee will have the right to use the Marks and the Restaurant System only in the manner prescribed, directed, and approved by Famous Dave’s in writing and will not have the right to use the Marks in connection with the sale of any products or services other than those prescribed or approved by Famous Dave’s for sale by Franchisee. If in the judgment of Famous Dave’s, the acts of Franchisee are contrary to the limitations set forth in this Agreement or infringe upon or demean the goodwill, uniformity, quality, or business standing associated with the Marks or the Restaurant System, then Franchisee will, upon written notice from Famous Dave’s, immediately modify its use of the Marks or the Restaurant System in the manner prescribed by Famous Dave’s in writing.

13.4 Adverse Claims to Marks.

If there are any claims by any party that its rights to any or all of the Marks are superior to those of Famous Dave’s and if the attorneys for Famous Dave’s are of the opinion that such claim by a party is legally meritorious, or if there is an adjudication by a court of competent jurisdiction that any party’s rights to the Marks are superior to those of Famous Dave’s, then upon receiving written notice from Famous Dave’s, Franchisee will, at its sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by Famous Dave’s. If so specified, Franchisee will immediately cease using the Marks specified by Famous Dave’s, and will, as soon as reasonably possible, commence using the new trademarks,

trade names, service marks, logos, designs, and commercial symbols designated by Famous Dave's in writing at the Franchised Location, and in connection with all advertising, marketing, and promotion of Franchisee's Restaurant. Franchisee will not make any changes or amendments whatsoever to the Marks or the Restaurant System without the prior written approval of Famous Dave's.

13.5 Defense or Enforcement of Rights to Marks.

Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the Restaurant System in any court or other proceedings for or against imitation, infringement, prior use, or for any other claim or allegation. Franchisee will give Famous Dave's immediate written notice of any and all claims or complaints made against or associated with the Marks and the Restaurant System and will, without compensation for its time and at its expense, cooperate in all respects with Famous Dave's in any lawsuits or other proceedings involving the Marks and the Restaurant System. Famous Dave's will have the sole and absolute right to determine whether it will commence or defend any litigation involving the Marks and/or the Restaurant System, and the cost and expense of all litigation incurred by Famous Dave's, including attorneys' fees, specifically relating to the Marks or the Restaurant System will be paid by Famous Dave's.

13.6 Tender of Defense.

If Franchisee is named as a defendant or party in any action involving the Marks or the Restaurant System solely because the plaintiff or claimant is alleging that Franchisee does not have the right to use the Marks or the Restaurant System, then Franchisee will have the right to tender the defense of the action to Famous Dave's, and Famous Dave's will, at its expense, defend Franchisee in the action provided that Franchisee has tendered defense of the action to Famous Dave's within seven days after receiving service of the pleadings or the summons and complaint relating to the action. Famous Dave's will indemnify and hold Franchisee harmless from any damages assessed against Franchisee in any actions resulting solely from Franchisee's use of the Marks or the Restaurant System at the Franchised Location if Franchisee has timely tendered defense of the action to Famous Dave's.

13.7 Franchisee's ~~Right to~~ Participation in Litigation.

Upon prior written notice to and written approval by Famous Dave's, Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and court proceedings involving the Marks or the Restaurant System, and may do so with respect to matters involving only Franchisee (i.e., not involving Famous Dave's or its interests); however provided that, Famous Dave's and its attorneys will control and conduct all litigation involving the Marks or the Restaurant System and the rights of Famous Dave's. Except as expressly provided for herein, Famous Dave's will have no liability for any costs that Franchisee may incur in any litigation involving the Marks or the Restaurant System, and Franchisee will pay for all costs, including attorneys' fees, that it may incur in any litigation or proceeding arising as a result of matters referred to under this Article, if Franchisee has not timely tendered the defense to Famous Dave's in accordance with Article 13.6.

ARTICLE 14 TRAINING; OPENING ASSISTANCE

14.1 Initial Training.

Famous Dave's will provide an initial training program for Franchisee's Operating Partner, the General Manager and, if applicable, Franchisee's Multi-Unit Manager, and a minimum of two and a maximum of four members of Franchisee's management personnel (the "Management Staff") depending on the size of the Restaurant as determined by Famous Dave's in a certified training location designated by Famous Dave's to educate, familiarize, and acquaint them with the Restaurant System and the operations of a Famous Dave's® Restaurant. The members of the Management Staff must begin training at least 60 to 75 days prior to the scheduled opening of Franchisee's Restaurant. Any member of the Management Staff

who does not successfully complete the required training program will not be permitted to participate in the operations of Franchisee's Restaurant.

14.2 Changes in Personnel After Initial Opening.

All members of Franchisee's Management Staff and employees hired after the initial opening of the Restaurant must attend and successfully complete the training program prescribed by Famous Dave's in writing or in the Standard Operating Procedures/Training Manual(s). Franchisee's newly-hired Management Staff members must successfully complete the training program prior to managing Franchisee's Restaurant. If any Management Staff member or employee fails to successfully complete the required training program, then Franchisee will not permit that Management Staff member or employee to participate in the operation of Franchisee's Restaurant.

14.3 Required Training of New Personnel.

The initial training program for new employees of the Restaurant hired after the initial opening of the Restaurant will be conducted in accordance with the Famous Dave's standard training program at a certified training Restaurant designated by Famous Dave's. Franchisee will be responsible for all Salaries and Benefits, Travel Expenses and other related expenses incurred by the new Management Staff member or employee while attending training.

14.4 Additional Training.

Franchisee, Franchisee's Management Staff and other employees of Franchisee may be required by Famous Dave's to attend, at Franchisee's expense, additional training on the dates scheduled by Famous Dave's at the Restaurant, or another location designated by Famous Dave's, on topics to be determined by Famous Dave's if Franchisee's Restaurant fails to meet certain performance standards established by Famous Dave's or Famous Dave's otherwise determines, in its sole discretion, that additional training is necessary or required. Franchisee may also request that one or more members of Franchisee's Management Staff undergo additional training on the dates scheduled by Famous Dave's, at Franchisee's cost. Whether the additional training is required by Famous Dave's or requested by Franchisee, Franchisee will pay Famous Dave's the then-current Per Diem Training Fee for each trainer provided by Famous Dave's, will pay Famous Dave's for the training tools and materials provided by Famous Dave's in conjunction with such additional training, and if the additional training is provided at the Restaurant, will reimburse Famous Dave's for the Travel Expenses of the trainers provided by Famous Dave's. Franchisee will pay the amounts owed to Famous Dave's pursuant to this provision within 10 days after receipt of an invoice indicating the amount owed.

14.5 Payment of Salaries and Expenses.

Franchisee will pay all Travel Expenses and the Salaries and Benefits for all employees who attend any Famous Dave's training program on behalf of Franchisee.

14.6 Opening Assistance.

If this Agreement is for Franchisee's first Famous Dave's® Restaurant, then Famous Dave's will, at Franchisee's expense, provide two captains and such other training personnel as Famous Dave's determines (the "Opening Team") to assist Franchisee in: (a) implementing the Restaurant System at Franchisee's Famous Dave's® Restaurant, and (b) training Franchisee's staff and kitchen employees. The Opening Team will be present at Franchisee's Restaurant for a minimum of 14 consecutive days. Franchisee will pay Famous Dave's for all Travel Expenses and the prorated Salaries and Benefits (based on the number of days each Opening Team member has worked at Franchisee's Restaurant) for each member of the Opening Team. Two weeks prior to the date that the Opening Team arrives at the Restaurant, Franchisee will pay to Famous Dave's 50% of the estimated Travel Expenses (as determined by Famous Dave's) and 50% of the prorated Salaries and Benefits for the Opening Team. Upon completion of the Opening Team's assistance, Famous Dave's will send Franchisee an invoice for the actual amount of remaining Travel

Expenses and prorated Salaries and Benefits still owed by Franchisee. Franchisee will pay this invoice within 30 days after receipt. If this Agreement is for the second or a subsequent Restaurant to be opened by Franchisee or a Controlled Entity, as defined in an Area Development Agreement, then Franchisee will be responsible for furnishing the Opening Team to assist with the opening of the Restaurant. The number of Opening Team members (if any) provided by Famous Dave's for the opening of the second or a subsequent Restaurant will be determined by Famous Dave's, in its sole discretion, and if applicable, Franchisee will pay Famous Dave's the then-current Per Diem Training Fee for each Opening Team member who provides opening assistance at the Restaurant, and will reimburse Famous Dave's for the Travel Expenses and Salaries and Benefits of the Opening Team members provided by Famous Dave's for the opening of Franchisee's Restaurant. Franchisee will pay the amounts owed to Famous Dave's pursuant to this provision within 10 days after receipt of an invoice indicating the amount owed.

14.7 Release and Indemnification.

Franchisee and its Owners hereby waive any right to sue for damages or other relief, and release all known and unknown claims they may allegedly have against Famous Dave's and/or any of its current and former Affiliates and their respective past and present owners, employees, agents, officers and directors, arising out of the adequacy or accuracy of the information provided at or any activities occurring during any training program, additional training and/or opening assistance (collectively referred to as "Training" in this provision), or any harm or injury any attendee or participant suffers during and as a result of his/her attendance at or participation in the Training. Franchisee and the Owners agree to hold Famous Dave's, its Affiliates and their employees, agents, officers and directors harmless for any claims or damages incurred by Franchisee, the Owners or any of their Affiliates, employees, agents, officers and directors arising out of, in any way connected with or as a result of attendance at or participation in the Training. Franchisee, the Management Staff and all employees or persons who attend and participate in the Training on behalf of Franchisee will sign the documentation required by Famous Dave's or an Affiliate as a condition to their attendance at, participation in and successful completion of the Training. Franchisee acknowledges that any training or assistance provided by Famous Dave's will be for the purpose of instructing Franchisee and its employees in compliance with the Restaurant System and delivery of products and services to Franchisee's customers in a manner that creates a uniform customer experience and maintains the System's high standards of quality, appearance, and service.

ARTICLE 15 OTHER OBLIGATIONS OF FAMOUS DAVE'S

Consistent with Famous Dave's uniformity requirements and quality standards, Famous Dave's will: (a) provide Franchisee with a written schedule of all Foods, Beverages, and Products sold or used by all Famous Dave's® Restaurants, and the FF&E and supplies required for the operation of Franchisee's Restaurant; (b) provide Franchisee with a list of approved suppliers for the Foods, Beverages, and Products for Franchisee's Restaurant; (c) make available to Franchisee basic accounting and business procedures for use by Franchisee in its Restaurant; (d) make advertising and marketing recommendations to Franchisee; (e) visit and review Franchisee's Restaurant as often as Famous Dave's deems necessary and render written reports to Franchisee deemed appropriate by Famous Dave's; (f) protect, police and, when appropriate, enforce the Marks for the benefit of all Famous Dave's® developers or franchisees in the manner deemed appropriate by Famous Dave's; (g) develop and, if applicable, register additional trademarks, trade names, service marks, tag lines, logos, or commercial symbols for use in connection with the Restaurant System as deemed appropriate by Famous Dave's; (h) upon the reasonable written request of Franchisee, render reasonable advisory services by telephone or in writing pertaining to the operation of Franchisee's Restaurant; (i) provide Franchisee with a sample of the standard Famous Dave's® menu, and all modifications to the menu; and (j) provide Franchisee access to a copy of the Standard Operating Procedures/Training Manual(s) together with all supplements that may be published by Famous Dave's. If Franchisee requests that Famous Dave's provide a consultant to assist and advise Franchisee on

management and operations issues at the Franchised Location, then Franchisee will pay the Travel Expenses and per diem fees charged by Famous Dave's for each consultant.

ARTICLE 16 ASSIGNMENT

16.1 Assignment by Famous Dave's.

Franchisee agrees and affirms that Famous Dave's may, without Franchisee's prior consent, sell Famous Dave's business, assets, or Restaurant System, in whole or in part, to a third-party; may issue a public offering of Famous Dave's securities; may engage in private placement of some or all of Famous Dave's securities; may merge with or acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Franchisee further agrees and affirms that Famous Dave's has the right, now and in the future, without Franchisee's prior consent, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of such franchise network, chain or business, which Franchisee acknowledges may be proximate to the Franchised Location, and to operate, franchise or license such franchise networks, chains or businesses operating under the Marks or any other marks following Famous Dave's purchase, merger, acquisition or affiliation. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages against Famous Dave's arising from or related to the loss of Franchisee's rights to use the Restaurant System as authorized under this Agreement.

This Agreement will inure to the benefit of Famous Dave's successors and assigns. In conjunction with one (1) or more of the transactions contemplated above, or as otherwise determined by Famous Dave's, Famous Dave's has the right to assign its rights and obligations under this Agreement to any person or entity, without Franchisee's prior consent. Upon such assignment, Famous Dave's will be relieved of all obligations or liabilities then existing or thereafter able to be asserted under this Agreement. ~~This Agreement (or any interest therein) may be unilaterally Assigned by Famous Dave's to a person or Entity in its sole and absolute discretion without the approval of Franchisee and, upon assignment, will inure to the benefit of the assigns of Famous Dave's and their successors. Famous Dave's will provide Franchisee with written notice after the Assignment has been completed, and the assignee will be required to fully perform all obligations of Famous Dave's under this Agreement.~~

16.2 Assignment by Individual Franchisee.

If Franchisee is an individual and has personally signed this Agreement, then in the event of the death or permanent disability of Franchisee, this Agreement may be Assigned or bequeathed by Franchisee to any designated person or beneficiary (the "Beneficiary") without the payment of any Assignment Fee and without complying with Article 20. However, the Assignment of this Agreement to Franchisee's Beneficiary will be subject to the applicable provisions of Article 16.3 and will not be valid or effective until Famous Dave's has received the properly executed legal documents which its attorneys deem necessary to document the Assignment of this Agreement. The Beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement, must personally guarantee this Agreement, and must successfully complete the appropriate training program. There will be no charge to the Beneficiary for attending the training program; however, the Salary and Benefits and the Travel Expenses of the Beneficiary will be paid by the Beneficiary. In addition, this Agreement may be Assigned to an Entity without the payment of an Assignment Fee and without complying with Article 20 if Franchisee is an individual, provided that the Owner or Owners of the Entity are the same person or persons who signed this Agreement.

16.3 Assignment by Franchisee.

Subject and conditioned upon to the provisions, requirements and obligations set forth in of Article 20 giving Famous Dave's an option to purchase, Franchisee will not Assign any interest in or any part of this Agreement, the Restaurant or the income derived therefrom to any person or Entity without the prior written approval of Famous Dave's. Famous Dave's will not withhold its written consent to any Assignment of this Agreement, if the Assignment does not violate any of the terms of this Agreement, if Famous Dave's does not exercise its rights under Article 20 of this Agreement, and if Franchisee and/or the assignee franchisee are in full compliance with the following terms and conditions: (a) Franchisee has provided written notice to Famous Dave's of the proposed Assignment of this Agreement at least 45 days prior to the transaction; (b) all of Franchisee's monetary obligations due to Famous Dave's have been paid in full, and Franchisee is not otherwise in default under this Agreement or any other agreement by and between Franchisee or its affiliate(s) and Famous Dave's or its affiliate(s); (c) Franchisee has agreed in writing to observe all applicable provisions of this Agreement, including, without limitation, the covenants not to compete contained in this Agreement; (d) ~~Famous Dave's and Franchisee have~~ has executed a ~~joint and mutual~~ general release, in a form satisfactory to Famous Dave's, of any and all claims against Famous Dave's ~~and/or Franchisee and their~~ its current and past officers, directors, Owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of this Agreement, Franchisee's purchase of the Franchise or the operation of the Restaurant including, without limitation, all claims arising under any federal or state franchising laws or any other federal, state or local law, rule or ordinance; provided, however, that Famous Dave's ~~and Franchisee~~ may exclude from the coverage of the release any prior or concurrent written agreements ~~between them~~ for other Famous Dave's® Restaurants owned by Franchisee; (e) the assignee franchisee has demonstrated to the satisfaction of Famous Dave's that he, she, or it meets the managerial, financial, business, ethical and other standards required by Famous Dave's for new franchisees, possesses a good business reputation and credit rating, and that its management possesses the aptitude and ability to operate the Restaurant in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); (f) the assignee franchisee, all of the assignee franchisee's Owners, and the assignee franchisee's Personal Guarantors execute the legal agreements required by Famous Dave's or its legal counsel to document the Assignment of this Agreement to the assignee franchisee including Famous Dave's then-current standard franchise agreement (for the remaining Term of the Agreement) and related documents as determined by Famous Dave's in its sole discretion; (g) the assignee franchisee has purchased or leased the Franchised Location for a term consistent with the remaining Term; (h) the assignee franchisee has purchased or otherwise acquired a valid liquor license (if applicable) and a valid food service license for the Restaurant at the Franchised Location; (i) the assignee franchisee and its Management Staff have successfully completed the training program required under this Agreement; (j) assignee franchisee agrees to complete all remodeling and improvements as required by Famous Dave's, and must upgrade the point-of-sale system and other equipment and devices to the then-current required point-of-sale system, equipment and devices, within the time period specified by Famous Dave's; (k) Franchisee and assignee franchisee agree not to assert any security interest, lien, right or claim now or in the future, in the Famous Dave's® Restaurant. Any security interest, lien, claim or right asserted with respect to any personal property at the Franchised Location must not include any after-acquired property and must be subject, junior and subordinate to any security interest, lien, right or claim now or in the future, asserted by Famous Dave's, its successors or assigns; (l) Franchisee agrees to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to assignee franchisee so that assignee franchisee may keep the existing telephone number when the store is assigned; (m) Franchisee or assignee franchisee pay Famous Dave's the Assignment Fee pursuant to Article 16.6, if applicable; and ~~(n) any a copy of the purchase and sale agreement between the Franchisee and the assignee franchisee (or other assignor and assignee) shall be provided to Famous Dave's~~ and provide for and require that the Restaurant shall continue to operate without interruption during the assignment. Famous Dave's may expand upon, and provide more details related to, the conditions for

Assignment and Famous Dave's consent as described in this Article 16.3, and may do so in the Standard Operating Procedures/Training Manual(s) or otherwise in writing.

16.4 Assignment of Ownership Interest.

No Owner will have the right to Assign an Ownership Interest in Franchisee without the prior written approval of Famous Dave's. Famous Dave's will not withhold its written consent if the Assignment of the Ownership Interest by the Owner complies in all respects with the terms of this Agreement, and if Famous Dave's does not exercise its right of first refusal to acquire the Owner's Ownership Interest in Franchisee pursuant to Article 20 of this Agreement. If the Assignment is to: (a) a relative (husband, wife, children, grandchildren, mother, father, brothers and sisters) of the Owner, or (b) one of the existing Owners of Franchisee, then the provisions of Articles 16.6 and 20 will not apply; however, the Owners and the new Franchisee will be required to comply with the applicable provisions of Article 16.3 and may be charged a document administration fee of Five Hundred Dollars (\$500) ("Document Administration Fee"), payable to Famous Dave's when we must prepare an amendment to your franchise documents.

16.5 Acknowledgment of Restrictions.

Franchisee and the Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and necessary to protect the Restaurant System and the Marks, as well as the reputation and image of Famous Dave's, and are for the protection of Famous Dave's, Franchisee and all other franchisees who own and operate Famous Dave's® Restaurants. Any Assignment permitted by this Article will not be effective until Famous Dave's receives a completely executed copy of all Assignment documents and Famous Dave's consents to the Assignment in writing. Any attempted Assignment made without complying with the requirements of this Article will be null and void.

16.6 Assignment Fee.

If this Agreement is Assigned in whole or in part to another person or Entity, or if any of the Owners Assign any Ownership Interest in Franchisee, then except as provided for in Articles 16.2 and 16.4, Franchisee will pay Famous Dave's, on or before the date of the Assignment, an Assignment Fee of \$5,000. The Assignment Fee is to cover the costs incurred by Famous Dave's in connection with the Assignment and the costs to provide the initial training program to the assignee franchisee and its Management Staff. The assignee franchisee will be responsible for all Salaries and Benefits, Travel Expenses and other expenses incurred by all people attending the initial training program on behalf of the assignee franchisee.

16.7 Assignment to Competitor Prohibited.

Franchisee and the Owners will not Assign this Agreement or their Ownership Interests in Franchisee, the Franchise or the Restaurant to any person or Entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any food service business which Famous Dave's determines, in the exercise of its business judgment, intended to serve the same general range of consumer demand for food service (regardless of menu) as a Famous Dave's® Restaurant. If Famous Dave's refuses to permit an Assignment of this Agreement under this provision, then the only remedy of Franchisee and the Owners will be to have the Arbitrators determine whether the proposed assignee owns or operates a food service business and whether Famous Dave's has exercised its business judgment in accordance with this Agreement.

16.8 Compliance with Agreement.

(a) In all cases, a Proposed Transferee (as defined in Section 20.2) must meet all of Famous Dave's then-current requirements for any potential new franchisee as determined by Famous Dave's in exercise of its business judgment, and must have provided Famous Dave's with all financial, operational, background, and other information regarding the assignee as Famous Dave's reasonably requests consistent with Famous Dave's procedures for review and evaluation of a proposed franchisee. No proposed Assignment will be implemented unless all amounts Franchisee owed to Famous Dave's or any Affiliate and to all Franchisee's

suppliers, employees, and other creditors have been paid in full. If Franchisee is not in compliance with this Agreement or any other agreement with Famous Dave's or any Affiliate, appropriate arrangements must be made to insure that funds needed to achieve prompt material compliance with all contractual obligations will be available to the Proposed Transferee. In the exercise of Famous Dave's business judgment, Famous Dave's may establish any other conditions relating to the proposed Assignment before approval is granted.

(b) A Proposed Transferee must execute Famous Dave's then-current form of franchise agreement including then-applicable fees and franchisee obligations as well as any additional documents customarily executed by a Proposed Transferee, modified to reflect that the term is only the remainder of the term stated in this Agreement, plus such other modifications that are needed in order to reflect the transfer, but such then-current form of franchise agreement may otherwise differ from this Agreement, including higher fees and training obligations then comparable to other current Famous Dave's® franchise agreements.

ARTICLE 17 TERMINATION BY FAMOUS DAVE'S

17.1 Immediate Termination By Famous Dave's.

Notwithstanding any other provisions of this Article 17 or this Agreement, Famous Dave's will have the absolute right, unless precluded by applicable law, to immediately terminate this Agreement if Franchisee:

- (a) or any of its current directors, officers, or majority Owners are convicted of, or plead guilty or no contest to a charge of violating any law, and such conviction or plea could have a material adverse effect on Franchisee's right or ability to operate the Restaurant or could have a material adverse effect on the Marks and/or Franchisee's Restaurant;
- (b) is deemed insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Franchisee and Franchisee is unable within a period of 60 days from such filing to obtain the dismissal of the bankruptcy petition, or Franchisee files for bankruptcy or is adjudicated as bankrupt under applicable state or federal law;
- (c) makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;
- (d) voluntarily or otherwise Abandons the Restaurant;
- (e) fails or refuses to provide the Financial Records and other materials requested by Famous Dave's to substantiate Franchisee's Financial Statements or to produce and permit Famous Dave's to audit Franchisee's Financial Records;
- (f) is involved in any act or conduct which materially impairs the goodwill associated with the Marks or the Restaurant System, and Franchisee fails to correct the breach within 24 hours after receipt of written notice of the breach from Famous Dave's;
- (g) Franchisee violates any provision, term or condition of this Agreement three or more times during any 12-month period, without regard to whether (i) the violations were of a similar or different nature, (ii) the violations were corrected by Franchisee, or (iii) the corrections of the violations occurred after Franchisee's receipt of written notice from Famous Dave's of the violations; or
- (h) ~~or~~ an Affiliate of Franchisee breaches any other agreement Franchisee has with Famous Dave's or an Affiliate of Famous Dave's where Franchisee or its Affiliate has no right to receive an opportunity to cure the breach or the breach is not capable of being cured.

17.2 Other Termination Rights – No Opportunity to Cure.

In addition to its other rights of termination contained in this Agreement and rights existing under common law, Famous Dave's will have the right to terminate this Agreement, unless precluded by applicable law, without being required to afford Franchisee an opportunity to correct the breach, if:

- (a) any required or other financial, personal, or other information provided by Franchisee to Famous Dave's is materially false, misleading, incomplete, or inaccurate;
- (b) ~~Franchisee has not purchased or leased a site for the Franchised Location within 90 days after the Effective Date of this Agreement~~RESERVED;
- (c) Franchisee has not obtained a valid license for the service of food for its Restaurant from the appropriate governmental agencies before Franchisee's Famous Dave's® Restaurant is scheduled to open for business;
- (d) Franchisee has not obtained a valid liquor license for its Restaurant from the appropriate governmental authorities before Franchisee's Famous Dave's® Restaurant is scheduled or required to open for business;
- (e) Franchisee or any member of the Management Staff has not completed the initial training program required under this Agreement prior to the opening of the Restaurant;
- (f) Franchisee has not opened and commenced operations of its Restaurant by the Required Opening Date or, if applicable, an extension of the opening date agreed to by Famous Dave's pursuant to Article 2.8 of this Agreement;
- (g) Franchisee is in an ongoing condition of financial impairment which, in Famous Dave's business judgment, impairs Franchisee's ability to fulfill the obligations of this Agreement and there has been no evidence of satisfactory corrective action furnished to Famous Dave's within 30 days after written notice to Franchisee of Famous Dave's determination of financial impairment;
- (h) the Lease for the Franchised Location is terminated or canceled for non-payment of rent or other legal reasons or Franchisee is evicted from the Franchised Location;
- (i) Franchisee's food service license or liquor license for the Restaurant is canceled for any reason;
- (j) ~~Franchisee (i) repeatedly fails to comply with the provisions of this Agreement, whether or not subsequently cured; (ii) having twice previously cured a default of this Agreement, commits the default again; or (iii) engages in trademark misuse or otherwise materially misuse or make an unauthorized use of any of the components of the Restaurant System or commit any other act which does, or can reasonably be expected to, materially impair the goodwill or reputation associated with any aspect of the Restaurant System~~Franchisee (i) fails to timely pay the Initial Fee or any Royalty Fees, Marketing Fund Fees, rents, or any other monetary obligations or fees due and payable to Famous Dave's or an affiliated or controlled Entity of Famous Dave's pursuant to this Agreement or any other agreement; (ii) fails to timely pay any of its uncontested obligations or liabilities due and owing to Famous Dave's, any affiliated or controlled Entity of Famous Dave's, the Local Advertising Association, suppliers, vendors, distributors, banks, purveyors, lessors, creditors, or to any federal, state, or municipal government; or (iii) issues any check or any electronic transfer of funds initiated by Famous Dave's on Franchisee's account(s) which is dishonored because of insufficient funds (except where it is dishonored because of an error in bookkeeping or accounting) or closed accounts and either the failure or event of dishonor is not fully corrected within five business days or any of the failures or dishonors enumerated above (considered collectively) have occurred three times in any 12-month period, regardless of any correction; or
- (k) Franchisee or any Affiliate of Franchisee breaches any other agreement Franchisee or its Affiliate has with Famous Dave's or any Affiliate of Famous Dave's under which Franchisee or its Affiliate has an opportunity to cure and Franchisee or its Affiliate fails to cure the breach within the applicable cure period.

17.3 When Termination Under Article 17.1 or 17.2 Takes Effect.

Terminations for breaches enumerated in Articles 17.1 and 17.2 above take effect immediately upon delivery of written notice of termination to Franchisee by any method, except that a termination for a breach described in Article 17.1(f) above takes effect on the first minute of the 25th hour after delivery of the written notice of termination if Franchisee fails to correct the alleged breach within 24 hours after receiving the written notice of breach. In all other cases, termination takes effect as provided in Article 17.6 below.

17.4 Other Terminations - Notice of Breach With Opportunity to Cure.

(a) Except as provided in Articles 17.1 and 17.2 above, Famous Dave's will not have the right to terminate this Agreement until: (i) written notice setting forth the alleged breach in detail has been delivered to Franchisee by Famous Dave's as set forth in Article 17.4(c) below or if Franchisee or any Affiliate of Franchisee breaches any other agreement Franchisee or its Affiliate has with Famous Dave's or any Affiliate of Famous Dave's then such breach must be cured within the applicable cure period set forth therein that agreement; and (ii) after receiving the written notice, Franchisee fails to fully correct the alleged breach within the period of time specified by applicable law.

(b) If applicable law does not specify a time period to correct an alleged breach after receipt of written notice of breach, then Franchisee will have ~~30~~the requisite cure periods as stated below in Article 17.4(c) days after receipt of the written notice to correct the alleged breach, except where the written notice states that Franchisee is delinquent in the payment of any Royalty Fees, Marketing Fund Fees, rents, or other monetary obligations or other fees due and payable to Famous Dave's or any affiliated or controlled Entity of Famous Dave's pursuant to this Agreement or any other agreement, in which case Franchisee will have five business days after receipt of written notice to fully correct the breach by making full payment to Famous Dave's, together with interest on the past due obligations at the rate of 18% per annum.

(c) Opportunity to Cure.

(i) Fourteen-Day Cure Period - Except as otherwise provided in this *Article 17.4(c)*, Franchisee will have the right to cure your default under this Agreement within fourteen (14) days after notice of default is given by Franchisor pursuant to *Article 25*. Notwithstanding the foregoing, the following lesser periods will apply under the circumstances described:

(ii) Seven-Day Cure Period - A seven (7) day cure period will apply if you: (A) fail to timely pay the Initial Fee or any Royalty Fees, Marketing Fund Fees, rents, or any other monetary obligations or fees due and payable to Famous Dave's or an affiliated or controlled Entity of Famous Dave's pursuant to this Agreement or any other agreement; (B) fail to timely pay any of its uncontested obligations or liabilities due and owing to Famous Dave's, any affiliated or controlled Entity of Famous Dave's, the Local Advertising Association, suppliers, vendors, distributors, banks, purveyors, lessors, creditors, or to any federal, state, or municipal government; or (C) issue any check or any electronic transfer of funds initiated by Famous Dave's on Franchisee's account(s) which is dishonored because of insufficient funds (except where it is dishonored because of an error in bookkeeping or accounting) or closed accounts;

(iii) 48-Hour Cure Period - A forty-eight (48) hour cure period will apply (A) if you are in default of *Article 11* or (B) if you fail to participate in any limited time product offering, value offering, contest, promotion or charity event. You must initiate your participation in such offering, contest, promotion or event within forty-eight (48) hours and fully participate in such offering, contest, promotion or event as soon as reasonably possible, in our sole discretion, thereafter;

(iv) 24-Hour Cure Period - A twenty-four (24) hour cure period will apply to your violation of any law, regulation, order or our standards relating to health, sanitation or safety; or, if you cease to operate the Restaurant for a period of forty-eight (48) hours without our prior written consent. In addition, a twenty-four (24) hour cure period will apply if you post on any website or direct others to any site or page, post, blog or other social media site where there are posted any defamatory or offensive comments about: other

franchisees; the *Famous Dave's* brand; other brands franchised by Famous Dave's or one of our affiliates; your or other franchisees' customers; any of our, your or franchisees' vendors; us or any of our affiliates; or any of our, your or franchisees' competitors;

(v) Immediate Cure Period (less than 24 hours) – An immediate cure period (less than twenty-four (24) hours) will apply if you post any content to a website in which the content includes any inappropriate public displays of affection, our or others' confidential information or materials, violations of health or safety standards, foul or obscene language, or any images of or information about any persons from whom you did not obtain prior written consent;

~~The notice of breach shall set a date certain for the termination of this Agreement to be effective, which may be expressed as “___ days from the date this notice is received or ___ days following an arbitration decision upholding the termination, whichever is later, with no requirement of further notice by Famous Dave's, all in accordance with the provisions of Article 17.6 of the Franchise Agreement between Franchisee and Famous Dave's.”~~

(d) For the purposes of this Agreement, an alleged breach of this Agreement by Franchisee will be deemed to be ~~“corrected/cured”~~ if ~~both Famous Dave's and Franchisee agree~~confirms in writing that the alleged breach has been corrected.

(e) For purposes of this Agreement, full correction of a breach is not achieved by ending non-complying conduct and requires, in addition, appropriate modifications and procedures to assure that the breach(es) will not reoccur in the future, and the foundation for trust and confidence in Franchisee's future performance of all provisions of this Agreement can be and has been restored. Franchisee agrees and acknowledges that some breaches are of a character where such restoration of trust and confidence is not possible, in which case, full correction is not possible and termination will follow.

17.5 ~~Arbitration Involving Termination By Famous Dave's~~RESERVED.

~~(a) The dispute resolution provisions contained in Article 23 of this Agreement apply to terminations under Article 17.1 and 17.2 of this Agreement, as stated therein without regard to any notice of arbitration, unless the Arbitrators determine that termination should be deferred pending their decision.~~

~~(b) In all other cases involving the termination of this Agreement, if Franchisee has received a notice of breach pursuant to Articles 17.1(f), 17.2(f) or 17.4 above, and Franchisee gives notice of arbitration under this Agreement within 10 days thereafter, in accordance with Article 23 of this Agreement, Famous Dave's will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to arbitration, the Arbitrators determine that Franchisee has breached this Agreement, and Franchisee fails to correct any fully correctable breach within the required time period.~~

~~(c) If the Arbitrators determine that Franchisee has violated or breached this Agreement as alleged by Famous Dave's in the written notice given to Franchisee, then unless applicable law specifies otherwise and except where no right of correction is provided by this Agreement or Franchisee's breach does not permit a full correction, Franchisee will have the same number of days after the date the Arbitrators issue a written determination on the matter to fully correct the specified breach or violation of this Agreement as was originally applicable to the breach and if timely and fully corrected, this Agreement will remain in full force and effect.~~

~~(d) For the purpose of this Agreement, any controversy or dispute on the issue of whether Franchisee has timely and fully corrected the specified breach or violation of this Agreement will also be subject to arbitration as provided for herein. The time limitations set forth in this Article within which Franchisee may demand arbitration of a dispute or controversy relating to the right of Famous Dave's to terminate this Agreement for an alleged breach are of the essence and mandatory. If Franchisee fails to comply with the time limitations set forth in this Article, then Famous Dave's may terminate this Agreement as provided for herein.~~

17.6 Effective Date of Termination.

Except as provided in Article 17.3, this Agreement will automatically terminate as provided in the notice of breach previously given ~~and Article 17.5(d), if applicable.~~ Famous Dave's may give further notice to Franchisee confirming the termination date. However, such notice shall not impair the effectiveness of the date as first stated in the notice of breach, and there shall be no further condition, other than the passage of the specified time, for termination to be fully effective.

17.7 Other Remedies.

Nothing in this Article will preclude Famous Dave's from seeking other relief, remedies or damages under any state or federal law, common law, or under this Agreement against Franchisee including, but not limited to, attorneys' fees and injunctive relief. If this Agreement is terminated by Famous Dave's pursuant to this Article, or if Franchisee breaches this Agreement by a wrongful termination or a termination that is not in strict compliance with the terms and conditions of this Agreement, then Famous Dave's will be entitled to seek recovery of all damages that Famous Dave's has sustained and will sustain in the future as a result of Franchisee's breach of this Agreement, including all Royalty Fees, Marketing Fund Fees, Early Termination Damages and any other fees and amounts payable to Famous Dave's or an Affiliate for the unexpired term of this Agreement.

ARTICLE 18 TERMINATION BY FRANCHISEE

18.1 Franchisee's Right To Terminate.

Franchisee has the right to terminate this Agreement, as provided herein, if Famous Dave's violates any material provision, term or condition of this Agreement, or fails to timely pay any material uncontested obligations due and owing to Franchisee, except that if Franchisee is in breach of a provision of this Agreement entitling Famous Dave's to termination pursuant to Article 17 of this Agreement, any claims Franchisee may assert against Famous Dave's shall be by way of counterclaim or set-off, pursuant to notice, providing the same information described in Article 18.2(a) below.

18.2 Franchisee Notice of Breach.

Franchisee will not have the right to terminate this Agreement or to commence any action, lawsuit, or proceeding against Famous Dave's for breach of this Agreement, injunctive relief, violation of any state, federal, or local law (including alleged violations of franchise laws), violation of common law (including allegations of fraud and misrepresentation), rescission, damages, or termination, unless and until: (a) written notice setting forth the alleged breach or violation in detail has been delivered to Famous Dave's by Franchisee; and (b) Famous Dave's fails to fully correct the alleged breach or violation within 30 days after receipt of the written notice. If Famous Dave's fails to fully correct the alleged breach or violation within 30 days after receiving written notice, then Franchisee will have the right to terminate this Agreement as provided for herein. For the purposes of this Agreement, an alleged breach or violation of this Agreement by Famous Dave's will be deemed to be "fully corrected" if both Famous Dave's and Franchisee agree in writing that the alleged breach or violation has been corrected. Franchisee will not unreasonably withhold its consent to a written agreement of full correction by Famous Dave's.

18.3 Arbitration Involving Termination By Franchisee.

(a) The dispute resolution provisions contained in Article 23 of this Agreement apply to terminations by Franchisee under Article 18.1 and 18.2 of this Agreement.

(b) If Famous Dave's has received a notice of breach pursuant to Article 18.2 above, and Famous Dave's gives notice of arbitration under this Agreement within 10 days thereafter in accordance with Article 23 of this Agreement, Franchisee will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to arbitration, the Arbitrators determine that Famous Dave's has breached this Agreement, and Famous Dave's fails to correct any fully-correctable breach within the required time period.

(c) If the Arbitrators determine that Famous Dave's has violated or breached this Agreement as alleged by Franchisee in the written notice given to Famous Dave's, then unless applicable law specifies otherwise, Famous Dave's will have the same number of days after the date the Arbitrators issue a written determination on the matter to fully correct the specified breach or violation of this Agreement as was originally applicable to the breach and if timely and fully corrected, this Agreement will remain in full force and effect.

(d) For the purpose of this Agreement, any controversy or dispute on the issue of whether Famous Dave's has timely and fully corrected the specified breach or violation of this Agreement will also be subject to arbitration as provided for herein. The time limitations set forth in this Article within which Famous Dave's may demand arbitration of a dispute or controversy relating to the right of Franchisee to terminate this Agreement for an alleged breach are of the essence and mandatory. If Famous Dave's fails to comply with the time limitations set forth in this Article, then Franchisee may terminate this Agreement as provided for herein.

18.4 Time Within Which Franchisee Must Give Notice of Breach.

Franchisee must give Famous Dave's written notice of any alleged breach or violation of this Agreement immediately after Franchisee has knowledge of, believes, determines, is of the opinion, or becomes aware of facts and circumstances reasonably indicating an alleged breach or violation of this Agreement by Famous Dave's. If Franchisee fails to give written notice to Famous Dave's as provided for herein of any alleged breach or violation of this Agreement within one year after the date that Franchisee has knowledge of, believes, determines, is of the opinion that, or becomes aware of facts and circumstances reasonably indicating that Franchisee may have a claim under any state law, federal law, or common law because there has been an alleged breach or violation by Famous Dave's, then the alleged breach or violation by Famous Dave's will be deemed to be condoned, approved, and waived by Franchisee, the alleged breach or violation by Famous Dave's will not be deemed to be a breach or violation of this Agreement by Famous Dave's, and Franchisee will be barred from commencing any action against Famous Dave's for that specific alleged breach or violation.

ARTICLE 19

FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

19.1 Termination of Use of Marks; Other Obligations.

If this Agreement is canceled or terminated for any reason or this Agreement expires, then Franchisee will:

(a) within five days after termination, pay all fees, including all outstanding gift card liability, and other amounts payable by Franchisee to Famous Dave's under this Agreement or under any other contract, promissory note, or other obligation, including Early Termination Damages (as defined and calculated below); (b) immediately return to Famous Dave's the Standard Operating Procedures/Training Manual(s), menus, advertising materials, and all other printed materials pertaining to the Restaurant by first class prepaid United States mail; and (c) comply with all other applicable provisions of this Agreement. Upon termination or expiration of this Agreement for any reason, Franchisee's right to use "Famous Dave's®," the other Marks and the Restaurant System will terminate immediately in all respects, and Franchisee will not thereafter conduct or promote any business under any name or in any manner that might tend to give the general public the impression that Franchisee is continuing to operate as a franchisee of Famous Dave's. Without limiting the generality of the foregoing, Franchisee will immediately cease all advertising which includes any of the Marks, will delete all content containing the Marks or any references to Famous Dave's or Franchisee's Restaurant from any Home Page maintained by Franchisee, and will cease using any and all items or materials which bear or include any of the Marks.

“Early Termination Damages” shall be paid to Famous Dave’s by Franchisee and shall be calculated as follows:

- (1) Compute the average monthly Royalty Fee and Marketing Fund Fee due for any consecutive twelve (12) month period within the forty-eight (48) months immediately preceding the closure date of the Restaurant, or, if the Restaurant has been open for less than twelve (12) months, the average monthly Royalty Fee and Marketing Fund Fee due since the opening of the Restaurant (“Monthly Average”); and
- (2) Multiply the Monthly Average by the number of months remaining in the Term.

The Early Termination Damages shall be considered damages and not a penalty, are not in lieu of other damages, and Franchisee’s payment of these damages shall not constitute a release of any other obligation owed to Famous Dave’s. Famous Dave’s, Franchisee, each individual signing on behalf of Franchisee, and each guarantor guaranteeing Franchisee’s obligations hereunder, hereby acknowledge and agree that Famous Dave’s losses due to Franchisee’s unilateral closure of the Restaurant and/or termination of this Agreement would be highly difficult or impossible to calculate with reasonable certainty and, therefore, have agreed at the outset of this Agreement that the Early Termination Damages, and the formula for calculating these damages, constitutes a reasonable, good faith forecast of Famous Dave’s estimated losses and damages due to the premature closure of the Restaurant and/or termination of this Agreement.

19.2 Alteration of Franchised Location.

If this Agreement expires or is terminated for any reason or if the Franchised Location ever ceases to be used for Franchisee’s Restaurant, then within the shorter of 30 days after the date of the expiration or termination of this Agreement or as when required by the underlying lease, Franchisee will, at its expense, alter, modify and change both the exterior and interior appearance of the building and the Franchised Location so that it will be clearly distinguished from the standard appearance of a Famous Dave’s® Restaurant. Franchisee hereby grants Famous Dave’s and its representatives the right to enter the Franchised Location to make such modifications as required by this provision, if Franchisee fails to do so within 30 days after the expiration or termination of this Agreement.

19.3 Telephone Listings.

Upon termination or expiration of this Agreement, or if Famous Dave’s acquires Franchisee’s Restaurant pursuant to this Agreement, Famous Dave’s will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee’s right to use all telephone numbers and all classified and other directory listings for the Restaurant and to authorize the telephone company and all listing agencies to transfer to Famous Dave’s or its assignee all telephone numbers and directory listings of Franchisee’s Restaurant. Franchisee acknowledges and agrees that Famous Dave’s has the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and Franchisee hereby authorizes Famous Dave’s to direct the telephone company and all listing agencies to transfer Franchisee’s telephone numbers and directory listings to Famous Dave’s or to an assignee of Famous Dave’s, if this Agreement expires or is terminated or if Famous Dave’s acquires Franchisee’s Restaurant. The telephone company and all listing agencies may accept this Agreement as evidence of the exclusive rights of Famous Dave’s to such telephone numbers and directory listings and this Agreement will constitute the authority from Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to Famous Dave’s. This Agreement will constitute a release of the telephone company and listing agencies by Franchisee from any and all claims, actions, and damages that Franchisee may at any time have the right to allege against them in connection with this Article. Franchisee will execute such other documents as Famous Dave’s may require to complete the transfer of the telephone numbers as contemplated herein.

19.4 Continuation of Obligations.

Any provisions contained herein which expressly or by implication are intended to survive the expiration or termination of this Agreement, including the indemnities and covenants contained in this Agreement, will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 20 OPTION OF FAMOUS DAVE'S TO PURCHASE

20.1 Scope and Applicability of Option.

Franchisee will not Assign or otherwise dispose of any interest in or any part of the Major Assets (including, but not limited to, any interest in Franchisee, this Agreement or in the Restaurant business operated pursuant to this Agreement or any interest in or right to receive all or any part of the assets, profits or income stream of the Restaurant business), other than to a relative pursuant to Article 16 of this Agreement or in the event of a death, disability or incapacity pursuant to Article 16 of this Agreement, to any purchaser without first offering the same to Famous Dave's in a written offer in accordance with this Article 20. For the purposes of this Article 20, the term Franchisee shall mean and include any Owner.

20.2 Grant of Option and Procedure for Waiver or Intention to Exercise Option.

(a) If Franchisee has received a bona fide offer within the scope of Article 20.1 above, and wishes to accept that offer, Franchisee must first give Famous Dave's written notice of that offer, including the purchase price, payment terms, and all other material terms and conditions of the proposed transaction (the "Franchisee's Offer") along with detailed identification of all proposed purchasers, acquirees or assignees (collectively, the "Proposed Transferee") and an offer to sell all assets and interests included in the Franchisee's Offer to Famous Dave's under the same terms. The Franchisee's Offer must include detail sufficient to establish that the Franchisee's Offer is in fact a good faith bona fide offer, including demonstrating to Famous Dave's reasonable satisfaction that the Proposed Transferee is financially and operationally qualified to perform all obligations under this Agreement and that the amount of consideration specified is within a reasonable range in light of all relevant facts and information. The Franchisee's Offer must also include an agreement, in a form specified by Famous Dave's, signed by the Proposed Transferee, acknowledging Famous Dave's authority to exercise its rights relating to all matters referenced in this Article 20, without incurring any form of liability or responsibility to pay damages of any type as a result of such exercise. Within ten business days after receipt of the Franchisee's Offer, Famous Dave's may make reasonable additional requests of Franchisee and the Proposed Transferee in order to satisfy itself that the offer and its terms are in fact a good faith bona fide offer.

(b) Famous Dave's will have ~~thirty~~ 30 days after receipt of the Franchisee's Offer and complete responses to any additional request made pursuant to Article 20.2(a) above to give Franchisee a written notice which will either (i) state that Famous Dave's waives its option to purchase (a "Waiver Notice"), or (ii) states that it intends to exercise its rights to purchase or acquire the Major Assets according to the terms contained in the Franchisee's Offer (the "Letter of Intent"); provided, however that the Letter of Intent may substitute equivalent cash for any noncash consideration included in such terms and may disregard any provision of the Franchisee's Offer that establishes a requirement or condition that reflects an effort by Franchisee or the Proposed Transferee to make it practically impossible for Famous Dave's to exercise its rights as intended by this Article 20. Franchisee and Famous Dave's may agree, in writing, to enlarge the times specified in Article 20.2(a) above or in this provision.

(c) In the event Famous Dave's issues a Waiver Notice, Franchisee may proceed to conclude the transaction in accordance with the terms and conditions stated in the Franchisee's Offer, subject to compliance with all other provisions of this Agreement, including without limitation the requirements outlined in Article 16, within the next 120 days. If the transaction is not concluded within this time period, or if during any negotiations with the Proposed Transferee, Franchisee agrees to negotiate, change, delete,

or modify any material terms and conditions contained in the Franchisee's Offer, the option established in this Article 20 and all provisions of this Article 20 shall again be in full force and effect. If there have been negotiations between Franchisee and Famous Dave's that did not result in a closed transaction and, in subsequent negotiation with the Proposed Transferee, Franchisee agrees to changes in the terms and conditions which changes were not part of a definitive agreement or agreements proposed by Franchisee during negotiations with Famous Dave's, then Franchisee will be required to re-offer to sell the Major Assets to Famous Dave's under the new terms and conditions offered to the purchaser in accordance with the provisions of this Article 20.

20.3 Due Diligence Review.

If Famous Dave's has issued a Letter of Intent, then Famous Dave's will have 60 days from the date the Letter of Intent is received by Franchisee (the "Notice Date") to conduct a "due diligence" review. Franchisee will promptly provide Famous Dave's with all Financial Information, Financial Records, and other information requested by Famous Dave's or its accountants to conduct its "due diligence" review. Famous Dave's will have the absolute and unconditional right to terminate the Letter of Intent and any obligation to purchase the Major Assets from Franchisee for any reason and at any time during the 60-day "due diligence" review period by giving Franchisee written notice. The time period provided in this Article 20.3 maybe enlarged by written agreement, and will be automatically extended to account for any day or days in which Franchisee or the Proposed Transferee delay in furnishing information needed for the Famous Dave's due diligence review.

20.4 Exceptions in Specific Circumstances.

(a) Notwithstanding any other provisions of this Article 20, if the proposed transaction is in connection with a change in control or any insolvency or bankruptcy filing by Franchisee or an Owner, the Franchisee's Offer to be delivered to Famous Dave's shall include an offer to Famous Dave's to purchase all rights under this Agreement and all assets of the Restaurant business operated pursuant to this Agreement, including all tangible and intangible property, at a fair market price "Value" as defined below, subject to acceptance and due diligence as provided in Articles 20.2 and 20.3 above. If Famous Dave's determines, following its due diligence review, to accept this offer, Famous Dave's and Franchisee will make good faith efforts to agree on the price to be paid during the next 30 days, the price will be as established by a qualified independent appraiser reasonably selected by Famous Dave's. The time for acceptance or rejection of the Franchisee's Offer in such circumstances shall be 60 days after the appraiser's final written report. For purposes of this Agreement, the term "Value" means, subject to applicable law, an amount equal to Franchisee's cost for such assets, less depreciation and amortization using a two hundred percent (200%) declining balance method over a five (5) year period. If all, or any portion of, Franchisee's assets that are being purchased by Famous Dave's or our authorized representative are subject to lien(s), we or our authorized representative may pay, on your behalf, the lienholder(s) that portion of the purchase price for your assets (which may be the entire purchase price) that is necessary to obtain the release of those assets from the lien(s), in lieu of paying you those funds. Further, we may offset any amounts payable to you pursuant to this Article 20.4(a), or otherwise pursuant to this Agreement, against any unpaid amounts payable to us or our affiliates pursuant to this Agreement or any agreement executed in connection with this Agreement.

(b) This Article does not apply to the Assignment of any of the Major Assets (with the exception of this Agreement) by Franchisee to a bank, financial institution or other lender in connection with Franchisee's financing of: (i) the real estate or leasehold improvements for the Franchised Location, (ii) the FF&E for Franchisee's Restaurant, (iii) inventory or supplies for the Restaurant, or (iv) working capital required by the Restaurant.

20.5 Documentation and Negotiations.

In all cases in which Famous Dave's has issued a Letter of Intent and is proceeding with the transaction, the transaction documents, will be prepared by Famous Dave's and will be those customary for this type of

transaction and will include representations and warranties then customary for this type of transaction. Closing will take place at the offices of Famous Dave's or at the Franchised Location, as determined by Famous Dave's in its sole discretion. Unless Famous Dave's terminates its Letter of Intent as provided in Article 20.4, then Franchisee or Owner and Famous Dave's will make reasonable efforts to agree on the terms and conditions of the definitive agreement or agreements for the purchase of the Major Assets. If Franchisee or Owner and Famous Dave's fail to agree on the terms and conditions for the definitive agreement after negotiations have proceeded for at least 60 days, either party may terminate the proposed transaction by giving the other party(ies) five days prior written notice.

20.6 Negotiated Changes with Purchaser.

If Famous Dave's does not purchase the Major Assets from Franchisee under the terms and conditions contained in the Franchisee's Offer, then if during any negotiations with the purchaser Franchisee agrees to negotiate, change, delete, or modify any of the terms and conditions contained in the Franchisee's Offer or the terms and conditions contained in the most recent version of the definitive agreement or agreements proposed by Franchisee during negotiations that were not acceptable to Famous Dave's, then Franchisee will be required to re-offer to sell the Major Assets to Famous Dave's under the new terms and conditions offered to the purchaser in accordance with the provisions of this Article 20.

20.7 Compliance with Agreement.

~~(a) In all cases, a Proposed Transferee must meet all of Famous Dave's then current requirements for any potential new franchisee as determined by Famous Dave's in exercise of its business judgment, and must have provided Famous Dave's with all financial, operational, background, and other information regarding the assignee as Famous Dave's reasonably request consistent with Famous Dave's procedures for review and evaluation of a proposed franchisee. No Proposed Transfer will be implemented unless all amounts Franchisee owed to Famous Dave's or any Affiliate and to all Franchisee's suppliers, employees, and other creditors have been paid in full. If Franchisee is not in compliance with this Agreement or any other agreement with Famous Dave's or any Affiliate, appropriate arrangements must be made to insure that funds needed to achieve prompt material compliance with all contractual obligations will be available to the Proposed Transferee. In the exercise of Famous Dave's business judgment, Famous Dave's may establish any other conditions relating to the Proposed Transfer before approval is granted.~~

~~(b) A Proposed Transferee must execute Famous Dave's then current form of franchise agreement including then applicable fees and franchisee obligations as well as any additional documents customarily executed by a Proposed Transferee, modified to reflect that the term is only the remainder of the term stated in this Agreement, plus such other modifications that are need in order to reflect the transfer, but such then-current form of franchise agreement may otherwise differ from this Agreement, including higher fees and training obligations then comparable to other current Famous Dave's® franchise agreements.~~

20.78 Acknowledgment of Restrictions.

Franchisee and the Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and are necessary to protect the Restaurant System and the Marks, as well as the reputation and image of Famous Dave's, and are for the protection of Famous Dave's, Franchisee and all other franchisees who own and operate Famous Dave's® Restaurants. Any Assignment permitted by this Agreement will not be effective until Famous Dave's receives a completely executed copy of all Assignment documents and Famous Dave's consents to the Assignment in writing. Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay all fees and to operate the business as a Famous Dave's® Restaurant, will in no way be affected or changed because of non-acceptance by Famous Dave's of the Franchisee's Offer and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. The decision by Famous Dave's not to exercise the option to purchase granted to it pursuant to this Article will not, in any way, be deemed to grant Franchisee the right to terminate this Agreement and will not affect the Term. Moreover, if Famous Dave's does not exercise the option to

purchase granted to it pursuant to this Article and if Franchisee sells or otherwise disposes of any of its Major Assets to a third party, then both Franchisee and the purchaser will be required to comply in all respects with the terms and conditions of Article 16 of this Agreement. Any Assignment of the Major Assets of Franchisee's Restaurant that does not include an Assignment of this Agreement to the assignee will constitute a wrongful termination of this Agreement by Franchisee.

20.89 General Release.

In connection with any ~~Proposed-proposed Transfer Assignment~~, Franchisee and each Owner and Personal Guarantor (if any) pursuant to this Agreement must sign a general release of Famous Dave's and its past and present Affiliates of all claims arising out of or relating to this Agreement, to the Restaurant business being operated pursuant to this Agreement, and to all aspects of each of their business relationship with Famous Dave's and its past and present Affiliates, in the reasonable form Famous Dave's then designates, releasing Famous Dave's, its past and present Affiliates and any related parties from all claims up to the date the ~~Proposed-proposed Transfer Assignment~~ is effected or if the ~~Proposed-proposed Transfer Assignment~~ is terminated, Franchisee must sign a release of all claims relating in any way to the failure of the ~~Proposed-proposed Transfer Assignment~~ to proceed.

20.109 Bankruptcy Issues.

If Franchisee or any person or Entity holding any Ownership Interests (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Assignment of Franchisee's obligations and/or rights hereunder, any Major Assets, or any indirect or direct interest in Franchisee will be subject to all of the provisions of this Article.

ARTICLE 21 FRANCHISEE'S COVENANTS NOT TO COMPETE

21.1 Consideration.

As noted in Article 7.2 above, Franchisee, the Owners and the Personal Guarantors acknowledge that Franchisee, its Owners, partners or officers, and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipe, cooking and food preparation information, and trade secrets from Famous Dave's pertaining to the Restaurant System and the operation of the Famous Dave's® Restaurant. In consideration for this information, Franchisee, the Owners, and the Personal Guarantors agree to the provision restricting competition during and after the termination or expiration of this Agreement as set forth Articles 21.2 and 21.3 of this Agreement.

21.2 In-Term Covenant Not to Compete.

Franchisee, the Owners and the Personal Guarantors will not, during the Term, on their own account or as an employee, agent, consultant, Affiliate, licensee, partner, officer, director, or Owner of any other person, firm, Entity, partnership, or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or Entity engaged in a food service business that Famous Dave's determines, in the exercise of its business judgment, serves the same general range of consumer demand (regardless of menu) as comparable to that served by a Famous Dave's® Restaurant, except with the prior written consent of Famous Dave's as provided for in Article 7.2.

21.3 Post-Term Covenant Not to Compete.

(a) Franchisee, the Owners and the Personal Guarantors will not, on their own account or as an employee, principal, agent, independent contractor, consultant, Affiliate, licensee, partner, officer, director or Owner of any other person, firm, Entity, partnership, or corporation (i) for a period of one year after the termination or expiration of this Agreement, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or Entity engaged in a food service business that Famous Dave's determines, in the exercise of its business judgment, serves the same general range of consumer demand

(regardless of menu) as comparable to that served by a Famous Dave's® Restaurant which is located within five miles of the Franchised Location, within five miles of any other Famous Dave's® Restaurant, or within any territory granted by Famous Dave's or any Affiliate of Famous Dave's pursuant to an Area Development Agreement or other territorial agreement, and (ii) for a period of two years after the termination or expiration of this Agreement, own, operate, lease, franchise, conduct, engage in, be connected with, a food service business that is reasonably expected to derive, or does derive 15% or more of its gross income from the sale of food items featuring either smoked or barbecued food, if such business is located within five miles of the Franchised Location.

(b) Franchisee, the Owners, and the Personal Guarantors expressly agree that: (i) the time, geographical and product limitations set forth in this provision are reasonable and necessary to protect Famous Dave's and its franchisees if this Agreement expires or is terminated by either party for any reason; (ii) this covenant not to compete is necessary to protect Famous Dave's intellectual property and proprietary rights and give Famous Dave's the opportunity to resell and/or develop a new Famous Dave's® Restaurant at or in the area near the Franchised Location; and (iii) the time period described in this Article will not begin to run until the covered person or entity is in compliance with this Agreement, and will be tolled during any intervening period of non-compliance.

21.4 Ownership of Public Companies.

Notwithstanding the provisions of Articles 21.2 and 21.3, passive ownership of a financial interest in the securities of a publicly-held business that constitutes 3% or less of that publicly-held entity shall not constitute a violation of Articles 21.2 and 21.3.

21.5 Injunctive Relief.

Franchisee, the Owners, and the Personal Guarantors agree that the provisions of this Article are necessary to protect the legitimate business interest of Famous Dave's and its developers and franchisees including, without limitation, preventing the unauthorized dissemination of marketing, promotional, and other confidential information to competitors of Famous Dave's and its developers and franchisees, protecting recipes, cooking and food preparation techniques and other trade secrets, protecting the integrity of the Restaurant System, preventing duplication of the Restaurant System by unauthorized third parties, and preventing damage to and/or loss of goodwill associated with the Marks. Franchisee, the Owners, and the Personal Guarantors also agree that damages alone cannot adequately compensate Famous Dave's if there is a violation of this Article by Franchisee, the Owners, or the Personal Guarantors, and that injunctive relief against Franchisee is essential for the protection of Famous Dave's and its developers and franchisees. Franchisee, the Owners, and the Personal Guarantors agree therefore, that if Famous Dave's alleges that Franchisee, the Owners, or the Personal Guarantors have breached or violated this Article, then Famous Dave's will have the right to petition a court of competent jurisdiction for injunctive relief against Franchisee, the Owners, and the Personal Guarantors, in addition to all other remedies that may be available to Famous Dave's. Famous Dave's will not be required to post a bond or other security for any injunctive proceeding. If Famous Dave's is granted ex parte injunctive relief against Franchisee, Franchisee's Owners, or the Personal Guarantors, then Franchisee, the Owners, or the Personal Guarantors will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

21.6 Effect of Local Law.

In the event the provisions of Articles 21.2 or 21.3 are deemed to conflict with applicable law, such provisions shall be revised by Famous Dave's and Franchisee so as to provide the maximum protection allowed to Famous Dave's under applicable law.

ARTICLE 22 INDEMNIFICATION

22.1 Indemnification.

Famous Dave's will not be obligated to any person or Entity for any damages arising out of, from, in connection with, or as a result of Franchisee's activities under this Agreement or the operation of Franchisee's Restaurant. *Therefore, except as provided for in Article 13.6, Franchisee will indemnify and hold Famous Dave's harmless against, and will reimburse Famous Dave's for, all damages for which Famous Dave's is held liable and for all costs incurred by Famous Dave's in the defense of any claim or action brought against Famous Dave's arising in whole or in significant part from, in connection with, out of, or as a result of actions, inactions, negligence and/or wrongdoing by Franchisee or Franchisee's employees, agents or representatives, the operation of Franchisee's Restaurant, the activities conducted under this Agreement or in connection with Franchisee's Restaurant and business including, without limitation, attorneys' fees, investigation expenses, court costs, deposition expenses, and Travel Expenses. Franchisee will indemnify Famous Dave's, without limitation, for all claims and damages arising in whole or in significant part from, out of, in connection with, or as a result of the following claims, regardless of whether any such claim is brought by franchisee or any other party: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of Franchisee or its employees, agents or representatives; (b) any failure on the part of Franchisee to comply with any requirement of any laws or any governmental authority; (c) any failure of Franchisee to pay any of its obligations to any person or Entity; (d) any failure of Franchisee to comply with any requirement or condition of this Agreement or any other agreement with Famous Dave's; (e) any misfeasance or malfeasance by Franchisee or Franchisee's employees, agents or representatives; and (f) any tort committed by Franchisee or its employees, agents or representatives. Additionally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of your or your affiliate's employees in any private or government investigation, action, proceeding, arbitration, or other setting, you irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of your employees). Franchisee will not be obligated to indemnify Famous Dave's for any claims or damages to the extent they are found to be separately attributable to, arising out of, from, in connection with, or as a result of any negligence or wrongdoing by Famous Dave's. Famous Dave's will have the right to defend any claim made against it arising from, as a result of, in connection with or out of the operation of Franchisee's Restaurant; however, Franchisee must reimburse Famous Dave's upon demand for the costs and expenses of such defense.*

22.2 Payment of Costs and Expenses; Continuing Obligations.

Franchisee will pay all attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) incurred by Famous Dave's if Famous Dave's prevails in any action: (a) it commences or defends to enforce any term, condition, or provision of this Agreement, or (b) to enjoin any violation of this Agreement by either Famous Dave's or Franchisee. These indemnification provisions and the other obligations contained in this Agreement will continue in full force and effect ~~subsequent to and notwithstanding~~ after the expiration or termination of this Agreement.

ARTICLE 23 COMMUNICATION; DISPUTE RESOLUTION

23.1 General Principles.

Famous Dave's and Franchisee have entered into a long-term contractual relationship that give rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship

succeed, in light of the overall best interests of reputation and image of the Famous Dave's® franchise system, as contemplated by this Agreement. To that end, Famous Dave's and Franchisee acknowledge that they ~~should~~will attempt to resolve disagreements and/or disputes before they negatively impact the relationship or the network of company-owned and franchised Famous Dave's® Restaurants. Two-way communication between Famous Dave's and Franchisee is an important aspect of that principle. The provisions of this Article 23 are intended to facilitate such communication and the prompt resolution of any disagreements between the Famous Dave's and Franchisee. To the extent any element or aspect of this Article 23 is found, under applicable law, to be unenforceable in any way, it shall not be deemed void but, if possible, shall be enforced to the fullest lawful extent and all other provisions of this Article 23 shall remain in full force and effect.

23.2 Availability of Alternative Dispute Resolution.

Except for the disputes described in Article 23.3 of this Agreement and except as otherwise specifically modified by this Article 23, any dispute between Famous Dave's and any of its Affiliates, and Franchisee and any of its Affiliates, arising out of, relating to or referencing this Agreement or its breach in any way, including without limitation, any claim sounding in tort arising out of the relationship created by this Agreement, and any claim that this Agreement or any other of its parts is invalid, illegal or otherwise voidable or void, is subject to the dispute resolution provisions set forth in this Article 23. "Affiliates," as used only in this Article 23, will include the definition of the term Affiliate set forth in Article 28.2 of this Agreement as well as all persons or Entities who/that, directly or indirectly, own or control, are owned or controlled by, or are under common ownership or control with Famous Dave's or Franchisee, and will also include all officers, directors, employees, managers, representatives and agents of the foregoing acting in the course of conducting business activities related to Famous Dave's or Franchisee and the Personal Guarantors of the obligations of Franchisee under this Agreement.

23.3 Disputes Not Subject to Alternative Dispute Resolution.

The following categories of dispute between Famous Dave's and Franchisee will not be subject to the alternative dispute resolution procedures set forth in this Article 23:

- (a) any dispute involving Franchisee's use of the Marks in violation of this Agreement;
- (b) any dispute in which any injunctive relief is sought, but only to the extent of proceedings for such relief;
- (c) any dispute relating to an Assignment in violation of this Agreement;
- (d) any dispute involving Franchisee's violation of the provisions of this Agreement relating to confidentiality and the covenants not to compete; or
- (e) any dispute in any way relating to the scope, application or enforceability of this Article 23.

Notwithstanding anything contained in this Agreement to the contrary, the provisions of Article 23 do not apply to a Dispute where: (i) Famous Dave's brings an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Famous Dave's goodwill, the Confidential and Proprietary Information, the Marks or for fraudulent conduct by Franchisee; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, Famous Dave's may bring an action in any federal or state court having jurisdiction, whether for monetary damages, temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to Famous Dave's. Franchisee hereby consents to and waives any objection or defense and agrees not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

23.4 Disputes Subject to Arbitration.

Except as expressly provided to the contrary in Article 23.3 of this Agreement, all disputes and controversies between Franchisee or any of its Affiliates and Famous Dave's or any of its Affiliates, including allegations of fraud, misrepresentation, and violation of any state or federal laws, rules, or regulations, arising in whole or in significant part under, as a result of, or in connection with this Agreement, the Franchised Location or Franchisee's Restaurant business that have not been resolved by pre-arbitration mediation or by pre-mediation agreement are subject to and will be resolved exclusively by arbitration conducted in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.adrforum.com).

23.5 Written Notice of Unresolved Disputes Reserved

~~(a) Written notice of a dispute involving termination shall be given as provided in Articles 17 and 18 of this Agreement.~~

~~(b) Except as provided in Articles 23.3 and 23.5(a) above, all other disputes shall be brought to the attention of Famous Dave's or Franchisee by delivering a written notice headed "Notification of Dispute," or something similar thereto. Delivery of such notice shall be made within 90 days after the date on which facts respecting the dispute are known to Famous Dave's or Franchisee. A notice of breach of this Agreement may precede the Notification of Dispute and, in such cases, if the breach is subject to correction, the Notification of Dispute may be sent at such time as it appears that the breach has not been fully corrected or is unable to be cured, or no cure is available. The Notification of Dispute shall specify, to the fullest extent possible, the party's version of facts surrounding the dispute, the amount of damages and/or the nature of any other relief such party claims. The party (or parties as the case may be) receiving a Notification of Dispute shall respond within 10 business days, stating its version of the facts and, if applicable, its position as to the relief sought by the party initiating the dispute procedure.~~

~~(c) If upon receipt of a Notification of Dispute and responses under Article 23.5(b), the dispute (or any part thereof) is not resolved, the party initiating the Notification of Dispute shall so indicate in writing within 15 business days or the dispute shall be deemed to be resolved as set forth in the response to the Notification of Dispute. If the dispute is not resolved, the parties shall endeavor in good faith to resolve the dispute outlined in the Notification of Dispute and responses.~~

~~(d) All notices, requests and responses to be delivered to Famous Dave's or to Franchisee under this Article 23.5 shall be delivered in accordance with the notice provisions of this Agreement.~~

23.6 Option for Pre-Arbitration Mediation.

(a) Either Franchisee or Famous Dave's may request pre-arbitration mediation. The procedures for selecting a pre-arbitration mediation, the manner in which it will be conducted shall all be in accordance with in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.adrforum.com). Pre-arbitration mediation will take place exclusively in Minneapolis, Minnesota. Franchisee and Famous Dave's each agree to participate in such mediation.

(b) The object of any mediation subject to this Article 23.6 is to assist the parties in reaching a mutually acceptable resolution of the dispute. Such mediation shall, in all circumstances, be consistent with the rights and obligations created by this Agreement and shall not be premised on the derogation or diminution of those rights or disregard of those rights. The mediation process shall begin promptly and shall be concluded within 10 business days after the day the request for mediation is made, unless the parties mutually otherwise agree. In the event the mediator concludes that either Franchisee or Famous Dave's is using the pre-arbitration mediation process solely for purposes of achieving delay, the mediator may terminate the pre-arbitration mediation. Any and all discussions, negotiations, findings or other statements by the mediator and/or the parties made in connection with the mediation shall be privileged and

confidential and shall not be admissible into evidence in any litigation; provided, however, that the parties or any Arbitrator may ask the mediator to prepare a final Listing of Relevant Facts including those facts that appear to be related to the dispute and undisputed; those that appear to be relevant to the dispute but are the subject of factual disagreement; and those that (whether disputed or not) appear to be irrelevant to the dispute. The mediator's Listing of Relevant Facts shall be on an advisory basis and may not be admitted as evidence in any proceeding between the parties or used outside of the proceeding; provided, however, that either party may make reference to the Listing of Relevant Facts on an in camera basis in the course of pre-trial proceedings in a subsequent court proceeding between the parties involved in the dispute.

23.7 Demand for Arbitration.

If the dispute alleged by either party has not been corrected, settled, or compromised within the time period provided for in this Article 23 and, if pre-arbitration mediation has been pursued, within 15 business days after the mediation has concluded, then either party may demand arbitration in accordance with the Code of Procedure of the National Arbitration Forum. The party will promptly make the demand for arbitration, but in any event, before the applicable statute of limitations would bar the institution of legal or equitable proceedings based on the dispute or claim. Unless agreed otherwise by the parties, three Arbitrators will be selected to hear the matter, one of which must be a retired judge. No person participating as a pre-arbitration mediator shall act as an Arbitrator.

23.8 Venue and Jurisdiction.

All arbitration hearings will take place exclusively in Minneapolis, Minnesota, and will be held no later than 90 days after the Arbitrators have been selected. Famous Dave's and Franchisee and their respective Affiliates do hereby agree and submit to personal jurisdiction in the State of Minnesota in connection with any arbitration hearings hereunder and any suits brought to enforce the decision of the Arbitrators, and do hereby waive any rights to contest venue and jurisdiction in the State of Minnesota and any claims that venue and jurisdiction are invalid.

23.9 Powers of Arbitrators.

(a) The authority of the Arbitrators will be limited to making a finding, judgment, decision, and award relating to the interpretation of or adherence to the written provisions of this Agreement. The Federal Rules of Evidence (the "Rules") will apply to all arbitration hearings and the introduction of all evidence, testimony, records, affidavits, documents, and memoranda in any arbitration hearing must comply in all respects with the Rules and legal precedents interpreting the Rules. Both parties will have the absolute right to cross-examine any person who testified against them or in favor of the other party. The Arbitrators will have no authority to add to, delete, or modify in any manner the terms and provisions of this Agreement. The "business judgment" provision in Article 24.2 of this Agreement is fully applicable to this arbitration. All findings, judgments, decisions, and awards of the Arbitrators will be limited to the dispute set forth in the written demand for arbitration, and the Arbitrators will have no authority to decide any other issues. The Arbitrators will not have the right or authority to award punitive or consequential damages to either Famous Dave's or Franchisee or the Affiliates of either of them, and Famous Dave's and Franchisee and their respective Affiliates expressly waive their rights to plead or seek punitive or consequential damages. All findings, judgments, decisions and awards by the Arbitrators will be written form, setting forth findings of fact and reasoned conclusions of law, and will be made within 60 days after the arbitration hearing has been completed.

(b) In undertaking arbitration proceedings, the Arbitrators shall indicate in writing or in any other record that they have read and agreed to this Article 23.9.

(c) The findings, judgments, decisions and awards of the Arbitrators made in accordance with this Article 23 will be final and binding on Famous Dave's and Franchisee and all other parties to the arbitration. The written decision of the Arbitrators will be deemed to be an order, judgment and decree and may be entered as such in any court of competent jurisdiction by either party.

(d) If, during the course of arbitration, either party fails to appear at a meeting or hearing duly scheduled in accordance with the Code of Procedure of the National Arbitration Forum, the Arbitrators will have the absolute right to enter a default judgment and resulting order against the party failing to appear.

(e) In any proceeding involving termination, the proceeding may be dismissed by the Arbitrators on a determination that Franchisee is not diligently pursuing arbitration and is using the arbitration procedure to achieve unwarranted delay in termination; in such case, termination shall proceed as originally noticed.

23.10 No Collateral Estoppel or Class Actions.

All arbitration findings, conclusions, orders, and awards made by the Arbitrators will be final and binding on Famous Dave's and Franchisee; however, such arbitration findings, conclusions, orders, and awards may not be used to collaterally estop either Franchisee or Famous Dave's from raising any like or similar issue or defense in any subsequent arbitration, litigation, court hearing, or other proceeding involving third parties, including other developers or franchisees. Famous Dave's and Franchisee agree that no person or Entity except Famous Dave's and Franchisee, and their respective officers, directors, governors, Owners, and/or Personal Guarantors will have the right to join in, become a party, litigate, or participate in any arbitration proceeding arising under this Agreement, and therefore, Famous Dave's and Franchisee specifically agree that the National Arbitration Forum and the Arbitrators appointed under the National Arbitration Forum procedural rules will not be authorized to permit class or consolidated actions or to permit any other person or Entity to be involved, participate, or be named as a litigating party in any arbitration proceeding or matter brought under this Agreement by Famous Dave's or Franchisee or their respective Affiliates.

23.11 Confidentiality.

All evidence, testimony, records, documents, findings, decisions, judgments, and awards pertaining to any arbitration hearing between Famous Dave's and Franchisee will be secret and confidential in all respects. Except as ~~provided for in Article 23.5 or as~~ may be required by applicable law or regulation, Famous Dave's and Franchisee will not disclose the decision or award of the Arbitrators and will not disclose any evidence, testimony, records, documents, findings, orders, or other matters from the arbitration hearing to any person or Entity except as required by law. Nothing herein will prevent either party from disclosing or using any information presented in any arbitration proceeding in any subsequent court hearing brought by either Franchisee or Famous Dave's pursuant to this Agreement.

23.12 Performance During Arbitration of Disputes; Survival of Obligations.

Famous Dave's and Franchisee will each fully perform their obligations under this Agreement during the entire arbitration process. Famous Dave's and Franchisee acknowledge and agree that this Article 23 will survive the termination or expiration of this Agreement.

23.13 Claims.

~~Subject to applicable state or federal statute~~ Except for those Claims brought under the indemnification or insurance coverage provisions, upon expiration or termination of this Agreement, neither party will commence any Claim related to or arising out of this Agreement, unless commenced within the later of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation, except such limitations shall not apply in the event of Famous Dave's collection of any unpaid Royalty Fees, Marketing Fund Fees, Early Termination Damages and/or any other amount due to Famous Dave's or Famous Dave's affiliate(s) or those Claims brought under the indemnification or insurance coverage provisions ~~one year following the effective date of expiration or termination.~~ "Claims" means any allegation, challenge, demand, cause of action, lawsuit, arbitration, dispute, controversy, investigation or administrative proceeding.

ARTICLE 24 ENFORCEMENT

24.1 Injunctive Relief.

Famous Dave's will have the right to petition a court of competent jurisdiction for the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement for any action relating to: (a) Franchisee's use of the Marks or the Restaurant System; (b) the obligations of Franchisee upon termination or expiration of this Agreement; and (c) Franchisee's violation of the provisions of this Agreement relating to confidentiality and the covenants not to compete.

24.2 Business Judgment.

In connection with any dispute, mediation or court proceedings, Famous Dave's and Franchisee, on behalf of themselves and all Affiliates, mediators, Arbitrators, judges or others involved in the dispute resolution process agree and are affirmatively advised that certain provisions of this Agreement reflect the right of Famous Dave's to take (or refrain from) certain actions in the exercise of its business judgment, based on its assessment of the long-term interest of Famous Dave's, the Restaurant System, and the network of Famous Dave's® Restaurants. Where such discretion is shown to have been exercised, it is agreed that neither a mediator, Arbitrator, nor a judge shall substitute his or her judgment for the judgment so exercised by Famous Dave's. The foregoing reference to Famous Dave's exercise of its business judgment is intended to establish a standard under which such judgment is subject to review in order to determine whether it reflects a business judgment exercised with a reasonable basis and not as a matter of pretext or caprice, and to provide that, if that standard has in fact been met, such judgment is to be respected and not overturned.

24.3 Severability.

All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Famous Dave's is invalid or unenforceable under applicable law, then the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction.

24.4 Waiver.

Famous Dave's and Franchisee may, by written instrument signed by Famous Dave's and Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Famous Dave's of any payment or partial payment by Franchisee and the failure, refusal, or neglect of Famous Dave's to exercise any right under this Agreement or to insist upon full compliance by Franchisee of its obligations hereunder will not constitute a waiver by Famous Dave's of any provision of this Agreement. Famous Dave's will have the absolute right to waive obligations or restrictions for other franchisees under their franchise agreements without waiving those obligations or restrictions for Franchisee and, except to the extent provided by law, Famous Dave's will have the right to negotiate terms and conditions, grant concessions, and waive obligations for other franchisees without granting those same rights to Franchisee and without incurring any liability to Franchisee whatsoever.

24.5 Payments to Famous Dave's.

Franchisee will not, on grounds of the alleged nonperformance by Famous Dave's of any of its obligations under this Agreement, any other contract between Famous Dave's and Franchisee, or for any other reason,

withhold payment of any fees or payments due Famous Dave's pursuant to this Agreement or any other contract with Famous Dave's. Franchisee will not have the right to "offset" or withhold any liquidated or unliquidated amounts, damages, or other funds allegedly due to Franchisee by Famous Dave's against any fees or payments due to Famous Dave's by Franchisee. Famous Dave's will have the right to deduct from amounts payable to Franchisee by Famous Dave's or an Affiliate any fees or other payments owed to Famous Dave's, an Affiliate or a third party. Famous Dave's will also have the right to apply the fees and other payments made to Famous Dave's by Franchisee in such order as Famous Dave's may designate from time to time. As to Franchisee and its Affiliates, Famous Dave's will have the right to: (a) apply any payments received to any past due, current, future or other indebtedness of any kind, no matter how payment is designated by Franchisee, except that Marketing Fund Fees may only be credited to the Fund; (b) set off, from any amounts that may be owed by Famous Dave's, any amount owed to Famous Dave's, the Fund or any other fund or account; and (c) retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers or otherwise, as a payment against any fee or payment owed to Famous Dave's. Famous Dave's will have the right to exercise any of the foregoing rights in connection with amounts owed to or from Famous Dave's and/or any Affiliate.

24.6 Effect of Wrongful Termination.

If either Famous Dave's or Franchisee takes any action to terminate this Agreement or Franchisee takes any action to convert its Restaurant to another business, and such actions were taken without first complying with the terms and conditions of this Agreement, including Article 17 or Article 18 of this Agreement, as applicable, then: (a) such actions will not relieve either party of, or release either party from, any of its obligations under this Agreement; (b) the terms and conditions of this Agreement will remain in full force and effect; and (c) the parties will be obligated to fully perform all terms and conditions of this Agreement until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

24.7 Miscellaneous.

The rights of Famous Dave's hereunder are cumulative and no exercise or enforcement by Famous Dave's of any right or remedy hereunder will preclude the exercise or enforcement by Famous Dave's of any other right or remedy hereunder or which Famous Dave's is entitled by law to enforce. This Agreement is binding upon the parties hereto and their executors, administrators, heirs, assigns, and successors in interest. If Franchisee consists of more than one person or Entity, their liability under this Agreement will be deemed to be joint and several.

24.8 Construction To Perfect Nature and Purpose of Agreement.

In any instance where a term or provision of this Agreement requires construction by a court or an Arbitrator, construction shall reflect the objectives of the parties as stated in Article 1 of this Agreement. No ambiguity or other reason for construction shall be based on the identity of the party drafting this Agreement or any part thereof.

24.9 Headings; Terms.

The headings of the Articles are for convenience only and do not in any way define, limit, or construe the contents of such Articles. The term "Franchisee" as used herein is applicable to one or more individuals, a corporation, or a partnership, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to "Franchisee," "assignee" and "transferee" which are applicable to an individual or individuals means the Owner or Owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation or partnership.

24.10 Venue and Jurisdiction.

All litigation, court proceedings, arbitration proceedings, lawsuits, and court hearings initiated by Franchisee or Famous Dave's, including any action to contest the arbitration provisions of this Agreement, must and will be venued exclusively in Hennepin County, Minnesota. Franchisee, its officers, directors, the Owners and the Personal Guarantors do hereby agree and submit to personal jurisdiction in Hennepin County, Minnesota for the purposes of any suit, proceeding or hearing brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement, the Franchised Location, or Franchisee's Restaurant, and do hereby agree and stipulate that any such suits, proceedings, and hearings will be exclusively venued and held in Hennepin County, Minnesota. Franchisee, its officers, directors, the Owners and the Personal Guarantors waive any rights to contest such venue and jurisdiction and any claims that such venue and jurisdiction are invalid.

~~24.11 Federal Arbitration Act.~~

~~Any issue regarding arbitration will be governed by the Federal Arbitration Act and the federal common law of arbitration.~~

~~24.112 Waivers in Event of Court Proceedings.~~

~~If any dispute between Famous Dave's and Franchisee is subject to a proceeding in a court of law, it shall be tried to the court sitting without a jury, notwithstanding any state or federal constitutional or statutory rights or provisions and no punitive or exemplary damages shall be awarded against either Famous Dave's or Franchisee, or any Affiliates of either of them, in any proceeding, and all claims to such damages are hereby waived.~~

ARTICLE 25 NOTICES

25.1 Notices.

~~Unless otherwise provided in this Article 25, all notices specified by this Agreement or required by law must be in writing and given by personal delivery, sent by carrier (i.e., FedEx[®], UPS[®], etc.), U.S. certified mail, return receipt requested. Notices will be conclusively deemed to be given, delivered, and effective when sent pre-paid and actually left in the custody of an adult agent, employee or resident at a place of business or residence if given by personal delivery; or if given by carrier, twenty-four (24) hours after deposited with carrier, or if by U.S. certified mail, three (3) days after deposited with the U.S. Postal Service. Notwithstanding anything contained in this Agreement to the contrary, Famous Dave's may give Franchisee written notice via email to an email address Franchisee provides us regarding all notices specified by this Agreement or required by law, with such email notification to be deemed received by Franchisee twenty-four (24) hours after Famous Dave's sends it, unless Franchisee otherwise earlier acknowledges receipt. All notices permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered: (a) at the time delivered by hand; (b) immediately upon transmission by electronic mail or other comparable electronic system, provided there is evidence of delivery; (c) one business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of delivery; or (d) five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.~~

25.2 Address for Notices.

All notices permitted or required to be delivered pursuant to this Article must be delivered to the party to be notified as follows: (a) if intended for Famous Dave's, addressed to Legal Dept., Famous Dave's of America, Inc., 12701 Whitewater Drive, Suite 290, Minnetonka, Minnesota 55343-4164, with a copy to: Legal Dept., 9311 East Via De Ventura, Scottsdale, Arizona 85258, or such other address (including electronic mail address) as Famous Dave's may designate in writing; or (b) if intended for Franchisee, addressed to Franchisee at the Franchised Location, at Franchisee's residence (if an individual), or at the

residence of Franchisee's principal shareholder(s), partner(s), or member(s) (if a business entity), or such other address (including electronic mail address) as Franchisee may designate in writing. For avoidance of doubt, Franchisee has an affirmative obligation to promptly notify Famous Dave's pursuant to this Article 25 whenever Franchisee's mailing address, phone number or email address change.

ARTICLE 26 ACKNOWLEDGMENTS; DISCLAIMERS

26.1 Disclaimer.

Famous Dave's does not warrant or guarantee that Franchisee will derive income or profit from its Restaurant, ~~or that Famous Dave's will~~ *not* refund all or *any* part of the Initial Fee paid by Franchisee or repurchase any of the Foods, Beverages, and Products, technology, or FF&E supplied or sold by Famous Dave's or by an approved or designated supplier if Franchisee is in any way unsatisfied with its Restaurant. Famous Dave's expressly disclaims the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, Revenues, economics, business, or financial success, or value of Franchisee's Restaurant except as specifically contained in Famous Dave's Franchise Disclosure Document received by Franchisee.

26.2 Acknowledgments by Franchisee.

Franchisee acknowledges that it has conducted an independent investigation of the Franchise and recognizes that the business venture contemplated by this Agreement and the operation of the Restaurant involve business and economic risks. Franchisee acknowledges that the financial, business, and economic success of Franchisee's Restaurant will be primarily dependent upon the personal efforts of Franchisee, its management and employees, on economic conditions in the area where the Franchised Location is located, and economic conditions in general. Franchisee acknowledges that it has not received any estimates, projections, representations, warranties, or guaranties, expressed or implied, regarding potential sales, Revenues, income, profits, earnings, expenses, financial or business success, value of the Restaurant, or other economic matters pertaining to Franchisee's Restaurant from Famous Dave's or any of its representatives or agents that were not expressly set forth in Famous Dave's Franchise Disclosure Document, or if not expressly set forth therein, that were inconsistent with the information therein ("Representations"). Franchisee further acknowledges that if it had received any such Representations, it would have not executed this Agreement, promptly notified the President of Famous Dave's in writing of the person or persons making such Representations, and provided to Famous Dave's a specific written statement detailing the Representations made.

26.3 Other Franchisees.

Franchisee acknowledges that other Famous Dave's® franchisees have or will be granted franchises at different times, different locations, under different economic conditions, and in different situations, and further acknowledges that the economics and terms and conditions of such other franchises may vary substantially in form and in substance from those contained in this Agreement.

26.4 Time is of the Essence.

Franchisee acknowledges and agrees that TIME IS OF THE ESSENCE with respect to the performance of its obligations under this Agreement.

ARTICLE 27 GOVERNING LAW; STATE MODIFICATIONS

27.1 Governing Law; Severability.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) and the Federal Arbitration Act, this Agreement and the relationship between Famous Dave's and Franchisee will be governed by the laws of the state in which the Franchised Location is located, irrespective

of any conflict of laws. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by Franchisee and Famous Dave's.

27.2 Applicable State Laws.

As of the date of this Agreement, the following states have statutes which may supersede the provisions of this Agreement in Franchisee's relationship with Famous Dave's in the areas of termination and renewal of the Franchise: Arkansas [Stat. Section 70-807], California [Bus. & Prof. Code Sections 20000-20043], Connecticut [Gen. Stat. Section 42-133e et seq.], Delaware [Code Section 2552], Hawaii [Rev. Stat. Section 482E-1], Illinois [815 ILCS 705/19-20], Indiana [Stat. Section 23-2-2.7], Michigan [Stat. Section 19.854(27)], Minnesota [Stat. Section 80C.14], Mississippi [Code Section 75-24-51], Missouri [Stat. Section 407.400], Nebraska [Rev. Stat. Section 87-401], New Jersey [Stat. Section 56:10-1], Virginia [Code 13.1-557-574-13.1-564], Washington [Code Section 19.100.180], and Wisconsin [Stat. Section 135.03]. These and other states may have court decisions that may supersede the provisions of this Agreement in Franchisee's relationship with Famous Dave's in the areas of termination and renewal of the Franchise.

27.3 State Law Modifications.

If in accordance with Article 27.1, this Agreement is governed by the laws of California, Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin, or if the laws of any such state are otherwise applicable, then the designated provisions of this Agreement are amended and revised to comply with that state's law as shown in the applicable State Law Addendum attached to this Agreement and signed by both Famous Dave's and Franchisee.

ARTICLE 28 DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

28.1 Abandon.

"Abandon" means the conduct of Franchisee indicating the willingness, desire, or intent of Franchisee to discontinue operating its Famous Dave's® Restaurant in accordance with the quality standards, uniformity requirements, and the Restaurant System as described in this Agreement and the Standard Operating Procedures/Training Manual(s) including, but not limited to, the failure of Franchisee to operate the Restaurant for five or more consecutive days without the prior written approval of Famous Dave's or any shorter period of time after which Famous Dave's determines that Franchisee does not intend to continue operating the Restaurant, or the failure to remain open for business during specified business hours.

28.2 Affiliate.

"Affiliate" will mean any individual or Entity who/that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with Famous Dave's or Franchisee, as applicable.

28.3 Arbitrator.

"Arbitrator" means an arbitrator acting in accordance with the provisions of Article 23 of this Agreement.

28.4 Area Development Agreement.

“Area Development Agreement” means the agreement entered into between Famous Dave’s and Franchisee granting Franchisee, or an Entity owned by Franchisee, and/or the Owners of Franchisee (referred to as the Area Developer in the Area Development Agreement), the right to develop the Restaurant at the Franchised Location pursuant to the terms of this Agreement.

28.5 Assign or Assignment.

“Assign” or “Assignment” means sale, assignment, pledge, bequeath, trade, transfer, lease, or sublease.

28.6 Competitive Business.

“Competitive Business” has such meaning as is set forth in Article 7.2(b) of this Agreement.

28.7 Confidential and Proprietary Information.

“Confidential and Proprietary Information” has such meaning as is set forth in Article 9.3 of this Agreement.

28.8 Designated Market Area.

“Designated Market Area” or “DMA” means each television market exclusive of another based upon a preponderance of television viewing hours as defined by the A.C. Nielsen ratings service or such other ratings service as may be designated by Famous Dave’s.

28.9 Develop.

“Develop,” for the purposes of Article 2.3 of this Agreement, means to franchise, license, own, manage, or operate.

28.10 Dollars.

“Dollars” means United States of America dollars.

28.11 Entity.

“Entity” means a corporation, limited liability company, partnership, limited partnership, or any other type of legal entity formed in compliance with applicable law.

28.12 FF&E.

“FF&E” means furniture, fixtures, and equipment.

28.13 Financial Records.

“Financial Records” means all accounting records and ledgers maintained in a written form, on a computer disk or hard drive, and in any other electronic or other form including, but not limited to, sales ledgers, work papers, general ledgers, summaries, schedules, bank statements, cancelled checks, bank deposit slips, federal and state income tax returns, state sales tax returns, Financial Statements, daily cash register tapes, and related detailed supporting documentation.

28.14 Financial Statements.

“Financial Statements” means a balance sheet, profit and loss statement, statement of cash flows, and explanatory footnotes prepared in accordance with generally accepted accounting principles applied on a consistent basis.

28.15 Foods, Beverages, and Products.

“Foods, Beverages, and Products” means the authorized foods, food items, meats, vegetables, alcoholic and non-alcoholic beverages, menu items, proprietary sauces, seasonings, spices, recipe ingredients, disposable and table top items, clothing, products, merchandise and services that are specified in the Standard

Operating Procedures/Training Manual(s) from time to time and may be added to or deleted from in Famous Dave's sole discretion, or otherwise approved by Famous Dave's in writing that are: (a) used in the operation of the Restaurant, (b) used in the preparation and/or offering for sale of any foods or food items, and/or (c) offered for sale to customers of the Restaurant.

28.16 Franchise.

“Franchise” means the right granted by Famous Dave's to Franchisee under this Agreement authorizing Franchisee to operate a Famous Dave's® Restaurant at the Franchised Location in conformity with the Restaurant System using the name “Famous Dave's®” and the other Marks.

28.17 Franchised Location.

“Franchised Location” means the address, city, and state of Franchisee's Famous Dave's® Restaurant set forth in Exhibit A to this Agreement.

28.18 General Manager.

“General Manager” means the individual responsible for the overall management and operation of the Famous Dave's® Restaurant including, but not limited to, administration, basic operations, marketing, customer and community relations, record keeping, employee staffing and training, inventory control, hiring and firing, food preparation, and maintenance of the Franchised Location.

28.19 Lease.

“Lease” means the written lease agreement and related documents signed by Franchisee for the Franchised Location.

28.20 Major Assets.

“Major Assets” means: (a) Franchisee's Restaurant; (b) the Franchised Location; (c) the Lease for the Franchised Location; (d) the material portion of FF&E, inventory, point of sale system, customer lists, and all other assets used in Franchisee's Restaurant; (e) this Agreement; (f) any Ownership Interest in Franchisee; (g) all FF&E leases, (h) the land, building and related real estate used for Franchisee's Restaurant, if the land, building and real estate are owned by Franchisee; or (i) the right to receive a portion of the income or profits generated from any of the above, other than bona fide percentage rent obligations contained in the Lease.

28.21 Marks.

“Marks” includes the name “Famous Dave's®,” the phrases “May You Always Be Surrounded by Good Friends®,” “All American BBQ Feast®,” “Golden Spit Roasted®,” “Real Honest Barbeque®” and such other trademarks, trade names, service marks, logos, commercial symbols, phrases, slogans, and tag lines as Famous Dave's has or may develop for use in connection with Famous Dave's® Restaurants.

28.22 Month.

“Month” means the period of time or dates for each calendar year specified by Famous Dave's in the Standard Operating Procedures/Training Manual(s) or otherwise in writing.

28.23 Multi-Unit Manager.

“Multi-Unit Manager” means the individual meeting the requirements of Article 2.6 of this Agreement who devotes his or her full time and best efforts to the operation of the Restaurant and the other Famous Dave's® Restaurants developed pursuant to the Area Development Agreement with Famous Dave's.

28.24 Revenue Report.

“Revenue Report” means the written or electronic record, in the form designated in the Standard Operating Procedures/Training Manual(s), used to report the daily and weekly Revenues and other specified financial information for Franchisee’s Famous Dave’s® Restaurant.

28.25 Standard Operating Procedures/Training Manual(s).

“Standard Operating Procedures/Training Manual(s)” or “Manuals” means the confidential and copyrighted standard operations and training manuals and other training and operational materials developed by Famous Dave’s and loaned to Franchisee pursuant to this Agreement via any reasonable method, including online or electronically.

28.26 Operating Partner.

“Operating Partner” means the individual designated by Franchisee as required by Article 2.5 of this Agreement.

28.27 Owner.

“Owner” means any person or Entity who owns: (a) any shares of capital stock in Franchisee if Franchisee is a corporation, (b) any membership interests in Franchisee if Franchisee is a limited liability company, (c) partnership interests in Franchisee if Franchisee is a partnership, (d) any limited or general partnership interests if Franchisee is a limited partnership, and (e) any other kind or type of Ownership Interest in Franchisee.

28.28 Ownership Interests.

“Ownership Interests” means: (a) capital stock if Franchisee is a corporation, (b) membership interest if Franchisee is a limited liability company, (c) partnership interest if Franchisee is a partnership, (d) limited or general partnership interests if Franchisee is a limited partnership, and (e) all other types and means of ownership or other legal interest in Franchisee.

28.29 Per Diem Training Fee

“Per Diem Training Fee” will mean the current daily fee charged by Famous Dave’s for each employee or independent contractor of Famous Dave’s who provides any training, coaching, consulting and/or instructing services or any opening or operational assistance or other services to Franchisee pursuant to the terms of this Agreement. The amount of the Per Diem Training Fee will be the amount specified in the most current publication and update of the Standard Operating Procedures/Training Manual(s) or as otherwise specified in writing or on-line by Famous Dave’s, and the amount of the Per Diem Training Fee may be increased from time to time, at the sole option of Famous Dave’s, to account for inflation, increased costs and other economic conditions.

28.30 Personal Guarantors.

“Personal Guarantor(s)” means the individual(s) who sign the Personal Guaranty attached to this Agreement.

28.31 Required Opening Date.

“Required Opening Date” means ~~headingone (1) year from the Effective Date~~~~the date set forth in Exhibit A under the “Required Opening Date” heading.~~

28.32 Restaurant System.

“Restaurant System” has the meaning set forth in Article 1.1 of this Agreement.

28.33 Revenues.

“Revenues” means the total dollar gross income of any kind or description received by Franchisee, directly or indirectly, from the operation of Franchisee’s Restaurant and from any other form of activity related to Franchisee’s Restaurant or the Marks. It includes, but is not limited to, all cash and credit sales made by Franchisee of every kind and nature made at, from, by, or in connection with Franchisee’s Restaurant including, but not limited to, all dollars and income received from and/or sale of: (a) foods, food products and food items, whether prepared in the Restaurant or pre-packaged; (b) alcoholic and non-alcoholic beverages and drinks; (c) any and all goods, products or items sold under any of the Marks; (d) admission or cover charges; (e) vending machines, telephones and electronic and other amusement games; (f) slot machines, and gaming machines; (g) lotteries, lottery tickets and pull tabs; (h) hats, sweatshirts, T-shirts, jackets, clothing, music CDs and other recordings and other merchandise sold from the Franchised Location or as part of the operation of the Franchise; (i) cigars, cigarettes, tobacco products, candies and gum; (j) banquets; (k) catering; (l) carry-out items; (m) any and all other foods, food items, beverages, merchandise, and products; (n) all off-premises sales of foods, food products, and all other products and services offered in connection with Franchisee’s Restaurant; (o) the redemption of gift cards by Franchisee’s Restaurant; and (p) any business interruption insurance payments made to Franchisee by an insurance company. “Revenues” will not include the amount of any sales, use, or gross receipts tax imposed by any federal, state, municipal, or governmental authority directly upon sales, if the amount of the tax is added to the selling price and is charged to the customer, a specific record is made at the time of each sale of the amount of such tax, and the amount of such tax is paid to the appropriate taxing authority by Franchisee; the amount of all discounts and coupons which are taken or redeemed at Franchisee’s Restaurant provided, that a specific record is made of the amount of the reduction in the menu price as a result of such discount taken or coupon redeemed; the sale of gift cards by Franchisee’s Restaurant; the one-time sale of any FF&E or any inventory items to a purchaser; and the amount of all employee meal discounts (e.g., manager meals) taken by employees at Franchisee’s Restaurant, provided that a specific record is made of the amount of the reduction in menu price as a result of such discount.

28.34 Salaries and Benefits.

“Salaries and Benefits” means the salaries, fringe benefits, including life insurance, medical insurance, and retirement plans, payroll taxes, unemployment compensation, workers’ compensation insurance, and all other expenses related to employment.

28.35 Travel Expenses.

“Travel Expenses” means all costs incurred for airfare, travel, transportation, food, lodging, telephone, automobile rental, and all related travel expenses.

28.36 Week.

“Week” or “weekly” means a period of seven consecutive days from Monday through Sunday.

ARTICLE 29 INTEGRATED AND COMPLETE AGREEMENT

29.1 No Oral Representations or Agreements.

Famous Dave’s and Franchisee each acknowledge and agree that each intends to have all terms of this business relationship defined in this Agreement, except to the extent that this business relationship is also defined in any Area Development Agreement and other agreements related to the operation of Famous Dave’s® Restaurants entered into by the Parties (collectively, “Related Agreements”). Neither Famous Dave’s nor Franchisee intend to enter into a business relationship under terms and obligations created by alleged oral statements or under which oral statements serve as the basis for rights or obligations different from or supplementary to the rights and obligations set forth in this Agreement or in any Area Development Agreement signed by the Parties, as either may be amended in writing from time to time hereafter, or in

documents whose terms have been expressly incorporated by reference under Articles of this Agreement. Accordingly, Famous Dave's and Franchisee acknowledge and agree that this Agreement and any Related Agreements supersede and cancel any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Famous Dave's or anyone acting on its behalf and Franchisee or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent of such terms) with respect to the Franchise, the Restaurant and the Restaurant System or the relationship between the Parties. Famous Dave's and Franchisee each agrees that it has placed, and will place, no reliance on any such discussions or writings.

29.2 Entire Agreement.

This Agreement, including any and all exhibits and attachments hereto, constitutes the entire agreement between the Parties, containing all of the terms, conditions, rights and obligations of the Parties with respect to the Franchise, the Restaurant and the Restaurant System or to any other aspect of the relationship between the Parties, except to the extent that such relationship and the Restaurant System are addressed in the Related Agreements. In the event of a conflict between the terms and conditions of this Agreement and those of a Related Agreement, this Agreement shall prevail. No change, modification, amendment or waiver of any of the provisions of this Agreement will be effective and binding upon Famous Dave's or Franchisee unless in writing, specifically identified as an amendment to this Agreement, and signed by the Parties.

29.3 Documents Incorporated By Reference.

The mandatory terms (as opposed to terms that reflect optional standards and best practices) of the Standard Operating Procedures/Training Manual(s) establishing obligations of Franchisee, as the Manuals may be amended from time to time, shall be considered to be incorporated in this Agreement as if set forth herein in full text.

29.4 Other Writings Not Part of Agreement.

Famous Dave's and Franchisee recognize that from time to time during the Term, there will be written correspondence between them. Except as provided herein, Famous Dave's and Franchisee agree that other writings, including internal policy statements reflecting the current practices of Famous Dave's not otherwise stated in the Standard Operating Procedures/Training Manual(s) do not constitute a part of this Agreement and do not create contract rights or obligations.

29.5 No Future Promises.

No future agreements for exclusive territories, business relationships or any other business activities have been promised to Franchisee, and no such exclusive territories, business relationships or any other business activities shall come into existence, except by means of a separate writing signed by the Parties and specifically identified as such.

[Signature pages follow]

IN WITNESS WHEREOF, Famous Dave's, Franchisee, and the Owners have respectively signed this Agreement effective as of the day and year first above written.

In the Presence of:

FAMOUS DAVE'S OF AMERICA, INC.

Signature

By _____

Print Name

Print Name

Its _____

In the Presence of:

FRANCHISEE

Signature

Legal Business Name

Print Name

By _____

Print Name

Its _____

Each of the undersigned Owners hereby agree to be bound by the terms and conditions of this Agreement that are specifically or by their nature applicable to each one of the Owners, which in no event will limit any of the obligations undertaken by each of the Owners under this Agreement, in any other capacity, or under any other agreement or personal or other guaranty.

<u>In the Presence of:</u>	<u>Names of Owners:</u>	<u>Percentage of Ownership:</u>
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
	Total	<u>100%</u>

Operating Partner:

Name

Address

City, State, Zip Code

Telephone

Cell Phone

Email Address

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this “Personal Guaranty”) is made and entered into this _____ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and each one of the undersigned personal guarantors (the “Personal Guarantors”).

WHEREAS, Famous Dave’s and _____ (“Franchisee”) have entered into a Franchise Agreement, dated the same date as set forth above, for the operation of a franchised Famous Dave’s® Restaurant at the Franchised Location set forth in the Franchise Agreement (the “Franchise Agreement”).

WHEREAS, it is the desire of each one of the undersigned Personal Guarantors to personally guaranty the obligations of Franchisee under the Franchise Agreement and to be individually, jointly and severally bound by the terms and conditions of the Franchise Agreement.

NOW, THEREFORE, in consideration of the execution of the Franchise Agreement by Famous Dave’s, and for other good and valuable consideration, each one of the undersigned, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement, including the covenants not to compete, to be paid, kept and performed by Franchisee.

Obligations under Agreement. Each one of the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including the covenants not to compete and indemnification obligations, and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement. Each one of the Personal Guarantors acknowledge having received a copy of the Franchise Agreement which is incorporated herein by reference.

Default of Franchisee. If Franchisee defaults on any monetary obligation of the Franchise Agreement, then each one of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to Famous Dave’s the Initial Fee, Royalty Fees, Marketing Fund Fees and all other fees and monies due and payable to Famous Dave’s under the terms and conditions of the Franchise Agreement or for any purchases of goods or services made by Franchisee from Famous Dave’s or any Affiliate of Famous Dave’s.

Non-Compliance by Franchisee. If Franchisee fails to comply with any other terms and conditions of the Franchise Agreement, then each one of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Franchise Agreement for and on behalf of Franchisee.

Obligations of Franchisee. If Franchisee is at any time in default on any obligation to pay monies to Famous Dave’s or any Affiliate of Famous Dave’s, whether for the Initial Fee, Royalty Fees, Marketing Fund Fees, goods or services purchased by Franchisee from Famous Dave’s or any Affiliate of Famous Dave’s, or for any other indebtedness of Franchisee to Famous Dave’s or any Affiliate of Famous Dave’s, then each of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable by Franchisee to Famous Dave’s or any Affiliate of Famous Dave’s upon default by Franchisee.

Liability. Upon demand by Famous Dave’s, each one of the Personal Guarantors, jointly and severally, will immediately make each payment required of Franchisee under the Franchise Agreement.

Binding Agreement. Each one of the Personal Guarantors warrant and represent that they have the capacity to execute this Personal Guaranty and that they will each be bound by all of the terms and conditions of this Personal Guaranty. The provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of Famous Dave’s.

Jurisdiction and Venue. Except as precluded by applicable law, all arbitration, litigation, actions or proceedings pertaining to this Personal Guaranty will be brought and venued in accordance with the terms of the Franchise Agreement and each one of the Personal Guarantors agree to the dispute resolution provisions, including jurisdiction and venue, contained in the Franchise Agreement.

PERSONAL GUARANTORS

Signature

Signature

Print Name

Print Name

Address

Address

City, State and Zip Code

City, State and Zip Code

Telephone

Telephone

Signature

Signature

Print Name

Print Name

Address

Address

City, State and Zip Code

City, State and Zip Code

Telephone

Telephone

**EXHIBIT A
TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE AGREEMENT**

ADDRESS OF FRANCHISED LOCATION:

Street

City, State, Zip Code

DESIGNATED AREA:

The Designated Area is defined as follows (as illustrated on the attached map): _____

~~**REQUIRED OPENING DATE:**~~

~~The Restaurant shall be open for business on or before: _____, 20__~~

Dated: _____, 20__

FAMOUS DAVE'S OF AMERICA, INC.

	_____ Legal Name of Franchisee
By _____	By _____
Signature	Signature
_____	_____
Print Name	Print Name
Its _____	Its _____
Title	Title

Map of Designated Area

**EXHIBIT B
TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE AGREEMENT**

Sample Form of Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Franchise Development

The undersigned hereby authorizes Famous Dave's of America, Inc. its affiliate(s) or agents, ("Famous Dave's"), to initiate monthly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Fund Fees, or other amounts that become payable by the undersigned to Famous Dave's. The dollar amount to be debited per payment will vary.

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

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

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

*** Attach VOIDED Check ***

Sincerely yours,

Account Name

Street Address

City State Zip Code

Telephone Number

By

Its

Date

Bank Name

Branch

Street Address

City State Zip Code

Bank Telephone Number

Bank's Routing Number

Customer's Account Number

**EXHIBIT C
TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT**

**Form of
ADDENDUM TO LEASE**

THIS ADDENDUM TO LEASE (this “Addendum”) is dated _____, 20 ____, and is entered into is by and between:

Franchisee/Lessee: _____ (“Lessee”)

Street Address: _____

City, State: _____

and

Lessor: _____

Street Address: _____

City, State: _____

Location: _____

Lease Agreement Date: _____

Effective Date of Franchise Agreement: _____

WHEREAS, Lessee and Lessor have entered into a Lease Agreement on the date and for the location identified above (the “Lease”), in conjunction with the opening or continuation of a Famous Dave’s® restaurant (the “Famous Dave’s® Restaurant” or the “Restaurant”) under a Franchise Agreement between Lessee and Famous Dave’s of America, Inc. (the “Franchise Agreement”); and

WHEREAS, Lessee has requested and Lessor has agreed to incorporate certain provisions into the Lease as required by the terms of the Franchise Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. **USES:** Lessee shall occupy and use the premises during the term of the Lease only as a Famous Dave’s® Restaurant.

2. **TRADE FIXTURES:** Lessee is and shall be permitted to install and use in the leased premises any and all fixtures and equipment customary or necessary to the operation of a Famous Dave’s® Restaurant, including, but not limited to, movable sinks and partitions, carpets, counters, shelves, and accessories and products used in connection therewith. All of such fixtures and equipment shall remain the property of Lessee and may be removed by Lessee in accordance with the law relating to the removal of trade fixtures, no matter how the same may be installed in, attached to or affixed to the premises.

3. **SIGNS:** Lessee is hereby given the right, at Lessee's expense, to install and maintain during the term of the Lease, and any extension of the term hereof, a sign or signs advertising Lessee's business in, on or about the leased premises, subject to Lessor's prior approval (not to be unreasonably withheld) and Lessee's compliance with all applicable governmental regulations and receipt of all requisite permits, at Lessee's sole cost and expense. Lessor agrees that the signs may at Lessee's discretion be the maximum size permitted by local code. The signs shall at all times remain the property of Lessee and may be removed by Lessee in accordance with the law relating to the removal of trade fixtures, no matter how the same may be installed on, attached to or affixed to the premises, provided Lessee shall promptly repair any and all damage caused by such removal. If Lessor fails to approve Lessee's signage, Lessee may cancel the Lease and receive any monies theretofore paid to Lessor.

4. **GRACE PERIODS:** Lessee shall not be deemed in default or breach hereof or hereunder unless Lessee shall fail to pay the rent within ten (10) days after the receipt of written notice, and as to any other term, provision, condition or covenant hereof, unless Lessee shall fail to cure or reasonably commence to cure said default or breach within thirty (30) days after written notice from Lessor to Lessee specifying said default or breach.

5. **SUBORDINATION:** Lessor shall use reasonably commercial efforts to deliver to Lessee before commencement, from each mortgagee (including trustee of a trust deed) and ground lessor of real estate including, in whole or in part, the leased premises, a subordination and non-disturbance agreement in mortgagee's standard form providing that this Lease and Lessee's right to possession of the leased premises shall not be disturbed by such mortgagee or ground lessor or any other person or party claiming under or through such mortgagee or ground lessor, provided that Lessee continues to observe and perform Lessee's obligations under the Lease and pay rent to whomsoever may be lawfully entitled to the same from time to time.

6. **DEFAULT/ASSIGNMENT:** Lessor agrees that in the event of default by Lessee under the terms and conditions of the Lease, Lessor will permit the Lease to be assumed by Famous Dave's of America, Inc. or its designee, on the same terms and conditions contained herein. Lessor agrees to give notice to Famous Dave's of America, Inc. of any default by Lessee under the terms and conditions of the Lease and to give Famous Dave's of America, Inc. thirty (30) days written notice to cure such default and to permit Famous Dave's of America, Inc., at its sole discretion, to assume the Lease for the remainder of the term herein, and to exercise any renewal options. Lessor further agrees that in the event that Lessee's Franchise Agreement should terminate for any reason, upon receipt by Lessor of notice to that effect from Famous Dave's of America, Inc., Lessor will permit Famous Dave's of America, Inc. to enter the premises and to become the lessee or to designate another successor lessee under the same terms and conditions contained in the Lease. Famous Dave's of America, Inc. will have the option, but not the obligation, to exercise the assumption rights granted to it under this provision of this Addendum. Lessee specifically agrees that Lessor will transfer the Lease to Famous Dave's of America, Inc. or its designee upon Famous Dave's of America, Inc.'s notice to Lessor of intent to assume the Lease.

7. **ESTOPPEL:** Lessor will promptly upon request of Famous Dave's of America, Inc. deliver to Lessee, Famous Dave's of America, Inc., or such other party as Famous Dave's of America, Inc. may designate: (i) written confirmation (a) that the Lease is in full force and effect without modification or amendment, and (b) that Lessee is not in default under the terms of the Lease, and/or (ii) such other information, documents, confirmations and/or certifications regarding the Lease as may be reasonably requested by Famous Dave's of America, Inc. (or, to the extent that Lessor is unable to comply, identifying with particularity the reasons why compliance with Famous Dave's of America, Inc.'s request is not possible). Lessor shall comply with this paragraph of this Addendum at no charge to Lessee or Famous Dave's of America, Inc.

8. **LIEN WAIVER:** Lessor shall have no lien upon the assets of Lessee. Lessor waives any statutory “landlord’s lien” on the assets of Lessee. Upon request, Lessor will execute and deliver to Lessee or to Famous Dave’s of America, Inc. a waiver of lien waiver or other acknowledgment that Lessor has no lien on the assets of Lessee.

9. **REPORT OF SALES:** Lessor is authorized to provide and disclose to Famous Dave’s of America, Inc., upon its request, sales and other information furnished to Lessor by Lessee.

10. **INSPECTION:** Lessor shall permit representatives of Famous Dave’s of America, Inc. to enter upon the premises during regular business hours for the purposes of conducting inspections of Lessee’s Famous Dave’s® Restaurant.

11. **NOTICES:** Copies of all notices to be sent to or served upon Lessee shall be also served or mailed to Famous Dave’s of America, Inc., 12701 Whitewater Drive, Suite 290, Minnetonka, MN 55343-4164.

12. **CONFLICT:** If there is any conflict between a provision of the Lease and a provision of this Addendum, then the applicable provision of this Addendum will supersede the conflicting provision in the Lease.

13. **ACKNOWLEDGMENTS:** Lessor hereby acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement under which Lessee plans to operate the Restaurant, and Lessee would not lease the Restaurant premises without this Addendum. Lessor further acknowledges that Lessee is not an agent or employee of Famous Dave’s of America, Inc. and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Famous Dave’s of America, Inc. or any Affiliate of Famous Dave’s of America, Inc., and that Lessor has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against Famous Dave’s of America, Inc. or any Affiliate of Famous Dave’s of America, Inc., unless and until the Lease is assumed and accepted in writing by, Famous Dave’s of America, Inc. or a designee of Famous Dave’s of America, Inc.

14. **THIRD PARTY BENEFICIARY:** Famous Dave’s of America, Inc. is an express third party beneficiary of this Addendum and the Lease and may, directly or indirectly, enforce any right of Famous Dave’s of America, Inc. or Lessee hereunder.

15. **MODIFICATIONS:** The provisions of the Lease and/or this Addendum will not be modified, amended, extended, assigned or terminated without the prior written consent of Famous Dave’s of America, Inc.

The parties are signing this Addendum as of the date first above written.

LESSOR:

LESSEE:

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT D
TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT

Form of
CLOUD KITCHEN ADDENDUM

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20__, by and between Famous Dave’s of America, Inc. (“Famous Dave’s”) and _____ (“Franchisee”), and the undersigned Owners.

WHEREAS, Famous Dave’s and Franchisee entered into that certain Franchise Agreement of even date herewith (the “Franchise Agreement”), pursuant to which Franchisee was granted the right and undertook the obligation to open and operate a Famous Dave’s® franchised cloud kitchen restaurant within the Designated Area specified in the Franchise Agreement.

WHEREAS, Famous Dave’s and the Franchisee agree to amend and revise certain provisions of the Franchise Agreement to account for the differences between the cloud kitchen concept and the other types of Restaurants listed in Section 1.4 of the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions; Background.** Capitalized terms used and not defined in this Addendum have the respective meanings assigned to them in the Franchise Agreement. The introductory recitals of this Addendum are incorporated by reference as if fully set forth herein.

2. **Initial Fee.** Section 4.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchisee will pay Famous Dave’s a non-refundable Initial Fee of \$10,000 at the time this Agreement is signed by Franchisee and Famous Dave’s.

3. **Alcoholic Beverages; Liquor Liability Insurance.** Article 7.11 of the Franchise Agreement is deleted in its entirety and replaced with the following:

If permitted in accordance with all applicable federal, state, city, local and municipal laws and regulations, Franchisee may offer and sell beer, wine and other alcoholic beverages, including hard liquor and mixed drinks, from its Restaurant via delivery and/or to-go services. Franchisee will comply with: (a) all federal, state, city, local and municipal licensing, insurance and other laws, regulations, and requirements applicable to the sale of alcoholic beverages by Franchisee; and (b) the liquor liability insurance requirements set forth in this Agreement.

4. **Limitation on Foods, Beverages, and Products.** The last sentence in Article 8.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchisee will only sell the Foods, Beverages, and Products on a delivery and to-go basis and will not offer or sell the Foods, Beverages, and Products: (a) on a

retail eat-in or take-out basis; (b) on a wholesale or retail basis at any other location; (c) by means of the Internet, catalogue or mail order sales, or telemarketing; and (d) by any other method distribution.

5. **Delivery.** Article 8.2 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchisee will enter into arrangements with third party delivery service partners (each, a “DPS”) who will conduct the delivery services to locations within the geographic area permitted by each DSP’s, whether for a fee or not, and/or provide self-delivery services with Famous Dave’s prior written consent and in accordance with Operating Procedures/Training Manual(s) or as Famous Dave’s otherwise specifies in writing within the Designated Area, of all Foods, Beverages, and Products offered for sale by Franchisee’s Restaurant; provided, that Franchisee may also provide catering services not involving individual consumer orders, in compliance with the provisions of Famous Dave’s Standard Operating Procedures/Training Manual(s). In the event that Famous Dave’s enters into a master service agreement with a third-party delivery service (each, a “Delivery Provider”), and you wish to utilize that Delivery Provider’s services, then we or the Delivery Provider may require you to sign a participation agreement with that Delivery Provider, and you must comply with the terms of such participation agreement.

6. **Customer Reservations.** The last sentence in Article 7.5 regarding reservations and seating at the Restaurant is hereby deleted in its entirety.

7. **Opening Assistance.** The first two sentences of Article 14.6 of the Franchise Agreement are deleted in their entirety and replaced with the following:

If this Agreement is for Franchisee’s first Famous Dave’s® Restaurant, then Famous Dave’s will, at Franchisee’s expense, provide franchise business consultant and such other training personnel as Famous Dave’s determines (the “Opening Team”) to assist Franchisee in: (a) implementing the Restaurant System at Franchisee’s Famous Dave’s® Restaurant, and (b) training Franchisee’s staff and kitchen employees. The Opening Team will be present at Franchisee’s Restaurant between 7 and 14 consecutive days depending on the service model of the Restaurant.

8. **Termination.** Article 17.2(d) of the Franchise Agreement regarding failure to obtain a liquor license is deleted in its entirety and replaced with the following:

Franchisee has not obtained a valid liquor license for its Restaurant from the appropriate governmental authorities before Franchisee offers or sells any alcoholic beverages from Franchisee’s Famous Dave’s® Restaurant;

9. **Post-Term Obligations.** Article 21.3 of the Franchise Agreement regarding post-term covenant not to compete is amended so that the phrase “5 miles” is replaced with “10 miles”.

10. **Dispute Resolution.** This Addendum shall be governed by the dispute resolution provisions set forth in the Franchise Agreement.

11. **Counterparts.** This Addendum may be executed in counterparts, and the body of this document, together with all attached signature pages, will constitute one and the same agreement.

12. **Franchise Agreement Not Otherwise Altered.** Except as expressly set forth in this Addendum, the terms and conditions of the Franchise Agreement will remain in full force and effect and will not be changed or altered by the execution of this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it will be effective as of the date first above written.

FAMOUS DAVE’S:
Famous Dave’s of America, Inc.

FRANCHISEE:

By _____

By _____

Its _____

Its _____

EXHIBIT E
TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT

Form of
ADD-ON GHOST KITCHEN ADDENDUM

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20 __, by and between Famous Dave’s of America, Inc. (“Famous Dave’s”) and _____ (“Franchisee”), and the undersigned Owners.

WHEREAS, Famous Dave’s and Franchisee entered into that certain Franchise Agreement of even date herewith (the “Franchise Agreement”), pursuant to which Franchisee was granted the right and undertook the obligation to open and operate a Famous Dave’s® franchised add-on ghost kitchen Restaurant located at a [BRAND] restaurant located at _____ (the “Existing Business”), which Franchisee owns and operates under the legal entity [LEGAL ENTITY] (“Existing Affiliate”) within the Designated Area specified in the Franchise Agreement.

WHEREAS, Famous Dave’s and the Franchisee agree to amend and revise certain provisions of the Franchise Agreement to account for the differences between the add-on ghost kitchen concept and the other types of Restaurants listed in Section 1.4 of the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions; Background.** Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Franchise Agreement. The introductory recitals of this Addendum are incorporated by reference as if fully set forth herein.

2. **Acknowledgments.** Nothing in the Franchise Agreement or this Addendum permits Franchisee to grant or assign any of Franchisee’s rights or obligations under the Franchise Agreement to [BRAND] or Existing Affiliate, or either of their affiliates, successors, or assigns. Franchisee shall be prohibited from using in connection with the Existing Business Famous Dave’s® Marks, Restaurant System, or any Famous Dave’s® products, packaging or privately-labeled items. Except for offering and selling the approved food, products, and services at the Existing Business, Franchisee is prohibited from using in [BRAND] trademarks, service marks, or logos, or any [BRAND] products, packaging or privately-labeled items connection with the Restaurant.

3. **Initial Fee.** Article 4.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchisee will pay Famous Dave’s a non-refundable Initial Fee of \$10,000 at the time this Agreement is signed by Franchisee and Famous Dave’s.

4. **Revenue Reports and Financial Statements.** Article 4.2 of the Franchise Agreement is supplemented to add the following new Section 4.2(e):

(e) Upon written request by Famous Dave's, Franchisee shall provide Famous Dave's with Revenue Reports for Franchisee's Existing Business.

5. **Financial Statements.** Article 6.1 of the Franchise Agreement is supplemented to provide that upon written request by Franchisor, Franchisee will, at its expense, prepare monthly, quarterly and year-to-date Financial Statements with respect to its Existing Business.

6. **Identification of Restaurant.** The first sentence in Article 7.3 of the Franchise Agreement, specifically the one that states, "Franchisee will operate the Restaurant so that it is clearly identified and advertised as a Famous Dave's® Restaurant" is hereby deleted and replaced with the following:

Due to the fact the Restaurant is being operated out of Franchisee's Existing Business, Franchisee must use and display the Marks at the Restaurant in accordance with the Operating Procedures/Training Manual(s) in order for customers to easily and quickly identify that Foods, Beverages, and Products are sold at the Restaurant and/or where to pick up to-go Foods, Beverages, and Products orders at the Restaurant, however, Franchisee shall still advertise the Restaurant so that it is clearly advertised as a Famous Dave's® Restaurant.

7. **Alcoholic Beverages; Liquor Liability Insurance.** Article 7.11 of the Franchise Agreement is deleted in its entirety and replaced with the following:

If permitted in accordance with all applicable federal, state, city, local and municipal laws and regulations, Franchisee may offer and sell beer, wine and other alcoholic beverages, including hard liquor and mixed drinks, from its Restaurant via delivery and/or to-go services. Franchisee will comply with: (a) all federal, state, city, local and municipal licensing, insurance and other laws, regulations, and requirements applicable to the sale of alcoholic beverages by Franchisee; and (b) the liquor liability insurance requirements set forth in this Agreement.

8. **Limitation on Foods, Beverages, and Products.** The last sentence in Article 8.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchisee will only sell the Foods, Beverages, and Products on a delivery and to-go basis and will not offer or sell the Foods, Beverages, and Products: (a) on a retail eat-in or take-out basis; (b) on a wholesale or retail basis at any other location; (c) by means of the Internet, catalogue or mail order sales, or telemarketing; and (d) by any other method distribution.

9. **Delivery.** Article 8.2 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchisee will enter into arrangements with third party delivery service partners (each, a "DPS") who will conduct the delivery services to locations within the geographic area permitted by each DSP's, whether for a fee or not, and/or provide self-delivery services with Famous Dave's prior written consent and in accordance with Operating Procedures/Training Manual(s) or as Famous Dave's otherwise specifies in writing within the Designated Area, of all Foods, Beverages, and Products offered for sale by Franchisee's Restaurant; provided, that Franchisee may also provide catering services not involving individual consumer orders, in compliance with the provisions of Famous Dave's Standard Operating

Procedures/Training Manual(s). In the event that Famous Dave's enters into a master service agreement with a third-party delivery service (each, a "Delivery Provider"), and you wish to utilize that Delivery Provider's services, then we or the Delivery Provider may require you to sign a participation agreement with that Delivery Provider, and you must comply with the terms of such participation agreement.

10. **Customer Reservations.** The last sentence in Article 7.5 regarding reservations and seating at the Restaurant is hereby deleted in its entirety.

11. **Site Selection; Purchase or Lease of Site.** If Franchisee already has an executed and current lease for the Existing Business, then:

a. Article 10.1(b) of the Franchise Agreement is deleted;

b. The second sentence in Article 10.1(C), specifically the one that states, "Franchisee agrees that it will not sign the Lease until this Agreement has been signed by both Franchisee and Famous Dave's and the Lease contains the terms required under this provision" is deleted;

c. Article 10.2 of the Franchise Agreement is deleted in its entirety and replaced with the following new language:

Franchisee will provide the information as may be specified by Famous Dave's in writing for the proposed site, in the exercise of its business judgment. Such information may include submission of preliminary set of building plans in electronic or computerized formats specified by Famous Dave's and final drawings including all furniture, furnishings, fixtures and equipment installed in the Restaurant, before opening. Famous Dave's reserves the right to visit the proposed site to evaluate and approve how to-go services will be operated and that the kitchen layout meets Famous Dave's then-current standards for a ghost kitchen. Review of any site information and/or any visits by Famous Dave's to a proposed site does not constitute an approval of the site by Famous Dave's or a warranty or representation by Famous Dave's or any other party that the site for the Franchised Location chosen by Franchisee will be a financial or operational success. Any issuance of a no-objection letter by Famous Dave's means only that it has received the site information required from Franchisee and Famous Dave's has no objections to the Franchised Location.

d. The Lease Addendum attached as Exhibit C to the Franchise Agreement is deleted.

12. **Approved Signage.** The first sentence of Article 10.2 is deleted in its entirety and replaced with the following:

All exterior and interior signs at the Franchised Location that use or display any Marks (the "Signs") must comply with the standard sign plans and specifications established by Famous Dave's and provided to Franchisee.

13. **Telephone Lines.** Franchisee will not be required to maintain and use a telephone line that is used solely for the Restaurant and not the Existing Business as long as Franchisee advertises that all

telephone numbers for the Existing Business can also be used to order Foods, Beverages, and Products, and customers can in fact use those same telephone numbers to order Foods, Beverages, and Products.

14. **Email Address.** Franchisee must obtain and use an email address described in Article 11.3 of the Franchise Agreement that is used solely for the Restaurant and not for the Existing Business.

15. **Opening Assistance.** The first two sentences of Article 14.6 of the Franchise Agreement are deleted in their entirety and replaced with the following:

If this Agreement is for Franchisee's first Famous Dave's® Restaurant, then Famous Dave's will, at Franchisee's expense, provide franchise business consultant and such other training personnel as Famous Dave's determines (the "Opening Team") to assist Franchisee in: (a) implementing the Restaurant System at Franchisee's Famous Dave's® Restaurant, and (b) training Franchisee's staff and kitchen employees. The Opening Team will be present at Franchisee's Restaurant between 7 and 14 consecutive days depending on the service model of the Restaurant.

16. **Termination.** Article 17.2(d) of the Franchise Agreement regarding failure to obtain a liquor license is deleted in its entirety and replaced with the following:

Franchisee has not obtained a valid liquor license for its Restaurant from the appropriate governmental authorities before Franchisee offers or sells any alcoholic beverages from Franchisee's Famous Dave's® Restaurant;

17. **Post-Term Obligations.** Article 21.3 of the Franchise Agreement regarding post-term covenant not to compete is amended so that the phrase "5 miles" is replaced with "10 miles".

18. **Dispute Resolution.** This Addendum shall be governed by the dispute resolution provisions set forth in the Franchise Agreement.

19. **Counterparts.** This Addendum may be executed in counterparts, and the body of this document, together with all attached signature pages, will constitute one and the same agreement.

20. **Franchise Agreement Not Otherwise Altered.** Except as expressly set forth in this Addendum, the terms and conditions of the Franchise Agreement will remain in full force and effect and will not be changed or altered by the execution of this Addendum.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it will be effective as of the date first above written.

FAMOUS DAVE’S:

Famous Dave’s of America, Inc.

By _____

Its _____

FRANCHISEE:

By _____

Its _____

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF CALIFORNIA**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. The covenant not to compete upon termination or expiration of the Franchise Agreement contained in Article 21.3 of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.
2. The provisions of the Franchise Agreement giving Famous Dave’s the right to terminate in the event of Franchisee’s bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, et seq.).
3. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

ADDENDUM TO FRANCHISE DOCUMENTS
(FOR THE STATE OF HAWAII)

This ADDENDUM TO FRANCHISE DOCUMENTS (FOR THE STATE OF HAWAII) (“Addendum”) dated _____ (“Addendum Effective Date”) to the [Franchise Agreement[, as amended], [Consent to Transfer and Release Agreement,] [General Release,] [Promissory Note and Security Agreement] [Sublease] [each] dated _____, and including any and all exhibits attached thereto (individually and collectively, “Franchise Documents”) between _____ (“Franchisee”) and FAMOUS DAVE’S OF AMERICA, INC., a Minnesota corporation (“Franchisor”) [and LEASING ENTITY, a[n] _____ “Sublessor”] hereby amends the Franchise Documents by the addition of the following language, which shall be considered an integral part of the Agreement. To the extent this Addendum contains terms and conditions that differ from those contained in the Franchise Documents, this Addendum shall control. The parties agree that a concept or principle covered in this Addendum shall apply and be incorporated into all other provisions of the Franchise Documents in which the concept or principle is also applicable, notwithstanding the absence of any specific cross-reference thereto. All capitalized terms not otherwise defined in this Addendum will have the same meanings ascribed to such terms in the Franchise Documents.

1. The Director of the Hawaii Department of Commerce and Consumer Affairs requires that certain provisions contained in franchise documents be amended to be consistent with Hawaii law, including the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E-1 through 482E-12 (1988). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Law, the Law will control. Among those rights, the law may require that upon termination or non-renewal Franchisor purchase for fair market value Franchisee’s inventory, supplies, equipment and furnishings purchased from Franchisor or a supplier designated by Franchisor; provided that personalized materials which have no value to Franchisor need not be compensated for. If the non-renewal or termination is for the purpose of converting the Franchisee’s business to one owned and operated by Franchisor, Franchisor may, additionally, be obligated to compensate the Franchisee for loss of goodwill. Franchisor may deduct all amounts due from Franchisee and any costs related to the transportation or disposition of items purchased against any payment for those items. If the parties cannot agree on fair market value, fair market value shall be determined in the manner set forth in the Franchise Agreement. If the Franchise Agreement does not provide for determination of fair market value of assets for purchase by Franchisor, such amount will be determined by an independent appraiser approved by both parties, and the costs of the appraisal shall be shared equally by the parties.
- b. If the Franchisee is required in the Franchise Documents to execute a release of claims, such release shall exclude claims arising under the Hawaii Franchise Investment Law. Any condition, stipulation or provision binding the Franchisee to waive compliance with any provision of Section 482E-6 of the Hawaii Franchise Investment Law shall be void.
- c. The requirement of a franchisee to purchase or lease goods or services of the franchisor or from designated sources may not be enforceable under Hawaii Franchise Investment

law unless it is reasonably necessary for a lawful purpose, and does not substantially affect competition.

- d. The Hawaii Franchise Investment Law prohibits the Franchisor from establishing a similar business or granting a franchise for the establishment of a similar business to that of the Franchisee's within the Franchisee's exclusive territory. To the extent the Franchise Documents contain a provision that is inconsistent with the Act, the Act will control.
- e. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Section 482E-3(a) of the Hawaii Franchise Investment Law requires us to give you a copy of the Franchise Disclosure Document at least 7 calendar days prior to signing the Agreement.

3. The Franchise Documents permits us to terminate the Agreement upon your bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law. (11 U.S.C. §101, et seq.).

4. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law applicable to the provision are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met. Except as set forth in this Addendum, the terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, have duly executed and delivered this Addendum as of the Addendum Effective Date.

FRANCHISOR:

FRANCHISEE:

**FAMOUS DAVE'S OF AMERICA, INC., a
Minnesota corporation**

By: _____
[Name, Title]

By: _____
[Name, Title]

By: _____
[Name, Title]

[SUBLESSOR:

By: _____
[Name, Title]

|

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF ILLINOIS**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. Any provision of the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.

2. Any condition, stipulation or provision of the Franchise Agreement requiring Franchisee to waive compliance with any provision of the Illinois Franchise Disclosure Act is void; therefore, the acknowledgments contained in Article 26 of the Franchise Agreement may be unenforceable against Franchisee.

3. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

ADDENDUM TO FRANCHISE DOCUMENTS
(FOR THE STATE OF INDIANA)

This ADDENDUM TO FRANCHISE DOCUMENTS (FOR THE STATE OF INDIANA) (“Addendum”) dated _____ (“Addendum Effective Date”) to the [Franchise Agreement[, as amended], [Consent to Transfer and Release Agreement,] [General Release,] [Promissory Note and Security Agreement] [Sublease] [each] dated _____, and including any and all exhibits attached thereto (individually and collectively, “Franchise Documents”) between _____ (“Franchisee”) and FAMOUS DAVE’S OF AMERICA, INC., a Minnesota corporation (“Franchisor”) [and LEASING ENTITY, a[n] _____ “Sublessor”] hereby amends the Franchise Documents by the addition of the following language, which shall be considered an integral part of the Agreement. To the extent this Addendum contains terms and conditions that differ from those contained in the Franchise Documents, this Addendum shall control. The parties agree that a concept or principle covered in this Addendum shall apply and be incorporated into all other provisions of the Franchise Documents in which the concept or principle is also applicable, notwithstanding the absence of any specific cross-reference thereto. All capitalized terms not otherwise defined in this Addendum will have the same meanings ascribed to such terms in the Franchise Documents.

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1-51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-27 (1985). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. To the extent the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. If the Franchisee is required in the Franchise Documents to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule of order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgements shall be void with respect to claims under the Act.
- c. If the Franchise Agreement contains covenants not to compete upon expiration or termination of the Franchise Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.
- d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by Franchisor requires written consent of the Franchisee. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.
- e. If the Franchise Documents requires litigation/arbitration to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act §§ 23-2.2.7(10).

- f. If the Franchise Documents requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.
- g. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning the waiver of claims or rights. To the extent the Franchise Documents contains a provision that is inconsistent with the Act, the Act will control.
- h. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning the time period to bring an action against the Franchisor. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- i. The Indiana Deceptive Franchise Practices Act prohibits the Franchisor from operating a substantially identical business to that of the Franchisee's within the Franchisee's territory, regardless of trade name. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- j. The Indiana Deceptive Franchise Practice Act excludes any indemnification for liability caused by the Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- k. If the Franchise Agreement requires goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories or services of comparable quality are available from sources other than those designated by the franchisor, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control. Providing a list of approved suppliers to comply with specifications and standards prescribed by Franchisor does not constitute designation of a source under the Indiana Deceptive Franchise Practices Act.
- l. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Indiana Code § 23-2-2.5-9(2) requires us to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 days prior to signing the Agreement; or (ii) 10 days prior to our receipt of any consideration.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Practices Act and the Indiana Franchises Act, with respect to each such provision, are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met. Except as set forth in this Addendum, the terms and provisions of the Franchise Documents shall remain in full force and effect.

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, has duly executed and delivered this Addendum as of the Addendum Effective Date.

FRANCHISOR:

FRANCHISEE:

**FAMOUS DAVE'S OF AMERICA, INC., a
Minnesota corporation**

By: _____
[Name, Title]

By: _____
[Name, Title]

[SUBLESSOR:

By: _____
[Name, Title]

By: _____
[Name, Title]

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF MARYLAND**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. Any release executed by Franchisee in accordance with Article 16.3(d) of the Franchise Agreement will not relieve Famous Dave’s of any liability under the Maryland Franchise Registration and Disclosure Law.
2. The consent by Franchisee to jurisdiction and venue in the State of Minnesota contained in Article 24.10 of the Franchise Agreement may be inapplicable; provided, however, that such inapplicability in the State of Maryland will not be construed to mean that venue in the State of Minnesota is improper, or that Franchisee, its officers, directors, Owners and the Personal Guarantors are not subject to jurisdiction in Minnesota, or in any other state.
3. The acknowledgments made by Franchisee contained in Article 26 of the Franchise Agreement will not be construed to act as a waiver of Franchisee’s rights under the Maryland Franchise Registration and Disclosure Law.
4. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

|

|

ADDENDUM TO FRANCHISE DOCUMENTS
(FOR THE STATE OF MICHIGAN)

Section 445.1508(1) of the Michigan Franchise Investment Law requires franchisor to give you a copy of the Franchise Disclosure Document earlier of: (i) 10 business days prior to signing the Franchise Agreement; or (ii) 10 business days prior to franchisor's receipt of any consideration.

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

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

STATE OF MICHIGAN

DEPARTMENT OF THE ATTORNEY GENERAL

ATTENTION: FRANCHISE SECTION

P.O. BOX 30213

LANSING, MICHIGAN 48909

(517) 373-7117

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF MINNESOTA**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. Article 3.1 of the Franchise Agreement is amended to provide that, except in certain circumstances specified by law, Famous Dave’s must give Franchisee at least 180 days prior written notice of nonrenewal of the Franchise.
2. Any release executed by Franchisee in accordance with Article 16.3(d) of the Franchise Agreement will not relieve Famous Dave’s of any liability under the Minn. Stat. §§ 80C.01 to 80C.22.
3. Article 17 of the Franchise Agreement is amended to require that in the event Famous Dave’s gives Franchisee written notice that Franchisee has breached the Franchise Agreement, then if required by applicable Minnesota law, such written notice will be given to Franchisee at least 90 days prior to the date the Franchise Agreement is terminated by Famous Dave’s, and Franchisee will have 60 days after such written notice within which to correct the breach specified in the written notice.
4. Notwithstanding any provisions of the Franchise Agreement to the contrary, a court of competent jurisdiction will determine whether Famous Dave’s will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Famous Dave’s against Franchisee, the Owners or the Personal Guarantors.
5. Notwithstanding any provisions of the Franchise Agreement to the contrary, Franchisee will have up to three years after the cause of action accrues to bring an action against Famous Dave’s pursuant to Minn. Stat. §80C.17.
6. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

Print Name

Its _____
Title

By _____
Signature

Print Name

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF NEW YORK**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. Article 16.3(d) of the Franchise Agreement is amended to provide that all rights enjoyed by Franchisee and any cause of action arising in its favor from the laws of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the nonwaiver requirements of General Business Law §687.4 and §687.5 be satisfied.
2. Article 9.2 of the Franchise Agreement is amended to provide that modifications to the Standard Operating Procedures/Training Manual(s) by Famous Dave’s will not unreasonably increase Franchisee’s obligations or place an excessive economic burden on Franchisee’s operations.
3. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF NORTH DAKOTA**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. The covenant not to compete upon termination or expiration of the Franchise Agreement contained in Article 21.3 of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.
2. Arbitration hearings will be conducted in Fargo, North Dakota, or at a mutually agreed upon location.
3. The consent by Franchisee to jurisdiction and venue in the State of Minnesota contained in Article 24.10 may be inapplicable; provided, however, that such inapplicability in the State of North Dakota will not be construed to mean that venue in the State of Minnesota is improper, or that Franchisee, its officers, directors, Owners and the Personal Guarantors are not subject to jurisdiction in the State of Minnesota, or in any other state.
4. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF RHODE ISLAND**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

Any provision of the Franchise Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p>_____ Legal Name of Franchisee</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF SOUTH DAKOTA**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. The covenant not to compete upon termination or expiration of the Franchise Agreement contained in Article 21.3 of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.
2. Arbitration hearings will be conducted in Sioux Falls, South Dakota, or at a mutually agreed upon location.
3. Any provision of the Franchise Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires Franchisee to agree to jurisdiction or venue in a forum outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.
4. Any provisions of the Franchise Agreement which require that actions be commenced within one year and that limit the parties’ rights to recover punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF VIRGINIA**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

Pursuant to Section 13.1–564 of the Virginia Retail Franchising Act, it is unlawful for Famous Dave’s to cancel the Franchise without reasonable cause, and any ground for default or termination stated in the Franchise Agreement that is not “reasonable cause,” as that term is defined in the Virginia Retail Franchising Act, that provision is not unenforceable.

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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF WASHINGTON**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. 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. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Assignment or transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. 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.

8. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE'S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
FRANCHISE AGREEMENT
FOR STATE OF WISCONSIN**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this “Addendum”) is made, entered into, and effective this ____ day of _____, 20____, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Franchisee”) to amend and revise certain provisions of the Franchise Agreement between Famous Dave’s and Franchisee, dated the same date as this Addendum (the “Franchise Agreement”), as follows:

If applicable, the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of the Franchise Agreement.

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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Franchisee

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

AREA DEVELOPMENT AGREEMENT

**FAMOUS DAVE'S OF AMERICA, INC.
12701 Whitewater Drive, Suite 290
Minnetonka, MN 55343-4164
Telephone: (952) 294-1300
Fax: (952) 294-0242**

Legal Name of Area Developer

Legal Name

Street

City, State, Zip Code

Telephone

Facsimile

Email Address

, 20

Date of Area Development Agreement

**FAMOUS DAVE’S OF AMERICA, INC.
DEVELOPMENT AGREEMENT**

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FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this “Agreement”) is made, entered into and effective of _____ (“Effective Date”), by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”, “Franchisor”, “we” or “our”), _____, a(n) _____ (“Area Developer”, “you” or “your”). Famous Dave’s and Area Developer may be referred to together herein as the “Parties.” In consideration of the mutual promises and covenants set forth in this Agreement, Famous Dave’s and Area Developer agree as follows:

ARTICLE 1
NATURE AND PURPOSE OF THIS AGREEMENT

1.1 Restaurant System.

Famous Dave’s has developed a distinctive business system for operating and franchising authentic, down-home barbecue restaurants featuring genuine smoked barbecue, including, as of this date, combinations of hickory-smoked spareribs, baby back ribs, beef brisket, herb-roasted chicken, barbecue sandwiches, char-grilled burgers, cornbread, potato salad, coleslaw, Wilbur™ beans, desserts and other high-quality Foods, Beverages, and Products in a distinctive atmosphere under the name “Famous Dave’s®” and associated with the Marks, copyrights, distinctive interior and exterior building designs, décor, furnishings, menus, recipes, uniforms, signs, color combinations, uniformity requirements, standards of consistency and quality, procedures, cleanliness, sanitation, controls, specifications, technology, training, advertising, and instructions promulgated by Famous Dave’s (the “Restaurant System”), and has extensively publicized the name “Famous Dave’s®” to the public as an organization of restaurant businesses operating under the Restaurant System. During the Term, (a) the Restaurant System may be modified by Famous Dave’s in the exercise of its business judgment; and (b) regional or local variations in the Restaurant System, tests of potential new menu items or products and introduction of menu items or products in stages over time may all be authorized by Famous Dave’s in the exercise of its business judgment in order to enhance the marketing, consumer acceptance, competitive position, compliance obligations, and other objectives intended to facilitate the operations of Famous Dave’s® Restaurants.

1.2 Marks.

Famous Dave’s has the right and authority to license the use of the name “Famous Dave’s” and the other trademarks, trade names, service marks, logos, commercial symbols, phrases, slogans and tag lines designated by Famous Dave’s in writing which are now owned or which will be developed by Famous Dave’s (the “Marks”) for use in connection with the Restaurant System to selected persons, businesses or Entities who must comply with the uniformity requirements and quality standards of Famous Dave’s. Famous Dave’s intends, in the exercise of its business judgment, to develop, use and control the use of the Marks in order to identify for the public the source of the Foods, Beverages, and Products marketed under the Restaurant System, and to represent to the public the Restaurant System’s high standards of quality, appearance, cleanliness and service to the public.

1.3 Area Developer’s Objective.

Area Developer desires to develop, own and operate Famous Dave’s® Restaurants (the “Famous Dave’s® Restaurants” or the “Restaurants”) in a defined geographical area (the “Territory”) in conformity with the Restaurant System, Famous Dave’s uniformity requirements applicable to the Restaurants, and quality standards as established and promulgated from time to time by Famous Dave’s. In determining whether or not to enter this Agreement, Area Developer has had the opportunity to consult with legal counsel and other advisors selected by Area Developer, as well as Famous Dave’s Franchise Disclosure Document.

1.4 Operations in Conformity with Franchise Agreements; Relationship of the Parties.

(a) Area Developer understands and acknowledges the importance of the high standards of quality, appearance, procedures, controls, cleanliness, service and other aspects of the Restaurant System established and from time to time revised by Famous Dave's, and the necessity of operating Area Developer's Restaurants in strict conformity with the mandatory standards and specifications (as opposed to voluntary standards and best practices) established and from time to time revised by Famous Dave's.

~~(b) Within the framework established by the Franchise Agreements and subject to the principle that efforts by which Famous Dave's seeks to avoid and prevent conduct which is likely to impair the value of and the goodwill associated with the Marks and the Restaurant System do not reflect any right or effort by Famous Dave's to control the overall operation of the Restaurants or the business prerogatives of Area Developer, Area Developer is totally and solely responsible for the operation of its Famous Dave's® Restaurants in the Territory, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Area Developer, including the right to hire and fire its employees. Area Developer is responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations. Famous Dave's has no right, obligation or responsibility to control, supervise or manage Area Developer's employees, agents or independent contractors, and will in no way be involved in the day-to-day operations of Area Developer's Restaurants, irrespective of the use by Area Developer of any tools, hardware or software that would enable such control, supervision or management by Famous Dave's.~~

(c) Area Developer understands and acknowledges that this Agreement does not create a fiduciary relationship with Famous Dave's, that Famous Dave's and Area Developer are each independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. Area Developer will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of Famous Dave's, and will affirmatively advise its employees, agents and contractors of that fact. Neither Famous Dave's nor Area Developer will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. Area Developer agrees to indemnify, defend (with attorneys reasonably acceptable to Famous Dave's), and hold harmless Famous Dave's against any losses, expenses, debts, or liabilities arising from Area Developer's breach of this provision.

(d) Famous Dave's is not the employer of Area Developer or any of Area Developer's employees. Area Developer will control and be solely responsible for the day-to-day operations of the Restaurants and the terms and conditions and employment of Area Developer's personnel. Area Developer will be solely responsible for all employment decisions and functions of the Restaurant including, without limitation, those related to soliciting, hiring, firing, training, disciplining, paying, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, managing and supervising its employees, regardless of whether Area Developer receives information from Famous Dave's on these subjects. Area Developer acknowledges and agrees that all personnel decisions will be made by Area Developer, without any influence or advice from Famous Dave's, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Famous Dave's. Area Developer acknowledges and agrees that all employees of Area Developer are the exclusive employees of Area Developer and will not be employees of Famous Dave's nor joint or co-employees of Area Developer and Famous Dave's. ~~Neither Area Developer nor any employee of Area Developer will be considered an employee of Famous Dave's under any circumstances. To the extent that any legal authority determines that Famous Dave's has a duty to act or not act with respect to any of Area Developer's employees, Famous Dave's hereby assigns to Area Developer any such duty, and Area Developer hereby accepts such assignment.~~

(e) Area Developer will identify itself in all dealings with customers, vendors, public officials, employees, and others as the area developer under an area development agreement granted by Famous Dave's. Should it ever be asserted that Famous Dave's is the employer, joint employer or co-employer of any of Area Developer's employees in any private or government investigation, action, proceeding, arbitration, or other setting, Area Developer irrevocably agrees to assist Famous Dave's in defending said allegation, including (if necessary) appearing at any venue requested by Famous Dave's to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Famous Dave's is the employer, joint employer or co-employer of any of Area Developer's employees).

1.5 Disclosure, Review and Advice of Counsel.

(a) Area Developer acknowledges that it received a copy of this Agreement with all material blanks fully completed prior to the date that this Agreement was executed by Area Developer. Area Developer further acknowledges that it received a copy of Famous Dave's Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed, or as required by law.

(b) Area Developer acknowledges that this Agreement constitutes a legal document that grants certain rights to and imposes certain obligations upon Area Developer. Area Developer has been advised by Famous Dave's to retain an attorney or advisor prior to the execution of this Agreement to review Famous Dave's Franchise Disclosure Document, to review in detail this Agreement and the Franchise Agreement, to review all legal documents, to review the economics, operations and other business aspects of the Famous Dave's® Restaurants, to determine compliance with applicable laws, to advise Area Developer on economic risks, liabilities, obligations and rights under this Agreement, and to advise Area Developer on tax issues, financing matters, applicable state and federal laws, employee issues, insurance, structure of the Restaurant businesses, and other legal and business matters, and that Area Developer has in fact had an opportunity to consult with legal counsel, and to review this Agreement and all exhibits and related documents in detail.

ARTICLE 2 GRANT OF DEVELOPMENT RIGHTS; TERRITORY

2.1 Territory.

Famous Dave's hereby grants to Area Developer, for the term of this Agreement, the right to enter into Franchise Agreements with Famous Dave's for the development and operation of Famous Dave's® Restaurants to be located within the "Territory" defined as the geographical area described and delineated as follows: _____

The Territory may be further described in a map attached hereto and signed by both Area Developer and Famous Dave's.

2.2 Limited Exclusivity.

(a) The rights and privileges granted to Area Developer in this Agreement are non-exclusive and expressly limited to the Territory and are expressly subject to the terms and conditions of this Agreement. During the term of this Agreement, Famous Dave's will not grant to any other person or Entity a Franchise to open or operate a Famous Dave's® Restaurant utilizing the Restaurant System or the Marks within the Territory, if applicable, and will not establish another franchised or company-owned Famous Dave's® Restaurant within the Territory.

(b) Famous Dave's and its licensees, appointees, designated developers, franchisees and agents have the absolute and exclusive right to advertise, promote, and sell all of the Foods, Beverages, and Products, associated with the Restaurant System at special promotions conducted within or outside of the Territory.

if applicable, including, without limitation, fund-raising and charitable events, and events conducted at exhibitions, any state fair, any county fair, or a community-wide event sponsored by a state or local government (in a metropolitan area with a population in excess of 300,000 people).

(c) Famous Dave's will have the absolute right to: (i) Develop other restaurant business concepts of any kind under other brand names anywhere even if the locations for the concepts are within the Territory, if applicable; (ii) Develop Famous Dave's® Restaurants in the Territory, if applicable, if they are located at or within an airport, a train station or other mass transit facility, a theme or entertainment park, a casino, a hotel or resort facility, a stadium or arena or other venue for semi-professional or professional sports, a military installation, within the boundaries of an Indian reservation, a school, college, university, or hospital, or at other similar venues that Famous Dave's determines, in the exercise of its reasonable business judgment, to be, entirely or in principal part, "captive markets"; and (iii) Develop other food service businesses using the Marks, menu items and Restaurant System concepts anywhere, even in the Territory, if applicable, so long as they are not Famous Dave's® Restaurants.

(d) Famous Dave's has the absolute and exclusive right to market, distribute, and sell or license for sale, on a wholesale or retail basis, seasonings, sauces, food products including beans, meats, poultry and fish (in cooked or uncooked form), biscuit and muffin mixes, music (on compact discs or in other media), clothing, or any other food products or other goods under any of the Marks, by direct sale, the Internet, mail order, infomercials, telemarketing, or by any other marketing or distribution method, even if such sales are made to customers, distributors, or retailers or ultimate consumers who are located in the Territory, if applicable.

(e) Notwithstanding the foregoing provisions of this Article 2.2, Area Developer has the right to participate in special promotions conducted within the Territory, if applicable, including, without limitation, "Ribfests," and cooking, recipe or restaurant competitions. Should the venue for such events be outside the Territory, if applicable, but not in the territory or designated area of another Famous Dave's® area developer or franchisee, Area Developer may be authorized to participate in such events after written application to and the approval of Famous Dave's, on such terms and conditions as Famous Dave's determines to be appropriate.

2.3 Use of Marks.

Area Developer will have the right to use the Marks only in the Territory and only in connection with the development and operation of Famous Dave's® Restaurants according to the Franchise Agreements with Famous Dave's. Area Developer will only use the Marks designated by Famous Dave's in writing and only in the manner authorized and permitted by Famous Dave's pursuant to the provisions of such Franchise Agreements with Famous Dave's.

2.4 Conditions.

Area Developer hereby undertakes the obligation to develop Famous Dave's® Restaurants using the Restaurant System in the Territory in strict compliance with the terms and conditions of the Franchise Agreements for the Restaurants. The rights and privileges granted to Area Developer by Famous Dave's under this Agreement are applicable only in the Territory, are personal in nature, and may not be used elsewhere or in any other territory or area by Area Developer.

2.5 Personal License.

Area Developer has no right to franchise, sub-franchise, license, or sublicense its rights under this Agreement, or any part thereof. Area Developer will not have the right to Assign this Agreement or its rights under this Agreement in whole or in part, or to Assign the income stream from operation of the Restaurants, except as specifically provided for in this Agreement and the Franchise Agreements for the Restaurants in the Territory.

ARTICLE 3
TERM

This Agreement will be in effect for a term commencing on the Effective Date and ending on the date Area Developer has completed development of the number of Famous Dave's® Restaurants required under the Development Schedule set forth in Article 5.1, unless earlier terminated in accordance with the terms and conditions of this Agreement (the "Term"). At the end of the Term, Area Developer's exclusive development rights with respect to the Territory will automatically terminate, and Area Developer will not have the right to extend the Term or renew this Agreement.

ARTICLE 4
FEES PAYABLE TO FAMOUS DAVE'S

4.1 Development Fee.

On the date this Agreement is executed by Area Developer, Area Developer will pay Famous Dave's a nonrefundable Development Fee of an amount equal to \$10,000 multiplied by the total number of Famous Dave's® Restaurants that Area Developer is required to open and operate in the Territory pursuant to the Development Schedule set forth in Article 5.1 of this Agreement (the "Development Fee"). The Development Fee is payment to Famous Dave's for granting Area Developer the exclusive rights, as set forth in this Agreement, to develop Famous Dave's® Restaurants in the Territory. In no event will the Development Fee be refunded to Area Developer.

4.2 Initial Fees.

In addition to the Development Fee, Area Developer will, on the day Area Developer signs each Franchise Agreement pursuant to the terms of this Agreement, pay Famous Dave's an Initial Fee for each Restaurant that Area Developer is required to open and operate in the Territory pursuant to the Development Schedule set forth in Article 5.1 of this Agreement. The amount of each Initial Fee payable to Famous Dave's will be the same amount payable pursuant to the terms of the first Franchise Agreement signed by Area Developer. Area Developer will pay Famous Dave's each Initial Fee as set forth in this provision, even if the Initial Fee that is then charged to franchisees by Famous Dave's is different from the Initial Fee specified herein.

4.3 Payment of Initial Fees.

Area Developer will pay Famous Dave's the Initial Fee as set forth in Article 4.2 of this Agreement on the date Area Developer executes the Franchise Agreement for each Restaurant required to be opened and operated in the Territory pursuant to this Agreement. Area Developer must execute a Franchise Agreement for its first Restaurant and pay the first Initial Fee on the date Area Developer executes this Agreement. Area Developer will not purchase or lease the property for the proposed site for the Franchised Location until Area Developer has signed a Franchise Agreement with Famous Dave's and Area Developer has complied with the applicable provisions of the Franchise Agreement relating to site selection and the Franchised Location.

4.4 Royalty Fee.

During the term of each Franchise Agreement signed by Area Developer pursuant to this Agreement, Area Developer will pay Famous Dave's a Royalty Fee, as defined in the Franchise Agreement. Area Developer will pay Famous Dave's the Royalty Fee for each of its Famous Dave's® Restaurants at the rate set forth in the first Franchise Agreement signed by Area Developer and Famous Dave's pursuant to this Agreement, even if the Royalty Fee then charged to franchisees by Famous Dave's at the time Area Developer signs a subsequent Franchise Agreement is different. For each of its Famous Dave's® Restaurants, Area Developer will pay the Royalty Fee on the day specified in, and in accordance with the other terms and conditions of, the Franchise Agreement for that Restaurant.

4.5 Marketing Fund Fees; Other Fees.

During the term of each Franchise Agreement signed by Area Developer pursuant to this Agreement, Area Developer will pay Famous Dave’s Marketing Fund Fees, as defined in the Franchise Agreement. Area Developer will pay Famous Dave’s the Marketing Fund Fees for each of its Famous Dave’s® Restaurants at the rates set forth in the then-current standard Franchise Agreements executed as set forth in Article 7.3. For each of its Famous Dave’s® Restaurants, Area Developer will pay the Marketing Fund Fees on the day specified in, and in accordance with the other terms and conditions of, the Franchise Agreement for that Restaurant. Except as set forth in this Article, Area Developer will pay the fees, payments, and other monetary obligations payable to Famous Dave’s and others at the rates, in the amounts and in the manner specified in the then-current standard Franchise Agreement executed by Famous Dave’s and Area Developer for each Restaurant in the Territory.

**ARTICLE 5
DEVELOPMENT SCHEDULE**

5.1 Development Schedule.

Area Developer acknowledges and agrees that the following Development Schedule is a material provision of this Agreement:

Restaurant Number	Date by Which Franchise Agreement Must be Signed	Date by Which Famous Dave’s® Restaurant Must be Opened and Continuously Operating in Territory	Cumulative Number of Famous Dave’s® Restaurants Required to be Open and Continuously Operating in Territory as of Date in Preceding Column
1	Date of this Agreement		1
2			2
3			3

For purposes of determining compliance with the Development Schedule set forth in this Article, only Area Developer’s Restaurants actually open and continuously operating in the Territory as of a given date will be counted toward the number of Famous Dave’s® Restaurants required to be open and continuously operating. Notwithstanding any provision in the Franchise Agreement to the contrary, Area Developer will be required to open the Famous Dave’s® Restaurants developed by Area Developer under this Agreement according to the dates set forth above in the Development Schedule, and the Franchise Agreement for each of Area Developer’s Restaurants will be deemed to be amended accordingly.

5.2 Reasonableness of Development Schedule.

Area Developer represents that it has conducted its own independent investigation and analysis of the prospects for the establishment of Famous Dave’s® Restaurants within the Territory, and approves of the Development Schedule as being reasonable and viable.

5.3 Failure to Comply with Development Schedule.

If Area Developer at any time during the term of this Agreement is not in compliance with the Development Schedule, then Famous Dave's will have the right to terminate this Agreement immediately upon notice to Area Developer and without any opportunity to cure. Termination of this Agreement as a result of Area Developer's failure to meet the Development Schedule will not affect the individual Franchise Agreements for the Famous Dave's® Restaurants opened and operated in the Territory pursuant to this Agreement which were signed by the parties prior to termination of this Agreement; however, upon termination of this Agreement, all rights to open and operate additional Famous Dave's® Restaurants in the Territory and all other rights granted to Area Developer under this Agreement will immediately revert to Famous Dave's, without affecting those obligations of Area Developer that continue beyond the termination of this Agreement.

5.4 Termination for Failure to Comply with Development Schedule.

If this Agreement is terminated by Famous Dave's because of Area Developer's failure to meet the Development Schedule, the rights and duties of Famous Dave's and Area Developer will be as follows: (a) Area Developer will have no rights to open additional Famous Dave's® Restaurants within the Territory; (b) Area Developer will continue to pay all required fees and to operate its Restaurants opened in the Territory pursuant to the terms of the applicable Franchise Agreements signed by Area Developer prior to the date of the termination of this Agreement, and will in all other respects continue to comply with such Franchise Agreements; (c) Famous Dave's will have the absolute right to develop Famous Dave's® Restaurants in the Territory or to contract with other persons for the development of additional Restaurants in the Territory; (d) Area Developer will have no right to obtain a refund of any monies it paid to Famous Dave's pursuant to this Agreement; and (e) Area Developer and Famous Dave's will not have any rights or obligations with respect to the Franchise Agreements required to be signed pursuant to the Development Schedule in Article 5.1, but which were not executed prior to the termination of this Agreement by Famous Dave's because of Area Developer's failure to comply with the Development Schedule.

ARTICLE 6 CERTIFIED TRAINER; OPENING ASSISTANCE

6.1 Certified Trainer.

Within 90 to 180 days after Area Developer has opened its first Famous Dave's® Restaurant in the Territory, Famous Dave's will schedule the then-current certified trainer training program for Area Developer. The certified trainer training program will be held in Area Developer's Territory for members of the Management Staff and hourly employees selected by the Management Staff to become certified trainers. After completion of the certified trainer training program, Famous Dave's will certify the selected members of Area Developer's Management Staff to conduct certain training programs for the staff and kitchen employees of Area Developer's Restaurants going forward. There will be no fee charged to Area Developer for the initial scheduled certified trainer training program. Area Developer will pay the Salaries and Benefits, Travel Expenses, and all other expenses for all persons who attend the certified trainer training program on behalf of Area Developer.

6.2 Openings of Famous Dave's® Restaurants.

Area Developer will be required to open its Famous Dave's® Restaurants in accordance with the provisions of the Franchise Agreement for each Restaurant. After the first Famous Dave's® Restaurant is opened by Area Developer in the Territory, Area Developer will be responsible for furnishing the members of the Opening Team for the second and each subsequent Restaurant to be opened by Area Developer in its Territory. Famous Dave's will coordinate additional Opening Team members, as determined by Famous Dave's, to be at the Restaurants for a minimum of 14 days to assist with the opening of each new Famous Dave's® Restaurant in the Territory. There is no fee for this service, but Area Developer will pay all Salaries and Benefits, and the Travel Expenses for the Opening Team members in accordance with the

terms of the applicable Franchise Agreement. Area Developer will not open and commence initial operations for any Famous Dave's® Restaurant developed by Area Developer in the Territory until Famous Dave's has given Area Developer written approval to open the Restaurant.

ARTICLE 7

OTHER OBLIGATIONS OF AREA DEVELOPER

7.1 Operation of Restaurants.

Subject to the principle that efforts by which Famous Dave's seeks to avoid and prevent conduct which is likely to impair the value of and the goodwill associated with the Marks and the Restaurant System do not reflect any right or effort by Famous Dave's to control the overall operation of the Restaurants in the Territory or the business prerogatives of Area Developer, Area Developer is totally and solely responsible for the operation of its Famous Dave's® Restaurants, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Area Developer, including the right to hire and fire its employees. Area Developer is responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all discrimination laws, sexual harassment laws and laws relating to the disabled. Famous Dave's has no right, obligation or responsibility to control, supervise or manage Area Developer's employees, agents or independent contractors, and will in no way be involved in the day-to-day operations of Area Developer's Restaurants, irrespective of the use by Area Developer of any tools, hardware or software that would enable such control, supervision or management by Famous Dave's.

7.2 Compliance with Applicable Laws

(a) Area Developer is solely responsible for the operation of its Restaurants in the Territory, and will control, supervise, and manage all the employees, agents, and independent contractors who work for or with Area Developer. Famous Dave's will not have any right, obligation, or responsibility to control, supervise or manage Area Developer's employees, agents, or independent contractors. Area Developer will advise its employees, agents and independent contractors of the foregoing facts, in writing, upon hiring or contracting with them, and in any employee manual or human resources materials made available to employees, agents or independent contractors.

(b) Area Developer will comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations pertaining to the development and the operation of Area Developer's Restaurants in the Territory. Area Developer will, at its expense, be solely and exclusively responsible for determining the licenses and permits required by law for Area Developer's Restaurants, for obtaining and qualifying for all licenses and permits, and for compliance with all applicable laws by its employees, agents and independent contractors.

(c) Famous Dave's will have no liability for any taxes which arise or result from Area Developer's Restaurants and Area Developer will indemnify Famous Dave's for any such taxes that may be assessed or levied against Famous Dave's which arise out of or result from Area Developer's Restaurants. If any "franchise" or other tax which is based upon the Revenues, receipts, sales, business activities, or operation of Area Developer's Restaurants is imposed upon Famous Dave's by any taxing authority, then Area Developer will reimburse Famous Dave's for all such taxes paid by Famous Dave's.

7.3 Execution of Franchise Agreements.

Subject to the provisions set forth in Articles 4.2 and 4.3 of this Agreement, for each Famous Dave's® Restaurant that will be opened, owned, and operated by Area Developer in the Territory pursuant to this Agreement, Area Developer or an Entity in which: (a) Area Developer is the Owner of at least 50.1% of the Ownership Interests in the Entity, or (b) Area Developer's Owners are the Owners of at least 50.1% of the Ownership Interests in the Entity (the "Controlled Entity") must execute Famous Dave's then-current

Franchise Agreement and comply with the other requirements of this Agreement. The failure of Area Developer or the Controlled Entity to provide Famous Dave's with an executed Franchise Agreement within the time specified in Article 4.3 and Article 5.1 will constitute a material breach of this Agreement and Famous Dave's will have the right to terminate this Agreement as provided for herein. If the Franchise Agreement required to be executed pursuant to this Article 7.3 (and the other provisions of this Agreement) will be executed by the Controlled Entity, then: (i) Area Developer (or Area Developer's Owners) will, at all times during the term of the Franchise Agreement, be required to maintain at least a 50.1% Ownership Interest in the Controlled Entity, (ii) Area Developer will not be relieved from complying with the terms, conditions and obligations under this Agreement including, without limitation, the obligations contained in Articles 5, 7, 10, 11, 12, 13, 14, 15 and 20 of this Agreement, and (iii) Area Developer will be required to guarantee the obligations and liabilities of the Controlled Entity under the Franchise Agreement and will execute a guaranty in the form approved by Famous Dave's. If Area Developer elects to have a Controlled Entity execute the Franchise Agreement for any Famous Dave's® Restaurant being developed under this Agreement, then all terms, conditions, and obligations under this Agreement relating to the Franchise Agreement for that Restaurant will be the absolute obligation of the Controlled Entity and not Area Developer. Contemporaneous with the execution of the 2nd and subsequent Franchise Agreements signed by the parties in compliance with the Development Schedule, Area Developer will execute a general release, in a form satisfactory to Famous Dave's, of any and all claims against Famous Dave's, its current and former Affiliates and their respective past and present officers directors, executives, owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of prior or concurrent written agreements, including this Agreement and the prior Franchise Agreement(s) executed in compliance with the Development Schedule.

7.4 Modifications to Franchise Agreement.

Area Developer acknowledges that: (a) the terms, conditions and economics of the Franchise Agreement may be modified from time to time by Famous Dave's; (b) modifications and amendments to the Franchise Agreement will not alter Area Developer's obligations under this Agreement; (c) any changes or modifications made to the Franchise Agreement in the future will not be applicable to any Franchise Agreement previously executed by Area Developer; (d) any Franchise Agreement signed by Area Developer pursuant to this Agreement will require Area Developer to pay the Initial Fee set forth in Article 4.2 and the Royalty Fee set forth in Article 4.4, regardless of whether these fees have increased in the future, and (e) Area Developer will be required to pay any additional fees contained in any Franchise Agreement signed by Area Developer after the date of this Agreement.

7.5 Interests of Operating Company.

Area Developer's operating company will be dedicated solely to the development and operation of Area Developer's Restaurants in the Territory, and will not hold any interest in, operate, or manage any other business of any kind without the prior written approval of Famous Dave's.

7.6 Operating Partner.

When Area Developer signs this Agreement, Area Developer will designate in writing the individual who will serve as Area Developer's Operating Partner. If Area Developer is an individual, then the Operating Partner will be Area Developer. If Area Developer is an Entity, the designated Operating Partner must have at least five years of restaurant management experience, as may be further described in the Standard Operating Procedure/Training Manual(s). The Operating Partner will, during the entire period he or she serves as the Operating Partner: (a) maintain, at all times, an Ownership Interest in Area Developer of at least 20% of the issued and outstanding Ownership Interests in Area Developer; and (b) devote his or her full time and best efforts to the supervision, conduct and operations of Area Developer's Restaurants in the Territory. The Operating Partner must attend and pass Famous Dave's then-current training program, at Area Developer's cost and expense, before participating in the management and operation of the Restaurants. If during the term of this Agreement, the Operating Partner is not able to or is not qualified to

continue to serve in the capacity of Operating Partner, then Area Developer will promptly notify Famous Dave's in writing and will designate a duly qualified replacement Operating Partner within 30 days after the former Operating Partner ceases to serve in that capacity.

7.7 Multi-Unit Manager.

If this Agreement requires the development of six or more Famous Dave's® Restaurants in the Territory, then in lieu of the full-time participation of the Operating Partner designated in this Agreement and each Franchise Agreement in the Restaurants' operations, Area Developer may employ an individual who will devote his or her full time and best efforts to the operations of all Famous Dave's® Restaurants developed pursuant to this Agreement (the "Multi-Unit Manager"). The Multi-Unit Manager must have at least five years of multi-unit restaurant management and operations experience, as may be further described in the Standard Operating Procedure/Training Manual(s). If during the terms of the Franchise Agreements for the Restaurants in the Territory, the Multi-Unit Manager is unable to continue to serve in such position, then Area Developer will notify Famous Dave's in writing and will designate a new Multi-Unit Manager within 30 days after the former Multi-Unit Manager ceases to serve in such capacity. All Multi-Unit Managers must attend and pass Famous Dave's then-current training program, at Area Developer's (or its Affiliate's) cost and expense, before assuming his or her duties as the Multi-Unit Manager. The Multi-Unit Manager need not have an Ownership Interest in Area Developer.

7.8 Business Review.

Representatives of Area Developer and Famous Dave's will meet at least once each calendar year during the term of this Agreement at a place mutually determined by the parties. The purpose of the meeting will be to discuss: (a) Area Developer's Restaurants and their operational and financial performance; (b) compliance with the Development Schedule and related development and real estate matters; (c) Area Developer's overall performance under this Agreement; and (d) related matters raised by the parties. Famous Dave's will designate the senior level executives who must attend the annual meeting on behalf of Area Developer.

7.9 Business Efforts of Area Developer and Owners.

Area Developer understands and acknowledges that maintenance of required quality and service standards requires continuous personal effort by Area Developer and its senior management and that, during the term of this Agreement, Area Developer and the Owners acknowledge that Area Developer, its partners or officers and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipe, cooking and food preparation information, and trade secrets from Famous Dave's pertaining to the Restaurant System and the operation of the Famous Dave's® Restaurants. Area Developer and the Owners have also been advised that Famous Dave's will not sell Famous Dave's® Franchises to any person or Entity that owns or intends to own, operate or be involved in any restaurants, food service or food products, and to the exclusion of any other form of business activity that, in Famous Dave's business judgment, is likely to have a negative effect on the operation of the Restaurants and the achievement of their maximum potential. Area Developer and the Owners each warrant and represents that they do not own, operate or have any involvement with or interest in other restaurants, food service or food products that has not been disclosed in writing to Famous Dave's. Accordingly, Area Developer and the Owners each agree that except as Famous Dave's may authorize in writing in the exercise of its sole and absolute judgment, during the term of this Agreement, the food-related business efforts of Area Developer and the Owners will be devoted to the operation of Area Developer's Restaurants in the Territory and any other Famous Dave's® Restaurants operated by Area Developer or its Affiliates, to the exclusion of any form of business effort involving restaurants, food service or food products, and to the exclusion of any other form of business activity that, in Famous Dave's business judgment is likely to have a negative effect on the operation of the Restaurants and the achievement of their maximum potential. Notwithstanding the foregoing terms of this Article 7.9 and the terms of Article 12.2: (i) Famous Dave's may, in the exercise of its sole judgment, on such conditions as Famous Dave's determines, give written consent to existing

operational restaurant(s), food service or food product businesses owned and operated by Area Developer and the Owners as of the date of this Agreement, to own and operate designated restaurant(s), food service or food product businesses during the term of this Agreement and thereafter in accordance with such written consent; and (ii) a passive ownership of a financial interest in the stock of a publicly-held business that constitutes 3% or less of that publicly-held entity shall not constitute a violation of this Article 7.9 or Article 12.2.

ARTICLE 8 **ASSIGNMENT**

8.1 Assignment by Famous Dave's.

Area Developer agrees and affirms that Famous Dave's may, without Area Developer's prior consent, sell Famous Dave's business, assets, or Restaurant System, in whole or in part, to a third-party; may issue a public offering of Famous Dave's securities; may engage in private placement of some or all of Famous Dave's securities; may merge with or acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Area Developer further agrees and affirms that Famous Dave's has the right, now and in the future, without Area Developer's prior consent, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of such franchise network, chain or business, which Area Developer acknowledges may be proximate to the Territory, and to operate, franchise or license such franchise networks, chains or businesses operating under the Marks or any other marks following Famous Dave's purchase, merger, acquisition or affiliation. With regard to any of the above sales, assignments and dispositions, Area Developer expressly and specifically waives any claims, demands or damages against Famous Dave's arising from or related to the loss of Area Developer's rights to use the Restaurant System as authorized under this Agreement.

This Agreement will inure to the benefit of Famous Dave's successors and assigns. In conjunction with one (1) or more of the transactions contemplated above, or as otherwise determined by Famous Dave's, Famous Dave's has the right to assign its rights and obligations under this Agreement to any person or entity, without Area Developer's prior consent. Upon such assignment, Famous Dave's will be relieved of all obligations or liabilities then existing or thereafter able to be asserted under this Agreement. This Agreement (or any interest therein) may be unilaterally Assigned by Famous Dave's to a person or Entity in its sole and absolute determination without the approval of Area Developer and, upon Assignment, will inure to the benefit of the assigns of Famous Dave's and their successors. Famous Dave's will provide Area Developer with written notice after the Assignment has been completed, and the assignee will be required to fully perform all obligations of Famous Dave's under this Agreement.

8.2 Assignment by Individual Area Developer.

If Area Developer is an individual and has personally signed this Agreement, then in the event of the death or permanent disability of Area Developer, this Agreement may be Assigned or bequeathed by Area Developer to any designated person or beneficiary (the "Beneficiary") without the payment of any Assignment Fee and without complying with Article 11. However, the Assignment of this Agreement to Area Developer's Beneficiary will be subject to the applicable provisions of Article 8.3 and will not be valid or effective until Famous Dave's has received the properly executed legal documents which its attorneys deem necessary to document the Assignment of this Agreement. The Beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement, must personally guarantee this Agreement, and must successfully complete the appropriate training program. There will be no charge to the Beneficiary for attending the training program; however, the Salary and Benefits and the Travel Expenses of the Beneficiary will be paid by the Beneficiary. In addition, this Agreement may be Assigned to an Entity without the payment of an Assignment Fee and without complying with Article 11 if Area Developer is an individual, provided that the Owner or Owners of the Entity are the same person or persons who signed this Agreement.

8.3 Assignment by Area Developer.

Subject to ~~and conditioned upon~~ the provisions, requirements and obligations set forth in ~~of~~ Article 11, ~~giving Famous Dave's an option to purchase~~, Area Developer will not Assign any interest in or any part of this Agreement, the Restaurants or the income derived therefrom to any person or Entity without the prior written approval of Famous Dave's. Famous Dave's will not withhold its written consent to any Assignment of this Agreement, if the Assignment does not violate any of the terms of this Agreement, if Famous Dave's does not exercise its rights under Article 11 of this Agreement, and if Area Developer and/or the assignee area developer are in full compliance with the following terms and conditions: (a) Area Developer has provided written notice to Famous Dave's of the proposed Assignment of this Agreement at least 45 days prior to the transaction; (b) all of Area Developer's monetary obligations due to Famous Dave's have been paid in full, and Area Developer is not otherwise in default under this Agreement ~~or any other agreement by and between Area Developer or its affiliate(s) and Famous Dave's or its affiliate(s)~~; (c) Area Developer has agreed in writing to observe all applicable provisions of this Agreement, including, ~~without limitation~~, the covenants not to compete contained in this Agreement; (d) ~~Famous Dave's and Area Developer have~~ executed a ~~joint and mutual general~~ release, in a form satisfactory to Famous Dave's, of any and all claims against ~~Famous Dave's and/or Area Developer and their~~ ~~its~~ current and past officers, directors, Owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of this Agreement, Area Developer's purchase of franchised Famous Dave's Restaurants or the operation of the Restaurants including, without limitation, all claims arising under any federal or state franchising laws or any other federal, state or local law, rule or ordinance; (e) the assignee area developer has demonstrated to the satisfaction of Famous Dave's that he, she, or it meets the managerial, financial, and business standards required by Famous Dave's for new area developers, possesses a good business reputation and credit rating, and that its management possesses the aptitude and ability to operate the Restaurants in the Territory in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); (f) the assignee area developer and all of the assignee area developer's Owners execute the legal agreements required by Famous Dave's or its legal counsel to document the Assignment of this Agreement to the assignee area developer ~~including Famous Dave's then-current standard area developer agreement (for the remaining Term of the Agreement) and related documents as determined by Famous Dave's in its sole discretion~~; (g) the assignee area developer and its Management Staff have successfully completed the training program required under the Franchise Agreements for the Restaurants; and (h) any purchase and sale agreement between the Area Developer and assignee area developer (or other assignor and assignee) shall ~~be provided to Famous Dave's and~~ provide for and require that all Restaurants that have opened on or before the date of closing shall continue to operate without interruption during the assignment. Famous Dave's may expand upon, and provide more details related to, the conditions for Assignment and Famous Dave's consent as described in this Article 8.3, and may do so in the Standard Operating Procedures/Training Manual(s) or otherwise in writing.

8.4 Assignment of Ownership Interest.

No Owner will have the right to Assign an Ownership Interest in Area Developer without the prior written approval of Famous Dave's. Famous Dave's will not withhold its written consent if the Assignment of the Ownership Interest by the Owner complies in all respects with the terms of this Agreement, and if Famous Dave's does not exercise its right of first refusal to acquire the Owner's Ownership Interest in Area Developer pursuant to Article 11 of this Agreement. If the Assignment is to: (a) a relative (husband, wife, children, grandchildren, mother, father, brothers and sisters) of the Owner, or (b) one of the existing Owners of Area Developer, then the provisions of Articles 8.6 and 11 will not apply; however, the Owners and the new Area Developer will be required to comply with the applicable provisions of Article 8.3.

8.5 Acknowledgment of Restrictions.

Area Developer and the Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and necessary to protect the Restaurant System and the Marks, as well as the reputation and

image of Famous Dave's, and are for the protection of Famous Dave's, Area Developer and all other area developers and franchisees who own and operate Famous Dave's® Restaurants. Any Assignment permitted by this Article will not be effective until Famous Dave's receives a completely executed copy of all Assignment documents and Famous Dave's consents to the Assignment in writing. Any attempted Assignment made without complying with the requirements of this Article will be void.

8.6 Assignment Fee.

If this Agreement is Assigned to another person or Entity, or if any of the Owners Assign any Ownership Interest in Area Developer, then except as provided for in Articles 8.2 and 8.4, Area Developer will pay Famous Dave's, on or before the date of the Assignment, an Assignment Fee of \$5,000. The Assignment Fee is to cover the costs incurred by Famous Dave's in connection with the Assignment and the costs to provide training to the assignee area developer and its Management Staff. The assignee area developer will be responsible for all Salaries and Benefits, Travel Expenses and other expenses incurred by all people attending the initial training program on behalf of the assignee area developer.

8.7 Assignment to Competitor Prohibited.

Area Developer and the Owners will not Assign this Agreement or their Ownership Interests in Area Developer or the Restaurants to any person or Entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any food service business which Famous Dave's determines, in the exercise of its business judgment, intended to serve the same general range of consumer demand for food service (regardless of menu) as a Famous Dave's® Restaurant. If Famous Dave's refuses to permit an Assignment of this Agreement under this provision, then the only remedy of Area Developer and the Owners will be to have the Arbitrators determine whether the proposed assignee owns or operates a food service business and whether Famous Dave's has exercised its business judgment in accordance with this Agreement.

8.8 Compliance with the Agreement.

(a) In all cases, a Proposed Transferee (as defined in Section 11.2 must meet all of Famous Dave's then-current requirements for any potential new area developer as determined by Famous Dave's in exercise of its business judgment, and must have provided Famous Dave's with all financial, operational, background, and other information regarding the assignee as Famous Dave's reasonably requests consistent with Famous Dave's procedures for review and evaluation of a proposed area developer. No proposed Assignment will be implemented unless all amounts Franchisee owed to Famous Dave's or any Affiliate and to all Area Developer's suppliers, employees, and other creditors have been paid in full. If Area Developer is not in compliance with this Agreement or any other agreement with Famous Dave's or any Affiliate, appropriate arrangements must be made to insure that funds needed to achieve prompt material compliance with all contractual obligations will be available to the Proposed Transferee. In the exercise of Famous Dave's business judgment, Famous Dave's may establish any other conditions relating to the proposed Assignment before approval is granted.

(b) A Proposed Transferee must execute Famous Dave's then-current form of an area developer agreement including then-applicable fees and area developer obligations as well as any additional documents customarily executed by a Proposed Transferee, modified to reflect that the term is only the remainder of the term stated in this Agreement, plus such other modifications that are needed in order to reflect the transfer, but such then-current form of area developer agreement may otherwise differ from this Agreement, including higher fees and training obligations then comparable to other current Famous Dave's® area developer agreements.

ARTICLE 9
TERMINATION BY FAMOUS DAVE'S

9.1 Immediate Termination By Famous Dave's.

Notwithstanding any other provisions of this Article 9 or this Agreement, Famous Dave's will have the absolute right, unless precluded by applicable law, to immediately terminate this Agreement if Area Developer:

- (a) or any of its current directors, officers, or majority Owners are convicted of, or plead guilty or no contest to a charge of violating any law, and such conviction or plea could have a material adverse effect on Area Developer's right or ability to operate the Restaurants or could have a material adverse effect on the Marks and/or Area Developer's Restaurants;
- (b) is deemed insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Area Developer and Area Developer is unable within a period of 60 days from such filing to obtain the dismissal of the bankruptcy petition, or Area Developer files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law;
- (c) makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;
- (d) fails or refuses to provide the Financial Records and other materials requested by Famous Dave's to substantiate Area Developer's Financial Statements or to produce and permit Famous Dave's to audit Area Developer's Financial Records;
- (e) is involved in any act or conduct which materially impairs the goodwill associated with the Marks or the Restaurant System, and Area Developer fails to correct the breach within 24 hours after receipt of written notice of the breach from Famous Dave's;
- (f) violates any provision, term or condition of this Agreement three or more times during any 12-month period, without regard to whether the violations were of a similar or different nature or whether the violations were corrected within the prescribed cure period after receipt of written notice of the violations; or
- (g) or an Affiliate of Area Developer breaches any other agreement Area Developer has with Famous Dave's or an Affiliate of Famous Dave's where Area Developer or its Affiliate has no right to receive an opportunity to cure the breach or the breach is not capable of being cured.

9.2 Other Termination Rights.

In addition to its other rights of termination contained in this Agreement and rights existing under common law, Famous Dave's will have the right to terminate this Agreement without being required to afford Area Developer an opportunity to correct the breach, if:

- (a) any required or other financial, personal, or other information provided by Area Developer to Famous Dave's is materially false, misleading, incomplete, or inaccurate;
- (b) Area Developer is in an ongoing condition of financial impairment which, in Famous Dave's business judgment, impairs its ability to fulfill the obligations of this Agreement and there has been no evidence of satisfactory corrective action furnished to Famous Dave's within 30 days after written notice to Area Developer by Famous Dave's;
- (c) Area Developer (i) fails to timely pay the Development Fee, or any other monetary obligations or fees due and payable to Famous Dave's or an affiliated or controlled Entity of Famous Dave's pursuant to this Agreement or any other agreement; (ii) fails to timely pay any of its uncontested obligations or liabilities due and owing to Famous Dave's, any affiliated or controlled Entity of Famous Dave's, suppliers, banks, purveyors, lessors, creditors, or to any federal, state, or municipal government; or (iii) issues any check or

electronic transfer of funds initiated by Famous Dave's on Area Developer's account(s) which is dishonored because of insufficient funds (except where it is dishonored because of an error in bookkeeping or accounting) or closed accounts and either the failure or event of dishonor is not fully corrected within five business days or any of the failures or dishonors enumerated above (considered collectively) have occurred three times in any 12-month period, regardless of any correction;

(d) Area Developer fails to comply with the Development Schedule in Article 5.1 of this Agreement;

(e) Area Developer (or a Controlled Entity), an affiliated Entity or an Owner breaches any Franchise Agreement or any other agreement between such person or Entity and Famous Dave's or an Affiliate;

(f) any Franchise Agreement between Area Developer (or a Controlled Entity) and Famous Dave's is terminated by either party for any reason; ~~or~~

(g) Area Developer (i) repeatedly fails to comply with the provisions of this Agreement, whether or not subsequently cured; (ii) having twice previously cured a default of this Agreement, commits the default again; or (iii) engages in trademark misuse or otherwise materially misuse or make an unauthorized use of any of the components of the Restaurant System or commit any other act which does, or can reasonably be expected to, materially impair the goodwill or reputation associated with any aspect of the Restaurant System; or

(h) Area Developer or any Affiliate of Area Developer breaches any other agreement Area Developer or its Affiliate has with Famous Dave's or any Affiliate of Famous Dave's under which Area Developer or its Affiliate has an opportunity to cure and Area Developer or its Affiliate fails to cure the breach within the applicable cure period.

9.3 When Termination Under Article 9.1 or 9.2 Takes Effect.

Breaches enumerated in Articles 9.1 and 9.2 above take effect immediately on delivery of written notice to Area Developer by any method, except that a breach described in Article 9.1(e) above takes effect on the first minute of the 25th hour after delivery of the written notice of termination if Area Developer fails to correct the alleged breach within 24 hours after receiving the written notice of breach. In all other cases, termination takes effect as provided in Article 9.6 below.

9.4 Other Terminations – Notice of Breach with Opportunity for Correction.

(a) Except as provided in Articles 9.1 and 9.2 above, Famous Dave's will not have the right to terminate this Agreement until: (i) written notice setting forth the alleged breach in detail has been delivered to Area Developer by Famous Dave's as set forth in Article 9(c) below or or if Area Developer or any Affiliate of Area Developer breaches any other agreement Area Developer or its Affiliate has with Famous Dave's or any Affiliate of Famous Dave's then such breach must be cured within the applicable cure period set forth therein that agreement; and (ii) after receiving the written notice, Area Developer fails to fully correct the alleged breach within the period of time specified by applicable law.

(b) If applicable law does not specify a time period to correct an alleged breach, then Area Developer will have the requisite cure periods as stated below in Article 9(c)~~30 days after receipt of the written notice to correct the alleged breach, except where the written notice states that Area Developer is delinquent in the payment of any fees or other monetary obligations or other fees due and payable to Famous Dave's or any affiliated or controlled Entity of Famous Dave's pursuant to this Agreement or any other agreement, in which case Area Developer will have five business days after receipt of written notice to fully correct the breach by making full payment to Famous Dave's, together with interest on the past due obligations at the rate of 18% per annum.~~

(c) ~~The notice of breach shall set a date certain for termination to be effective, which may be expressed as “___ days from the date this notice is received or ___ days following an arbitrator's decision upholding the termination, whichever is later, with no requirement of further notice by Famous Dave's, all in accordance~~

~~with the provisions of Article 9.6 of the Area Development Agreement between Area Developer and Famous Dave's.~~Opportunity to Cure.

(i) Fourteen-Day Cure Period - Except as otherwise provided in this Article 9.4(c), Area Developer will have the right to cure your default under this Agreement within fourteen (14) days after notice of default is given by Franchisor pursuant to Article 16. Notwithstanding the foregoing, the following lesser periods will apply under the circumstances described:

(ii) 24-Hour Cure Period - A twenty-four (24) hour cure period will apply if you post on any website or direct others to any site or page, post, blog or other social media site where there are posted any defamatory or offensive comments about: Famous Dave's franchisees; the Famous Dave's brand; other brands franchised by Famous Dave's or one of our affiliates; any of our, your or franchisees' vendors; us or any of our affiliates; or any of our, your or franchisees' competitors;

(iii) Immediate Cure Period (less than 24 hours) – An immediate cure period (less than twenty-four (24) hours) will apply if you post any content to a website in which the content includes any inappropriate public displays of affection, our or others' confidential information or materials, violations of health or safety standards, foul or obscene language, or any images of or information about any persons from whom you did not obtain prior written consent;

(d) For the purposes of this Agreement, an alleged breach of this Agreement by Area Developer will be deemed to be ~~“corrected/cured”~~ if both Famous Dave's and Area Developer agree confirms in writing that the alleged breach has been corrected.

(e) For the purposes of this Agreement, full correction of a breach is not achieved by ending non-complying conduct and requires, in addition, appropriate modifications and procedures to assure that the breach(es) will not reoccur in the future, and that the foundation for trust and confidence in Area Developer's future performance of all provisions of this Agreement can be and has been restored. Area Developer agrees and acknowledges that some breaches are of a character where such restoration of trust and confidence is not possible, in which case, full correction will not be possible and termination will follow.

9.5 Arbitration Involving TerminationRESERVED.

~~(a) The dispute resolution provisions contained in Article 14 of this Agreement apply to terminations under Article 9.1 and 9.2 of this Agreement, as stated therein without regard to any notice of arbitration, unless the Arbitrators determine that termination should be deferred pending their decision.~~

~~(b) In all other cases involving the termination of this Agreement, if Area Developer has received a notice of breach pursuant to Articles 9.1(e), 9.2(b) or 9.4 above, and Area Developer gives notice of arbitration under this Agreement within 10 days thereafter, in accordance with Article 14 of this Agreement, Famous Dave's will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to arbitration, the Arbitrators determine Area Developer has breached this Agreement, and Area Developer fails to correct any fully correctable breach within the required time period.~~

~~(c) If the Arbitrators determine that Area Developer has violated or breached this Agreement as alleged by Famous Dave's in the written notice given to Area Developer, then unless applicable law specifies otherwise and except where no right of correction is provided by this Agreement or Area Developer's breach does not permit a full correction, Area Developer will have the same number of days after the date the Arbitrators issue a written determination on the matter to fully correct the specified breach or violation of this Agreement as was originally applicable to the breach and if timely and fully corrected, this Agreement will remain in full force and effect.~~

~~(d) For the purpose of this Agreement, any controversy or dispute on the issue of whether Area Developer has timely and fully corrected the specified breach or violation of this Agreement will also be subject to arbitration as provided for herein. The time limitations set forth in this Article within which Area Developer~~

~~may demand arbitration of a dispute or controversy relating to the right of Famous Dave's to terminate this Agreement for an alleged breach are of the essence and mandatory. If Area Developer fails to comply with the time limitations set forth in this Article, then Famous Dave's may terminate this Agreement as provided for herein.~~

9.6 Effective Date of Termination.

Except as provided in Article 9.3, this Agreement will automatically terminate as provided in the notice of breach previously given ~~and Article 9.5(d), if applicable.~~ Famous Dave's may give further notice to Area Developer confirming the termination date. However, such notice shall not impair the effectiveness of the date as first stated in the notice of breach, and there shall be no further condition, other than the passage of the specified time, for termination to be fully effective.

9.7 Other Remedies.

Nothing in this Article will preclude Famous Dave's from seeking other remedies or damages under state or federal laws, common law, or under this Agreement against Area Developer including, but not limited to, attorneys' fees, and injunctive relief.

ARTICLE 10 OBLIGATIONS UPON TERMINATION OR EXPIRATION

10.1 Obligations upon Termination; Reversion of Rights.

Upon expiration or termination of this Agreement for any reason, all rights to open and operate additional Famous Dave's® Restaurants in the Territory and all other rights granted to Area Developer pursuant to this Agreement will automatically revert to Famous Dave's, and Famous Dave's will have the right to develop the Territory or to contract with another area developer for the future development of the Territory. In addition, Area Developer will comply with all other applicable provisions of this Agreement, including those provisions with obligations that continue beyond the expiration or termination of this Agreement.

10.2 Franchise Agreements Not Affected.

Area Developer will continue to operate the Famous Dave's® Restaurants owned by Area Developer in the Territory pursuant to the terms of the applicable Franchise Agreements signed by Area Developer and Famous Dave's prior to the termination of this Agreement, and the rights and obligations of Area Developer and Famous Dave's with respect to Area Developer's Restaurants in the Territory will be governed by the terms of the applicable Franchise Agreements.

10.3 Continuation of Obligations.

Any provisions contained herein which expressly or by implication are intended to survive the expiration or termination of this Agreement, including the indemnities and covenants contained in this Agreement, will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 11 OPTION OF FAMOUS DAVE'S TO PURCHASE

11.1 Scope and Applicability of Option.

Area Developer will not Assign or otherwise dispose of any interest in or any part of the Major Assets (including but not limited to any interest in Area Developer, this Agreement or in the Restaurant businesses operated pursuant to Franchise Agreements signed under this Agreement or any interest in or right to receive all or any part of the assets, profits or income stream of the Restaurant businesses), other than to a relative pursuant to Article 8.4 of this Agreement or in the event of a death, disability or incapacity pursuant to Article 8.2 of this Agreement, to any purchaser without first offering the same to Famous Dave's in a written

offer in accordance with this Article 11. For the purposes of this Article 11, the term Area Developer shall mean and include any Owner.

11.2 Grant of Option and Procedure for Waiver or Intention to Exercise Option.

(a) If Area Developer has received a bona fide offer within the scope of Article 11.1 above, and wishes to accept that offer, Area Developer must first give Famous Dave's written notice of that offer, including the purchase price, payment terms, and all other material terms and conditions of the proposed transaction (the "Area Developer's Offer") along with detailed identification of all proposed purchasers, acquirees or assignees (collectively, the "Proposed Transferee") and an offer to sell that all assets and interests included in the Area Developer's Offer to Famous Dave's under the same terms. The Area Developer's Offer must include detail sufficient to establish that the Area Developer's Offer is in fact a good faith bona fide offer, including demonstrating to Famous Dave's reasonable satisfaction that the Proposed Transferee is financially and operationally qualified to perform all obligations under this Agreement and that the amount of consideration specified is within a reasonable range in light of all relevant facts and information. The Area Developer's Offer must also include an agreement, in a form specified by Famous Dave's, signed by the Proposed Transferee, acknowledging Famous Dave's authority to exercise its rights relating to all matters referenced in this Article 11, without incurring any form of liability or responsibility to pay damages of any type as a result of such exercise. Within five business days after receipt of the Area Developer's Offer, Famous Dave's may make reasonable additional requests of Area Developer and the Proposed Transferee in order to satisfy itself that the offer and its terms are in fact a good faith bona fide offer.

(b) Famous Dave's will have 10 business days after receipt of the Area Developer's Offer and complete responses to any additional request made pursuant to Article 11.2(a) above to give Area Developer a written notice which will either (i) state that Famous Dave's waives its option to purchase (a "Waiver Notice"); or (ii) states that it intends to exercise its rights to purchase or acquire the Major Assets according to the terms contained in Area Developer's Offer (the "Letter of Intent"); provided, however that the Letter of Intent may substitute equivalent cash for any noncash consideration included in such terms and may disregard any provision of the Area Developer's Offer that establishes a requirement or condition that reflects an effort by Area Developer or the Proposed Transferee to make it practically impossible for Famous Dave's to exercise its rights as intended by this Article 11. Area Developer and Famous Dave's may agree, in writing, to enlarge the times specified in Article 11.2(a) above or in this provision.

(c) In the event Famous Dave's issues a Waiver Notice, Area Developer may proceed to conclude the transaction in accordance with the terms and conditions stated in the Area Developer's Offer, subject to compliance with all other provisions of this Agreement, within the next 90 days. If the transaction is not concluded within this time period, or if during any negotiations with the Proposed Transferee, Area Developer agrees to negotiate, change, delete, or modify any material terms and conditions contained in the Area Developer's Offer, the option established in this Article 11 and all provisions of this Article 11 shall again be in full force and effect. If there have been negotiations between Area Developer and Famous Dave's that did not result in a closed transaction and, in subsequent negotiation with the Proposed Transferee, Area Developer agrees to changes in the terms and conditions which changes were not part of a definitive agreement or agreements proposed by Area Developer during negotiations with Famous Dave's, then Area Developer will be required to re-offer to sell the Major Assets to Famous Dave's under the new terms and conditions offered to the purchaser in accordance with the provisions of this Article 11.

11.3 Due Diligence Review.

If Famous Dave's has issued a Letter of Intent, then Famous Dave's will have 60 days from the date the Letter of Intent is received by Area Developer (the "Notice Date") to conduct a "due diligence" review. Area Developer will promptly provide Famous Dave's with all Financial Information, Financial Records, and other information requested by Famous Dave's or its accountants to conduct its "due diligence" review. Famous Dave's will have the absolute and unconditional right to terminate the Letter of Intent and any obligation to purchase the Major Assets from Area Developer for any reason and at any time during the 60-

day “due diligence” review period by giving Area Developer written notice. The time period provided in this Article 11.3 maybe enlarged by written agreement, and will be automatically extended to account for any day or days in which Area Developer or the Proposed Transferee delay in furnishing information needed for the Famous Dave’s due diligence review.

11.4 Exceptions in Specific Circumstances.

(a) Notwithstanding any other provisions of this Article 11, if the proposed transaction is in connection with a change in control or any insolvency or bankruptcy filing by Area Developer or an Owner, the Area Developer’s Offer to delivered to Famous Dave’s shall include an offer to Famous Dave’s to purchase all rights under this Agreement and all assets of the Restaurant businesses operated pursuant to this Agreement, including all tangible and intangible property, at a fair market price, subject to acceptance and due diligence as provided in Articles 11.2 and 11.3 above. If Famous Dave’s determines, following its due diligence review, to accept this offer, Famous Dave’s and Area Developer will make good faith efforts to agree on the price to be paid during the next 30 days, the price will be as established by a qualified independent appraiser reasonably selected by Famous Dave’s. The time for acceptance or rejection of the Area Developer’s Offer in such circumstances shall be 60 days after the appraiser’s final written report.

(b) This Article does not apply to the Assignment of any of the Major Assets (with the exception of this Agreement) by Area Developer to a bank, financial institution or other lender in connection with Area Developer’s financing of: (i) the real estate or leasehold improvements for the Franchised Locations in the Territory, (ii) the FF&E for Area Developer’s Restaurants, (iii) inventory or supplies for the Restaurants, or (iv) working capital required by the Restaurants.

11.5 Documentation and Negotiations.

In all cases in which Famous Dave’s has issued a Letter of Intent and is proceeding with the transaction, the transaction documents will be prepared by Famous Dave’s and will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. Closing will take place at the offices of Famous Dave’s. Unless Famous Dave’s terminates its Letter of Intent as provided in Article 11.4, then Area Developer or Owner and Famous Dave’s will make reasonable efforts to agree on the terms and conditions of the definitive agreement or agreements for the purchase of the Major Assets. If Area Developer or Owner and Famous Dave’s fail to agree on the terms and conditions for the definitive agreement after negotiations have proceeded for at least 60 days, either party may terminate the proposed transaction by giving the other party(ies) five days prior written notice.

11.6 Negotiated Changes with Purchaser.

If Famous Dave’s does not purchase the Major Assets from Area Developer under the terms and conditions contained in the Area Developer’s Offer, then if during any negotiations with the purchaser Area Developer agrees to negotiate, change, delete, or modify any of the terms and conditions contained in the Area Developer’s Offer or the terms and conditions contained in the most recent version of the definitive agreement or agreements proposed by Area Developer during negotiations that were not acceptable to Famous Dave’s, then Area Developer will be required to re-offer to sell the Major Assets to Famous Dave’s under the new terms and conditions offered to the purchaser in accordance with the provisions of this Article 11.

11.7 Compliance with Agreement.

~~(a) In all cases, a Proposed Transferee must meet all of Famous Dave’s then current requirements for any potential new area developer as determined by Famous Dave’s in exercise of its business judgment, and must have provided Famous Dave’s with all financial, operational, background, and other information regarding the assignee as Famous Dave’s reasonably request consistent with Famous Dave’s procedures for review and evaluation of a proposed area developer. No Proposed Transfer will be implemented unless all amounts Area Developer owed to Famous Dave’s or any Affiliate and to all Area Developer’s suppliers,~~

employees, and other creditors have been paid in full. If Area Developer is not in compliance with this Agreement or any other agreement with Famous Dave's or any Affiliate, appropriate arrangements must be made to insure that funds needed to achieve prompt material compliance with all contractual obligations will be available to the Proposed Transferee. In the exercise of Famous Dave's business judgment, Famous Dave's may establish any other conditions relating to the Proposed Transfer before approval is granted.

~~(b) A Proposed Transferee must execute Famous Dave's then current form of area development agreement including then applicable fees and area developer obligations as well as any additional documents customarily executed by a Proposed Transferee, modified to reflect that the term is only the remainder of the term stated in this Agreement, plus such other modifications that are need in order to reflect the transfer, but such then current form of area development agreement may otherwise differ from this Agreement, including higher fees and different obligations then comparable to other current Famous Dave's® area development agreements.~~

11.87 Acknowledgment of Restrictions.

Area Developer and the Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and are necessary to protect the Restaurant System and the Marks, as well as the reputation and image of Famous Dave's, and are for the protection of Famous Dave's, Area Developer and all other area developers and franchisees who own and operate Famous Dave's® Restaurants. Any Assignment permitted by this Agreement will not be effective until Famous Dave's receives a completely executed copy of all Assignment documents and Famous Dave's consents to the Assignment in writing. Area Developer's obligations under this Agreement will in no way be affected or changed because of non-acceptance by Famous Dave's of the Area Developer's Offer and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. The decision by Famous Dave's not to exercise the option to purchase granted to it pursuant to this Article will not, in any way, be deemed to grant Area Developer the right to terminate this Agreement and will not affect the Term. Moreover, if Famous Dave's does not exercise the option to purchase granted to it pursuant to this Article and if Area Developer sells or otherwise disposes of this Agreement or any of its Major Assets to a third party, then both Area Developer and the purchaser will be required to comply in all respects with the terms and conditions of Article 8 of this Agreement. Any Assignment of Area Developer's Restaurants that does not include an Assignment of this Agreement to the assignee will constitute a wrongful termination of this Agreement by Area Developer.

11.98 General Release.

In connection with any ~~P~~proposed ~~T~~ransfer~~A~~ssignment, Area Developer and each Owner (if any) pursuant to this Agreement must sign a general release of Famous Dave's and its past and present Affiliates of all claims arising out of or relating to this Agreement and to all aspects of each of their business relationship with Famous Dave's and its past and present Affiliates, in the reasonable form Famous Dave's then designates, releasing Famous Dave's, its past and present Affiliates and any related parties from all claims up to the date the ~~P~~proposed ~~T~~ransfer~~A~~ssignment is effected or if the ~~P~~proposed ~~T~~ransfer~~A~~ssignment is terminated, Area Developer must sign a release of all claims relating in any way to the failure of the ~~P~~proposed ~~T~~ransfer~~A~~ssignment to proceed.

11.109 Bankruptcy Issues.

If Area Developer or any person or Entity holding any Ownership Interests (direct or indirect) in Area Developer becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Assignment of Area Developer's obligations and/or rights hereunder, any Major Assets, or any indirect or direct interest in Area Developer will be subject to all of the provisions of this Article.

ARTICLE 12
AREA DEVELOPER'S COVENANTS NOT TO COMPETE

12.1 Consideration.

Area Developer and the Owners acknowledge that Area Developer, its Owners, partners or officers, and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipe, cooking and food preparation information, and trade secrets from Famous Dave's pertaining to the Restaurant System and the operation of the Famous Dave's® Restaurants in the Territory. In consideration for this information, Area Developer and the Owners agree to the provision restricting competition during and after the termination or expiration of this Agreement as set forth in Articles 12.2 and 12.3 of this Agreement.

12.2 In-Term Covenant Not to Compete.

Area Developer and the Owners will not, during the Term, on their own account or as an employee, agent, consultant, affiliate, licensee, partner, officer, director, or Owner of any other person, firm, Entity, partnership, or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or Entity engaged in a food service business that Famous Dave's determines, in the exercise of its business judgment, serves the same general range of consumer demand (regardless of menu) as comparable to that served by a Famous Dave's® Restaurant, except with the prior written consent of Famous Dave's.

12.3 Post-Term Covenant Not to Compete.

(a) Area Developer and the Owners will not, on their own account or as an employee, principal, agent, independent contractor, consultant, affiliate, licensee, partner, officer, director or Owner of any other person, firm, Entity, partnership, or corporation (i) for a period of one year after the termination or expiration of this Agreement, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or Entity engaged in a food service business that Famous Dave's determines, in the exercise of its business judgment, serves the same general range of consumer demand (regardless of menu) as comparable to that served by a Famous Dave's® Restaurant which is located within the Territory, within five miles of any Famous Dave's® Restaurant, or within any territory granted by Famous Dave's or any Affiliate of Famous Dave's pursuant to an Area Development Agreement or other territorial agreement, and (ii) for a period of two years after the termination or expiration of this Agreement, own, operate, lease, franchise, conduct, engage in, be connected with, a food service business that is reasonably expected to derive, or does derive 15% or more of its gross income from the sale of food items featuring either smoked or barbecued food, if such business is located within the Territory.

(b) Area Developer and the Owners expressly agree that the time, geographical and product limitations set forth in this provision are reasonable and necessary to protect Famous Dave's and its area developers and franchisees if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to protect Famous Dave's intellectual property and proprietary rights and give Famous Dave's the opportunity to resell and/or develop new Famous Dave's® Restaurants in or near the Territory.

12.4 Ownership of Public Companies.

Notwithstanding the provisions of Articles 12.2 and 12.3, passive ownership of a financial interest in the securities of a publicly-held business that constitutes 3% or less of that publicly-held entity shall not constitute a violation of Articles 12.2 and 12.3.

12.5 Injunctive Relief.

Area Developer and the Owners agree that the provisions of this Article are necessary to protect the legitimate business interest of Famous Dave's and its developers and franchisees including, without limitation, preventing the unauthorized dissemination of marketing, promotional, and other confidential

information to competitors of Famous Dave's and its developers and franchisees, protecting recipes, cooking and food preparation techniques and other trade secrets, protecting the integrity of the Restaurant System, preventing duplication of the Restaurant System by unauthorized third parties, and preventing damage to and/or loss of goodwill associated with the Marks. Area Developer and the Owners also agree that damages alone cannot adequately compensate Famous Dave's if there is a violation of this Article by Area Developer and the Owners, and that injunctive relief against Area Developer is essential for the protection of Famous Dave's and its developers and franchisees. Area Developer and the Owners, agree therefore, that if Famous Dave's alleges that Area Developer or the Owners have breached or violated this Article, then Famous Dave's will have the right to petition a court of competent jurisdiction for injunctive relief against Area Developer and the Owners, in addition to all other remedies that may be available to Famous Dave's. Famous Dave's will not be required to post a bond or other security for any injunctive proceeding. If Famous Dave's is granted ex parte injunctive relief against Area Developer or Area Developer's Owners, then Area Developer and the Owners will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

12.6 Effect of Local Law.

In the event the provisions of Articles 12.2 or 12.3 are deemed to conflict with applicable law, such provisions shall be revised by Famous Dave's and Area Developer so as to provide the maximum protection allowed to Famous Dave's under applicable law.

12.7 Effect on Other Agreements.

The covenants not to compete set forth in this Article will apply and be enforced independently of any covenant not to compete set forth in any other agreements between Famous Dave's and any other party to this Agreement.

ARTICLE 13 INDEMNIFICATION

13.1 Indemnification.

Famous Dave's will not be obligated to any person or Entity for any damages arising out of, from, in connection with, or as a result of Area Developer's activities under this Agreement or the operation of Area Developer's Restaurants. ***Therefore, Area Developer will indemnify and hold Famous Dave's harmless against, and will reimburse Famous Dave's for, all damages for which Famous Dave's is held liable and for all costs incurred by Famous Dave's in the defense of any claim or action brought against Famous Dave's arising in whole or in significant part from, in connection with, out of, or as a result of actions, inactions, negligence and/or wrongdoing by Area Developer or Area Developer's employees, agents or representatives, the operation of Area Developer's Restaurants, the activities conducted this Agreement or in connection with Area Developer's Restaurants and business including, without limitation, attorneys' fees, investigation expenses, court costs, deposition expenses, and Travel Expenses. Area Developer will indemnify Famous Dave's, without limitation, for all claims and damages arising in whole or significant part from, out of, in connection with, or as a result of the following claims, regardless of whether any such claim is brought by Area Developer or any other party: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of Area Developer or its employees, agents or representatives; (b) any failure on the part of Area Developer to comply with any requirement of any laws or any governmental authority; (c) any failure of Area Developer to pay any of its obligations to any person or Entity; (d) any failure of Area Developer to comply with any requirement or condition of this Agreement or any other agreement with Famous Dave's; (e) any misfeasance or malfeasance by Area Developer or Area Developer's employees, agents or representatives; and (f) any tort committed by Area Developer or its employees, agents or representatives. Area Developer will not be obligated to indemnify Famous Dave's for any claims or damages to the extent they are found to be separately attributable to, arising out of, from, in connection***

with, or as a result of any negligence or wrongdoing by Famous Dave's. Famous Dave's will have the right to defend any claim made against it arising from, as a result of, in connection with or out of the development and operation of Area Developer's Restaurants.

13.2 Payment of Costs and Expenses; Continuing Obligations.

Area Developer will pay all attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) incurred by Famous Dave's if Famous Dave's prevails in any action: (a) it commences or defends to enforce any term, condition, or provision of this Agreement, or (b) to enjoin any violation of this Agreement by either Famous Dave's or Area Developer. These indemnification provisions and the other obligations contained in this Agreement will continue in full force and effect ~~subsequent to and notwithstanding after~~ the expiration or termination of this Agreement.

ARTICLE 14 **COMMUNICATION; ARBITRATION**

14.1 General Principles.

Famous Dave's and Area Developer have entered into a long-term contractual relationship that give rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, in light of the overall best interests of reputation and image of the Famous Dave's® franchise system, as contemplated by this Agreement. To that end, Famous Dave's and Area Developer acknowledge that they should attempt to resolve disagreements and/or disputes before they negatively impact the relationship or the network of company-owned and franchised Famous Dave's® Restaurants. Two-way communication between Famous Dave's and Area Developer are an important aspect of that principle. The provisions of this Article 14 are intended to facilitate such communication and the prompt resolution of any disagreements between the Famous Dave's and Area Developer. To the extent any element or aspect of this Article 14 is found, under applicable law, to be unenforceable in any way, it shall not be deemed void but, if possible, shall be enforced to the fullest lawful extent and all other provisions of this Article 14 shall remain in full force and effect.

14.2 Availability of Alternative Dispute Resolution.

Except for the disputes described in Article 14.3 of this Agreement and except as otherwise specifically modified by this Article 14, any dispute between Famous Dave's and any of its Affiliates, and Area Developer and any of its Affiliates, on the other, arising out of, relating to or referencing this Agreement or its breach in any way, including without limitation, any claim sounding in tort arising out of the business relationship created by this Agreement, and any claim that this Agreement or any other of its parts is invalid, illegal or otherwise voidable or void, is subject to the dispute resolution provisions set forth in this Article 14. "Affiliates," as used only in this Article 14, will include the definition of the term Affiliate set forth in the Franchise Agreements as well as all persons or Entities who/that directly or indirectly, own or control, are owned or controlled by, or are under common ownership or control with Famous Dave's or Area Developer, and will also include all officers, directors, employees, managers, representatives and agents of the foregoing acting in the course of conducting business activities related to Famous Dave's or Area Developer.

14.3 Disputes Not Subject to Alternative Dispute Resolution.

The following categories of dispute between Famous Dave's and Area Developer will not be subject to the alternative dispute resolution procedures set forth in this Article 14:

- (a) any dispute involving Area Developer's use of the Marks or the Restaurant System in violation of the Franchise Agreements signed in compliance with this Agreement;
- (b) any dispute in which any injunctive relief is sought, but only to the extent of proceedings for such relief;
- (c) any dispute relating to an Assignment in violation of this Agreement;

(d) any dispute involving Area Developer's violation of the provisions of this Agreement or a Franchise Agreement signed in compliance with this Agreement relating to confidentiality and the covenants not to compete; or

(e) any dispute in any way relating to the scope, application or enforceability of this Article 14.

Notwithstanding anything contained in this Agreement to the contrary, the provisions of Article 14 do not apply to a Dispute where Famous Dave's brings an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Famous Dave's goodwill, the Confidential and Proprietary Information, the Marks or for fraudulent conduct by Area Developer. For such disputes, Famous Dave's may bring an action in any federal or state court having jurisdiction, whether for monetary damages, temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to Famous Dave's. Area Developer hereby consents to and waives any objection or defense and agrees not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

14.4 Disputes Subject to Arbitration.

Except as expressly provided to the contrary in Article 14.3 of this Agreement, all disputes and controversies between Area Developer or any of its Affiliates and Famous Dave's or any of its Affiliates, including allegations of fraud, misrepresentation, and violation of any state or federal laws, rules, or regulations, arising in whole or in significant part under, as a result of, or in connection with this Agreement, the Territory or Area Developer's Restaurants that have not been resolved by pre-arbitration mediation or by pre-mediation agreement are subject to and will be resolved exclusively by arbitration conducted in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.adrforum.com).

14.5 Written Notice of Unresolved Disputes Reserved.

~~(a) Written notice of a dispute involving termination shall be given as provided in Articles 9.3 and 9.6 of this Agreement.~~

~~(b) Except as provided in Articles 14.3 and 14.5(a) above, all other disputes shall be brought to the attention of Famous Dave's or Area Developer by delivering a written notice headed "Notification of Dispute," or something similar thereto. Delivery of such notice shall be made within 90 days after the date on which facts respecting the dispute are known to Famous Dave's or Area Developer. A notice of breach of this Agreement may precede the Notification of Dispute and, in such cases, if the breach is subject to correction, the Notification of Dispute may be sent at such time as it appears that the breach has not been fully corrected or is unable to be cured, or no cure is available. The Notification of Dispute shall specify, to the fullest extent possible, the party's version of facts surrounding the dispute, the amount of damages and/or the nature of any other relief such party claims. The party (or parties as the case may be) receiving a Notification of Dispute shall respond within 10 business days, stating its version of the facts and, if applicable, its position as to the relief sought by the party initiating the dispute procedure.~~

~~(c) If upon receipt of a Notification of Dispute and responses under Article 14.5(b), the dispute (or any part thereof) is not resolved, the party initiating the Notification of Dispute shall so indicate in writing within 15 business days or the dispute shall be deemed to be resolved as set forth in the response to the Notification of Dispute. If the dispute is not resolved, the parties shall endeavor in good faith to resolve the dispute outlined in the Notification of Dispute and responses.~~

~~(d) All notices, requests and responses to be delivered to Famous Dave's or to Area Developer under this Article 14.5 shall be delivered in accordance with the notice provisions of this Agreement.~~

14.6 Option for Pre-Arbitration Mediation.

(a) Either Area Developer or Famous Dave's may request pre-arbitration mediation. The procedures for selecting a pre-arbitration mediation, the manner in which it will be conducted shall all be in accordance

with in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.adrforum.com). Pre-arbitration mediation will take place exclusively in Minneapolis, Minnesota. Area Developer and Famous Dave's each agree to participate in such mediation.

(b) The object of any mediation subject to this Section 14.6 is to assist the parties in reaching a mutually acceptable resolution of the dispute. Such mediation shall, in all circumstances, be consistent with the rights and obligations created by this Agreement and shall not be premised on the derogation or diminution of those rights or disregard of those rights. The mediation process shall begin promptly and shall be concluded within 10 business days after the day the request for mediation is made, unless the parties mutually otherwise agree. In the event the mediator concludes that either Area Developer or Famous Dave's is using the pre-arbitration mediation process solely for purposes of achieving delay, the mediator may terminate the pre-arbitration mediation. Any and all discussions, negotiations, findings or other statements by the mediator and/or the parties made in connection with the mediation shall be privileged and confidential and shall not be admissible into evidence in any litigation; provided, however, that the parties or any Arbitrator may ask the mediator to prepare a final Listing of Relevant Facts including those facts that appear to be related to the dispute and undisputed; those that appear to be relevant to the dispute but are the subject of factual disagreement; and those that (whether disputed or not) appear to be irrelevant to the dispute. The mediator's Listing of Relevant Facts shall be on an advisory basis and may not be admitted as evidence in any proceeding between the parties or used outside of the proceeding; provided, however, that either party may make reference to the Listing of Relevant Facts on an in camera basis in the course of pre-trial proceedings in a subsequent court proceeding between the parties involved in the dispute.

14.7 Demand for Arbitration.

If the dispute alleged by either party has not been corrected, settled, or compromised within the time period provided for in this Article 14 and, if pre-arbitration mediation has been pursued, within 15 business days after the mediation has concluded, then either party may demand arbitration in accordance with the Code of Procedure of the National Arbitration Forum. The party will promptly make the demand for arbitration, but in any event, before the applicable statute of limitations would bar the institution of legal or equitable proceedings based on the dispute or claim. Unless agreed otherwise by the parties, three Arbitrators will be selected to hear the matter, one of which must be a retired judge. No person participating as a pre-arbitration mediator shall act as an Arbitrator.

14.8 Venue and Jurisdiction.

All arbitration hearings will take place exclusively in Minneapolis, Minnesota, and will be held no later than 90 days after the Arbitrators have been selected. Famous Dave's and Area Developer and their respective Affiliates do hereby agree and submit to personal jurisdiction in the State of Minnesota in connection with any arbitration hearings hereunder and any suits brought to enforce the decision of the Arbitrators, and do hereby waive any rights to contest venue and jurisdiction in the State of Minnesota and any claims that venue and jurisdiction are invalid.

14.9 Powers of Arbitrators.

(a) The authority of the Arbitrators will be limited to making a finding, judgment, decision, and award relating to the interpretation of or adherence to the written provisions of this Agreement. The Federal Rules of Evidence (the "Rules") will apply to all arbitration hearings and the introduction of all evidence, testimony, records, affidavits, documents, and memoranda in any arbitration hearing must comply in all respects with the Rules and legal precedents interpreting the Rules. Both parties will have the absolute right to cross-examine any person who testified against them or in favor of the other party. The Arbitrators will have no authority to add to, delete, or modify in any manner the terms and provisions of this Agreement. The "business judgment" provision in Article 15.2 of this Agreement is fully applicable to this arbitration. All findings, judgments, decisions, and awards of the Arbitrators will be limited to the dispute set forth in

the written demand for arbitration, and the Arbitrators will have no authority to decide any other issues. The Arbitrators will not have the right or authority to award punitive or consequential damages to either Famous Dave's or Area Developer or the Affiliates of either of them, and Famous Dave's and Area Developer and their respective Affiliates expressly waive their rights to plead or seek punitive or consequential damages. All findings, judgments, decisions and awards by the Arbitrators will be written form, setting forth findings of fact and reasoned conclusions of law, and will be made within 60 days after the arbitration hearing has been completed.

(b) In undertaking arbitration proceedings, the Arbitrators shall indicate in writing or in any other record that they have read and agreed to this Article 14.9.

(c) The finding, judgments, decisions and awards of the Arbitrators made in accordance with this Article 13 will be final and binding on Famous Dave's and Area Developer and all other parties to the arbitration. The written decision of the Arbitrators will be deemed to be an order, judgment and decree and may be entered as such in any court of competent jurisdiction by either party.

(d) If, during the course of arbitration, either party fails to appear at a meeting or hearing duly scheduled in accordance with the Code of Procedure of the National Arbitration Forum, the Arbitrators will have the absolute right to enter a default judgment and resulting order against the party failing to appear.

(e) In any proceeding involving termination, the proceeding may be dismissed by the Arbitrators on a determination that Area Developer is not diligently pursuing arbitration and is using the arbitration procedure to achieve unwarranted delay in termination; in such case, termination shall proceed as originally noticed.

14.10 No Collateral Estoppel or Class Actions.

All arbitration findings, conclusions, orders, and awards made by the Arbitrators will be final and binding on Famous Dave's and Area Developer; however, such arbitration findings, conclusions, orders, and awards may not be used to collaterally estop either Area Developer or Famous Dave's from raising any like or similar issue or defense in any subsequent arbitration, litigation, court hearing, or other proceeding involving third parties, including other developers or franchisees. Famous Dave's and Area Developer agree that no person or Entity except Famous Dave's and Area Developer, and their respective officers, directors, governors and/or Owners will have the right to join in, become a party, litigate, or participate in any arbitration proceeding arising under this Agreement, and therefore, Famous Dave's and Area Developer specifically agree that the National Arbitration Forum and the Arbitrators appointed under the National Arbitration Forum procedural rules will not be authorized to permit class or consolidated actions or to permit any other person or Entity to be involved, participate, or be named as a litigating party in any arbitration proceeding or matter brought under this Agreement by Famous Dave's or Area Developer or their respective Affiliates.

14.11 Confidentiality.

All evidence, testimony, records, documents, findings, decisions, judgments, and awards pertaining to any arbitration hearing between Famous Dave's and Area Developer will be secret and confidential in all respects. Except as provided for in Article 14.5 or as may be required by applicable law or regulation, Famous Dave's and Area Developer will not disclose the decision or award of the Arbitrators and will not disclose any evidence, testimony, records, documents, findings, orders, or other matters from the arbitration hearing to any person or Entity except as required by law. Nothing herein will prevent either party from disclosing or using any information presented in any arbitration proceeding in any subsequent court hearing brought by either Area Developer or Famous Dave's pursuant to this Agreement.

14.12 Performance During Arbitration of Disputes; Survival of Obligations.

Famous Dave's and Area Developer will each fully perform their obligations under this Agreement during the entire arbitration process. Famous Dave's and Area Developer acknowledge and agree that this Article 14 will survive the termination or expiration of this Agreement.

14.13 Claims.

~~Subject to applicable state or federal statute~~~~Except for those Claims brought under the indemnification provision, upon expiration or termination of this Agreement,~~ neither party will commence any Claim related to or arising out of this Agreement, unless commenced within the later of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation, except such limitations shall not apply in the event of Famous Dave's collection of any unpaid Royalty Fees, Marketing Fund Fees, Early Termination Damages and/or any other amount due to Famous Dave's or Famous Dave's affiliate(s) or those Claims brought under the indemnification or insurance coverage provisions~~one year following the effective date of expiration or termination.~~ "Claims" means any allegation, challenge, demand, cause of action, lawsuit, arbitration, dispute, controversy, investigation or administrative proceeding.

ARTICLE 15 **ENFORCEMENT**

15.1 Injunctive Relief.

Famous Dave's will have the right to petition a court of competent jurisdiction for the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement for any action relating to: (a) Area Developer's use of the Marks or the Restaurant System pursuant to the Franchise Agreement; (b) the obligations of Area Developer upon termination or expiration of this Agreement; and (c) Area Developer's violation of the provisions of this Agreement relating to the covenants not to compete.

15.2 Business Judgment.

In connection with any dispute, mediation or court proceedings, Famous Dave's and Area Developer, on behalf of themselves and all Affiliates, mediators, Arbitrators, judges or others involved in the dispute resolution process agree and are affirmatively advised that certain provisions of this Agreement reflect the right of Famous Dave's to take (or refrain from) certain actions in the exercise of its business judgment, based on its assessment of the long-term interest of Famous Dave's, the Restaurant System, and the network of Famous Dave's® Restaurants. Where such discretion is shown to have been exercised, it is agreed that neither a mediator, Arbitrator, nor a judge shall substitute his or her judgment for the judgment so exercised by Famous Dave's. The foregoing reference to Famous Dave's exercise of its business judgment is intended to establish a standard under which such judgment is subject to review in order to determine whether it reflects a business judgment exercised with a reasonable basis and not as a matter of pretext or caprice, and to provide that, if that standard has in fact been met, such judgment is to be respected and not overturned.

15.3 Severability.

All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, then the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction.

15.4 Waiver.

Famous Dave's and Area Developer may, by written instrument signed by Famous Dave's and Area Developer, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Famous Dave's of any payment by Area Developer and the failure, refusal, or neglect of Famous Dave's to exercise any right under this Agreement or to insist upon full compliance by Area Developer of its obligations hereunder will not constitute a waiver by Famous Dave's of any provision of this Agreement. Famous Dave's will have the absolute right to waive obligations or restrictions for other area developers under their development agreements without waiving those obligations or restrictions for Area Developer and, except to the extent provided by law, Famous Dave's will have the right to negotiate terms and conditions, grant concessions, and waive obligations for other area developers without granting those same rights to Area Developer and without incurring any liability to Area Developer whatsoever.

15.5 Payments to Famous Dave's.

Area Developer will not, on grounds of the alleged nonperformance by Famous Dave's of any of its obligations under this Agreement, any other contract between Famous Dave's and Area Developer, or for any other reason, withhold payment of any Fees or payments due Famous Dave's pursuant to this Agreement, any Franchise Agreement or any other contract with Famous Dave's. Area Developer will not have the right to "offset" or withhold any liquidated or unliquidated amounts, damages or other funds allegedly due to Area Developer by Famous Dave's against any Fees or payments due to Famous Dave's by Area Developer. Famous Dave's will have the right to deduct from amounts payable to Area Developer by Famous Dave's or an Affiliate any fees or other payments owed to Famous Dave's, an Affiliate or a third party. Famous Dave's will also have the right to apply the Fees and other payments made to Famous Dave's by Area Developer in such order as Famous Dave's may designate from time to time. As to Area Developer and its Affiliates, Famous Dave's will have the right to: (a) apply any payments received to any past due, current, future or other indebtedness of any kind, no matter how payment is designated by Area Developer, except that Marketing Fund Fees may only be credited to the Fund; (b) set off, from any amounts that may be owed by Famous Dave's, any amount owed to Famous Dave's, the Fund or any other fund or account; and (c) retain any amounts received for Area Developer's account (and/or that of any Affiliate of Area Developer), whether rebates from suppliers or otherwise, as a payment against any fee or payment owed to Famous Dave's. Famous Dave's will have the right to exercise any of the foregoing rights in connection with amounts owed to or from Famous Dave's and/or any Affiliate.

15.6 Effect of Wrongful Termination.

If either Famous Dave's or Area Developer takes any action to terminate this Agreement, except as provided for under the terms of this Agreement, then: (a) such actions will not relieve either party of, or release either party from, any of its obligations under this Agreement; (b) the terms and conditions of this Agreement will remain in full force and effect; and (c) the parties will be obligated to fully perform all terms and conditions of this Agreement until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

15.7 Miscellaneous.

The rights of Famous Dave's hereunder are cumulative and no exercise or enforcement by Famous Dave's of any right or remedy hereunder will preclude the exercise or enforcement by Famous Dave's of any other right or remedy hereunder or which Famous Dave's is entitled by law to enforce. This Agreement is binding upon the parties hereto and their executors, administrators, heirs, assigns, and successors in interest. If Area Developer consists of more than one person or Entity, their liability under this Agreement will be deemed to be joint and several.

15.8 Construction to Perfect Nature and Purpose of Agreement.

In any instance where a term or provision of this Agreement requires construction by a court or an Arbitrator, construction shall reflect the objectives of the parties as stated in Article 1 of this Agreement. No ambiguity or other reason for construction shall be based on the identity of the party drafting this Agreement or any part thereof.

15.9 Headings; Terms.

The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Articles. The term “Area Developer” as used herein is applicable to one or more individuals, a corporation, a limited liability company, a partnership, or a limited partnership, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to “Area Developer,” “assignee” and “transferee” which are applicable to an individual or individuals means the Owner or Owners of the equity or operating control of Area Developer or any such assignee or transferee if Area Developer or such assignee or transferee is a corporation, a limited liability company, a partnership, or a limited partnership.

15.10 Venue and Jurisdiction.

All litigation, court proceedings, arbitration proceedings, lawsuits, and/or court hearings initiated by Area Developer or Famous Dave’s, including any action to contest the arbitration provisions of this Agreement, must and will be venued exclusively in Hennepin County, Minnesota. Area Developer, its officers, directors, and Owners do hereby agree and submit to personal jurisdiction in Hennepin County, Minnesota for the purposes of any suit, proceeding, or hearing brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement or Area Developer’s Restaurants, and do hereby agree and stipulate that any such suits, proceedings, and hearings will be exclusively venued and held in Hennepin County, Minnesota. Area Developer, its officers, directors, and Owners waive any rights to contest such venue and jurisdiction and any claims that such venue and jurisdiction are invalid.

~~15.11 Federal Arbitration Act.~~

~~Any issue regarding arbitration will be governed by the Federal Arbitration Act and the federal common law of arbitration.~~

15.121 Waivers in Event of Court Proceedings.

If any dispute between Famous Dave’s and Area Developer is subject to a proceeding in a court of law, it shall be tried to the court sitting without a jury, notwithstanding any state or federal constitutional or statutory rights or provisions and no punitive or exemplary damages shall be awarded against either Famous Dave’s or Area Developer, or any Affiliates of either of them, in any proceeding, and all claims to such damages are hereby waived.

ARTICLE 16 NOTICES

16.1 Notices.

Unless otherwise provided in this Article 25, all notices specified by this Agreement or required by law must be in writing and given by personal delivery, sent by carrier (i.e., FedEx[®], UPS[®], etc.), U.S. certified mail, return receipt requested. Notices will be conclusively deemed to be given, delivered, and effective when sent pre-paid and actually left in the custody of an adult agent, employee or resident at a place of business or residence if given by personal delivery; or if given by carrier, twenty-four (24) hours after deposited with carrier, or if by U.S. certified mail, three (3) days after deposited with the U.S. Postal Service. Notwithstanding anything contained in this Agreement to the contrary, Famous Dave’s may give Franchisee written notice via email to an email address Franchisee provides us regarding all notices specified by this Agreement or required

by law, with such email notification to be deemed received by Franchisee twenty-four (24) hours after Famous Dave's sends it, unless Franchisee otherwise earlier acknowledges receipt. All notices permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered: (a) at the time delivered by hand; (b) immediately upon transmission by electronic mail or other comparable electronic system, provided there is evidence of delivery; (c) one business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of delivery; or (d) five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

16.2 Address for Notices.

All notices permitted or required to be delivered pursuant to this Article must be delivered to the party to be notified as follows: (a) if intended for Famous Dave's, addressed to Legal Dept., Famous Dave's of America, Inc., 12701 Whitewater Drive, Suite 290, Minnetonka, Minnesota 55343-4164, with a copy to: Legal Dept., 9311 East Via De Ventura, Scottsdale, Arizona 85258, or such other address (including electronic mail address) as Famous Dave's may designate in writing; or (b) if intended for Area Developer, addressed to Area Developer at the first Franchised Location in the Territory, at Area Developer's residence (if an individual), or at the residence of Area Developer's principal shareholder(s), partner(s), or member(s) (if a business entity), or such other address (including electronic mail address) as Area Developer may designate in writing. For avoidance of doubt, Area Developer has an affirmative obligation to promptly notify Famous Dave's pursuant to this Article 16 whenever Area Developer's mailing address, phone number or email address change.

ARTICLE 17 ACKNOWLEDGMENTS; DISCLAIMERS

17.1 Disclaimer.

Famous Dave's does not warrant or guarantee that Area Developer will derive income or profit from its Restaurants, ~~or that~~ Famous Dave's will not refund all or any part of the Development Fee or Initial Fees paid by Area Developer or repurchase any of the supplies, products, services, technology, furniture, fixtures, or equipment supplied or sold by Famous Dave's or by an approved or designated supplier if Area Developer is in any way unsatisfied with its Restaurants. Famous Dave's expressly disclaims the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, Revenues, economics, business or financial success, or value of Area Developer's Restaurants except as specifically contained in Famous Dave's Franchise Disclosure Document received by Area Developer.

17.2 Acknowledgments by Area Developer.

Area Developer acknowledges that it has conducted an independent investigation of the Famous Dave's® Restaurants and recognizes that the business venture contemplated by this Agreement and the operation of the Restaurants involve business and economic risks. Area Developer acknowledges that the financial, business, and economic success of Area Developer's Restaurants will be primarily dependent upon the personal efforts of Area Developer, its management and employees, and on economic conditions in the area where Area Developer's Restaurants are located and economic conditions in general. Area Developer acknowledges that it has not received any estimates, projections, representations, warranties or guaranties, expressed or implied, regarding potential sales, Revenues, income, profits, earnings, expenses, financial or business success, value of the Restaurants, or other economic matters pertaining to Area Developer's Restaurants from Famous Dave's or any of its representatives or agents that were not expressly set forth in Famous Dave's Franchise Disclosure Document, or if not expressly set forth therein, that were inconsistent with the information therein ("Representations"). Area Developer further acknowledges that if it had received any such Representations, it would not have executed this Agreement, promptly notified the President of Famous Dave's in writing of the person or persons making such Representations, and provided to Famous Dave's a specific written statement detailing the Representations made.

17.3 Other Area Developers.

Area Developer acknowledges that other area developers have or will be granted development agreements at different times, for different areas, under different economic conditions, and in different situations, and further acknowledges that the economics, terms, and conditions of such other development agreements may vary substantially in form and in substance from those contained in this Agreement.

ARTICLE 18 GOVERNING LAW; STATE MODIFICATIONS

18.1 Governing Law; Severability.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) and the Federal Arbitration Act, this Agreement and the relationship between Famous Dave's and Area Developer will be governed by the laws of the state in which the Territory is located, irrespective of any conflict of laws. If the Territory includes more than one state, then this Agreement will be governed by the laws of the state in which the Area Developer's primary place of business is located, irrespective of any conflict of laws. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Area Developer waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by Area Developer and Famous Dave's.

18.2 Applicable State Laws.

As of the date of this Agreement, the following states have statutes which may supersede the provisions of this Agreement in Area Developer's relationship with Famous Dave's in the areas of termination and renewal of the Franchise Agreements entered into pursuant to the terms of this Agreement: Arkansas [Stat. Section 70-807], California [Bus. & Prof. Code Sections 20000-20043], Connecticut [Gen. Stat. Section 42-133e, et seq.], Delaware [Code Section 2552], Hawaii [Rev. Stat. Section 482E-1], Illinois [815 ILCS 705/19-20], Indiana [Stat. Section 23-2-2.7], Michigan [Stat. Section 19.854(27)], Minnesota [Stat. Section 80C.14], Mississippi [Code Section 75-24-51], Missouri [Stat. Section 407.400], Nebraska [Rev. Stat. Section 87-401], New Jersey [Stat. Section 56:10-1], Virginia [Code 13.1-557-574-13.1-564], Washington [Code Section 19.100.180], and Wisconsin [Stat. Section 135.03]. These and other states may have court decisions which may supersede the provisions of this Agreement in Area Developer's relationship with Famous Dave's in the areas of termination and renewal of the Franchise Agreements entered into pursuant to the terms of this Agreement.

18.3 State Law Modifications.

If in accordance with Article 18.1, this Agreement is governed by the laws of California, Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin, or if the laws of any such state are otherwise applicable, then the designated provisions of this Agreement are amended and revised to comply with that state's law as shown in the applicable State Law Addendum attached to this Agreement and signed by both Famous Dave's and Area Developer.

ARTICLE 19 DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

19.1 Franchise Agreement.

"Franchise Agreement" will mean Famous Dave's then-current standard Franchise Agreement.

19.2 Terms Defined in Franchise Agreement.

Capitalized terms used but not defined in this Agreement will, if defined in the Franchise Agreement, have the meanings ascribed to such terms in the Franchise Agreement.

ARTICLE 20 **INTEGRATED AND COMPLETE AGREEMENT**

20.1 No Oral Representations or Agreements.

Famous Dave's and Area Developer each acknowledge and agree that each intends to have all terms of this business relationship that is the subject of this Agreement defined in this Agreement, except to the extent that this business relationship is also defined by any Franchise Agreements and other agreements related to the operation of the Famous Dave's® Restaurants in the Territory entered into by the Parties (collectively, "Related Agreements"). Neither Famous Dave's nor Area Developer intend to enter into a business relationship under terms and obligations created by alleged oral statements or under which oral statements serve as the basis for rights or obligations different from or supplementary to the rights and obligations set forth in this Agreement or in any Franchise Agreement signed by the Parties, as either may be amended in writing from time to time hereafter, or in documents whose terms have been expressly incorporated by reference under Articles of this Agreement. Accordingly, Famous Dave's and Area Developer acknowledge and agree that this Agreement and any Related Agreements supersede and cancel any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Famous Dave's or anyone acting on its behalf and Area Developer or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent of such terms) with respect to the development of Famous Dave's® Restaurants in the Territory or the relationship between the Parties. Famous Dave's and Area Developer each agrees that it has placed, and will place, no reliance on any such discussions or writings.

20.2 Entire Agreement.

This Agreement, including any and all exhibits hereto, constitutes the entire agreement between Parties, containing all of the terms, conditions, rights and obligations of the Parties with respect to the development of Famous Dave's® Restaurants in the Territory or to any other aspect of the relationship between the Parties, except to the extent that such relationship is addressed in the Related Agreement. In the event of a conflict between the terms and conditions of this Agreement and those of a Related Agreement, this Agreement shall prevail. No change, modification, amendment or waiver of any of the provisions of this Agreement will be effective and binding upon Famous Dave's or Area Developer unless in writing, specifically identified as an amendment to this Agreement, and signed by the Parties.

20.3 Other Writings Not Part of Agreement.

Famous Dave's and Area Developer recognize that from time to time during the Term, there will be written correspondence between them. Except as provided herein, Famous Dave's and Area Developer agree that other writings, including internal policy statements reflecting the current practices of Famous Dave's not otherwise stated in Famous Dave's Standard Operating Procedures/Training Manual(s) do not constitute a part of this Agreement and do not create contract rights or obligations.

20.4 No Future Promises.

No future agreements for exclusive territories, business relationships or any other business activities have been promised to Area Developer, and no such exclusive territories, business relationships or any other

business activities shall come into existence, except by means of a separate writing signed by the Parties and specifically identified as such.

IN WITNESS WHEREOF, Famous Dave's, Area Developer and Area Developer's Owners have respectively signed this Agreement effective as of the day and year first above written.

[signature pages follow]

In the Presence of:

Signature

Print Name

In the Presence of:

Signature

Print Name

FAMOUS DAVE’S OF AMERICA, INC.

By _____
Signature

Print Name

Its _____
Title

“AREA DEVELOPER”

Legal Business Name

By _____
Signature

Print Name

Its _____
Title

The undersigned Owners hereby agree to be bound by the terms and conditions of this Agreement that are specifically or by their nature applicable to each one of the Owners, which in no event will limit any of the obligations undertaken by the Owners in any other capacity or under any other agreement or personal or other guaranty.

<u>In the Presence of:</u>	<u>Names of Owners:</u>	<u>Percentage of Ownership:</u>
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
_____	_____	_____ %
Signature	Signature	
_____	_____	
Print Name	Print Name	
	Total	<u>100</u> %

Operating Partner:

Name

Address

City, State, Zip Code

Telephone

Cell Phone

Email Address

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF CALIFORNIA**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. The covenant not to compete upon termination or expiration of the Area Development Agreement contained in Article 12.3 of the Area Development Agreement may be unenforceable, except in certain circumstances provided by law.

2. The provisions of the Area Development Agreement giving Famous Dave’s the right to terminate in the event of Area Developer’s bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, et seq.).

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

_____ Legal Name of Area Developer

By _____
Signature

By _____
Signature

_____ Print Name

_____ Print Name

Its _____
Title

Its _____
Title

ADDENDUM TO DEVELOPMENT AGREEMENT

(FOR THE STATE OF HAWAII)

This ADDENDUM TO DEVELOPMENT AGREEMENT (FOR THE STATE OF HAWAII) (“Addendum”) dated _____ (“Addendum Effective Date”) to the Development Agreement[, as amended], dated _____, and including any and all exhibits attached thereto (collectively, “Development Agreement”) between _____ (“Developer”) and FAMOUS DAVE’S OF AMERICA, INC., a Minnesota corporation (“Franchisor”) hereby amends the Development Agreement by the addition of the following language, which shall be considered an integral part of the Agreement. To the extent this Addendum contains terms and conditions that differ from those contained in the Development Agreement, this Addendum shall control. The parties agree that a concept or principle covered in this Addendum shall apply and be incorporated into all other provisions of the Development Agreement in which the concept or principle is also applicable, notwithstanding the absence of any specific cross-reference thereto. All capitalized terms not otherwise defined in this Addendum will have the same meanings ascribed to such terms in the Development Agreement.

1. The Director of the Hawaii Department of Commerce and Consumer Affairs requires that certain provisions contained in franchise development documents be amended to be consistent with Hawaii law, including the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E-1 through 482E-12 (1988). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination and transfer of the Development Agreement. If the Development Agreement contains a provision that is inconsistent with the Law, the Law will control. Among those rights, the law may require that upon termination or non-renewal Franchisor purchase for fair market value Developer’s inventory, supplies, equipment and furnishings purchased from Franchisor or a supplier designated by Franchisor; provided that personalized materials which have no value to Franchisor need not be compensated for. If the non-renewal or termination is for the purpose of converting the Developer’s business to one owned and operated by Franchisor, Franchisor may, additionally, be obligated to compensate the Developer for loss of goodwill. Franchisor may deduct all amounts due from Developer and any costs related to the transportation or disposition of items purchased against any payment for those items. If the parties cannot agree on fair market value, fair market value shall be determined in the manner set forth in the Development Agreement. If the Development Agreement does not provide for determination of fair market value of assets for purchase by Franchisor, such amount will be determined by an independent appraiser approved by both parties, and the costs of the appraisal shall be shared equally by the parties.
- b. If the Developer is required in the Development Agreement to execute a release of claims, such release shall exclude claims arising under the Hawaii Franchise

Investment Law. Any condition, stipulation or provision binding the Developer to waive compliance with any provision of Section 482E-6 of the Hawaii Franchise Investment Law shall be void.

- c. The requirement of a developer or franchisee to purchase or lease goods or services of the franchisor or from designated sources may not be enforceable under Hawaii Franchise Investment law unless it is reasonably necessary for a lawful purpose, and does not substantially affect competition.
- d. The Hawaii Franchise Investment Law prohibits the Franchisor from establishing a similar business or granting a franchise for the establishment of a similar business to that of the Developer's within the Developer's exclusive territory. To the extent the Development Agreement contain a provision that is inconsistent with the Act, the Act will control.
- e. No statement, questionnaire, or acknowledgment signed or agreed to by a developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Section 482E-3(a) of the Hawaii Franchise Investment Law requires us to give you a copy of the Franchise Disclosure Document at least 7 calendar days prior to signing the Agreement.

3. The Development Agreement permits us to terminate the Agreement upon your bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law. (11 U.S.C. §101, et seq.).

4. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law applicable to the provision are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met. Except as set forth in this Addendum, the terms and provisions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, have duly executed and delivered this Addendum as of the Addendum Effective Date.

FRANCHISOR:

**FAMOUS DAVE’S OF AMERICA, INC., a
Minnesota corporation**

DEVELOPER:

By: _____

[Name, Title]

By: _____

[Name, Title]

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF ILLINOIS**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. Any provision of the Area Development Agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that the Area Development Agreement may provide for arbitration in a forum outside of Illinois.

2. Any condition, stipulation or provision of the Area Development Agreement requiring Area Developer to waive compliance with any provision of the Illinois Franchise Disclosure Act is void; therefore, the acknowledgments contained in Article 17 of the Area Development Agreement may be unenforceable against Area Developer.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p style="text-align:center">_____ Legal Name of Area Developer</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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ADDENDUM TO DEVELOPMENT AGREEMENT

(FOR THE STATE OF INDIANA)

This ADDENDUM TO DEVELOPMENT AGREEMENT (FOR THE STATE OF INDIANA) (“Addendum”) dated _____ (“Addendum Effective Date”) to the [Development Agreement], as amended], dated _____, and including any and all exhibits attached thereto (collectively, “Development Agreement”) between _____ (“Developer”) and FAMOUS DAVE’S OF AMERICA, INC., a Minnesota corporation (“Franchisor”) hereby amends the Development Agreement by the addition of the following language, which shall be considered an integral part of the Agreement. To the extent this Addendum contains terms and conditions that differ from those contained in the Development Agreement, this Addendum shall control. The parties agree that a concept or principle covered in this Addendum shall apply and be incorporated into all other provisions of the Development Agreement in which the concept or principle is also applicable, notwithstanding the absence of any specific cross-reference thereto. All capitalized terms not otherwise defined in this Addendum will have the same meanings ascribed to such terms in the Development Agreement.

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise development documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1-51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-27 (1985). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Indiana Deceptive Franchise Practices Act provides rights to Developer concerning non-renewal and termination of the Development Agreement. To the extent the Development Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. If the Developer is required in the Development Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule of order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgements shall be void with respect to claims under the Act.
- c. If the Development Agreement contains covenants not to compete upon expiration or termination of the Development Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.

- d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by Franchisor requires written consent of the Developer. If the Development Agreement contains provisions that are inconsistent with this requirement, the Act will control.
- e. If the Development Agreement requires litigation/arbitration to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act §§ 23-2.2.7(10).
- f. If the Development Agreement requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.
- g. The Indiana Deceptive Franchise Practices Act provides rights to Developer concerning the waiver of claims or rights. To the extent the Development Agreement contains a provision that is inconsistent with the Act, the Act will control.
- h. The Indiana Deceptive Franchise Practices Act provides rights to Developer concerning the time period to bring an action against the Franchisor. To the extent the Development Agreement contains a provision that is inconsistent with the Act, the Act will control.
- i. The Indiana Deceptive Franchise Practices Act prohibits the Franchisor from operating a substantially identical business to that of the Developer's within the Developer's territory, regardless of trade name. To the extent the Development Agreement contains a provision that is inconsistent with the Act, the Act will control.
- j. The Indiana Deceptive Franchise Practice Act excludes any indemnification for liability caused by the Developer's proper reliance on or use of procedures or materials provided by the Franchisor. To the extent the Development Agreement contains a provision that is inconsistent with the Act, the Act will control.
- k. If the Development Agreement requires goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories or services of comparable quality are available from sources other than those designated by the franchisor, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control. Providing a list of approved suppliers to comply with specifications and standards prescribed by Franchisor does not constitute designation of a source under the Indiana Deceptive Franchise Practices Act.

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

2. Indiana Code § 23-2-2.5-9(2) requires us to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 days prior to signing the Agreement; or (ii) 10 days prior to our receipt of any consideration.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Practices Act and the Indiana Franchises Act, with respect to each such provision, are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met. Except as set forth in this Addendum, the terms and provisions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, has duly executed and delivered this Addendum as of the Addendum Effective Date.

FRANCHISOR:

DEVELOPER:

**FAMOUS DAVE'S OF AMERICA, INC., a
Minnesota corporation**

By: _____

[Name, Title]

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF MARYLAND**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. Any release executed by Area Developer in accordance with Article 8.3(d) of the Area Development Agreement will not relieve Famous Dave’s of any liability under the Maryland Franchise Registration and Disclosure Law.

2. The consent by Area Developer to jurisdiction and venue in the State of Minnesota contained in Article 15.10 of the Area Development Agreement may be inapplicable; provided, however, that such inapplicability in the State of Maryland will not be construed to mean that venue in the State of Minnesota is improper, or that Area Developer, its officers, directors, Owners and the Personal Guarantors are not subject to jurisdiction in Minnesota, or in any other state.

3. The acknowledgments made by Area Developer contained in Article 17 of the Area Development Agreement will not be construed to act as a waiver of Area Developer’s rights under the Maryland Franchise Registration and Disclosure Law.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p style="text-align: center;">_____ Legal Name of Area Developer</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(FOR THE STATE OF MICHIGAN)

Section 445.1508(1) of the Michigan Franchise Investment Law requires franchisor to give you a copy of the Franchise Disclosure Document earlier of: (i) 10 business days prior to signing the Franchise Agreement; or (ii) 10 business days prior to franchisor's receipt of any consideration.

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

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

STATE OF MICHIGAN
DEPARTMENT OF THE ATTORNEY GENERAL
ATTENTION: FRANCHISE SECTION
P.O. BOX 30213
LANSING, MICHIGAN 48909
(517) 373-7117

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF MINNESOTA**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. Any release executed by Area Developer in accordance with Article 8.3(d) of the Area Development Agreement will not relieve Famous Dave’s of any liability under the Minn. Stat. §§ 80C.01 to 80C.22.
2. Article 9 of the Area Development Agreement is amended to require that in the event Famous Dave’s gives Area Developer written notice that Area Developer has breached a Franchise Agreement for a Famous Dave’s® Restaurant in the Territory, then if required by applicable Minnesota law, such written notice will be given to Area Developer at least 90 days prior to the date the Franchise Agreement is terminated by Famous Dave’s, and Area Developer will have 60 days after receipt of such written notice within which to correct the breach specified in the written notice.
3. Notwithstanding any provisions of the Area Development Agreement to the contrary, a court of competent jurisdiction will determine whether Famous Dave’s will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Famous Dave’s against Area Developer, the Owners or the Personal Guarantors.
4. Notwithstanding any provisions of the Area Development Agreement to the contrary, Area Developer will have up to three years after the cause of action accrues to bring an action against Famous Dave’s pursuant to Minn. Stat. §80C.17.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p>_____ Legal Name of Area Developer</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF NEW YORK**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

Article 8.3(d) of the Area Development Agreement is amended to provide that all rights enjoyed by Area Developer and any cause of action arising in its favor from the laws of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the nonwaiver requirements of General Business Law §687.4 and §687.5 be satisfied.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p style="text-align:center">_____ Legal Name of Area Developer</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF NORTH DAKOTA**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. The covenant not to compete upon termination or expiration of the Area Development Agreement contained in Article 12.3 of the Area Development Agreement may be unenforceable, except in certain circumstances provided by law.
2. Arbitration hearings will be conducted in Fargo, North Dakota, or at a mutually agreed upon location.
3. The consent by Area Developer to jurisdiction and venue in the State of Minnesota contained in Article 15.10 may be inapplicable; provided, however, that such inapplicability in the State of North Dakota will not be construed to mean that venue in the State of Minnesota is improper, or that Area Developer, its officers, directors, Owners and the Personal Guarantors are not subject to jurisdiction in the State of Minnesota, or in any other state.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

	Legal Name of Area Developer
By _____	By _____
Signature	Signature
_____	_____
Print Name	Print Name
Its _____	Its _____
Title	Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF RHODE ISLAND**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

Any provision of the Area Development Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

By _____
Signature

Print Name
Its _____
Title

Legal Name of Area Developer
By _____
Signature

Print Name
Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF SOUTH DAKOTA**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. The covenant not to compete upon termination or expiration of the Area Development Agreement contained in Article 12.3 of the Area Development Agreement may be unenforceable, except in certain circumstances provided by law.
2. Arbitration hearings will be conducted in Sioux Falls, South Dakota, or at a mutually agreed upon location.
3. Any provision of the Area Development Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires Area Developer to agree to jurisdiction or venue in a forum outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.
4. Any provisions of the Area Development Agreement which require that actions be commenced within one year and that limit the parties’ rights to recover punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p>_____ Legal Name of Area Developer</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF VIRGINIA**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

Pursuant to Section 13.1–564 of the Virginia Retail Franchising Act, it is unlawful for Famous Dave’s to cancel the Franchise without reasonable cause, and any ground for default or termination stated in the Area Development Agreement that is not “reasonable cause,” as that term is defined in the Virginia Retail Franchising Act, that provision is not unenforceable.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

<p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>	<p style="text-align:center">_____ Legal Name of Area Developer</p> <p>By _____ Signature</p> <p>_____ Print Name</p> <p>Its _____ Title</p>
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**ADDENDUM TO
FAMOUS DAVE'S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF WASHINGTON**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. 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 area development agreement, a franchisee or area developer 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. A release or waiver of rights executed by a franchisee or area developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Assignment or transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. 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.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Area Developer

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title

**ADDENDUM TO
FAMOUS DAVE’S OF AMERICA, INC.
AREA DEVELOPMENT AGREEMENT
FOR STATE OF WISCONSIN**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “Addendum”) is made, entered into, and effective this ___ day of _____, 20___, by and between Famous Dave’s of America, Inc., a Minnesota corporation (“Famous Dave’s”), and _____, a(n) _____ (“Area Developer”), to amend and revise certain provisions of the Area Development Agreement between Famous Dave’s and Area Developer, dated the same date as this Addendum (the “Area Development Agreement”), as follows:

If applicable, the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of the Area Development Agreement.

To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Area Development Agreement, the terms of this Addendum will govern. All other terms and conditions of the Area Development Agreement will remain unchanged and as originally written.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it is effective as of the date first above written.

FAMOUS DAVE’S OF AMERICA, INC.

Legal Name of Area Developer

By _____
Signature

By _____
Signature

Print Name

Print Name

Its _____
Title

Its _____
Title