

FRANCHISE DISCLOSURE DOCUMENT

AROOGA'S FRANCHISING, LP

a Pennsylvania limited partnership

1591 S. 19th Street

Harrisburg, Pennsylvania 17104

(717) 635-9464

www.aroogas.com



As a franchisee, you will operate an Arooga's restaurant featuring chicken wings with a variety of toppings and sauces, along with other appetizers, salads, burgers and sandwiches, for dine-in, take-out, delivery and catering.

The total investment necessary to begin operation of an Arooga's franchise is \$1,277,000 to \$3,564,250 for an Arooga's Grille House & Sports Bar and \$352,000 to \$680,250 for an Arooga's Wing Shack. This includes between \$97,500 to \$191,500 that must be paid to the franchisor and/or its affiliate for an Arooga's Grille House & Sports Bar and \$42,500 to \$88,500 that must be paid to the franchisor and/or its affiliate for an Arooga's Wing Shack.

The total investment necessary to begin operation of an Arooga's multi-unit development business ranges from \$1,334,000 to \$3,672,250 for a minimum of four Arooga's Grille House & Sports Bar and \$409,000 to \$737,500 for an Arooga's Wing Shack. This includes \$105,000 that must be paid to the franchisor and/or its affiliate for an Arooga's Grille House & Sports Bar and \$55,000 that must be paid to the franchisor and/or its affiliate for an Arooga's Wing Shack.

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 the disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Keith Swade at 1591 S. 19th Street, Harrisburg, Pennsylvania 17104.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also

visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 11, 2022

How to Use this Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit operator agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. Out-of-state 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 Pennsylvania than in your own state.
2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your 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, perhaps including your house, at risk if your franchise fails.
3. **Minimum Royalty.** You must make minimum royalty and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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

TABLE OF CONTENTS

ITEM 1	1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2	6
BUSINESS EXPERIENCE	6
ITEM 3	7
LITIGATION	7
ITEM 4	7
BANKRUPTCY	7
ITEM 5	7
INITIAL FEES	7
ITEM 6	9
OTHER FEES	9
ITEM 7	19
ESTIMATED INITIAL INVESTMENT	19
ITEM 8	26
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	26
ITEM 9	30
FRANCHISEE'S OBLIGATIONS	30
ITEM 10	32
FINANCING	32
ITEM 11	32
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	32
ITEM 12	44
TERRITORY	44
ITEM 13	48
TRADEMARKS	48
ITEM 14	50
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	50
ITEM 15	51
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS	51
ITEM 16	52
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	52
ITEM 17	53
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	53
ITEM 18	61

PUBLIC FIGURES	61
ITEM 19	61
FINANCIAL PERFORMANCE REPRESENTATIONS	61
OUTLETS AND FRANCHISEE INFORMATION	70
ITEM 21	73
FINANCIAL STATEMENTS	73
ITEM 22	73
CONTRACTS	73
ITEM 23	73
RECEIPTS	73

EXHIBITS

- A – Financial Statements
- B – Multi-Unit Franchise Agreement
- C – Franchise Agreement
- D – List of Current and Former Franchisees
- E – Table of Contents of Operations Manual
- F – State Specific Addendum
- G – List of State Administrators/Agents for Service of Process
- H – Form of General Release
State Effective Dates Page
- I – Receipts

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

The Franchisor

Arooga's Franchising, LP (referred to in this Disclosure Document as "Arooga's," "we," "us," or "our" and where the context requires also includes our parent, our general partner and our affiliates) was formed as a Pennsylvania limited partnership on November 20, 2009. Our general partner is Arooga's Franchise Management, LLC, a Pennsylvania limited liability company formed on November 20, 2009 which is headquartered at our address. Our principal place of business is 1591 S. 19th Street, Harrisburg, Pennsylvania 17104 and we do business under our corporate name and the Proprietary Marks as described below. In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as "you," "your," or "franchisee," which includes all franchise owners and partners if you are a corporation, partnership or other entity.

We do not own or operate any businesses of the type being franchised. We have not offered franchises in any other line of business and we do not engage in any other business activity. We began offering franchises in July 2010.

Our agents for service of process are listed in Exhibit G.

Under this Disclosure Document we offer multi-unit development opportunities only.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor.

The following of our affiliates (including general partners of the limited partnerships) provide products or services to our franchisees:

- ◆ Arooga's Sauces, LP, a Pennsylvania limited partnership headquartered at our address ("Arooga's Sauces"). Arooga's Sauces does not own or operate a business of the type being franchised. Arooga's Sauces is the manufacturer of certain proprietary items you must use in your Restaurant. You will purchase these proprietary items through Sysco, and not from Arooga's Sauces directly. Arooga's Sauces' general partner is Arooga's Sauce Management, LLC, a Pennsylvania limited liability company;
- ◆ Arooga's Grille House & Sports Bar Holdings, LP, a Pennsylvania limited partnership headquartered at our address ("Arooga's Holdings"). Arooga's Holdings does not own or operate a business of the type being franchised. Arooga's Holdings owns the Proprietary Marks (described below) and is an approved supplier for certain equipment and products used in Arooga's Restaurants. Arooga's Holdings' general partner is Arooga's Management, LLC;
- ◆ Scratch Made Awesomeness, LP, a Pennsylvania limited partnership headquartered at 1591 South 19th Street, Harrisburg, Pennsylvania ("Scratch"). Scratch Made

Awesomeness, LP was formed February 3, 2011. It was formerly known as Arooga's Liquid Assets, LP (from February 3, 2011 to October 6, 2014) and also Arooga's Manufacturing, LP (from October 6, 2014 to May 6, 2015). The ownership of Scratch Made Awesomeness, LP is Mike Murphy and Gary Huether each as 49.5% limited partners and Scratch Made Awesomeness Management, LLC as the 1% general partner. Scratch is our commissary company which will be manufacturing menu items such as Crab Pretzel and proprietary breaded appetizers which will be sold to US Foods Systems, our designated distributor for distribution to both corporate and franchise locations;

- ◆ Scratch Made Awesomeness Management, LLC, a Pennsylvania Limited Liability Company, was formed February 3, 2011. It was formerly known as Arooga's Liquid Assets Management, LLC (February 3, 2011 to October 6, 2014) and also Arooga's Manufacturing Management, LLC (October 6, 2014 to May 6, 2015). The ownership of Scratch Made Awesomeness Management, LLC is 50% Gary Huether and 50% Mike Murphy.

We have operated, through affiliates, Arooga's restaurants since 2008. We currently own and operate 8 Arooga's restaurants in Pennsylvania.

None of our affiliates offer franchises in this or any other line of business.

Description of Franchise

We grant franchises for the right to operate a casual restaurant featuring chicken wings with our award-winning proprietary sauces, along with other appetizers, entrees and beverages using the Arooga's trademarks and logos and our distinctive operating procedures and standards in a limited protected territory and from a specific location (the "Restaurant" or "Franchised Business"). We offer two outlet models:

- An Arooga's Grille House & Sports Bar that is a full-service casual restaurant and bar establishment that will have a sports entertainment theme and will offer lunch and dinner menus to include on-premises dining and carry-out, along with delivery and catering. The menu features chicken wings served with award winning proprietary sauces, sandwiches, cheesesteaks, salads, strombolis, and other American fare. An Arooga's Grille House & Sports Bar always provides "a view of every game from every seat" and offers a great selection of non-alcoholic and alcoholic beverages, including 40 craft beers and micro-brews and proprietary liquor.
- An Arooga's Wing Shack is a fast casual restaurant that will offer lunch and dinner menus to include limited on-premises dining and carry-out, along with catering. The menu features chicken wings served with award winning proprietary sauces, hand-breaded chicken tenders and sandwiches, along with an assortment of appetizers and side dishes. An Arooga's Wing Shack is not required to serve alcohol but may do so, provided that the required licenses, training and certifications are obtained.

The Restaurants are open for lunch, dinner and late night, and are certified by the Green Restaurant Association (www.dinegreen.com) for meeting requirements relating to water efficiency, waste reduction and recycling, sustainable furnishings and building materials, energy, disposables, and other standards.

Each Restaurant offers free WiFi. The Arooga's Grille House & Sports Bar also offers free Buzztime Trivia.

Each Arooga's Restaurant will operate under the trademark "Arooga's Grille House & Sports Bar" or "Arooga's Wing Shack", and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the "Marks" or "Proprietary Marks".

Arooga's Restaurants are operated under the Marks and the System in accordance with the terms of the Franchise Agreement. The Restaurants are generally located within multi use developments, lifestyle centers, and urban locations, including strip shopping malls and free-standing locations. An Arooga's Grille House & Sports Bar is typically approximately 3,000 to 8,000 square feet in size, and an Arooga's Wing Shack is 1,500 to 2,500 square feet in size.

The Restaurants are established and operated under a comprehensive and unique system (the "System"). The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of purchase and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and the Manuals, which you should expect to evolve over time, that are provided to you as a franchisee (described in Item 11).

Franchise Agreement

We offer the right to establish and operate an Arooga's restaurant under the terms of a franchise agreement for each restaurant within a specific Territory (the "Franchise Agreement"). Our current form of Franchise Agreement is Exhibit C to this Disclosure Document. If you elect to open an Arooga's Wing Shack, you will also sign the Arooga's Wing Shack Addendum to the Franchise Agreement labeled as Attachment 10 of the Franchise Agreement. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee's Principals (referred to in this Disclosure Document as "your Principals"). The Franchise Agreement is signed by us, by you, and by those of your Principals whom we designate as Controlling Principals. In most instances, we will designate your principal equity owners and executive officers, and certain affiliated entities as Controlling Principals. By signing the Franchise Agreement, your Controlling Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements.

You must designate a general manager or "Head Coach" who will be the main individual responsible for your business. We recommend, but do not require, that you be the Head Coach. Your Head Coach does not have to own an equity interest in you. The Head Coach must sign

covenants to maintain the confidentiality of information he/she learns while employed as your Head Coach, and your Head Coach must sign non-competition covenants.

Multi-Unit Franchise Agreement

We will now offer the right to enter into a Multi-Unit Franchise Agreement with a minimum of three locations in the form attached as Exhibit B to this Disclosure Document (the “Multi-Unit Franchise Agreement”) with three franchised Restaurants to be located within a specifically described geographic territory (the “Designated Area”). We will determine the Designated Area before you sign the Multi-Unit Franchise Agreement and it will be included in the Multi-Unit Franchise Agreement. You must establish a minimum of three Restaurants within the Designated Area according to a minimum performance schedule, and you must sign a separate Franchise Agreement for each Restaurant established under the Multi-Unit Franchise Agreement. The Franchise Agreement for the first Restaurant developed under the Multi-Unit Franchise Agreement will be in the form attached as Exhibit C to this Disclosure Document. For each additional Restaurant developed under the Multi-Unit Franchise Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees which may differ from the current Franchise Agreement included with this Disclosure Document. The size of the Designated Area will vary depending upon local market conditions and the number of Restaurants to be developed.

Market and Competition

The market for restaurants in general is well developed and intensely competitive, particularly in the “sports bar” segment. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. We may establish other Restaurants in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, which may be located in your area. See Items 12 and 16 for a description of your permitted activities and your rights, and our permitted and restricted activities and rights.

Industry Regulations

The restaurant industry is heavily regulated. A wide variety of Federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Restaurant, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Restaurant’s premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and (e) regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Restaurant and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally have particular applicability to restaurants. All Restaurants must comply with federal, state and local laws applicable to the operation and licensing of a restaurant business, including obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service operations. If applicable to your Restaurant, the Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You should consider these laws and regulations when evaluating your purchase of a franchise.

You also must offer wine, beer and other alcoholic beverages for sale at your Restaurant, unless we permit you to operate a Franchised Restaurant that does not offer alcoholic beverages. You must comply with any federal, state, county, municipal, or other local laws and regulations relating to alcohol and liquor that may apply to your Franchised Restaurant. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Restaurant. You must obtain any applicable real estate permits (such as zoning), real estate licenses, liquor licenses and operational licenses.

You must have your license to offer alcoholic beverages before you open the Restaurant. The difficulty and cost of obtaining a liquor license and the procedures 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. Your staff must receive any training required by your state or municipality related to alcohol management (also referred to as “TIPS training”). If permitted by state or local law, you may also sell organic cigarettes at your Restaurant. You must obtain any additional permits or licenses required to offer and sell cigarettes. For both alcohol and cigarettes, you must comply with all applicable minimum age requirements.

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 particulate matters, including caps on emissions from commercial food preparation. Some state and local governments have also adopted, or are considering proposals, that would regulate indoor air quality, including the limitation of smoking tobacco products in public places such as restaurants.

Each of your managers and other employees we designate must be ServSafe certified. Your Restaurant must continually meet the standards required to be a Certified Green Restaurant, which requires yearly education and full-scale recycling program.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional

label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Restaurant, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Restaurant. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments.

ITEM 2 **BUSINESS EXPERIENCE**

Co-Founder – Gary Huether, Jr.

Mr. Huether has been our President & Co-Founder since our inception in July 2008, and he has been Member of every one of our affiliates since their respective inceptions dating back to March 2007. Mr. Huether has been a Member of our affiliates Arooga's Sauces LP & LLC of Harrisburg, Pennsylvania and Arooga's Holdings LP & LLC of Harrisburg, Pennsylvania since their respective inceptions.

Co-Founder – Mike Murphy

Mr. Murphy has been a Co-Founder since November 2009, and he has been a Member of our affiliates Arooga's Sauces LP & LLC of Harrisburg, Pennsylvania and Arooga's Holdings LP & LLC of Harrisburg, Pennsylvania since their respective inceptions.

Director of Franchise Development- Keith Swade

Mr. Swade has been Director of Franchise Development since March 2013. Prior to joining Arooga's, Mr. Swade was the CEO and Co-founder of Foodservice Marketing Associates located in Montgomeryville, PA from September 1986 to February 2013.

Operations Manager – Tina Mosdal

Ms. Mosdal has been Operations Manager since March 2013 for our affiliate owned Restaurants. She has been with our affiliate owned Restaurants in Harrisburg and Mechanicsville, Pennsylvania since July 2008 and has served in variety of capacities, including Bartender, Assistant General Manager and General Manager.

Executive Chef – Tony Dawood

Mr. Dawood has been Executive Chef for our affiliate owned Restaurants since March 2007. He has been a Member of our affiliate Arooga's Sauces LP and LLC of Harrisburg, Pennsylvania since August 2009. Mr. Dawood is also the creator of Arooga's Original Recipe Sauces which have won five National Awards.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

Franchise Agreement: We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is Forty-Nine Thousand Five Hundred Dollars (\$49,500.00) for an Arooga's Grille House & Sports Bar, or Twenty-Nine Thousand Five Hundred Dollars (\$29,500.00) for an Arooga's Wing Shack. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement.

The Initial Franchise Fee is not refundable, except we will refund the Initial Franchise Fee for the purchase of an Arooga's Grille House & Sports Bar in the following circumstances:

- you are unable to find a location that meets with our criteria contained in our Site Approval Guidelines;
- we determine that the reserved trade area is no longer viable;
- we determine, in our sole judgment, that circumstances beyond your control prevented you from securing a site during the four month period from the date you sign a Letter of Intent for your lease;
- construction of your Restaurant cannot be completed for no more than \$3,687,250.

Only in these circumstances, we will refund the Initial Franchise Fee to you, minus our expenses, up to a maximum of \$5,000. You must sign any documents we require, including a general release and a confidentiality and non-competition agreement, before any money will be refunded to you.

Discount We Offer: If you are a qualified, honorably discharged United States Veteran, we will discount the initial franchise fee by \$7,500 for your first Restaurant only.

Grand Opening: All advertisements proposed to be used in the grand opening advertising campaign are subject to our review and approval. At our request if we do not approve your campaign, you must give us the money for your grand opening advertising campaign and we will conduct the campaign on your behalf. We estimate that the cost of your grand opening advertising campaign will be between \$10,000 to \$25,000 for an Arooga's Grille House & Sports Bar and between \$5,000 and \$15,000 for an Arooga's Wing Shack.

Initial Purchases: You must purchase from our affiliate, Arooga's Holdings, logoed apparel, logoed merchandise, marketing materials, logoed glassware, and logoed paper goods. We estimate that the cost of your initial inventory of these items will be approximately \$5,000 - \$7,000. This amount is not refundable.

Site Evaluation: You must pay/reimburse us for travel and related expenses to visit your market and approve selected sites for your Restaurant. These expenses are estimated to be \$500 to \$7,000 for an Arooga's Grille House & Sports Bar, and \$500 to \$4,000 for an Arooga's Wing Shack.

Site Development Fee: You must pay to us a fee of between \$2,500 and \$5,000 within 30 days after you have executed a lease or purchase agreement. This fee covers our cost in assisting you with developing your site. If the site is less than a 5-hour drive from Harrisburg, PA, the fee shall be \$2,500, otherwise the fee will be \$5,000. This fee covers up to 4 site visits. Any additional visits will be invoiced at \$250 per visit plus the cost of travel, lodging and food expenses for our staff. Auto reimbursement (per mile) for locations within 300 miles of Harrisburg, PA or airfare for locations more than 300 miles from Harrisburg, shall be billed to you. The cost of hotels shall be invoiced (local that are 3.5 star or above, select service) and \$60 per day for meals.

Multi-Unit Franchise Agreement: When you enter into a Multi-Unit Franchise Agreement, you must commit to develop a minimum of four Franchised Restaurants within the Designated Area. You will pay the full Initial Franchise Fee for the first Restaurant you commit to develop, and for each additional Restaurant you commit to develop, the initial franchise fee will be \$37,000 for each an Arooga's Grille House & Sports Bar and \$17,000 for each additional Arooga's Wing Shack. When you sign the Multi-Unit Franchise Agreement, you must pay to us a lump sum, nonrefundable Development Fee equal to the full Franchise Fee for the first Restaurant and one-half of the second and third to be developed under the Multi-Unit Franchise Agreement. For example, when you commit to develop four Arooga's Grille House & Sports Bar Restaurants, the Development Fee is calculated as $\$49,500 + (\$37,000 + \$37,000 + \$37,000) \div 2 = \$105,000$, and when you commit to develop four Arooga's Wing Shack Restaurants, the Development Fee is calculated as $\$29,500 + (\$17,000 + \$17,000 + \$17,000) \div 2 = \$55,000$

We expect that you will sign the Franchise Agreement for your first Restaurant at the same time you sign the Multi-Unit Franchise Agreement, and we will apply a portion of the Development Fee to pay in full the initial franchise fee for your first Restaurant. For each additional Restaurant you develop under the Multi-Unit Franchise Agreement, the remainder of the initial franchise fee due is payable to us in a lump sum not later than 90 days before the opening of the Restaurant.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Restaurant opens for business.

ITEM 6
OTHER FEES

Fees ⁽¹⁾	Amount	Due Date	Remarks
Royalty Fee ⁽²⁾	<u>Grille House & Sports Bar:</u> 5% of Gross Sales, with a minimum monthly royalty of \$5,000 <u>Wing Shack:</u> 6% of Gross Sales, with a minimum monthly royalty of \$5,000	Payable weekly on Tuesday (unless Tuesday is not a business day, then it is due on the next business day)	Royalty Fees are calculated based on Gross Sales for the previous week ending Sunday. Amounts due will be withdrawn by EFT from your designated bank account. No royalties are paid until the restaurant begins operation. If the restaurant is not open and operating within 12 months of signing the Franchise Agreement, the minimum royalty payment will be due beginning in the 13th month.
Brand Development Fund ⁽³⁾	<u>Grille House & Sports Bar:</u> 1% of Gross Sales <u>Wing Shack:</u> 2% of Gross Sales	Payable together with the Royalty Fee	You must contribute to the Arooga's Brand Development Fund, which is described in Item 11. Amounts due will be withdrawn by EFT from your designated bank account.
Local Advertising	2% of Gross Sales	Must be spent monthly	You will spend this money directly with your local advertising vendors. All advertising must be approved by us before you use it.

Fees ⁽¹⁾	Amount	Due Date	Remarks
Cooperative Advertising ⁽⁴⁾	As determined by Cooperative, but not more than 2% of Gross Sales	As determined by Cooperative	If an advertising cooperative is formed for your area, you must join the cooperative. Any money you contribute to a cooperative will count toward your local advertising requirement. Amounts due will be withdrawn by EFT from your designated bank account.
Initial Training (For New or Replacement Employees)	Our then-current per person training fee, plus expenses Current per person training fee = \$3,500 for Head Coach or Manager or \$2,000 for other employees	Before Training	The initial franchise fee includes training for the first five people. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages
Additional On-Site Training	Our then-current pro-rated salary per trainer, plus expenses	When billed	If you request that we provide additional training at your Restaurant, you must pay our pro-rated salary for each trainer we send to your Restaurant, and you must reimburse each trainer's expenses, including travel, lodging and meals
Interest	18% per annum or the highest rate allowed by applicable law	On demand	Interest may be charged on all overdue amounts. Interest will accrue from the original due date until payment is received in full

Fees ⁽¹⁾	Amount	Due Date	Remarks
POS, Kiosk, Menu Boards, and To-go Lockers	\$2,000-\$3,000	On demand	Fees charged by our supplier that are to be paid up front.
Audit Fee	Cost of audit (estimated to be between \$1,000 and \$5,000)	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest
Prohibited Product or Service Fine	\$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us
Hiring Practices Fine	\$50,000 flat fee	If a violation occurs	This fine is imposed if you hire an employee who is currently employed by us.
Transfer Fee – Franchise Agreement	50% of our then-current initial franchise fee	Submitted with transfer application	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Transfer Fee – Multi-Unit Franchise Agreement	\$20,000	Submitted with transfer application	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Renewal (Franchise Agreement)	50% of our then-current initial franchise fee	Six months before the expiration of the Franchise Agreement	

Fees ⁽¹⁾	Amount	Due Date	Remarks
Product and/or Supplier Evaluation	Up to \$1,500	On demand	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use in your Restaurant. Amounts due will be withdrawn by EFT from your designated bank account.
Liquidated Damages	See footnote 5		
Point of Sale Maintenance Fee	\$1,250	Annually	
Website Fee	\$1,000	Annually	Payable to us or our approved supplier. This fee is for annual maintenance of the web page we will create for you on our website. Amounts due will be withdrawn by EFT from your designated bank account.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement. Amounts due will be withdrawn by EFT from your designated bank account.

Fees ⁽¹⁾	Amount	Due Date	Remarks
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the trademarks in an unauthorized manner. Amounts due will be withdrawn by EFT from your designated bank account.
Gift Cards& Loyalty Program	See note 6		
ServSafe and/or TIPS Certification	\$150 per person or the then-current fee	As incurred	Each of your managers and other employees we designate must be ServSafe and/or TIPS (or similar) certified within 60 days of hiring. This fee is payable to the approved supplier.
Certified Green Restaurant	\$500 - \$750	Annually	Your Restaurant must be Certified Green, and you must maintain this certification. Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Insurance	Reimbursement of our costs	On demand, if incurred	If you do not maintain the insurance coverage's that we require we may, but are not required to, obtain insurance on your behalf

Fees ⁽¹⁾	Amount	Due Date	Remarks
Management Fee	5% of Gross Sales, plus expenses (including but not limited to Travel, Hotel, and Food per diem)	On demand, if incurred	We have the right to step in and operate your Restaurant in certain circumstances, including your death, disability or prolonged absence. Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Enforcement Costs	Will Vary	As incurred	You must pay our costs of enforcement(including attorney's fee and costs) if you do not comply with the Franchise Agreement. If we see no action on issues that tarnish our brand image or otherwise breach the Franchise Agreement we reserve the right to engage our own lawyers at your expense to work on compliance. We will collect reimbursement from you by EFT for their fees.
Fines	Up to \$1,000 per infraction	Upon notice of infraction. Will be collect by EFT.	Failure to operate in accordance with operating standard. See Note 7. Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Insufficient Funds	\$50 plus any fee charged us for uncollected funds	Upon notice	Failure to have sufficient funds available for payments to us

Fees ⁽¹⁾	Amount	Due Date	Remarks
Unapproved Advertising Fines	1 st infraction: \$250 2 nd Infraction: \$500 3 rd infraction: \$1,000	Upon notice of infraction.	See Section 8 of the Franchise Agreement for requirement on approval of advertising you develop. These fines would apply to any advertising materials or techniques used without following the procedures outlined in the Agreements. Any fines is in addition to other remedies under franchise agreement. Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Failure to Attend Required Training/Convention	Increase royalty up to 1% for balance of calendar year	Upon notice of infraction.	Additional royalty to compensate us for your failure to attend training/convention. Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Brand Excellence Inspection Fees	Up to \$1,000 (For location within 250 miles of Harrisburg, PA) Up to \$2000 (If your location is more than 250 miles of Harrisburg, PA plus travel expenses.	Quarterly	If you fail your brand inspection at 70% or lower and we come out for a re inspection you will be charged a fee. Plus travel expenses to include hotel, travel, and food per diem. Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account..

Fees ⁽¹⁾	Amount	Due Date	Remarks
Delinquent Performance Reports Fee	\$500 fee, plus \$50 per day		Fee for failing to submit monthly Performance Reports to the Franchisor on time. You will be charged until the report is received by the Franchisor
Initial Marketing Expense	\$ 10,000 - \$25,000	Prior to and during the opening of your restaurant.	These are additional promotional expenses for the opening of your restaurant . All grand opening marketing materials must be approved by Arooga's Franchising. You may also have Arooga's Franchising assist in the opening marketing program and you can reimburse us through a EFT from your designated bank account.
Third Party Vendor Charges	Your share of any charges billed to Arooga's on behalf of your business.	Net 15 Days from Billing	Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Business Directory Listings	Your share of any charges billed to Arooga's on behalf of your business.	On Demand	Amounts due are payable to Arooga's Franchising LP. and will be withdrawn by EFT from your designated bank account.
Paytronix	\$189.00	Monthly	Amount is payable directly to Paytronix for order, delivery and loyalty programs
Olo	\$250.00 \$125.00	Set Up Fee Monthly Fee	Amount is payable directly to Olo for third party delivery services
RASI	\$165.00	Weekly	Paid directly to RASI for accounting services

Fees ⁽¹⁾	Amount	Due Date	Remarks
Decision Logic	\$125.00	Monthly	Paid directly to Decision Logic for inventory and scheduling services

Notes:

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us or our approved supplier. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.

2. For the purposes of determining the royalties to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Restaurant (including income related to catering and delivery activities, and any sales or orders of food products or food preparation services provided from or related to the Restaurant), whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes the following:

(a) Receipts from the sale of any products from pre-approved vending machines located at the Restaurant, except for any amount representing your share of the revenues;

(b) Sums representing sales taxes collected directly from customers, based on present or future laws of federal, state or local governments, collected by you in the operation of the Restaurant, and any other tax, excise or duty which is levied or assessed against you by any federal, state, municipal or local authority, based on sales of specific merchandise sold at or from the Restaurant, provided that the taxes are actually transmitted to the appropriate taxing authority; and

(c) Proceeds from isolated sales of trade fixtures not constituting any part of your products and services offered for resale at the Restaurant nor having any material effect on the ongoing operation of the Restaurant required under the Franchise Agreement.

We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us. The royalty fee will be withdrawn from your designated bank account by electronic funds transfer ("EFT") weekly on Tuesday based on Gross Sales for the preceding week ending Sunday. If you do not report the Restaurant's Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development contribution that we debited. If the Royalty Fee and Brand Development contribution we debit are less than the fees you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fund contribution we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following week.

If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.

If a state or local law applicable to your Restaurant prohibits or restricts in any way your ability to pay Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then the percentage rate for calculating Royalty Fees shall be increased, and the definition of Gross Sales shall be changed to exclude sales of alcoholic beverages, so that the Royalty Fees to be paid by you shall be equal to the amounts you would have had to pay if sales from alcoholic beverages were included in Gross Sales. For example, if you generated \$1,000 in Gross Sales, of which \$200 is from the sale of alcoholic beverages, then your weekly Royalty Fee is \$50 ($5\% \times \$1,000$). If you are not permitted by law to pay Royalty Fees on the sale of alcoholic beverages, then we must recalculate your royalty percentage so that you still pay the full Royalty Fee. In our example, we must deduct \$200 from the Gross Sales and raise your royalty percentage to 6.25% so that we may collect the same \$50 Royalty Fee ($\$1,000 - \$200 = \$800 \times 6.25\% = \$50$).

3. We will establish and administer a national Brand Development Fund on behalf of the System (see Item 11) to provide national or regional creative materials for the benefit of the System.

4. Cooperatives will include all franchised Restaurants and Restaurants owned by us or our affiliates located in designated geographic areas. Each Restaurant has one vote in the cooperative. No Cooperatives have been established as of the date of this Disclosure Document.

5. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

6. You must participate in our Gift Card program, which allows a Gift Card that is purchased at any Restaurant to be redeemed at any other Restaurant in the System.

7. Fines can be imposed if you fail to comply with system standards. In particular, if you fail to submit the required financial reports by the 7th day of the following month, we will assess a penalty of \$500.00 and an administrative fee of \$50.00 per day until the required reporting is received.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(Arooga's Grille House & Sports Bar)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$49,500	Lump Sum or Installments	At the Signing of the Franchise Agreement	Us/Area Representative
Reimbursement of Expenses for Opening Team ⁽¹⁾	\$30,000 to \$100,000	Lump Sum	Within 10 days After Invoice	Us
Leasehold Improvements ⁽²⁾	\$400,000 to \$1,000,000	As Arranged	As Arranged	Independent Contractors
Lease Payments – 3 Months ⁽³⁾	\$30,000 to \$120,000	As Arranged	As Arranged	Landlord
Security Deposits ⁽⁴⁾	\$7,000 to \$20,000	As Arranged	As Arranged	Landlord, Utility Companies
Equipment, Furnishings and Fixtures ⁽⁵⁾	\$400,000 to \$800,000	As Arranged	As Arranged	Approved Suppliers
Audio/Video Equipment ⁽⁵⁾	\$100,000 to \$200,000	As Arranged	As Arranged	Approved Suppliers
Signage ⁽⁶⁾	\$20,000 to \$60,000	As Arranged	As Arranged	Approved Suppliers
Initial Inventory ⁽⁷⁾	\$30,000 to \$65,000	As Arranged	As Incurred	Approved Suppliers and Arooga's Holdings
Blue Prints and Plans ⁽⁸⁾	\$25,000 to \$75,000	As Arranged	As Arranged	Architect or Engineer
Point of Sale System ⁽⁹⁾	\$40,000 to \$50,000	As Arranged	As Arranged	Approved Suppliers

Travel, lodging and meals for initial training ⁽¹⁰⁾	\$15,000 to \$60,000	As Arranged	As Incurred	Airlines, Hotels and Restaurants
Insurance – 3 Months ⁽¹¹⁾	\$20,000 to \$75,000	As Arranged	As Arranged	Insurance Companies
Grand Opening Advertising ⁽¹²⁾	\$15,000 to \$30,000	As Arranged	As Arranged	Suppliers or Us
Licenses and Permits ⁽¹³⁾	\$5,000 to \$700,000	As Arranged	As Arranged	Government Agencies
Professional Fees ⁽¹⁴⁾	\$5,000 to \$20,000	As Arranged	As Arranged	Accountant; Attorney
Green Restaurant Certification	\$500- \$750	As Arranged	As Arranged	Approved Supplier
Additional Funds – 3 Months ⁽¹⁵⁾	\$75,000 to \$100,000	As Arranged	As Arranged	Approved Supplier
Monthly Support Services Set Up Fees ⁽¹⁶⁾	\$7,000-\$27,000	As Arranged	As Arranged	Approved Supplier
Site Evaluation ⁽¹⁷⁾	\$500 to \$7,000	As Arranged	As Arranged	Us
Site Development ⁽¹⁸⁾	\$2,500 to \$5,000	As Arranged	As Arranged	Us
TOTAL	\$1,277,000 - \$3,564,250			

YOUR ESTIMATED INITIAL INVESTMENT
(Arooga's Wing Shack)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$29,500	Lump Sum or Installments	At the Signing of the Franchise Agreement	Us/Area Representative
Reimbursement of Expenses for Opening Team ⁽¹⁾	\$10,000 to \$30,000	Lump Sum	Within 10 days After Invoice	Us
Leasehold Improvements ⁽²⁾	\$75,000 to \$150,000	As Arranged	As Arranged	Independent Contractors

Lease Payments – 3 Months ⁽³⁾	\$6,000 to \$25,000	As Arranged	As Arranged	Landlord
Security Deposits ⁽⁴⁾	\$5,000 to \$10,000	As Arranged	As Arranged	Landlord, Utility Companies
Equipment, Furnishings and Fixtures ⁽⁵⁾	\$125,000 to \$200,000	As Arranged	As Arranged	Approved Suppliers
Audio/Video Equipment ⁽⁵⁾	\$10,000 to \$20,000	As Arranged	As Arranged	Approved Suppliers
Signage ⁽⁶⁾	\$10,000 to \$20,000	As Arranged	As Arranged	Approved Suppliers
Initial Inventory ⁽⁷⁾	\$15,000 to \$25,000	As Arranged	As Incurred	Approved Suppliers and Arooga's Holdings
Blue Prints and Plans ⁽⁸⁾	\$10,000 to \$35,000	As Arranged	As Arranged	Architect or Engineer
Point of Sale System ⁽⁹⁾	\$10,000 to \$15,000	As Arranged	As Arranged	Approved Suppliers
Travel, lodging and meals for initial training ⁽¹⁰⁾	\$10,000 to \$20,000	As Arranged	As Incurred	Airlines, Hotels and Restaurants
Insurance – 3 Months ⁽¹¹⁾	\$10,000 to \$25,000	As Arranged	As Arranged	Insurance Companies
Grand Opening Advertising ⁽¹²⁾	\$10,000 to \$20,000	As Arranged	As Arranged	Suppliers or Us
Licenses and Permits ⁽¹³⁾	\$1,000 to \$4,000	As Arranged	As Arranged	Government Agencies
Professional Fees ⁽¹⁴⁾	\$1,000 to \$7,000	As Arranged	As Arranged	Accountant; Attorney
Green Restaurant Certification	\$500- \$750	As Arranged	As Arranged	Approved Supplier
Additional Funds – 3 Months ⁽¹⁵⁾	\$10,000 to \$30,000	As Arranged	As Arranged	Approved Supplier
Monthly Support Services Set Up Fees ⁽¹⁶⁾	\$1,000-\$5,000	As Arranged	As Arranged	Approved Supplier
Site Evaluation ⁽¹⁷⁾	\$500 to \$4,000	As Arranged	As Arranged	Us

Site Development ⁽¹⁸⁾	\$2,500 to \$5,000	As Arranged	As Arranged	Us
TOTAL	\$352,000 - \$680,250			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

Notes:

1. ***Initial Franchise Fee; Reimbursement of Expenses for Opening Team.*** The initial fees due under a Franchise Agreement and Multi-Unit Franchise Agreement are discussed in Item 5. After your Restaurant has opened, we will bill you for the expenses our opening team incurs while providing opening assistance. Your costs for the opening team's prorated salaries and expenses may be higher if your opening is delayed and must be rescheduled or if your location requires air travel by our team.

2. ***Leasehold Improvements.*** The cost of leasehold improvements will vary depending on numerous factors, including: (i) the size and configuration of the premises; (ii) pre-construction costs (e.g., demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Restaurant. These amounts are based on the cost of adapting our prototypical architectural and design plans to remodel and finish-out of the Restaurant and the cost of leasehold improvements. These figures are our principals' best estimate based on remodeling/finish-out rates. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord and the condition of the space before you take possession of the premises. This is not an estimate of the cost to build a new construction ground up restaurant, which would be based on many additional considerations

3. ***Lease Payments.*** The figures are for the initial phase of the business for rent and assume that the premises of the Restaurant will be in a lifestyle center, a mixed use development or an urban area and be approximately 5,000 to 10,000 square feet in size for an Arooga's Grille House & Sports Bar Restaurant or approximately 1,500 to 2,500 square feet in size for an Arooga's Wing Shack Restaurant. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the Restaurant, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your Restaurant, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

4. **Security Deposits.** You will probably need to provide security deposits to your landlord and your local utilities, such as gas, electricity and water.

5. **Equipment, Furnishings and Fixtures; Audio/Video Equipment.** You must purchase equipment meeting our specifications to be used in the Restaurant, including fryers, grills, convection ovens, walk-in refrigerator/freezer, beer chiller, sandwich prep tables, small wares, dinner ware, hood system and ice maker. We have established relationships with equipment vendors for certain equipment used in the Restaurant that meet our specifications. Surveillance cameras are also required in your Restaurant, and we and you must have remote access to the cameras. The furniture and fixtures you must purchase include tables, chairs, booths, bar counter, shelving, display racks and décor items. The audio/video equipment you will need includes flat panel televisions, speaker systems, rack mount system, cabling and installation. The low end of our estimate assumes a 20% down payment on a lease for the equipment, furnishings and fixtures you will need.

6. **Signage.** These amounts represent your cost for interior and exterior signage. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

7. **Initial Inventory.** These amounts represent your initial inventory of food supplies, liquor, marketing materials, logoed apparel, logoed merchandise, logoed glassware and logoed paper goods for use in the initial phase of operating the Franchised Business. We estimate that the cost of your initial inventory of approximately \$7,000-\$10,000 will be payable to Arooga's Holdings.

8. **Blue Prints and Plans.** These are the estimate of your costs to obtain architectural and design services necessary for the construction of the Restaurant. You must adapt our prototypical plans and specifications to suit your Restaurant premises. Plan adjustment will be done by an approved architect. We must approve of your construction plans before you begin to build out the Restaurant.

9. **Point of Sale System.** You must obtain the point of sale system that we specify. The point of sale system is described in Item 11.

10. **Travel, Lodging and Meals for Initial Training.** We provide initial training to five people. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The lower end of our estimate assumes that the trainees live within driving distance of our training facility.

11. **Insurance.** These figures are estimates of the cost of the quarterly premiums for the insurance you must obtain and maintain for your Restaurant, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company's practices and your creditworthiness.

12. **Grand Opening Advertising.** You must conduct a grand opening advertising campaign. We reserve the right to approve all advertisements used in your grand opening advertising campaign, and your campaign must be conducted as early as 90 days prior to the scheduled opening, and up until 60 days after the grand opening date. Your grand opening advertising campaign must include the give-aways and other promotions we require. At our request, you must give the grand opening advertising money to us and we will conduct the grand opening advertising campaign on your behalf.

13. **Licenses and Permits.** These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. These figures do not include occupancy and construction permits which were included in the leasehold improvement costs. You must have the required licenses and/or permits to sell alcoholic beverages. If you operate an Arooga's Grille House & Sports Bar Restaurant, you are required to sell alcohol at your Franchised Business. If you operate an Arooga's Wing Shack, alcohol service is optional. Since the availability and expenses of acquiring a liquor license vary substantially from jurisdiction to jurisdiction, you should consult the appropriate governmental authority concerning the availability of the required license and the associated expenses for your Restaurant before you sign a Franchise Agreement. Liquor licenses are handled differently depending on the state you are looking to operate in, they can be a permit that allows you to sell alcohol and the cost of those permits can range from \$500 to \$5,000 annually, or the state may require you to purchase a license, that you will own as an asset, these licenses can range from under \$10,000 to over \$1,000,000, depending on the location and jurisdiction, and can be even higher in some states. We strongly recommend that you verify the cost and availability of a liquor license in your jurisdiction before signing the Franchise Agreement.

14. **Professional Fees.** We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering.

15. **Additional Funds.** You will need capital to support ongoing expenses, such as payroll, utilities, royalty fees and local advertising if these costs are not covered by sales revenue for your first three months of operation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months.

16. **Set up Fee.** These fee are payable to our approved supplier. Our approved supplier will provide you with the following services: POS terminal set up and support, network security, system configuration, customer loyalty configuration, , online ordering, , mobile pay, Wi-Fi. Phone system, and other support systems that may be changed or upgraded as required.

17. **Site Evaluation.** This fee will cover travel and related expenses to visit your market and approve selected sites for your Arooga's Grille House & Sports Bar.

18. **Site Development Fee.** You must pay to us a fee of between \$2,500 and \$5,000 within 30 days after you have executed a lease or purchase agreement. This fee covers our cost in

assisting you with developing your site. If the site is less than a 5 hour drive from Harrisburg, PA, the fee shall be \$2,500; otherwise the fee will be up to \$5,000.

We relied upon our principals' collective experience in the restaurant industry and our affiliates' experience in operating Arooga's Restaurants since 2008 when preparing these figures. Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and cost to convert to a Restaurant, your management skill, experience and business acumen; local economic conditions; the local market for the Restaurant's products; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. Your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations.

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YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT FRANCHISE AGREEMENT DEVELOPMENT OF FOUR RESTAURANTS				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ⁽¹⁾	<u>Grille House & Sports Bar:</u> \$105,000 <u>Wing Shack:</u> \$55,000	Lump Sum	On signing Multi-Unit Franchise Agreement	Us
Vehicle ⁽²⁾	\$2,000 to \$2,500	As Incurred	As Incurred	Suppliers
Other Expenditures for 1 st Restaurant ⁽³⁾	<u>Grille House & Sports Bar:</u> \$1,227,000 - \$3,564,750 <u>Wing Shack:</u> \$352,000 - \$680,000	As Per Above Tables	As Per Above Tables	As Per Above Tables

YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT FRANCHISE AGREEMENT DEVELOPMENT OF FOUR RESTAURANTS				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
TOTAL	<u>Grille House & Sports Bar:</u> \$1,334,000 to \$3,672,250 <u>Wing Shack:</u> \$409,000 - \$735,000			

Notes:

1. **Development Fee.** The Development Fee is described in Item 5. The Development Fee assumes you will develop four Restaurants. If you choose to develop additional Restaurants under the Multi-Unit Franchise Agreement, the Development Fee will increase by \$18,500 for each additional Arooga's Grille House & Sports Bar Restaurant you commit to develop, and will increase by \$17,000 for each additional Arooga's Wing Shack Restaurant you commit to develop
2. **Vehicle.** We assume that you will need a vehicle to travel among prospective sites for your Restaurant and to oversee the build-out of the Restaurant. Our estimate includes three months of vehicle related expenses, including payments, fuel and maintenance.
3. **Other Expenditures for First Restaurant.** Costs associated with building out additional Restaurants are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease and install all fixtures, furnishings, equipment (including point of sales, computer hardware and software), décor items, signs and related items we require, all of which must conform to the standards and specifications stated in our Manual (as defined in Item 11) or otherwise in writing, unless you have first obtained our written consent to do otherwise. You may not install or permit to be installed on the Restaurant premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications.

To make sure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with the methods, standards and specifications that we prescribe in the Manual or otherwise in writing. You must maintain in sufficient supply and use and sell at

all times only those food and beverage items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications. All menu items must be prepared in accordance with the recipes and procedures specified in the Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items, or differing amounts of any items, without obtaining our written consent first. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or otherwise in writing (such as via e-mail) of any changes in our standards and/or specifications.

You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of food or non-food items from your inventory or from the Restaurant free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then-current standards and specifications. In addition to any other remedies we may have, we may require you to pay for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications.

You must obtain all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including point of sale, computer hardware and software), and other products used or offered for sale at the Restaurant solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards or in accordance with our standards and specifications. Arooga's Sauces revenues from required purchases or leases and sources of information used in computing revenues. We do not make our supplier evaluation criteria available to you or any supplier. A complete list of our approved suppliers will be included in our Operations Manual and is subject to change over time. We will provide you notice in the Manual or otherwise in writing (such as via e-mail) of any changes to the approved suppliers list.

Our affiliate, Arooga's Sauces, is the manufacturer of certain proprietary products, such as proprietary dressings and sauces. You will not purchase these items from our affiliate; you will purchase them through the supplier we designate. Our affiliate, Arooga's Holdings, will be an approved supplier of certain logoed apparel and merchandise, marketing materials, logoed glassware and logoed paper goods. If Arooga's Holdings sells any products directly to our franchisees, it reserves the right to earn a profit on the sale of these items up to 15%. During the fiscal year ending December 31, 2020, Arooga's Holdings earned \$6,722 from the sale of products to our franchisees. Our Co-Founder, Gary Huether, Jr. and our Co-Founder Mike Murphy own Arooga's Sauces and Arooga's Holdings.

We are entitled to the benefit of all discounts, volume rebates, administration fees, commissions, advertising allowance or other advantages which we may obtain from any person supplying products or services to you, us and other franchisees. During our 2021 fiscal year, we received \$ 471,973 in revenue as a result of franchisees' purchases of products or services or leases, which represents 1.27% of our total revenues of \$ 37,180,881.

Our affiliate, Scratch Made Awesomeness, LP, is the manufacturer of certain proprietary products, such as proprietary breaded appetizers and crab pretzel. You will not purchase these items from our affiliate; you will purchase them through the supplier we designate. Our Co-

Founder, Gary Huether, Jr. and our Co-Founder Mike Murphy own Scratch made Awesomeness, LP. None of our officers has an ownership interest in any other approved supplier.

If you wish to purchase, lease or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. At our request, you must pay our then-current fee for testing and inspection. We must approve any supplier in writing before you make any purchases from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you within 45 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We are not required to make available to you or to any supplier our criteria for product or supplier approval.

We anticipate that your employees will use their personal vehicles to provide any catering or delivery services from your Restaurant. We reserve the right to require you to have temporary signage placed on each delivery vehicle. We expect that all delivery vehicles will be kept clean, in good working order and properly insured. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you use.

We have and may continue to develop for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which bear the Marks. Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products. Therefore, you will use only our proprietary recipes and other proprietary products and will purchase those items solely from us or from a source designated by us all of your requirements for those products. You must purchase from us or our designated supplier for resale to your customers certain logoed merchandise, such as t-shirts, caps, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand. You must also obtain certain upgrades for your point of sale system.

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which you must participate. We reserve the right to establish a purchasing or distribution cooperative to maximize the purchasing power of our affiliates and our franchisees.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Restaurants in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from

franchisees to add new suppliers if we believe that approval would not be in the best interests of the System or the franchised network of Restaurants.

We and/or our affiliates may receive payments or other compensation from approved suppliers on account of the suppliers' dealings with us, you, or other Restaurants in the System, such as rebates, commissions or other forms of compensation, and we estimate that these payments will be a percentage of our franchisees' purchases from these suppliers. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 65% to 75% of your total purchases in establishing the Restaurant, and approximately 80% to 90% of your total purchases in the continuing operation of the Restaurant.

We do not provide material benefits to our franchisees, such as a renewal franchise or the grant of an additional franchise, based on the franchisee's purchase of particular products or services or use of particular suppliers. When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manual or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them during the 12 months before their proposed use. Any advertising and promotional materials you submit to us for our review will become our property.

You must obtain our approval of the site for the Restaurant before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Restaurant before you sign the contract or lease. We may require you and your landlord to sign a Collateral Assignment of Lease with us (Attachment B to the Franchise Agreement).

Before you open the Restaurant for business, you must obtain the insurance coverage for the Restaurant that we specify in the Manual or otherwise in writing. Our current insurance requirements are described below. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers acceptable to us. All insurance must be on an "occurrence" basis.

1. General and liquor liability in the amount of \$1,000,000 per occurrence, \$2,000,000 aggregate limit not excluding assault and battery.

2. “All Risks” coverage for the full cost of replacement of the Restaurant premises and all other property in which we may have an interest with no coinsurance clause.
3. Business Interruption insurance in a sufficient amount to cover profit margins, maintenance of competent and desirable personnel and fixed expenses for a period of 12 months including ordinary payroll.
4. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than \$1,000,000 combined single limit.
5. Workers’ compensation insurance in amounts provided by applicable law (but not less than \$500,000 per occurrence) or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement.
6. Umbrella liability coverage in the amount of \$3,000,000.
7. Employment Practices Liability in the amount of \$1,000,000 including 3rd party coverage.
8. Other insurance required by the state or locality in which the Restaurant is located and operated or as may be required by the lease or mortgage for the Restaurant.

You may, after obtaining our written consent, choose to have reasonable deductibles under your insurance policies. Also, related to any construction, renovation or remodeling of the Restaurant, you must maintain builders risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insured's and must include a waiver of subrogation in favor of all those parties. All policies must provide us with 30 days’ advance written notice of any changes to or cancellation of any coverage. If you do not maintain the insurance that we require we may, but are not obligated to, obtain insurance coverage on your behalf. If we do this, you must pay the costs we incur.

We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

ITEM 9

FRANCHISEE’S OBLIGATIONS

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

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement and MUFA means the Multi-Unit Franchise Agreement.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA – Section II MUFA – Section III	Items 8 and 11
b. Pre-opening purchases/leases	FA – Sections VI, VII and VIII	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA – Section II	Items 1, 8 and 11
d. Initial and ongoing training	FA – Section VI	Items 5, 6 and 11
e. Opening	FA – Section VI	Items 5, 6 and 11
f. Fees	FA – Sections IV and VIII MUFA – Sections II and III	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	FA – Sections II, III, VI, VIII, IX, X, XI and XII	Items 11 and 14
h. Trademarks and proprietary information	FA – Sections IX and X and Attachment D MUFA – Section VII	Items 11, 13 and 14
i. Restrictions on products/services offered	FA – Section VII MUFA – Section VII	Items 8 and 16
j. Warranty and customer service requirements	FA – Section VII	Item 8
k. Territorial development and sales quotas	MUFA – Section III	Item 12
l. Ongoing product/service purchases	FA – Section VII	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Sections II, VII and XIV	Items 8 and 11
n. Insurance	FA – Section XII	Items 7 and 8
o. Advertising	FA – Section VIII	Items 6, 8 and 11
p. Indemnification	FA – Section XV MUFA – Section XIV	Item 6
q. Owner's participation/management/staffing	FA – Sections VI, XIV, XV and XIX MUFA – Section VII	Items 1, 11 and 15

Obligation	Section in Agreement	Disclosure Document Item
r. Records and Reports	FA – Sections IV, VII and XI	Items 6 and 15
s. Inspections and audits	FA – Sections II, VII and XI MUFA – Section XII	Items 6, 8 and 11
t. Transfer	FA – Section XIV MUFA – Section XI	Items 6 and 17
u. Renewal	FA – Section III MUFA – Section V	Items 6 and 17
v. Post-termination obligations	FA – Section XVIII MUFA – Section X	Items 6 and 17
w. Non-competition covenants	FA – Section X and Attachment D MUFA – Section XII	Item 17
x. Dispute Resolution	FA – Section XIX MUFA – Section XIX	Items 6 and 17
y. Liquidated Damages	FA –Section XVIII	Item 6

ITEM 10 **FINANCING**

We do not offer, either directly or indirectly, any financing arrangements to you. We do not guarantee your notes, leases or other obligations.

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

Except as listed below, Arooga’s Franchising, LP is not required to provide you with any assistance.

Pre-Opening Obligations

Multi-Unit Franchise Agreement: Under the Multi-Unit Franchise Agreement, we will provide you with the following assistance:

1. We will grant to you rights to a Designated Area within which you will establish and operate an agreed-upon number of Restaurants under separate Franchise Agreements (Multi-Unit Franchise Agreement – Section 1.1).
2. We will review site survey information on sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Restaurant (Multi-Unit Franchise Agreement – Section 8.1).

3. We will provide you with standard specifications and layouts for building and furnishing the Restaurant (Multi-Unit Franchise Agreement – Section 8.2).

4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Franchise Agreement – Section 8.3).

5. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Franchisees (Multi-Unit Franchise Agreement – Section 8.4).

Franchise Agreement: Before the opening of a Restaurant we will provide the following assistance and services:

1. Our written site selection guidelines and the site selection assistance we deem advisable. (Franchise Agreement, Section 5.1.) We will also designate your Territory.

2. At your request, one on-site evaluation of the proposed site for your Restaurant. You must pay our then-current location assistance fee and reimburse our expenses. (Franchise Agreement, Section 5.2.)

3. For purchase, one set of prototypical architectural and design plans and specifications for a Restaurant for adaptation by you, at your expense. (Franchise Agreement, Section 5.3.)

4. On loan, our Confidential Operations Manual, which we may revise during the term of your Franchise Agreement. (Franchise Agreement, Sections 5.4 and 10.1.)

5. A list of our approved suppliers, which we may revise during the term of your Franchise Agreement. (Franchise Agreement, Sections 5.9 and 7.4.)

6. An initial training program at our headquarters for up to five people. If you wish to have additional personnel trained you must pay our then-current fee. (Franchise Agreement, Sections 5.10 and 6.4.)

7. An opening team of our representatives to provide a minimum of 14 days of opening assistance and training around the opening of your Restaurant. You must reimburse the expenses that our opening team incurs while providing opening assistance, including pro-rated salaries travel, lodging and meals. (Franchise Agreement, Section 6.4.) If you are opening your second or later Restaurant, we reserve the right to not provide opening assistance to you or to reduce the amount of assistance provided.

Continuing Obligations

Franchise Agreement: During the operation of a Restaurant we will provide the following assistance and services:

1. As we reasonably determine necessary, visits to and evaluations of the Restaurant and the products and services provided to make sure that our high standards of quality, appearance and service of the System are maintained. (Franchise Agreement, Sections 5.5 and 7.5.6.)
2. Advertising and promotional materials for in-store marketing and local advertising for the Restaurant at a reasonable cost to you. (Franchise Agreement, Section 5.6.)
3. Advice and written materials (including updates to the Manual) concerning techniques of managing and operating the Restaurant, including new developments and improvements in equipment, food products, packaging and preparation. (Franchise Agreement, Section 5.7.)
4. Training programs and seminars and other related activities regarding the operation of the Restaurant as we may conduct for you or Restaurant personnel generally, which may be mandatory for your Head Coach and other Restaurant personnel. (Franchise Agreement, Section 6.4.4.)
5. At your request, additional on-site training at your Restaurant. You must pay our per diem fee for each trainer providing the training as well as reimburse our expenses. (Franchise Agreement, Section 6.4.3.)
6. Administration of the brand development fund. (Franchise Agreement, Section 8.3.)
7. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that you and your Controlling Principals have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Section 9.4.)
8. Determine the minimum and/or maximum selling prices for products, goods and services available for sale at your Restaurant, as permitted by applicable law.

Grand Opening Advertising: You must spend \$10,000 to \$25,000 to conduct an advertising campaign announcing the grand opening of your Arooga's Grille House & Sports Bar Restaurant, or you must spend \$5,000 to \$15,000 to conduct an advertising campaign announcing the grand opening of your Arooga's Wing Shack Restaurant. Your grand opening advertising campaign must be conducted in the 60-day period comprising 30 days before and 30 days after the opening of your Restaurant. You must submit to us, for our approval, the proposed grand opening advertising campaign before you conduct the campaign, and your grand opening advertising campaign must include the give-aways and other promotions we require. At our request, you must give us the money for your grand opening advertising campaign and we will conduct the campaign on your behalf.

Local Advertising: You must conduct local advertising in your Territory, and you must spend not less than 2% of Gross Sales for local advertising each month. We must approve all advertising before you use it. You must not advertise or use our Marks in any fashion on the

Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent. You must provide us with an advertising expenditure report within 30 days of our request to show that you have complied with the local advertising requirements.

Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12 month period must be submitted to us for our approval before you may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

We reserve the right to require you to include certain language in your local advertising, such as “Franchises Available” and our website address and phone number.

Brand Development Fund: We established and administer the Brand Development Fund (the “Brand Development Fund”) to advertise the System and the products offered by Arooga’s Restaurants on a regional or national basis. If you operate an Arooga’s Grille House & Sports Bar Restaurant, you must contribute to the Brand Development Fund 1% of the Gross Sales of your Restaurant each week, or if you operate an Arooga’s Wing Shack Restaurant, you must contribute to the Brand Development Fund 2% of the Gross Sales of your Restaurant each week. Brand Development Fund contributions are paid in the same manner as the royalty payments.

The Brand Development Fund is maintained and administered by us or our designee as follows:

1. We direct all advertising programs and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. The Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all Restaurants operating under the System. We may use monies from the Brand Development Fund to support our website. Any Restaurants operated by us or our affiliates will contribute to the Brand Development Fund generally on the same basis as you. In administering the Brand Development Fund, we and our designees are not required to make expenditures for you that are equivalent or proportionate to your contribution or to make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.

2. The Brand Development Fund may be used to satisfy the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. All sums you pay to the Brand Development Fund will be maintained in a separate account. We may reimburse ourselves out of the Brand Development Fund for our reasonable administrative costs and expenses

that we may incur in the administration or direction of the Brand Development Fund and advertising programs for you and the System. The Brand Development Fund and its earnings will not otherwise benefit us. The Brand Development Fund is operated solely as a conduit for collecting and expending the brand development fees as outlined above. Any sums paid to the Brand Development Fund that are not spent in the year they are collected will be carried over to the following year.

3. We will prepare an annual statement of the operations of the Brand Development Fund that will be made available to you if you request it. We are not required to have the Brand Development Fund statements audited.

4. Although the Brand Development Fund is intended to be perpetual, we may terminate the Brand Development Fund at any time. The Brand Development Fund will not be terminated until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Brand Development Fund, we have the option to reinstate it at any time and it will be operated as described above.

During our fiscal year ended December 31, 2021, we received \$150,582 in Brand Development Fund income. Expenditures from the Brand Development Fund totaled \$97,211 and were as follows: 52% was spent for technology services, 3.5% was spent for media placement, 11.4% for Credit Card security, 15.1% was spent on administration of the Brand Development Fund, 15.5% for Franchise Third Party Delivery, and 2.5% was spent advertising to solicit franchise sales. All remaining funds have been carried over into the next fiscal year.

We currently advertise the Restaurants and the products offered by the Restaurants primarily using radio, point of purchase advertising materials, direct mail, electronic and internet marketing, public relations and promotions, and print media. As the number of Restaurants in the System expands, we anticipate using other forms of media, including television, radio, internet, magazine and newspaper advertising campaigns; and direct mail and outdoor billboard advertising. The majority of our advertising is developed by members of our staff or third-party consultants. Once the franchise program has been established, we contemplate advertising on a national, regional and local basis through the use of the Brand Development Fund, Local Advertising and Cooperatives (described below).

Cooperative Advertising: We may designate any geographic area in which two or more Restaurants are located as a region for purposes of establishing an advertising Cooperative, or we may approve of the formation of an advertising Cooperative by our franchisees. The members of the Cooperative for any area will consist of all Restaurants, whether operated by us, our affiliates or our franchisees. We have the right to dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval as described above under Local Advertising, promotional materials for use by the members in local advertising. If a Cooperative has been established for a geographic area where your Restaurant is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. If the Cooperative will operate

according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to the geographic area in which your Restaurant will be located will be provided to you if you request it.

Local Advertising: While we have not yet established any local advertising cooperatives, we have the exclusive right to require that advertising cooperatives be formed, changed, dissolved, or merged. If you are required to participate in an advertising cooperative, the amount of your contribution to the local advertising cooperative is described in the Disclosure Document. Each local advertising cooperative must adopt written governing documents. Each cooperative may determine its own voting procedures; however, each company-owned Franchisee will be entitled to one vote in any local advertising cooperative. The members and their elected officials are responsible for administration of the cooperative. Advertising cooperatives must prepare quarterly and annual financial statements prepared by an independent CPA and must be made available to all Franchisees in the advertising cooperative. The Cooperative is not a trust fund. We shall have no fiduciary duty to you in connection with the collection or use of the Cooperative monies or any aspect of the operation of the Cooperative.

The payments you make to a Cooperative may be applied by you toward satisfaction of your local advertising requirement. If the amount you contribute to a Cooperative is less than your local advertising requirement, you must still spend the difference locally. All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval. Currently there are no Cooperatives in the System. The Cooperative is not required prepare an annual financial statement.

We may use the Brand Development Fund or any Cooperative funds at our discretion for advertising that is principally a solicitation for the sale of franchises for Restaurants.

Except as described above, we are not obligated to spend any amount on advertising in your Territory.

Website / Intranet: Websites (as defined below) are considered as “advertising” under the Franchise Agreement and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term “Website” means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Restaurant, Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

In connection with any Website, the Franchise Agreement states that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval. As a condition to granting any consent, we will have the right to establish any

requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website.

We will have the right to establish a website or other electronic system providing private and secure communications (such as an intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

You must use our designated supplier and brand of POS, Kiosk, Menu Boards, and to-go lockers, and pay the applicable fees charged by those vendors.

You are not permitted to promote your Restaurant or use the Proprietary Marks in any manner on any social or networking Websites, such as Facebook, Instagram, FourSquare, LinkedIn, TikTok or Twitter, without our **prior written** consent.

Advisory Council: We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Arooga's Restaurants, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. An advisory council will be comprised of our representatives and franchisee representatives. The franchisee representatives may be chosen by us or elected by other franchisees in the System. If you participate on an advisory council, you will pay any costs related to your participation, such as travel and living expenses to attend council meetings. We will have the right to form, change, merge or dissolve any advisory council.

Training: No later than 60 days before the date the Restaurant begins operation, your Head Coach, Assistant Head Coach, Front of House Manager, Back of House Manager and Assistant Back of House Manager (a maximum of five people) must attend and complete, to our satisfaction, our initial training program. We will conduct this training at our corporate headquarters and one of our affiliate's Restaurants in Pennsylvania, or at another location we designate. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers/head coaches, chefs and other personnel needing training, the number of new Restaurants being opened and the timing of the scheduled openings of Restaurants.

We will provide instructors and training materials for the initial training of your Head Coach, Assistant Head Coach, Front of House Manager, Back of House Manager and Assistant Back of House Manager. You may also have additional personnel trained by us for the Restaurant, at your expense. We will determine whether your Head Coach has satisfactorily completed initial training. If the Head Coach does not satisfactorily complete the initial training program or if we determine that this person cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Restaurant. If the replacement Head Coach cannot complete the initial training program to our satisfaction, we have the right to terminate your Franchise Agreement.

Any Head Coach subsequently designated by you must also receive and complete the initial training to our satisfaction, even if this requires sending that manager to the headquarters training program, at your expense. We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training. You must also pay for all expenses your personnel incur for any training program, including costs of travel, lodging, meals and wages.

For the opening of the Restaurant, we will provide you with an opening team of our trained representatives. The opening team will provide on-site pre-opening and opening training, supervision, and assistance to you for a minimum of 14 days around your Restaurant opening. You must reimburse the expenses our opening team incurs while providing opening assistance, including pro-rated salaries, travel, lodging and meals.

If, during the term of your Franchise Agreement, you request that we provide additional training on-site at your Restaurant, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals.

Our instructors include the following: Tina Mosdal, Brian Scannelli, Summer Huether, Adam Grey and our Area Representatives. We may also draw on the substantial experience of our affiliate's personnel in conducting Restaurant operations training. The minimum experience of our area representative and our instructors in the field that is relevant to the subject taught and our operations is from one to ten years. The instructional materials used in the initial training consist of our Operations Manual, training manual, policy manual, RSI University, marketing and promotion materials, materials related to the operation of the point of purchase system, and any other materials that we believe will be beneficial to our franchisees in the training process.

The training schedule and activities of the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 1 ALL: Orientation And Training Overview Company Mission, History and Philosophy; Restaurant Tour; Menu Review; Franchisee Responsibilities and Brand Compliance (vendors, products); Food Safety and Sanitation and Health Code Compliance Overview; Liquor Law Compliance Overview	8	2	Harrisburg, Pennsylvania

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 2 ALL: General BOH Training Menu Items and Recipes; Quality and Service standards; Prep Procedures; Inventory Procedures; Line Setup; Equipment Use and Safety; Expeditor Training; Observe/Assist Expeditor for Dinner; Receiving Procedures	1	9	Harrisburg, Pennsylvania
Day 3 FOH: Expeditor Training Review and Work Expeditor Shift Lunch and Dinner Day 3 BOH: Prep Cook Training Pre-Opening Procedures; Daily Prep List; Prep Procedures; Food Safety and Sanitation; Equipment Use and Safety; Proper Receiving, Storing and Rotating of Inventory; Cleaning Duties; Closing Procedures	0	10	Harrisburg, Pennsylvania
Day 4 FOH: Server and Bar Training Opening Procedures; POS Training; Drink Menu Review and Recipes; Cleaning Duties; Ordering and Inventory; Loss Control Procedures; Responsible Serving; Customer Service and Quality Standards; Closing Procedures Day 4 BOH: Work Prep Shift	0	10	Harrisburg, Pennsylvania
Day 5 FOH: Server Training Opening Procedures; Pivot Points; Proper Order Taking, Table Maintenance, and Steps of Service; POS Training; Suggestive Selling Techniques; Cleaning Duties; Server Closing Procedures; Rewards Program Day 5 BOH: Work Prep Shift	0	10	Harrisburg, Pennsylvania

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 6 FOH: Work Server Shift Day 6 BOH: Salad Station Training Opening Procedures; Line Setup; Prep Procedures; Cleaning Duties; Refilling and Restocking; Food Safety and Sanitation; Equipment Usage and Safety; Service and Quality Standards; Closing Procedures	0	10	Harrisburg, Pennsylvania
Day 7 FOH: Work Server Shift Day 7 BOH: Work Sandwich Station Shift	0	10	Harrisburg, Pennsylvania
Day 8 FOH: Host/Hostess Training Opening Procedures; Floor Plan; Server Sections; Seating Procedures; Customer Service; Floor assistance; Table Turns; Cleaning Duties; Closing Procedures Day 8 BOH: Work Grill Station Shift	0	10	Harrisburg, Pennsylvania
Day 9 FOH: Work Host/Hostess Shift Day 9 BOH: Line Cook Training Opening Procedures; Line Setup; Prep Procedures; Cleaning Duties; Refilling and Restocking; Food Safety and Sanitation; Equipment Usage and Safety; Service and Quality Standards; Closing Procedures	0	10	Harrisburg, Pennsylvania
Day 10 FOH: Management Training FOH Opening Procedures; POS Training – Manager Functions; Reports and other Back Office Functions; Accounting; Franchise Royalty and Financial Reporting Requirements; Daily Reconciliations, Deposits and Closing Procedures; Day 10 BOH: Work Line Cook Shift	5	5	Harrisburg, Pennsylvania
Day 11 FOH: Local Store Marketing Day 11 BOH: Work Line Cook Shift	5	5	Harrisburg, Pennsylvania

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 12 ALL: Management Training Human Resources; Inventory Management and Controls; Payroll and Scheduling; Restaurant Maintenance and Repairs; Licenses, Permits and Certifications; Restaurant Solutions P&L controls;	3	7	Harrisburg, Pennsylvania
Day 13 ALL: Management Training Human Resources; Inventory Management and Controls; Payroll and Scheduling; Restaurant Maintenance and Repairs; Licenses, Permits and Certifications; Food and Labor Cost Analysis; Restaurant Solutions P & L controls	10	0	Harrisburg, Pennsylvania
Week 4 to Week 6 FOH: Manage Restaurant and Review Needed Areas BOH: Manage Kitchen and Review Needed Areas QVA: Refresher	10	10	Harrisburg, Pennsylvania

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience of those persons being trained.

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. We may designate that attendance at an annual meeting is mandatory for you, your Head Coach and/or other Restaurant personnel. We may use money from the Brand Development Fund to pay for the cost of presenting the annual meeting. You will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

In addition to our initial training program, you, your managers and any other personnel we designate must be ServSafe (or similar) certified. The ServSafe program was developed by the National Restaurant Association Educational Foundation (www.servsafe.com). A ServSafe certification program is generally a state run program. Your staff may also be required to have alcohol management training, at your expense.

Operations Manual: The Table of Contents for our Operations Manual is attached to this Disclosure Document as Exhibit E. Our Operations Manual contains approximately 695 pages.

Site Selection: You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Restaurant and for constructing and equipping the Restaurant at the accepted site. You will select the site for the Restaurant subject to our approval and using our site submittal forms. The Restaurant may not be relocated without first obtaining our written consent. Before you lease or purchase the site for the Restaurant, you must locate a site that satisfies our site selection guidelines. If you request an on-site evaluation, then before we provide the evaluation, you must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site.

You must submit information and materials for the proposed site to us for approval no later than 120 days after you have signed the Franchise Agreement. We will have 30 days after we receive this information and materials from you to approve or disapprove the proposed site as the location for the Restaurant. If we do not provide our specific approval of a proposed site, the site is deemed not approved. Our approval only means that the site meets our minimum requirements for a Restaurant.

We will provide you with our current written site selection guidelines and any other site selection counseling and assistance we think are advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), aerial photography, size and other physical attributes of the location, proximity to residential neighborhoods, shopping centers, entertainment facilities and other businesses that attract consumers and generate traffic. We will use these factors in determining the suitability of your proposed site for an Arooga's Restaurant.

If you are unable to find a suitable location for your Restaurant within 120 days after you sign the Franchise Agreement, we reserve the right to terminate your Franchise Agreement.

Opening: We estimate that the time from the Franchise Agreement is signed to the opening of the Restaurant will be approximately six months to one year. Your total timeframe may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Restaurant, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Restaurant, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Restaurant, including purchasing inventory and supplies. You must open the Restaurant and begin business within one year of signing the Franchise Agreement, unless you obtain a written extension of this time period from us.

If you are a Multi-Unit Franchisee, you must sign your first Franchise Agreement at the same time you sign the Multi-Unit Franchise Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your Restaurant is the same as for an individual franchisee.

Computer and Point of Sale Systems: You must purchase or lease and use certain point of sale systems, computer hardware and software that meet our specifications and that are capable of electronically interfacing with our computer system. The computer system will provide sales tracking information, inventory management, business reports and labor and scheduling management.

The computer system is designed to enable us to have immediate, continuing and independent access to the information monitored by the system, and there is no contractual limitation on our ability to access the information or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection (such as T-1, DSL or cable modem) in accordance with our specifications to permit us to access the point of sale (or other computer hardware and software) at the Restaurant premises as described above. This will permit us to electronically inspect and monitor information concerning your Restaurant's Gross Sales and any other information that may be contained or stored in the equipment and software. You must make sure that we have independent access at all times and in the manner we specify, at your cost.

You must purchase the Aloha POS point of sale system with five or six terminals, including kitchen screens, receipt printers, back office systems and kitchen monitors. The approved supplier for the point of sale system, if we designate one, will be included in the Operations Manual. We expect that the point of sale system will cost between \$40,000 and \$50,000. You must also purchase a maintenance contract for your point of sale system, which we anticipate will cost approximately \$1,250 per year. You must obtain any upgrades and/or updates to the software used with the point of sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point of sale system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point of sale system.

You must obtain and maintain Internet access or other means of electronic communication as specified by us. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.

ITEM 12 **TERRITORY**

Franchise Agreement: Your Franchise Agreement will specify the site that will be the Approved Location for your Restaurant. Your Franchise Agreement may also specify a protected Territory. The size and scope of the Territory will be contained in the Franchise Agreement and will be determined according to whether the Approved Location is an urban area or a suburban area. The Territory is not the same area as, and will be smaller than, the trade area in which you will be looking for a site. We will provide you with information regarding our classification of each portion of your trade area as urban or suburban. The minimum area that may be granted in a

suburban area is a three mile radius. For more densely populated areas, we reserve the right to limit the territory size.

If any non-traditional site (such as mall food courts, airports, hospitals, cafeterias, commissaries, schools, hotels, office buildings and stadiums, arenas, ballparks, festivals, fairs, military bases and other mass gathering locations or events) is located within the physical boundaries of your Territory, then the premises of this non-traditional site will not be included in your protected Territory and you will have no rights to this non-traditional site. If your Restaurant is located at a non-traditional site, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Restaurant in the Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below. There are no circumstances under which the Territory may be altered before your Franchise Agreement expires or is terminated. Your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other factor, other than compliance with the Franchise Agreement.

If we authorize you to do so, you may provide catering services from your Restaurant. You may not provide catering services to any customer outside of your Territory, unless that customer is in an area that has not yet been sold to a franchisee in the System.

If, during the term of the Franchise Agreement, you wish to relocate your Restaurant, or if the Restaurant is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for the Restaurant. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for an Arooga's Restaurant and is located within your Territory, and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement.

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Restaurants, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside your Territory, and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Restaurants located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Restaurant; (c) to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Territory under any terms and conditions we deem appropriate, except that if a Non-Traditional Site is available within your Territory we will give you the option to purchase the franchise and develop a Restaurant at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal; and (d) the right to acquire and operate a

business operating one or more restaurants or food service businesses located or operating in your Territory.

You may sell our proprietary products and related products to retail customers and prospective retail customers who live anywhere but who choose to dine at or from your Restaurant. You may not engage in any promotional activities or sell the proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the “Electronic Media”); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory, you may not make any sales or deliver any products to customers located outside of your Territory, unless the customer is located in an area where there is not another Arooga’s Restaurant in operation. You have no options, rights of first refusal (except as described above for Non-Traditional Sites), or similar rights to acquire additional franchises, except as described above. You may not sell our proprietary products to any business or other customer at wholesale.

We and our affiliates may sell products under the Marks within and outside your Territory through any method of distribution other than an Arooga’s Restaurant, including sales through channels of distribution such as the Internet, catalog sales, grocery stores, club stores, other retail outlets, telemarketing or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Territory and you will not receive any compensation for our sales through alternative distribution channels.

We or our affiliate will fulfill all orders placed through the retail portion of our Website, and you will not be entitled to any portion of the profits received from this, even if the customer’s order is generated from or delivered in your Territory.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Restaurant which sells our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Multi-Unit Franchise Agreement: Under the Multi-Unit Franchise Agreement we grant you the right to develop and operate the number of Arooga’s Restaurants in the Designated Area that is specified in the Minimum Performance Schedule, which is an exhibit to the Multi-Unit Franchise Agreement. The Designated Area is typically described in terms of municipal or county boundaries but may be defined as a

specified trade area in a municipality. The actual size of the Designated Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

Except as described below, during the term of the Multi-Unit Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of Restaurants to be located within the Designated Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Franchise Agreement and all of the Franchise Agreements signed under it. Your territorial rights to the Designated Area may, in our discretion, include the right to develop Restaurants at any Non-Traditional Site. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as expressly limited by the Multi-Unit Franchise Agreement, we and our affiliates retain all rights with respect to Restaurants, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Designated Area, and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Restaurants located outside the Designated Area under any terms and conditions we deem appropriate and regardless of proximity to your Restaurants; (c) to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Designated Area under any terms and conditions we deem appropriate, except that if a Non-Traditional Site is available within your Designated Area we will give you the option to purchase the franchise and develop a Restaurant at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal; and (d) the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in your Designated Area.

After the final Restaurant under your Minimum Performance Schedule has opened, if we believe that it is desirable to establish additional Restaurants within the Designated Area, and if you complied with the terms of your Multi-Unit Franchise Agreement and are in compliance with your Franchise Agreements, we will offer you the right to develop these additional Restaurants. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit franchisee or to develop the Restaurants ourselves.

To maintain your rights under the Multi-Unit Franchise Agreement you must have open and in operation the cumulative number of Restaurants stated on the Minimum Performance Schedule by the dates agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Franchise Agreement.

In addition, when the last Restaurant to be developed within the Designated Area opens for business, your exclusive rights under the Multi-Unit Franchise Agreement with respect to the Designated Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Restaurants within the Designated Area. This right will be subject only to the territorial rights under your franchise agreements for Restaurants in the Designated Area. The Designated Area may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. You are

not granted any option, right of first refusal or similar right to acquire additional Restaurants in your Exclusive Area under the Multi-Unit Franchise Agreement, except as described above.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. The Multi-Unit Franchise Agreement does not grant to you any right to use the Marks.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

Our affiliate, Arooga's Holdings owns the following principal Marks, which are on the Principal Register with the U.S. Patent and Trademark Office ("USPTO"). They have file all required affidavits and intends to renew the registrations for the Marks when they become due.

If you operate an Arooga's Wing Shack, we will license to you the use of the "Arooga's Wing Shack" trademark.

Mark	Application Date	Serial Number	Registration Date	Registration Number
Arooga's Grille House & Sports Bar	12/18/2008	77/636,049	July 7, 2009	3,650,695
Arooga's Grille House & Sports Bar (logo)	8/13/2010	85/106,891	3/1/2011	3,925,686
Arooga's Wing Shack	6/3/2015	86649893	11/3/2015	4846152
A (logo)	7/1/2010	85/075,693	5/24/2011	3,967,880

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above which may be relevant to their use in this state or in any other state. There are no agreements currently in effect which limit our right to use or to license others to use the Marks, except for the trademark license agreement between us and Arooga's Holdings dated June 10, 2010.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in the state where your Restaurant will be located. You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Controlling Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must sign any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity (including any affiliate) having an interest in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Controlling Principals in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted or to be granted to franchisees;
2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and
3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights: We do not have an ownership interest in any patents or registered copyrights that are material to the franchise.

Confidential Manuals: You must operate the Restaurant in accordance with the standards and procedures specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement.

You must treat the Manual and any other manuals we create or approve for use in your operation of the Restaurant, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on the Restaurant premises.

We may revise the contents of the Manual and you must comply with each new or changed standard. You must also ensure that the Manual is kept current at all times. If there is a dispute as to the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling. You must return to us all pages that are replaced in the Manual.

Confidential Information: We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets. You and each of your Controlling Principals are prohibited, during and after the term of the Franchise Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of the Franchise Agreement or Multi-Unit Franchise Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Restaurant that may be communicated to you or any of your Controlling Principals or that you may learn about, including these trade secrets. You and each of your Controlling Principals may divulge this confidential information only to your employees who must have access to it to operate the Restaurant. Neither you nor your Controlling Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential.

You must have your Head Coach, Assistant Head Coach, and any of your personnel who have received or will have access to confidential information sign similar confidentiality covenants. Your Principals also must sign these covenants.

If you, your Controlling Principals, Head Coach or employees develop any new concept, process or improvement in the operation or promotion of the Restaurant, you must promptly notify us and give us all necessary information, free of charge. You, your Controlling Principals, Head Coach and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

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

When you sign your agreement, you must designate and retain at all times an individual to serve as the “Head Coach” (your general manager). If you are an individual, we recommend that you be the Head Coach. You must also retain other personnel as are needed to operate and manage the Restaurant. The Head Coach must satisfy our educational and business criteria as provided to you in the Manual or other written instructions and must be individually acceptable to us. In addition, the Head Coach must be responsible for the supervision and management of the Restaurant and must devote full time and best efforts to this activity. The Head Coach also must satisfy the applicable training requirements in the Franchise Agreement. If the Head Coach cannot serve in the position or does not meet the requirements, he or she must be replaced within 60 days after the Head Coach stops serving or no longer meets the requirements.

If you employ any individual as Head Coach or in a managerial position who is at the time employed in a managerial position by us or any of our affiliates, or by another of our franchisees, you must pay the former employer for the reasonable costs and expenses the employer incurred for the training of the employee.

You must also obtain covenants not to compete, including covenants applicable on the termination of the person’s relationship with you, from your Head Coach, Assistant Head Coach, and any of your other personnel who have received or will have access to our training before employment, and any holder of a beneficial interest in you (except for any limited partners). You must have all of your management personnel sign covenants that they will maintain the confidentiality of information they receive or have access to base on their relationship with you. We reserve the right, in our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph.

As described in Item 1, we have identified certain persons under the Franchise Agreement and Multi-Unit Franchise Agreement that we refer to in this Disclosure Document as your Principals. Your Principals include your spouse, if you are a married individual, your Principals also include those of your business entity’s officers and directors (including the officers and directors of your general partner, if applicable) whom we designate as your Principals and all holders of an ownership interest in you and in any entity that directly or indirectly controls you, and any other person or entity controlling, controlled by, or under common control with you. Should the marital status of Franchisee or one or more of the officers and directors change during the term, Franchisee shall promptly inform Franchisor of that change and the Franchisee agrees that any new spouse will sign this agreement either as a Franchisee or as a officers and directors, whichever is applicable.

If we designate certain of your Principals as Controlling Principals, they must sign the Franchise Agreement and Multi-Unit Franchise Agreement, as applicable, and agree to be individually bound by certain obligations under the Agreements, including confidentiality and non-competition covenants and they must personally guarantee your performance under the

Agreements. We typically designate your principal equity owners and executive officers, as well as any other affiliated entities that operate Restaurants, as Controlling Principals.

Operations, Standards of Quality, Inspections.

Submission of Performance Reports: You shall submit to us, for review or auditing, financial statements, including a balance sheet and income statement prepared on a monthly basis, Gross Sales reports and performance reports for monthly periods, and other forms, reports, records, information, and data as we may reasonably designate, in the form and place reasonably required by us, including by electronic telecommunications data transmission methods, upon request and as specified periodically in the Manual or otherwise in writing. These reports shall be submitted no later than the 7th day of each month following the reporting period or on another date specified in writing by us. Failure to do so will result in our assessment of a penalty of \$500 and an administrative fee of \$50 per day until the required report is received. If you prepare and submit to us monthly profit and loss statements, we may require you to have a certified public accountant review these statements on a quarterly basis, at your expense, and then submit the quarterly reviews to us. You also shall immediately notify us in writing when one or more liens or judgments are filed against you, the Restaurant and/or any of the personal guarantors (if any) under the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, and other products and services we require, in the manner and style we require, including dine-in and carry-out, as expressly authorized by us in writing. You must sell and offer for sale only the menu items, and other products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products and services offered by you at the Restaurant at any time, and there are no limits on our right to make those changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items with our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent.

You must keep the Restaurant very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including point of sale, computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new menu items from the Restaurant or to provide the Restaurant's

services by alternative means, such as through carry-out, drive-thru, catering or delivery arrangements.

We may determine the minimum or maximum selling price for the goods, products and services offered from your Restaurant, as permitted by applicable law.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier
b. Renewal or extension of the term	Section 3.2	One additional term of 10 years

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 3.2	Renewal is automatic. Within the last six months of the term of your Franchise Agreement, we will send you a bill for the renewal fee as well as any documents that you must sign for the renewal, which may include a renewal Franchise Agreement and a release. If you do not wish to renew your agreement, you must provide us with notice of this election no later than 60 days before your agreement expires. If you do not pay the renewal fee and sign the documents we require, your agreement will not be renewed You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with “cause”	Section 17.1.1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.

Provision	Section in Franchise Agreement	Summary
g. “Cause” defined – curable defaults	Sections 17.1.3 and 17.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within five days after notice (or longer period required), fail to obtain signed copies of the confidentiality and non-competition covenants contained in the Franchise Agreement within five days after a request, fail to obtain and maintain required insurance within seven days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice

Provision	Section in Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	Sections 17.1.2 and 17.1.3	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for the benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to acquire an accepted location within the time required, fail to remodel when required, fail to open Restaurant when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the Restaurant premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent or maintain false books or records. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us. This is known as a cross-default provision.
i. Franchisee’s obligations on termination/non-renewal	Section XVIII	Obligations include: You must stop operating the Restaurant and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials, comply with confidentiality requirements, pay liquidated damages, and at our option, sell or assign to us your rights in the Restaurant premises and the equipment and fixtures used in the business

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by Franchisor	Section 14.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction. However, no assignment will be granted except to an assignee who, in our good faith judgment, is willing and able to assume our obligations
k. “Transfer” by franchisee – defined	Section 14.2.1	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Restaurant or you (if you are not a natural person)
l. Franchisor approval of transfer by franchisee	Section 14.2.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent
m. Conditions for franchisor approval of transfer	Section 14.2.2	Conditions include: You must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee. Transferee must meet our criteria, attend training and sign current Franchise Agreement
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 14.4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions
o. Franchisor’s option to purchase franchisee’s business	Sections 18.11 and 14.4	Other than assets on termination, non-renewal or right of first refusal, we have not right or obligation to purchase your business, including the liquor license
p. Death or disability of franchisee	Section 14.5	If you or a Controlling Principal are a natural person, on death or permanent disability, distributee must be approved by us, or franchise must be transfer to someone approved by us within 12 months after death or within six months after notice of permanent disability

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 10.3.1	You are prohibited from operating or having an interest in a similar business
r. Non-competition covenants after the franchise is terminated or expires	Section 10.3.2	You and your Controlling Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a similar business within 20 miles of any Restaurant in the System
s. Modification of the agreement	Sections 10.1.5 and 19.2	Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended
t. Integration/merger clause	Section 19.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 19.7, 19.8, 19.9, 19.10 and 19.11	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated in Pennsylvania
v. Choice of forum	Section 19.8	The venue for all proceedings related to or arising out of the Franchise Agreement is Pennsylvania, unless otherwise brought by us (see Disclosure Document Addendum and State Amendments to Agreements) (Subject to applicable state law)
w. Choice of Law	Section 19.8	The Franchise Agreement is to be interpreted, governed and construed under Pennsylvania law (see Disclosure Document Addendum and State Amendments to Agreement) (Subject to applicable state law)

THE MULTI-UNIT FRANCHISEE RELATIONSHIP

Provision	Section in Multi-Unit Franchise Agreement	Summary
a. Length of the franchise term	VI	Length of the Minimum Performance Schedule, which can be as short as five years or as long as 20 years
b. Renewal or extension of the term	V	After all Restaurants have been developed, we will negotiate in good faith another Multi-Unit Franchise Agreement
c. Requirements for multi-unit franchisee to renew or extend	Not applicable	
d. Termination by multi-unit franchisee	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	IX	We can terminate if you commit any one of several listed violations
g. “Cause” defined – curable defaults	IX	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a Restaurant before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Restaurant before a Franchise Agreement for that Restaurant has been signed
h. “Cause” defined – non-curable defaults	IX	Failure to meet your minimum performance schedule; failure to comply with applicable laws; if all of your Restaurants stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)

Provision	Section in Multi-Unit Franchise Agreement	Summary
i. Multi-unit franchisee's obligations on termination/ non-renewal	X	You must stop selecting sites for Restaurants, and you may not open any more Restaurants
j. Assignment of contract by franchisor	XI	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Franchise Agreement
k. "Transfer" by multi-unit franchisee – defined	XI	Includes transfer of any interest in the Multi-Unit Franchise Agreement
l. Franchisor approval of transfer by multi-unit franchisee	XI	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	XI	Conditions for transfer include not being in default, at least 25% of all Restaurants required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Franchisees, execution of a general release (where legal), payment of the transfer fee, buyer personally guarantees all obligations
n. Franchisor's right of first refusal to acquire multi-unit franchisee's business	XI	We have the right to match the offer
o. Franchisor's option to purchase multi-unit franchisee's business	Not applicable	
p. Death or disability of multi-unit franchisee	XI	Interest must be transferred to an approved party within 12 months
q. Non-competition covenants during the term of the franchise	XII	Can't divert business or operate a competing business anywhere
r. Non-competition covenants after the franchise is terminated or expires	XII	No competing business for two years and within 20 miles of any Restaurant in the System
s. Modification of the agreement	XVIII	No modifications except by mutual agreement of the parties

Provision	Section in Multi-Unit Franchise Agreement	Summary
t. Integration/merger clause	XVIII	Only the terms of the Multi-Unit Franchise Agreement are binding (subject to state law)
u. Dispute resolution by arbitration or mediation	XIX	Except for certain claims, all disputes must be mediated and arbitrated in Pennsylvania (subject to state law)
v. Choice of forum	XIX	Arbitration in Pennsylvania (subject to state law)
w. Choice of law	XVIII	Pennsylvania applies (subject to state law)

ITEM 18 **PUBLIC FIGURES**

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

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following represents the historical gross sales, food and beverage costs, and labor costs achieved by these 6 franchise locations and 3 affiliate-owned Restaurants that have been in operation for more than 1 year.

These 6 Franchise locations represent 1 operated by JGJO Development Company in New York, 1 operated by Toson Foodservice in New Jersey, 2 operated by Jersey Wings in New Jersey, 1 operated by GH Management in Florida, 1 operated by Manas Holdings in Pennsylvania.

These three affiliate locations represent a Downtown Location that is 4,000 SF, a Suburban location that is 6,000 SF, and a Suburban location that is 8,000 SF.

Arooga's Franchisee Information

***Gross Sales Minus Sales Tax:**

These locations, during the fiscal year ended December 28, 2021, our franchise-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had gross sales (excluding sales taxes) as represented below.

North Plainfield, NJ	\$ 2,247,403
East Brunswick, NJ	\$ 3,476,182
Howell, NJ	\$ 2,971,391
Patchogue, NY	\$ 2,978,326
Winter Park, FL	\$ 2,189,847
Allentown, PA	\$ 858,638

Food and Beverage Costs:

These locations, during the fiscal year ended December 28, 2021, our franchise-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had food and beverage costs as represented below.

North Plainfield, NJ

Food Cost -	\$ 541,251	33.4%
Pour Cost -	\$ 126,384	20.1%
Combined Food & Pour Costs -	\$ 667,635	29.7%%

East Brunswick, NJ

Food Cost -	\$ 823,104	30.6%
Pour Cost -	\$ 158,558	20.3%
Combined Food & Pour Costs -	\$ 981,663	28.2%

Howell, NJ

Food Cost -	\$ 765,515	31.4%
Pour Cost -	\$ 100,045	18.9%
Combined Food & Pour Costs -	\$ 856,560	29.1%

Patchogue, NY

Food Cost -	\$ 487,286	30.9%
Pour Cost -	\$ 273,861	19.5%
Combined Food & Pour Costs -	\$ 761,147	25.6%

Allentown, PA

Food Cost -	\$ 291,083	36.0%
Pour Cost -	\$ 94,258	36.1%
Combined Food & Pour Costs -	\$ 385,341	44.9%

Winter Park, FL

Food Cost -	\$ 563,519	34.4%
Pour Cost -	\$ 166,642	30.1%
Combined Food & Pour Costs -	\$ 730,161	33.3%

Labor Costs:

These locations, during the fiscal year ended December 28, 2021, our franchise-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had labor costs as represented below.

Other Payroll related Labor costs included the following, in addition to wages: - Management salaries, Payroll tax expense, unemployment tax expense, group medical insurance, and workers compensation expense.

East Brunswick, NJ

Front of House Labor	\$ 197,306	5.7%
Back of House Labor	\$ 307,590-	8.8%
Total Operational Labor	\$ 504,897	14.5%

Other Payroll (Management)	\$ 564,083	16.2%
Other Payroll Related Expenses	\$ 229,354	6.6%
Total Labor Cost	\$ 1,298,335	37.3%

Howell, NJ229,354

Front of House Labor	\$ 193,263	6.5%
Back of House Labor	\$ 268,483	11.6%
Total Operational Labor	\$ 461,747	15.5%

Other Payroll (Management)	\$ 345,673	11.6%
Other Payroll Related Expenses	\$ 151,751	5.1%
Total Labor Cost	\$ 959,171	32,3%

North Plainfield, NJ

Front of House Labor	\$ 155,660	6.9%
Back of House Labor	\$ 253,684	11.3%
Total Operational Labor	\$ 409,345	18.2%

Other Payroll (Management)	\$ 196,434	8.7%
Other Payroll Related Expenses	\$ 146,446	6.5%
Total Labor Cost	\$ 752,226	33.5%

Patchogue, NY

Front of House Labor	\$ 269,667	9.1%
Back of House Labor	\$ 194,122	6.5%

Total Operational Labor	\$ 463,789	15.6%
Other Payroll (Management)	\$ 312,375	10.5%
Other Payroll Related Expenses	\$ 134,894	4.5%
Total Labor Cost	\$ 911,060	30.6%

Allentown, PA

Front of House Labor	\$ 80,963	9.4%
Back of House Labor	\$ 124,184	4.5%
Total Operational Labor	\$ 205,147	23.9%
Other Payroll (Management)	\$ 136,204	15.9%
Other Payroll Related Expenses	\$ 54,001	6.3%
Total Labor Cost	\$ 395,352	46.0%

Winter Park, FL

Front of House Labor	\$196,577	9.0%
Back of House Labor	\$ 160,947	7.3%
Total Operational Labor	\$ 357,524	16.3%
Other Payroll (Management)	\$ 317,110	14.5%
Other Payroll Related Expenses	\$ 99,191	4.5%
Total Labor Cost	\$ 773,824	35.3%

Total Prime Costs: Food & Beverage plus Labor

These locations , during the fiscal year ended December 28, 2021, our franchise-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had Total Prime costs as represented below.

East Brunswick, NJ

Combined Food & Pour costs	\$ 981,663	28.2%
Total Labor Cost	\$ 1,298,355	37.3%
Total Prime Costs	\$ 2,279,998	65.6%

Howell, NJ

Combined Food & Pour costs	\$ 865,560	29.1%
Total Labor Cost	\$ 959,171	32.3%
Total Prime Costs	\$ 1,824,732	61.4%

North Plainfield, NJ

Combined Food & Pour costs	\$ 667,635	29.7%
Total Labor Cost	\$ 752,226	33.5%
Total Prime Costs	\$ 1,419,861	63.2%

Patchogue, NY

Combined Food & Pour costs	\$ 761,147	25.6%
Total Labor Cost	\$ 978,166	30.6%
Total Prime Costs	\$ 1,672,208	56.1%

Allentown, PA

Combined Food & Pour costs	\$ 385,341	44.9%
Total Labor Cost	\$ 395,352	46.0%
Total Prime Costs	\$ 780,693	90.9%

Winter Park, FL

Combined Food & Pour costs	\$ 730,161	33.3%
Total Labor Cost	\$ 773,824	35.3%
Total Prime Costs	\$ 1,503,985	68.7%

***Gross Profit after Prime Costs: Gross Sales Minus Food & Beverage & Labor Costs**

These locations , during the fiscal year ended December 28, 2021,our franchise-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had Gross Profit after Prime costs as represented below.

East Brunswick, NJ

Gross Sales	\$ 3,476,182	100.0%
Total Prime Costs	\$ 2,279,998	65.6%
Gross Profit after Prime Costs	\$ 1,196,183	34.4%

Howell, NJ

Gross Sales	\$ 2,971,390	100.0%
Total Prime Costs	\$ 1,824,732	61.4%
Gross Profit after Prime Costs	\$ 1,146,658	38.6%

North Plainfield, NJ

Gross Sales	\$ 2,247,402	100.0%
Total Prime Costs	\$ 1,419,861	63.2%
Gross Profit after Prime Costs	\$ 827,541	36.8%

Patchogue, NY

Gross Sales	\$ 2,978,326	100.0%
Total Prime Costs	\$ 1,672,208	56.1%
Gross Profit after Prime Costs	\$ 1,306,117	43.9%

Allentown, PA

Gross Sales	\$ 858,638	100.0%
Total Prime Costs	\$ 780,693	90.9%
Gross Profit after Prime Costs	\$ 77,945	9.1%

Winter Park, FL

Gross Sales	\$ 2,189,847	100.0%
Total Prime Costs	\$ -1,503,985	68.7%
Gross Profit after Prime Costs	\$ 685,862	31.3%

Arooga's Affiliate Information***Gross Sales Minus Sales Tax:**

These locations, during the fiscal year ended December 31, 2021 (which was a 53-week year), our affiliate-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 3,500

Square feet and had gross sales (excluding sales taxes) as represented below.

Arooga's Downtown Harrisburg, PA	\$ 2,745,725
RT. 11 Mechanicsburg, PA	\$ 2,867,701
Hershey / Hummelstown, PA	\$ 2,733,862

Food and Beverage Costs:

These locations, during the fiscal year ended December 28, 2021, our affiliate-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had food and beverage costs as represented below.

Downtown Harrisburg, PA

Food Cost -	\$527,883	34.3%
Pour Cost -	\$312,257	25.9%
Combined Food & Pour costs	\$840,140	30.6%

RT 11- Mechanicsburg, PA

Food Cost -	\$748,539	32.1%
Pour Cost -	\$151,986	28.4%
Combined Food & Pour costs	\$900,525	31.4%

Hershey / Hummelstown, PA

Food Cost -	\$777,969	34.1%
Pour Cost -	\$122,318	27.0%
Combined Food & Pour costs	\$900,287	32.9%

Labor Costs:

These locations , during the fiscal year ended December 28, 2021, our affiliate-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000 Square feet and had labor costs as represented below.

Other Payroll related Labor costs included the following, in addition to wages: - Management salaries, Payroll tax expense, unemployment tax expense, group medical insurance, and workers compensation expense.

Front of House Labor	\$176,635	6.4%
<u>Back of House Labor</u>	<u>\$190,963</u>	<u>7.0%</u>
Total Operational Labor	\$367,598	13.4%
Management Labor	\$225,646	8.2%
<u>Other Payroll Related Expenses</u>	<u>\$96,021</u>	<u>3.5%</u>
Total Labor Cost	\$689,266	25.1%

RT 11- Mechanicsburg, PA

Front of House Labor	\$109,234	3.8%
<u>Back of House Labor</u>	<u>\$277,660</u>	<u>9.7%</u>
Total Operational Labor	\$386,894	13.5%
Management Labor	\$178,781	6.2%
<u>Other Payroll Related Expenses</u>	<u>\$ 98,353</u>	<u>3.4%</u>
Total Labor Cost	\$664,029	23.2%

Hershey / Hummelstown, PA

Front of House Labor	\$136,203	5.0%
<u>Back of House Labor</u>	<u>\$263,008</u>	<u>9.6%</u>
Total Operational Labor	\$399,211	14.6%
Management Labor	\$237,201	8.7%
<u>Other Payroll Related Expenses</u>	<u>\$105,654</u>	<u>3.9%</u>
Total Labor Cost	\$742,067	27.1%

Total Prime Costs: Food & Beverage plus Labor

These locations , during the fiscal year ended December 28, 2021, our affiliate-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 3,500 Square feet and had Total Prime costs as represented below.

Other Payroll related Labor costs included the following, in addition to wages: - Management salaries, Payroll tax expense, unemployment tax expense, group medical insurance, and workers compensation expense.

Downtown Harrisburg, PA

Combined Food & Pour costs	\$840,140	30.6%
Total Labor Cost	\$367,598	25.1%
Total Prime Costs	\$1,529,406	55.7%

RT 11- Mechanicsburg, PA

Combined Food & Pour costs	\$900,525	31.4%
Total Labor Cost	\$664,029	23.2%
Total Prime Costs	\$1,564,554	54.6%

Hershey / Hummelstown, PA

Combined Food & Pour costs	\$900,287	32.9%
Total Labor Cost	\$742,067	27.1%
Total Prime Costs	\$1,642,354	60.1%

***Gross Profit after Prime Costs: Gross Sales Minus Food & Beverage & Labor Costs**

These locations , during the fiscal year ended December 28, 2021 (which was a 53-week year), our affiliate-owned Restaurants that have been in operation for a minimum of 1 year, are larger than 4,000

Square feet and had Gross Profit after Prime costs as represented below.

Downtown Harrisburg, PA

Gross Sales	\$2,745,725	100.0%
Total Prime Costs	\$1,529,406	55.7%
Gross Profit after Prime Costs	\$1,216,319	44.3%

RT 11- Mechanicsburg, PA

Gross Sales	\$2,867,701	100.0%
Total Prime Costs	\$1,564,554	54.6%
Gross Profit after Prime Costs	\$1,303,147	45.4%

Hershey / Hummelstown, PA

Gross Sales	\$2,733,862	100.0%
Total Prime Costs	\$1,642,354	60.1%
Gross Profit after Prime Costs	\$1,091,508	39.9%

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

*“Gross Sales” means all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor’s methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. It does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, (iii) properly documented promotional discounts (i.e. coupons) or (iv) properly documented employee discounts (limited to 3% of Gross Sales). Gross Sales does not include gift card purchases, at the time of purchase, but Gross Sales does include the redemption amount of purchases made by gift card.

*“Gross Profit” means the profit made after deducting the costs associated with making and selling all company products, or the costs associated with providing its services.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

Food Cost: The cost associated with the ingredients used for the preparation of all Food-related items in the restaurant, it also includes the cost of non-alcoholic beverages such as soda, iced tea, etc.

Pour Cost: The cost associated with an alcoholic beverage contains the cost of Beer, Wine, and Liquor.

Other than the preceding financial performance representation, Arooga’s Franchising LP does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Gary Huether, Jr. at 1591 S. 19th Street, Harrisburg, Pennsylvania 17104 and (717) 635-9464, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2019, 2020, 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	5	9	+4
	2020	9	6	-3
	2021	6	9	+3
Company-Owned*	2019	10	10	0
	2020	10	9	-1
	2021	9	8	-1
Total Outlets	2019	15	19	+4
	2020	19	15	-4
	2021	15	17	+2

* The company-owned outlets shown in the above table are owned and operated by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019, 2020, 2021

State	Year	Number of Transfers
MA	2019	0
	2020	0
	2021	1
RI	2019	0
	2020	0
	2021	1
Total	2019	0
	2020	0
	2021	2

Table No. 3
Status of Franchised Outlets
For years 2019, 2020, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
CT	2019	2	0	0	0	0	1	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
MA	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	1	0	0	0	0	1
NJ	2019	1	1	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
NY	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
RI	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	1	0	0	0	0	1
FL	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
PA	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Total	2019	6	4	0	0	0	1	9
	2020	9	1	0	0	0	4	6
	2021	6	3	0	0	0	0	9

Table No. 4
Status of Company-Owned Outlets
For years 2019, 2020, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Pennsylvania	2019	10	0	0	0	0	10
	2020	10	0	0	1**	0	9
	2021	9	0	0	1***	0	8
Total	2019	10	0	0	0	0	10
	2020	10	0	0	1**	0	9
	2021	9	0	0	1***	0	8

As described in Item 1, we do not own or operate any Restaurants, but our affiliates own and operate Restaurants in Pennsylvania.

**The restaurant was closed because a new lease agreement could not be reached with the landlord

*** We converted an Arooga's into a Brewery Restaurant (Grateful Goat Brewing and Provisions)

Table No. 5
Projected Openings as of December 31, 2021

States	Franchise Agreements Signed But Restaurant Not Open	Projected Franchised Restaurant Openings	Projected Company-Owned Restaurant Openings
New Jersey	1	1	1
New York	2	1	0
Pennsylvania	1	1	0
Total	4	3	1

A list of the names of all franchisees and multi-unit franchisees and the addresses and telephones numbers of their franchises will be provided in Exhibit D to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit franchisees who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business

under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit D to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Arooga's System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Arooga's System.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our audited financial statements for the periods December 31, 2021, December 30, 2020 and December 31, 2019.

Our fiscal year end in 2020 was December 31st.

ITEM 22

CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|--------------------------------|-----------|
| 1. | Multi-Unit Franchise Agreement | Exhibit B |
| 2. | Franchise Agreement | Exhibit C |
| 3. | Form of General Release | Exhibit H |

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

CONTENTS

<u>Independent Certified Public Accountants' Report</u>	1
 <u>Financial Statements</u>	
Balance Sheet	2
Statement of Income and Members' Capital	3
Statement of Cash Flows	4
Notes to Financial Statements	5-8

NAGEL & ASSOCIATES P.C. CERTIFIED PUBLIC ACCOUNTANTS
1101 W. MINERAL AVE #106
LITTLETON, CO 80120
TELEPHONE (720) 434-6800
FAX (303) 672-6897

Independent Auditor's Report

The Board of Directors
Arooga's Franchising, LP
Harrisburg, Pennsylvania

We have audited the accompanying balance sheets of Arooga's Franchising, LP (the "Company") as of December 28, 2021, December 29, 2020 and December 31, 2019 and the related statement of Income and members' capital, and the statement of cash flows for the periods December 30, 2020 to December 28, 2021, January 1, 2020 to December 29, 2020 and December 31, 2018 to December 31, 2019. All information included in the financial statements is the representation of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arooga's Franchising, LP as of December 28, 2021 and December 29, 2020 and December 31, 2019 and the results of its operations and its cash flows for the period of December 30, 2020 to December 28, 2021, January 1, 2020 to December 29, 2020 and December 31, 2018 to December 31, 2019, in conformity with accounting principles accepted in the United States of America.

Nagel & Associates, P.C.
Littleton, CO
May 11, 2022

Arooga's Franchising, LP

Harrisburg, Pennsylvania

Financial Statements

As of December 28, 2021 and December 29, 2020, and December 31, 2019
and for the periods December 30, 2020 to December 28, 2021, January 1, 2020 to December 29, 2020,
and December 31, 2018 to December 31, 2019

(Together with Independent Auditor's Report)

Arooga's Franchising, LP
Balance Sheet
Years Ended December 28, 2021, December 29, 2020,
And December 31, 2019

	2021	2020	2019
ASSETS			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 1,188,246	\$ 2,692,188	\$ 1,838,148
Accounts Receivable	\$ 96,856	\$ 29,853	\$ 46,391
Due from Related Party Affiliates	\$ 544,079	\$ -	\$ 151,093
Prepaid Sales Commissions	\$ 30,000	\$ 30,000	\$ 30,000
Prepaid expenses	\$ 2,503	\$ 2,503	\$ 2,503
<u>Total Current Assets</u>	<u>\$ 1,861,683</u>	<u>\$ 2,754,544</u>	<u>\$ 2,068,136</u>
<u>Property and Equipment</u>			
Computer Software	\$ 14,000	\$ 14,000	\$ 14,000
Operating Equipment	\$ 25,000	\$ 25,000	\$ 25,000
Accumulated Depreciation	\$ (24,719)	\$ (21,146)	\$ (17,573)
<u>Net Property and Equipment</u>	<u>\$ 14,281</u>	<u>\$ 17,854</u>	<u>\$ 21,427</u>
TOTAL ASSETS	<u>\$ 1,875,964</u>	<u>\$ 2,772,398</u>	<u>\$ 2,089,563</u>
LIABILITIES & MEMBER'S CAPITAL			
<u>Current Liabilities</u>			
Accounts Payable	\$ 142,904	\$ 16,961	\$ -
Unearned Income	\$ 61,650	\$ 57,650	\$ 65,600
Accrued Payroll/Bonus	\$ 7,439	\$ 6,554	\$ 10,089
Due to Related Party Affiliates		\$ 455,640	\$ -
<u>Total Current Liabilities</u>	<u>\$ 211,993</u>	<u>\$ 536,804</u>	<u>\$ 75,689</u>
<u>Long-Term Liabilities</u>			
SBA PPP Loan	\$ -	\$ 59,600	\$ -
SBA EIDL Loan	\$ 147,769	\$ 149,900	\$ -
<u>Total Long-Term Liabilities</u>	<u>\$ 147,769</u>	<u>\$ 209,500</u>	<u>\$ -</u>
<u>Member's Capital</u>			
PARTNERS CAPITAL ACCOUNTS	\$ 1,516,201	\$ 2,026,094	\$ 2,013,874
TOTAL MEMBER'S CAPITAL	<u>\$ 1,516,201</u>	<u>\$ 2,026,094</u>	<u>\$ 2,013,874</u>
TOTAL LIABILITIES & CAPITAL	<u>\$ 1,875,964</u>	<u>\$ 2,772,398</u>	<u>\$ 2,089,563</u>

Arooga's Franchising, LP
Statement of Income and Members' Capital
For the Years Ended December 28, 2021, December 29, 2020,
And December 31, 2019

	2021	2020	2019
Revenues	\$ 981,484	\$ 577,972	\$ 1,417,446
Operating Expenses			
Selling, General & Administrative	\$ 250,733	\$ 288,581	\$ 341,667
Professional Fees	\$ 38,533	\$ 144,137	\$ 158,828
Advertising, Promotion & Brand Development	\$ 103,784	\$ 63,145	\$ 53,394
Travel	\$ 16,771	\$ 11,369	\$ 41,486
Meal & Entertainment	\$ 10,677	\$ 478	\$ 11,056
Franchise & Event Fees	\$ 7,217	\$ 6,748	\$ 52,472
Total Operating Expenses	\$ 427,714	\$ 514,457	\$ 658,903
Income (Loss) from Operations	<u>\$ 553,770</u>	<u>\$ 63,515</u>	<u>\$ 758,543</u>
Other Expenses			
Depreciation	\$ 3,573	\$ 3,573	\$ 3,573
Interest	\$ 7,869	\$ -	\$ 49
Other Income			
Covid Grant Income	\$ -	\$ 32,000	\$ -
Non Taxable PPP Income	\$ 114,200	\$ -	\$ -
Interest	\$ 3,765	\$ 14,440	\$ 13,373
Net Income (Loss)	<u>\$ 660,293</u>	<u>\$ 106,381</u>	<u>\$ 768,294</u>
Members' Capital, January 1 ,	\$ 2,026,094	\$ 2,013,874	\$ 1,422,400
Capital Contributions	\$ -	\$ -	\$ -
Distributions	\$ (1,170,185)	\$ (94,161)	\$ (176,821)
Net Income (Loss)	\$ 660,293	\$ 106,381	\$ 768,294
Members' Capital, December 31,	<u>\$ 1,516,201</u>	<u>\$ 2,026,094</u>	<u>\$ 2,013,874</u>

Arooga's Franchising, LP
Statement of Cash Flows
For the Periods December 30, 2020 to December 28, 2021
January 1, 2020 to December 29, 2020 and
December 31, 2018 to December 31, 2019

	2021	2020	2019
Cash Flows From Operating Activities			
Net Income (Loss)	\$ 660,293	\$ 106,381	\$ 768,294
Add: Depreciation	\$ 3,573	\$ 3,573	\$ 3,573
(Increase) / Decrease in Accounts Receivables	\$ (67,003)	\$ 16,538	\$ (3,900)
Increase / (Decrease) in Accounts Payables	\$ 125,944	\$ 16,961	\$ (51,044)
(Increase) / Decrease in Prepaid Expenses			
Increase / (Decrease) in Unearned Income	\$ 4,000	\$ (7,950)	\$ 12,050
Increase / (Decrease) in Accrued Payroll	\$ 886	\$ (3,537)	\$ (2,419)
Net Cash Provided by Operating Activities	<u>\$ 727,692</u>	<u>\$ 131,966</u>	<u>\$ 726,554</u>
Cash Flows from Investing Activities:			
(Increase) / Decrease in Assets	\$ -	\$ -	\$ (25,000.00)
Cash flows from Financing Activities:			
Increase / (Decrease) in Related Party Payables	\$ -	\$ -	\$ -
(Increase) / Decrease in Related Party Receivables	\$ (544,080)	\$ 151,094	\$ (35,156)
Increase / (Decrease) in Related Party Payables	\$ (455,640)	\$ 455,640	
Increase / (Decrease) in Notes Payable	\$ (61,731)	\$ 209,500	
Capital Contributions		\$ -	\$ -
Capital Distributions	\$ (1,170,185)	\$ (94,161)	\$ (176,821)
Net Cash Provided By Financing Activities	<u>\$ (2,231,635)</u>	<u>\$ 722,073</u>	<u>\$ (211,977)</u>
Net Increase (Decrease in Cash and Cash Equivalents)	\$ (1,503,943)	\$ 854,039	\$ 489,577
Cash and Cash Equivalents, January 1,	\$ 2,692,188	\$ 1,838,148	\$ 1,348,570
Cash and Cash Equivalents, December 31,	<u>\$ 1,188,246</u>	<u>\$ 2,692,188</u>	<u>\$ 1,838,148</u>

Arooga's Franchising, LP
Notes to Financial Statements
December 28, 2021

(1) Background and Summary of Significant Account Policies

Background. Arooga's Franchising, LP (the "Company") was organized in and under the laws of Commonwealth of Pennsylvania as a Limited Partnership on November 20, 2009. The Company is the exclusive franchisor of the Arooga's concept. The Arooga's concept is a grill house and sports bar with homemade wings, bread, rings, sauces, salad dressings and soups. The Company licenses the trademarks and service marks for the Arooga's concept.

Summary of Significant Accounting Policies. The following are the significant accounting policies used in the preparation of the financial statements.

Operating Cycle. The Company has elected to report on the 52/53 weeks accounting cycle ending on the last Sunday in December for the year ended December 28, 2021. Prior years were reported on the 52/53 weeks accounting cycle.

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

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on deposit with financial institutions.

Cash Balances in Excess of Federally Insured Limits. The Company's cash balance as of December 28, 2021 was \$1,188,246 and it maintains its cash accounts at S&T Bank and NexTier Bank. The total cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per account. During the year the company had balances that exceeded the amount insured by the FDIC.

Accounts Receivable. Accounts Receivable consists of receivables from Arooga's Franchisees for franchise fees and other income items associated with franchising the Arooga's concept.

Depreciation. Depreciation for book purposes is provided based upon the straight-line method over the estimated useful life of the asset.

Accounts Payable. Accounts payable represents funds due to vendors and credit cards of the Company for normal operating costs of the Company.

Unearned Income. Unearned Income consists of initial fees received from sales of franchises related to trademark licenses that are amortized over the term of the franchise agreement.

Accrued Payroll/Bonus. Accrued Payroll/bonus consists of payroll and bonus earned in current year, but not paid until future year.

Members' Capital. The Company was organized with three members. The General Partners' ownership consists of 1%. The two Limited Partners each consist of 49.5% ownership in the Company. The allocation of profits, losses and distributions, as well as restrictions on the sale or transfer of member shares is governed by the partnership agreement of the Company.

Income Taxes. The Company does not pay income taxes on its taxable income. Instead, the members of the Company are liable for the taxes on their allocable share of the Company's taxable income, which is reported on the members' income tax returns.

Initial Franchise Sales. The Company signed its first Multi-Unit Franchise Agreement in 2014. The agreement authorizes and obliges the franchisee to open 15 Arooga's restaurants in Connecticut and Rhode Island by the end of 2018. As of the end of 2021, nine Franchise Concepts have been opened in the following states: Pennsylvania, Connecticut, Rhode Island, New York, New Jersey, Massachusetts, and Florida.

(2) Startup and Franchising Costs

The Company has expensed the costs of becoming the franchisor of the Arooga's concept, including the preparation of organization documents, the related startup costs, the preparation of the offering circular documents, and other collateral materials.

(3) Property and Equipment

A summary of the investment in property and equipment for the periods ended December 31, net of accumulated depreciation are as follows:

	<u>December 28, 2021</u>	<u>December 29, 2020</u>	<u>December 31, 2019</u>
Computer Software	\$0	\$0	\$0
Operating Equipment	\$14,281	\$17,854	\$21,427

(4) Prepaid Sales Commissions

Prepaid Sales Commissions consist of monies advanced to a single salesperson contracted to sell franchises for the Company. During the audit period, the sales commissions, which were incurred for the sale of franchises were expensed and did not reduce Prepaid Sales Commissions. It is expected that future sales will generate sufficient commissions so the Prepaid Sales Commissions can be paid back to the Company. If no future orders are received, then the Prepaid Sales Commissions would have to be expensed as a cost of sales.

(5) Related Party Transactions/Due to from Related Party Affiliates

As of the period ended December 28, 2021, the Company has received a total of \$230,000 From Arooga's Route 696 Ventures, LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company has received a total of \$110,000 From Arooga's Route 696 Ventures, LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 31, 2019, the Company has loaned a total of \$15,000 to Arooga's Route 696 Ventures, LP. No interest has been applied to the loan at this time.

As of the period ended December 28, 2021, the Company has provided a total of \$2,333,300 to Arooga's Route 11 Ventures, LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company has received a total of \$1,016,700 From Arooga's Route 11 Ventures, LP, an operator of an Arooga's restaurant with common ownership. No interest has been applied to the loan at this time.

As of the period ended December 28, 2021, the Company has received a total of \$208,000 from Lancaster 462 Ventures, LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company loaned a total of \$42,000 to Lancaster 462 Ventures, LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 31, 2019, the Company loaned a total of \$42,000 to Lancaster 462 Ventures, LP. No interest has been applied to the loan at this time.

Since inception of the business, the Company provided funds to Arooga's Franchise Management, LLC, the General Partner of the Company. As of the period ended December 28, 2021, December 29, 2020 and December 31, 2019, the Company has provided a total of \$1,125 to Arooga's Franchise Management, LLC. No interest has been applied to the loan at this time.

Since inception of the business the Company provided funds to Arooga's Grill House and Sports Bar Holdings, LP, a corporate management company for Arooga's restaurants with common ownership. As of the period ended December 28, 2021, the Company has received a total of \$8,846.87 from Arooga's Grill House and Sports Bar Holdings, LP. As of the period ended December 29, 2020, the Company has provided a total of \$84,734 to Arooga's Grill House and Sports Bar Holdings, LP. As of the period ended December 31, 2019, the Company provided a total of \$92,968 to Arooga's Grill House and Sports Bar Holdings, LP. No interest has been applied to the loan at this time.

As of the period ended December 28, 2021, the Company received a total of \$85,500 from ByPass Ventures, LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company loaned a total of \$64,500 to ByPass Ventures, LP, an operator of an Arooga's restaurant with common ownership.

As of the period ended December 28, 2021, the Company loaned a total of \$10,000 to Scratch Made Awesomeness, LP, a manufacturer, and seller of Arooga's sauces and products with common ownership for use and sale in the Arooga's restaurants. As of the period ended December 29, 2020, the Company loaned a total of \$10,000 to Scratch Made Awesomeness, LP, a manufacturer, and seller of Arooga's sauces and products with common ownership for use and sale in the Arooga's restaurants.

As of the period ended December 28, 2021, the Company received a total of \$150,000 from 39 Ventures LP, an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company received a total of \$30,000 from 39 Ventures LP, an operator of an Arooga's restaurant with common ownership.

As of the period ended December 28, 2021, the Company received a total of \$300,000 from Waterford Ventures, LP an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company received a total of \$150,000 from Waterford Ventures, LP an operator of an Arooga's restaurant with common ownership.

As of the period ended December 28, 2021, the Company received a total of \$300,000 from 2nd Street Ventures, LP an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company received a total of \$150,000 from 2nd Street Ventures, LP an operator of an Arooga's restaurant with common ownership.

As of the period ended December 28, 2021, the Company received a total of \$218,000 from Route 422 Ventures, LP an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company received a total of \$68,000 from Route 422 Ventures, LP an operator of an Arooga's restaurant with common ownership.

As of the period ended December 28, 2021, the Company received a total of \$300,000 from York 124 Ventures, LP an operator of an Arooga's restaurant with common ownership. As of the period ended December 29, 2020, the Company received a total of \$150,000 from York 124 Ventures, LP an operator of an Arooga's restaurant with common ownership.

(6) SBA PPP Loan

The Company obtained SBA Payroll Protection Program loans in the amount of \$114,200. These loans were forgiven in 2021.

(7) SBA EIDL Loan

The Company obtained an SBA Economic Injury Disaster Loan in the amount of \$150,000. This loan carries an interest rate of 3.75% with a 30-year repayment and a year deferment of payments. The company has made loan payments on the loan and the balance as of December 28, 2021 was \$147,769.

(8) Operating Leases

The Company did not have any vehicles or equipment under separate cancelable operating lease for the period ended December 28, 2021.

EXHIBIT B TO THE DISCLOSURE DOCUMENT
MULTI-UNIT FRANCHISE AGREEMENT

Arooga's Franchising, LP
MULTI-UNIT FRANCHISE AGREEMENT

Table of Contents

SECTION I: GRANT	3
SECTION II: DEVELOPMENT FEE	3
SECTION III: SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS.....	3
SECTION IV: DEVELOPMENT RIGHTS AND OBLIGATIONS	4
SECTION V: RENEWAL	5
SECTION VI: TERM AND RIGHT OF FIRST REFUSAL	5
SECTION VII: YOUR OBLIGATIONS	6
SECTION VIII: OUR SERVICES	7
SECTION IX: DEFAULT AND TERMINATION.....	7
SECTION X: OBLIGATIONS FOLLOWING TERMINATION.....	9
SECTION XI: TRANSFER OF INTEREST	9
SECTION XII: COVENANTS.....	12
SECTION XIII: NOTICES.....	14
SECTION XIV: INDEPENDENT CONTRACTOR AND INDEMNIFICATION	14
SECTION XV: APPROVALS.....	15
SECTION XVI: NON-WAIVER.....	15
SECTION XVII: SEVERABILITY AND CONSTRUCTION	15
SECTION XVIII: ENTIRE AGREEMENT; APPLICABLE LAW.....	16
SECTION XIX: DISPUTE RESOLUTION	16
SECTION XX: TIMELY PERFORMANCE	18
SECTION XXI: ACKNOWLEDGMENTS	18
SECTION XXII: EFFECTIVE DATE	18

ATTACHMENTS:

ATTACHMENT 1:	Certification by Multi-Unit Franchisee
ATTACHMENT 2:	Guaranty
ATTACHMENT 3:	Transfer of a Franchise to a Corporation or Limited Liability Company
ATTACHMENT 4:	Minimum Performance Schedule
ATTACHMENT 5:	Designated Area
ATTACHMENT 6:	Existing Restaurants in Designated Area

THIS MULTI-UNIT FRANCHISE AGREEMENT (“Agreement”) is made and entered into this day of _____, between Arooga’s Franchising, LP, a Pennsylvania limited partnership having its principal place of business at 1591 S. 19th Street Harrisburg, Pennsylvania 17104 (“we”, “us” or “our”), and _____ whose principal address is _____ (hereinafter “you” or “your”).

WITNESSETH:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of a full-service casual restaurant and bar that will have a sports entertainment theme and will offer lunch and dinner menus to include on premises dining and carry-out, along with catering. The menu features chicken wings served with award winning proprietary sauces, sandwedges, cheesesteaks, salads, strombolis and other American fare. Arooga’s Restaurants always provide “a view of every game from every seat” and offer a great selection of non-alcoholic and alcoholic beverages, including 30 craft beers and micro-brews and proprietary liquor. The System operates under the names “Arooga’s Grille House & Sports Bar” (a “Restaurant” or “Arooga’s Restaurant”). Unless the context requires otherwise, the terms Restaurant and Arooga’s Restaurant shall include an Arooga’s Grille House & Sports Bar Restaurant;

WHEREAS, Arooga’s Restaurants are “certified green” restaurants, which requires a continuing commitment to water efficiency, waste reduction and recycling, sustainable furnishings and building materials, energy, disposables, and other standards;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks “Arooga’s Grille House & Sports Bar” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks”). The Marks are owned by our affiliate, Arooga’s Grille House & Sports Bar Holdings, LP, which has licensed the Marks to us so that we may sub-license the Marks to our franchisees;

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Restaurants operating under the Marks under the System within the Designated Area described in this Multi-Unit Franchise Agreement.

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

SECTION I: GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Multi-Unit Franchise Agreement, certain development rights ("Development Rights") to establish and operate _____ (_____) franchised Restaurants, and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment 4 of this Agreement (hereinafter "Minimum Performance Schedule"). Each Restaurant developed hereunder shall be located in the area described in Attachment 5 of this Agreement (hereinafter "Designated Area").

1.2 Each Restaurant for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Restaurant in the Designated Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION II: DEVELOPMENT FEE

Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the payment of the initial franchise fee and all other initial payments until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must sign the Franchise Agreement before beginning training.

In consideration of the development rights granted herein, you shall pay to our Area Representative a Development Fee of _____ Thousand Dollars (\$_____), which is calculated as one hundred percent (100%) for the first franchise agreement and one-half for the second, third and fourth Restaurants to be developed hereunder. The initial franchise fee for the first Restaurant to be developed shall be Forty Nine Thousand Five Hundred Dollars (49,500), and the initial franchise fee for each additional Restaurant to be developed hereunder shall be Thirty-Seven Thousand Dollars (\$37,000).

The Development Fee shall be fully earned by us upon execution of this Agreement, shall be non-refundable, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted to you herein.

SECTION III: SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Restaurants and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of such information and materials from you to approve or disapprove the site in our sole discretion. If the site is approved, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof. Under no circumstances, however, may you open a Restaurant for business unless and until we have received the executed Franchise Agreement for such Restaurant.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Restaurant at a site approved by us in the Designated Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Advertising Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to you, our approval of the site shall be void and you shall have no rights with respect to said site.

As described in Section II, the Initial Franchise Fee to be paid by you for the first Restaurant to be developed hereunder shall be Forty-Nine Thousand Five Hundred Dollars (\$49,500). Upon your execution of the Franchise Agreement for the first Restaurant, we will apply a portion of the Development Fee toward the Initial Franchise Fee due for such Restaurant. For each additional Restaurant to be developed hereunder, we will apply a pro rata portion of the Development Fee toward the Initial Franchise Fee payable for such Restaurant and the balance of the Initial Franchise Fee due (or Thirty-Seven Thousand Dollars (\$37,000)) is payable in a lump sum not later than ninety (90) days prior to the scheduled opening of such Restaurant.

3.4 You acknowledge that the approval of a particular site for a Restaurant by us shall not be deemed to be an assurance or guaranty that the Restaurant will operate successfully or at a profit from such site.

3.5 You shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Restaurant to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over each entity operating each Restaurant.

SECTION IV: DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may, in our sole discretion, include the right to develop Restaurants at any "Non-Traditional Sites". Non-Traditional Sites include without limitation military bases, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, prisons, hospitals, convenience stores, casinos, sports or entertainment venues or stadiums, and retail restaurant locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof, whether located within or outside the Designated Area.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.2, and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement,

then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Restaurants within the Designated Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Restaurants within the Designated Area subject only to the territorial rights granted to you with respect to Restaurants operated by you pursuant to the Franchise Agreements.

4.4 Except as expressly limited by Section 3.2 above, we and our affiliates retain all rights with respect to Restaurants, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 To produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Designated Area, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, other retail outlets, telemarketing or other direct marketing sales;

4.4.2 To operate and to grant others the right to operate Restaurants located outside the Designated Area under any terms and conditions we deem appropriate and regardless of proximity to a Restaurant;

4.4.3 To operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Designated Area under any terms and conditions we deem appropriate, except that if a Non-Traditional Site is available within the Designated Area we will give you the option to purchase the franchise and develop a Restaurant at the Non-Traditional Site. You shall have thirty (30) days after we notify you that the site is available to accept this right of first refusal; and

4.4.4 To acquire and operate a business operating one or more restaurants or food service businesses located or operating in the Designated Area.

SECTION V: RENEWAL

This Agreement shall not be subject to renewal; however, if you wish to purchase a new Designated Area and continue to develop Restaurants, we will, in good faith, negotiate a new Multi-Unit Franchise Agreement with you.

SECTION VI: TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Restaurant is opened pursuant to the Minimum Performance Schedule established in Attachment 4

6.2 If, after the final Restaurant to be developed under the Minimum Performance Schedule opens for business, we determine that it is desirable to operate one or more additional Restaurants in the Designated Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Restaurant(s) upon such reasonable terms

and conditions as are then determined by us including, but not limited to, the imposition of a new Development Fee and the payment of the then-current Initial Franchise Fee upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Restaurant(s). You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the Development Rights to the one or all of such additional Restaurant(s). If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Restaurant(s) to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Restaurant(s).

SECTION VII: YOUR OBLIGATIONS

7.1 You acknowledge and agree that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Restaurants and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Restaurants within the Designated Area. You shall obtain the license to use such additional rights at each Restaurant upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section XI hereof.

7.1.3 Except as provided in Sections 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

(a) to continue to construct and operate other Restaurants and to use the System and the Marks at any location outside the Designated Area, and to license others to do so.

(b) to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

(c) to develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries, club stores and other non-restaurant outlets outside or inside of the Designated Area and to use the Marks in connection therewith.

7.1.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in its relationship with other persons, and in any documents, you shall clearly indicate the independent ownership of your business and that the operations of said business are separate and distinct from the operation of an Arooga's Restaurant.

7.1.6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9 In no event shall any Restaurant be opened for business unless and until a Franchise Agreement for such Restaurant has been executed by you and the initial franchise fee for such Restaurant paid.

SECTION VIII: OUR SERVICES

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Provide you with standard specifications and layouts for the interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Restaurants as we make available to all multi-unit franchisees and franchisees from time to time.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit franchisees.

SECTION IX: DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without an opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Section 11 hereof.

9.1.3 Except as provided in Section XI hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Restaurants to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Multi-Unit Franchise Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Restaurant, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.8 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Restaurants opened pursuant to the terms of this Agreement.

9.2 Upon the occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any food service business engaged in the sale of products similar to those permitted to be sold by you within the Designated Area or in any food service business which looks like, copies or imitates the Restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement, unless this is approved in writing by us.

9.2.3 If you shall fail to remit to us any payments pursuant to Section II when same are due.

9.2.4 If you shall begin work upon any Restaurant at any site unless all the conditions stated in Section III hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Restaurant for business before a Franchise Agreement for such Restaurant has been fully executed and the initial franchise fee due to us has been paid.

SECTION X: OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Restaurants.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit franchisee of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION XI: TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section shall constitute a material breach of this Agreement.

11.2 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Restaurant(s) pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Restaurant(s) shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity.

11.3 If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment 2 attached hereto shall be the legal and beneficial owner of

not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section XI, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Franchise Agreement with Arooga's Franchising, LP dated _____. Reference is made to said Multi-Unit Franchise Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity."

11.4 The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section XI. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded.

11.5 In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section XI hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all terms and conditions for transfers under this Agreement.

11.6 You have represented to us that you are entering into this Multi-Unit Franchise Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Restaurant(s) to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if you receive from an unaffiliated third party and desires to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Designated Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section XI. Any material change in the terms of the offer prior to closing of the sale to such third

party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit franchisees and franchisees. Any assignment or transfer permitted by this Section XI shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9 Except as provided in Section 11.6 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.9.3 You are not in default hereunder.

11.9.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit franchisees, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Franchise Agreement, Franchise Agreements for all Restaurants open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit franchisees on the date of transfer.

11.9.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.9.7 You or transferee pay to us a transfer fee in an amount equal to Twenty Thousand Dollars (\$20,000) to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum

Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11 Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 We shall have the right, without the need for your consent, to assign, transfer or sell our rights under this Agreement to any person, partnership, corporation or other legal entity provided that the transferee agrees in writing to assume all obligations undertaken by us herein and you receive a statement from both us and our transferee to that effect. Upon such assignment and assumption, we shall be under no further obligation hereunder, except for accrued liabilities, if any. You further agree and affirm that we may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks (or any variation thereof) and System and/or the loss of association with or identification of Arooga's Franchising, LP as Franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

You agree that we have the right, now or in the future, 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 that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Arooga's" Restaurants operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities, except that in the event that any of these businesses are located within the Designated Area, they will not become "Arooga's" Restaurants.

If we assign our rights in this Agreement, nothing herein shall be deemed to require us to remain in the restaurant business or to offer or sell any products or services to you.

SECTION XII: COVENANTS

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any restaurant or food service business other than the Franchised Business (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Restaurant, including a restaurant which offers and sells the same or similar food products (a “Competitive Business”).

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within twenty (20) miles of any Arooga’s Restaurant in the System.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XII is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XII.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section XII.

12.7 You acknowledge that any failure to comply with the requirements of this Section XII would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Section XII. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 At our request, you shall require and obtain the execution of covenants similar to those described in this Section XII (including covenants applicable upon the termination of a person’s relationship with you) from any or all of the following persons:

12.8.1 All Restaurant managers of yours who have received training from us;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of you and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership.

Each covenant required by this Section 12.8 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section IX hereof.

12.9 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Restaurant in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section XII are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Section, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within ten (10) days of receipt of the notice from us. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

SECTION XIII: NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Arooga's Franchising, LP
1591 S. 19th Street
Harrisburg, Pennsylvania 17104
ATTENTION: President
Facsimile: (717) 635-9246

COPY TO: Spadea Lignana
1315 Walnut Street
Suite 1532
Philadelphia, PA 19107

Notices to the Multi-Unit Franchisee: _____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION XIV: INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2 You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION XV: APPROVALS

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION XVI: NON-WAIVER

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

SECTION XVII: SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section XI hereof, any rights or remedies under or by reason of this Agreement.

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

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in triplicate, or such other number as is required, and each copy of the executed Agreement shall be deemed an original.

SECTION XVIII: ENTIRE AGREEMENT; APPLICABLE LAW

This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the Commonwealth of Pennsylvania, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within the County of Dauphin, Pennsylvania.

SECTION XIX: DISPUTE RESOLUTION

19.1 We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 19.3. If we and you cannot agree on a location, the mediation will be conducted in Harrisburg, Pennsylvania. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

19.2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 19.3.

19.3 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Pennsylvania under the authority of Pennsylvania Statutes. The arbitrator(s) will have a minimum of five (5) years experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Pennsylvania Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not

inconsistent with the provisions of this arbitration provision or the Pennsylvania Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.4 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your owners hereby irrevocably submit themselves to the jurisdiction of the state courts of Dauphin County, Pennsylvania and the Federal District Court closest to Franchisor's headquarters. You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Pennsylvania or federal law. You and your owners further agree that venue for any proceeding relating to or arising out of this Agreement shall be Dauphin County, Pennsylvania; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Pennsylvania law.

19.5 You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.4 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of the forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.6 You, your owners and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Dauphin County, Pennsylvania, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Dauphin County, Pennsylvania.

19.7 You, your owners and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.8 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection

with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

SECTION XX: TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Restaurants in the Designated Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Restaurants within the Designated Area in accordance with the Minimum Performance Schedule, to operate such Restaurants pursuant to the terms of the Franchise Agreements and to maintain all such Restaurants in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION XXI: ACKNOWLEDGMENTS

21.1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

21.2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE ATTACHMENTS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HERewith; AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

21.3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATE.

21.4 YOU AND EACH OF YOUR PRINCIPALS, IF A CORPORATE ENTITY, EXPRESSLY ACKNOWLEDGE THAT NEITHER YOU NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF AROOGA'S RESTAURANTS OR DEVELOPMENT OF THE DESIGNATED AREA.

SECTION XXII: EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

The parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

FRANCHISOR:
AROOGA'S FRANCHISING, LP
A Pennsylvania limited partnership

By its General Partner:
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____

MULTI-UNIT FRANCHISEE:

By: _____
Name: _____
Title: _____

**AROOGA'S FRANCHISING, LP
MULTI-UNIT FRANCHISE AGREEMENT**

**ATTACHMENT 1
CERTIFICATION BY MULTI-UNIT FRANCHISEE**

The undersigned, personally and as an officer or partner of Multi-Unit Franchisee, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Franchise Agreement and the Arooga's Franchising, LP Franchise Agreement, and that the decision to execute the Multi-Unit Franchise Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Franchise Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Arooga's" Restaurants. The undersigned further certified that he understands the risks involved in this investment and Arooga's Franchising, LP makes no representation or guaranty, explicit or implied, that the Multi-Unit Franchisee will be successful or will recoup his investment.

The undersigned has signed, sealed and delivered this Certificate this day of _____.

_____ WITNESS	_____(SEAL)
_____ WITNESS	_____(SEAL)
_____ WITNESS	_____(SEAL)

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Franchisee, each has read this Multi-Unit Franchise Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Franchisee hereunder.

_____ WITNESS	_____
_____ WITNESS	_____
_____ WITNESS	_____

**AROOGA'S FRANCHISING, LP
MULTI-UNIT FRANCHISE AGREEMENT**

**ATTACHMENT 2
GUARANTY**

(TO BE EXECUTED ONLY IF MULTI-UNIT FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by Arooga's Franchising, LP of the annexed Multi-Unit Franchise Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Multi-Unit Franchisee, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Franchise Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Franchise Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Franchise Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Franchise Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS,
MEMBERS AND PARTNERS, AS APPLICABLE

_____ WITNESS	_____(SEAL)
_____ WITNESS	_____(SEAL)
_____ WITNESS	_____(SEAL)

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Franchisee, each has read this Multi-Unit Franchise Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Franchisee hereunder.

_____ WITNESS	_____
_____ WITNESS	_____
_____ WITNESS	_____

**AROOGA'S FRANCHISING, LP
MULTI-UNIT FRANCHISE AGREEMENT**

**ATTACHMENT 3
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement shall amend that certain Multi-Unit Franchise Agreement between _____, an individual with an address at _____ ("Multi-Unit Franchisee"), and Arooga's Franchising, LP, a Pennsylvania limited partnership headquartered at 1591 S. 19th Street Harrisburg, Pennsylvania 17104("Franchisor").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Franchisee of the Restaurants under a Multi-Unit Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Designated Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or Members of the Limited Liability Company, who together with Multi-Unit Franchisee constitute all of the Shareholders of the Corporation, or Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Franchise Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section XI of the Multi-Unit Franchise Agreement, agree as follows:

1. The undersigned Multi-Unit Franchisee shall remain personally liable in all respects under the Multi-Unit Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Franchise Agreement including the restrictive covenants contained in Section XII thereof, to the same extent as if each of them was the Multi-Unit Franchisee set forth in the Multi-Unit Franchise Agreement and they jointly and severally personally guarantee all of the Multi-Unit Franchisee obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Franchise Agreement dated _____ between _____ and Arooga's Franchising, LP."

or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Franchise Agreement dated _____ between _____ and Arooga's Franchising, LP."

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Restaurants.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Franchise Agreement executed on the date set forth below between Multi-Unit Franchisee and Franchisor, to the same extent as if it were named as the Multi-Unit Franchisee therein.

Date of Multi-Unit Franchise Agreement: _____

Designated Area for Restaurants: _____

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

Name of Corp. or Limited Liability Company

By: _____ (SEAL)
Title: _____

In consideration of the execution of the above Agreement, Arooga's Franchising, LP hereby consents to the above referred to assignment on this day of _____.

AROOGA'S FRANCHISING, LP

By its General Partner:
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____

AROOGA'S FRANCHISING, LP
MULTI-UNIT FRANCHISE AGREEMENT

ATTACHMENT 4

Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Franchisee to establish and operate _____ (____) "Arooga's" Restaurants pursuant to a Franchise Agreement for each Restaurant. The following is Multi-Unit Franchisee's Minimum Performance Schedule:

Minimum Cumulative Number
of Franchise Agreements for
Restaurants to be located
and Operating
Within the Designated Area

By this Date

Total: _____

APPROVED:

MULTI-UNIT FRANCHISEE

AROOGA'S FRANCHISING, LP

By its General Partner:
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Arooga's Franchising, LP

MULTI-UNIT FRANCHISE AGREEMENT

ATTACHMENT 5

Designated Area

The following describes the Designated Area within which Multi-Unit Franchisee may locate "Arooga's" Restaurants under this Agreement:

APPROVED:

MULTI-UNIT FRANCHISEE

Arooga's Franchising, LP

By its General Partner:
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Arooga's Franchising, LP

MULTI-UNIT FRANCHISE AGREEMENT

ATTACHMENT 6

EXISTING RESTAURANTS IN DESIGNATED AREA

APPROVED:

MULTI-UNIT FRANCHISEE

Arooga's Franchising, LP

By its General Partner:
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

AROOGA’S FRANCHISING, LP
TABLE OF CONTENTS

ARTICLE I: GRANT.....	3
ARTICLE II: SITE SELECTION, PLANS AND CONSTRUCTION	4
ARTICLE III: TERM AND SUCCESSOR OPTION.....	7
ARTICLE IV: FEES	8
ARTICLE V: OUR OBLIGATIONS.....	12
ARTICLE VI: YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS	13
ARTICLE VII: FRANCHISE OPERATIONS	17
ARTICLE VIII: ADVERTISING AND RELATED FEES	22
ARTICLE IX: MARKS	26
ARTICLE X: CONFIDENTIALITY AND NON-COMPETITION COVENANTS.....	28
ARTICLE XI: BOOKS AND RECORDS	31
ARTICLE XII: INSURANCE	33
ARTICLE XIII: DEBTS AND TAXES	34
ARTICLE XIV: TRANSFER OF INTEREST	35
ARTICLE XV: INDEMNIFICATION.....	41
ARTICLE XVI: RELATIONSHIP OF THE PARTIES.....	42
ARTICLE XVII: TERMINATION	44
ARTICLE XVIII: POST-TERMINATION	47
ARTICLE XIX: MISCELLANEOUS	51
ARTICLE XX: TECHNOLOGY	58
ARTICLE XXI: SECURITY INTEREST.....	60
ARTICLE XXII: YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS	61

ATTACHMENTS

- 1 - Franchisee Acknowledgment Statement
- 2 - Accepted Location and Territory
- 3 - Collateral Assignment of Lease
- 4 - Statement of Ownership Interests and Franchisee’s Principals
- 5 - Confidentiality Agreement and Ancillary Covenants Not to Compete
- 6 - Electronic Transfer Authorization
- 7 - Internet Advertising, Social Media, Software and Telephone Account Agreement
- 8 - Power of Attorney (Tax)
- 9 - SBA Addendum
- 10 - Arooga’s Wing Shack Addendum

AROOGA'S FRANCHISING, LP
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into this day of _____, by and between Arooga's Franchising, LP, a Pennsylvania limited partnership having its principal place of business at 1591 S. 19th Street Harrisburg, Pennsylvania 17104 ("Franchisor") and _____, a(n) _____, with its principal place of business located at _____ ("Franchisee"). _____ 's principals _____, an individual residing at _____ and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

W I T N E S S E T H:

WHEREAS, as the result of the expenditure of time, skill, effort and money, Franchisor has developed a unique and distinctive system (hereinafter "System") relating to the establishment and operation of a full-service casual restaurant and bar that will have a sports entertainment theme and will offer lunch and dinner menus to include on premises dining and carry-out, along with catering. The menu features chicken wings served with award winning proprietary sauces, sandwiches, cheesesteaks, salads, strombolis and other American fare. Arooga's Restaurants always provide "a view of every game from every seat" and offer a great selection of non-alcoholic and alcoholic beverages, including 40 craft beers and micro-brews and proprietary liquor. The System operates under the names "Arooga's Grille House & Sports Bar" (a "Restaurant" or "Arooga's Restaurant");

WHEREAS, Arooga's Restaurants are "certified green" restaurants, which requires a continuing commitment to water efficiency, waste reduction and recycling, sustainable furnishings and building materials, energy, disposables, and other standards, all of which shall be applicable to your Restaurant;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks "Arooga's Grille House & Sports Bar" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks"). The Marks are owned by our affiliate, Arooga's Grille House & Sports Bar Holdings, LP, which has licensed the Marks to us so that we may sub-license the Marks to our franchisees;

WHEREAS, Franchisor continues to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service;

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

WHEREAS, Franchisees desires to use the System in connection with the operation of a restaurant at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I: GRANT

1.1 Grant of Franchise

In reliance on the representations and warranties of you and your Controlling Principals (as defined in Section 19.18) hereunder, we hereby grant to you, upon the terms and conditions in this Agreement, the right and license, and you hereby accept the right and obligation, to operate an Arooga's Restaurant under the Marks and the System in accordance with this Agreement ("Restaurant" or "Franchised Business"). You and the Controlling Principals have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Restaurant hereunder and not for the purpose of reselling the rights to develop the Restaurant hereunder. You and the Controlling Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you and the Controlling Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Restaurant is open for business to the public in accordance with Section 2.6, and then only in accordance with Article XVI hereof.

1.2 Accepted Location

The specific street address of the Restaurant location accepted by us shall be set forth in Attachment 2 ("Location" or "Accepted Location"). You shall not relocate the Restaurant without our express prior written consent, which consent shall not be unreasonably withheld. This Agreement does not grant to you the right or license to operate the Restaurant or to offer or sell any products or services described under this Agreement at or from any other location.

1.3 Relocation

If you are unable to continue the operation of the Restaurant at the Accepted Location because of the occurrence of a force majeure event (as described in Section 17.1.3(e)), then you may request our approval to relocate the Restaurant to another location in the Territory, as that term is defined below, which approval shall not be unreasonably withheld. Any other relocation outside the Territory or a relocation of the Restaurant not caused by force majeure shall also be subject to our prior approval. If we elect to grant you the right to relocate the Restaurant, then you shall comply with the site selection and construction procedures set forth in Article II.

1.4 Territory

Upon the execution of this Agreement, you will be assigned an exclusive territory (the "Territory") that will also be described in Attachment 2. Except as provided in this Agreement, and subject to your and the Controlling Principals' material compliance with this Agreement, any other agreement among you or any of your affiliates (defined for the purposes hereof as any entity that is controlled by, controlling or under common control with such other entity) and us, we shall not establish or authorize any other person

or entity, other than you, to establish a Restaurant in the Territory during the term of this Agreement and any extensions hereof. You acknowledge and understand that the rights granted hereunder pertain only to the establishment of a Restaurant. You acknowledge and agree that our affiliates currently operate, or may in the future operate, restaurants under different marks and with operating systems that are the same as or similar to the System, and that any such restaurants might compete with your Restaurant. You further agree and acknowledge that the license granted hereby is only for the operation of one (1) Restaurant and only at a location approved by us.

1.5 Our Reserved Rights

Except as expressly limited by Section 1.4, we and our affiliates retain all rights with respect to Restaurants, the Marks and the sale of any products and services outside of your Territory, including, without limitation, the right:

1.5.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Territory, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, other retail outlets, telemarketing or other direct marketing sales;

1.5.2 to operate and to grant others the right to operate Restaurants located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Restaurant;

1.5.3 to operate and to grant others the right to operate Restaurants at non-traditional sites within and outside the Territory under any terms and conditions we deem appropriate, except that if a Non-Traditional Site is available within the Territory we will give you the option to purchase the franchise and develop a Restaurant at the Non-Traditional Site. You shall have thirty (30) days after we notify you that the site is available to accept this right of first refusal; and

1.5.4 the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in the Territory.

As used in this Agreement, Non-Traditional Sites shall include, without limitation, military bases, shopping malls, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, cafeterias, snack bars, trucks, casinos, sports or entertainment venues or stadiums, and retail restaurant locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof.

ARTICLE II: SITE SELECTION, PLANS AND CONSTRUCTION

2.1 Your Responsibility to Locate a Site

You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Restaurant within the Territory, and for constructing and equipping the Restaurant at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Restaurant unless the site is accepted by us as set forth below. You acknowledge that the location, selection, procurement and development of a site for the Restaurant is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing; and that our approval of a prospective site and the rendering of assistance in the selection of a site does not

constitute a representation, promise, warranty or guarantee, express or implied, by us that the Restaurant operated at that site will be profitable or otherwise successful.

2.2 Site Selection

2.2.1 Prior to acquiring by lease or purchase a site for the Restaurant, but within ninety (90) days of the date this Agreement is executed, you shall locate a site for the Restaurant that satisfies the site selection guidelines provided to you by us pursuant to Section 5.1 and shall submit to us in the form specified by us a description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of this information and materials to approve or disapprove, in our sole discretion, the proposed site as the location for the Restaurant. At your request, we shall provide one (1) on-site evaluation of the proposed location for the Restaurant, and you shall pay to us our then-current fee (As of May 13, 2015 up to \$3000) for the on-site evaluation and reimburse us for our expenses, including, but not limited to, travel, lodging and meals. No site may be used for the location of the Restaurant unless it is first accepted in writing by us. You acknowledge and agree that our approval of a location for the Restaurant is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Restaurant will be profitable. Our approval of a location for the Restaurant only signifies that the location meets our then-current minimum criteria for an Arooga's Restaurant.

2.2.2 If you elect to purchase the premises for the Restaurant, you shall submit a copy of the proposed contract of sale to us for our written approval prior to its execution and shall furnish to us a copy of the executed contract of sale within ten (10) days after execution. If you will occupy the premises of the Restaurant under a lease or sublease, you shall submit a copy of the lease or sublease to us for written approval prior to its execution and shall furnish to us a copy of the executed lease or sublease within ten (10) days after execution. No lease or sublease for the Restaurant premises shall be accepted by us unless a Collateral Assignment of Lease, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment 3, is attached to the lease and incorporated therein. We shall have ten (10) days after receipt of the lease, sublease or the proposed contract of sale to either approve or disapprove such documentation prior to its execution. You must pay to us a fee of between \$2,500 and \$5,000 (as of May 13, 2015) within 30 days after you have executed a lease or purchase agreement. This fee covers our cost in assisting you with developing your site. If the site is less than a 5 hour drive from Harrisburg, PA, the fee shall be \$2,500, otherwise the fee will be \$5,000. This fee covers up to 4 site visits. Any additional visits will be invoiced at \$250 per visit plus the cost of travel, lodging and food expenses for our staff. Auto reimbursement (per mile) for locations within 300 miles of Harrisburg, PA or airfare for locations more than 300 miles from Harrisburg, shall be billed to you. The cost of hotels shall be invoiced (local that are 3.5 star or above, select service) and \$60 per day for meals.

2.2.3 After a location for the Restaurant is accepted by us and acquired by you pursuant to this Agreement the location shall be described in Attachment 2.

2.3 Zoning Clearances, Permits and Licenses

You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Restaurant premises. Prior to beginning the construction of the Restaurant, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Restaurant, and (ii) certify in writing to us that the insurance coverage specified in Article XII is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. Upon written request, you shall provide to us additional copies of your

insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications.

2.4 Design of Restaurant

You must obtain any architectural, engineering and design services you deem necessary for the construction of the Restaurant at your own expense from an architectural design firm approved by us, which approval shall not be unreasonably withheld. You shall adapt the prototypical architectural and design plans and specifications for construction of the Restaurant provided to you by us in accordance with Section 5.3 as necessary for the construction of the Restaurant and shall submit such adapted plans to us for our review. If we determine, in our reasonable discretion, that any such plans are not consistent with the best interests of the System, we may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within ten (10) days of receiving such plans. If we fail to notify you of an objection to the plans within this time period, you may use such plans. If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable. We shall, upon a re-submission of the plans with such changes, notify you within ten (10) days of receiving the resubmitted plans whether the plans are acceptable. If we fail to notify you in writing of any objection within such time period, you may use the resubmitted plans. You acknowledge that our review of such plans relates only to compliance with the System and that acceptance by us of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their design or structural application.

2.5 Build-Out of Restaurant

You shall commence and diligently pursue construction or remodeling (as applicable) of the Restaurant. Commencement of construction shall be defined as the time at which any site work is initiated by you or on your behalf at the location accepted for the Restaurant. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises. During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us. In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate such progress. You shall notify us of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. Within a reasonable time after the date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Restaurant. You acknowledge and agree that you will not open the Restaurant for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement.

2.6 Opening Date; Time is of the Essence

You acknowledge that time is of the essence. Subject to your compliance with the conditions stated below, you shall open the Restaurant and commence business within twelve (12) months after you execute this Agreement, unless you obtain an extension of such time period from us in writing. The date the Restaurant actually opens for business to the public is herein called the "Opening Date". Prior to opening, you shall complete all exterior and interior preparations for the Restaurant, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications reasonably approved by us, and shall comply with all of your other pre-opening obligations, including, but not limited to, those obligations described in Sections 6.2 through 6.7, to our reasonable satisfaction. If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure act as described in Section 17.1.3(e), we shall have the right to prohibit you from commencing business. Your failure to open the Restaurant and commence business in accordance with the foregoing shall be deemed an event of material default under this Agreement.

ARTICLE III: TERM AND SUCCESSOR OPTION

3.1 Term

Unless sooner terminated as provided in Article XVII hereof, the term of this Agreement shall continue from the opening date for a period of ten (10) years.

3.2 Successor Option

If you satisfy each of the requirements set forth below, you may enter into a new franchise agreement and other agreements and legal instruments and documents customarily employed by us and in the form then generally being offered to prospective franchisees in the state in which the Franchised Business is located (the “Successor Franchise Agreement”) for one (1) additional term of ten (10) years.

3.2.1 You shall have been, throughout the Initial Term, in substantial compliance, and at the expiration of such Initial Term are in full compliance, with this Agreement, your lease or sublease and all other agreements between you and us or companies or persons associated or affiliated with us.

3.2.2 You shall, within six (6) months before the expiration of the Initial Term, but not later than three (3) months before the expiration of the Initial Term, provide written notice to us that you wish to sign a Successor Franchise Agreement, and we, in turn, shall provide you with any documents that you are required to execute for the successor term, which documents may include, but are not limited to, a general release, our Successor Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Arooga’s franchises (all of which will contain terms and fees substantially the same as those included in the then-current Franchise Agreement, and which will not obligate you to pay a further initial franchise fee, but will require payment of the Successor Agreement Fee as defined in Section 3.2.3 below) (the “Successor Franchise Documents”).

3.2.3 You shall execute the Successor Franchise Documents and all other documents and instruments that we require for the successor term. You shall return the executed Successor Franchise Documents to us, together with payment of a then-current initial franchise fee for a single unit franchise (the “Successor Agreement Fee”), by no later than the expiration date of the Initial Term. If we do not receive the executed documents and Successor Agreement Fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article XVIII and any other provisions that survive termination or expiration of this Agreement.

3.2.4 After we have received from you all executed Successor Franchise documents and the Successor Agreement Fee, we shall inspect your Restaurant to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Restaurant in order to bring the Restaurant up to our then-current image and standards for new Arooga’s Restaurants. We will provide notice to you of the modifications you shall be required to make, and you shall have six (6) months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications, we shall have the right to terminate the Successor Franchise Agreement.

3.2.5 As part of the process of granting a Successor Franchise Agreement, we reserve the right to re-evaluate your then-existing Designated Territory according to certain demographics, including population. Since your Designated Territory includes a certain minimum population, your Designated Territory under the Successor Franchise Agreement will be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your successor Designated Territory similar to the target demographics of your original Designated Territory. A re-evaluation of your

Designated Territory may result in your successor Designated Territory being smaller or larger than your original Designated Territory. We cannot guarantee that you will achieve any particular level of success with the successor Designated Territory or that your results will be the same as or similar to your results from operating in the original Designated Territory. This Section 3.2.5 shall be applicable only if your Designated Territory includes a minimum population because it is located in an urban setting. Notwithstanding anything herein to the contrary, we reserve the right not to enter into a successor franchise agreement for your franchise as a result of a decision to withdraw from a marketing area or the Designated Territory in which your Franchised Business is located.

3.3 Refusal to Grant Successor Term

We can refuse to grant a successor term for your franchise if your lease, sublease or other document by which you have the right to occupy the Accepted Location is not extended before your successor term is to take effect to cover the period of the successor term or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the successor term. We may also refuse to grant a successor term for your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the Initial Term, if applicable.

3.4 Successor Term Under Law

Even though we decline to grant you a successor term for your franchise, it is possible that we can be required to grant you a successor term under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the applicable law, rule, regulation, statute, ordinance or order, your successor term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the successor term begins. If we are not then offering new franchises, your successor term will be subject to the terms in the then-current Franchise Agreement that we indicate. If for any reason that is not allowed, the successor term will be governed by the terms of this Agreement.

3.5 Your Election Not Sign a Successor Franchise Agreement

For the purposes hereof, you shall be deemed to have irrevocably elected not to sign a Successor Franchise Agreement hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us any of the Successor Franchise Documents required by us for a successor franchise, together with payment of our then-current Successor Agreement Fee, or if you provide written notice to us within the final sixty (60) days of the Initial Term indicating that you do not wish to sign a Successor Franchise Agreement.

ARTICLE IV: FEES

4.1 Initial Franchise Fee

4.1.1 You shall pay to us an initial franchise fee of Forty-Nine Thousand Five Hundred Dollars (\$49,500) which shall be paid upon the execution of this Agreement. The initial franchise fee shall be reduced by (a) the amount applied from the Development Fee pursuant to the terms of a Multi-Unit Franchise Agreement. If you sign a Multi-Unit Franchise Agreement, it must be for a minimum of four (4) units. If you executed such agreement with us; and/or (b) if you are a qualified, honorably discharged United States Veteran and this Agreement is for your first Restaurant, we will discount the initial franchise fee by Seven Thousand Five Hundred Dollars (\$7,500). The balance of the initial franchise fee due, after application of any prepaid amounts, shall be payable in a lump sum upon execution of this Agreement. The

amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party. The initial franchise fee is not refundable, except if you are unable to find a location that meets with our criteria contained in our Site Approval Guidelines, or unless we determine that the reserved trade area is no longer viable or if we determine, in our sole judgment, that circumstances beyond your control prevented you from securing a site during the four month period from the date you sign a Letter of Intent for your lease, we will refund the initial franchise fee to you, minus our expenses, equal to Five Thousand Dollars (\$5,000). You agree to execute any documents we require, including a general release and a confidentiality and non-competition agreement, before any money will be refunded to you.

4.1.2 Notwithstanding the foregoing, if this Agreement is executed for a Restaurant that is being developed pursuant to a Multi-Unit Franchise Agreement between us and you (as the multi-unit franchisee), and this Agreement is for your second (2nd) or later Restaurant, then the initial franchise fee payable shall be Thirty-Seven Thousand Dollars (\$37,000), less any amount credited toward such fee from the Development Fee. The balance of the initial franchise fee due is payable not later than ninety (90) days prior to such Restaurant's opening. The initial franchise fee is fully earned upon receipt and is not refundable under any circumstances.

4.2 Royalty Fees

4.2.1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a continuing weekly royalty fee of five percent (5%) of Gross Sales. Such royalty fee shall be due and payable each week based on the Gross Sales for the preceding week ending Sunday so that it is received by us by electronic funds transfer on or before the Tuesday following the end of each week, provided that such day is a business day. If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day.

4.2.2 Each such royalty fee shall be preceded by a royalty report itemizing the Gross Sales for the preceding week ending Sunday ("Royalty Report") and any other reports required hereunder. Notwithstanding the foregoing, you shall provide us with such Gross Sales information on the Monday of each week (or next business day if the Monday is not a business day) by modem or, if not reasonably available, by facsimile transmission or such other method of delivery as we may reasonably direct.

4.2.3 If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.2.4 If a state or local law applicable to your Restaurant prohibits or restricts in any way your ability to pay Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then the percentage rate for calculating Royalty Fees shall be increased, and the definition of Gross Sales shall be changed to exclude sales of alcoholic beverages, so that the Royalty Fees to be paid by you shall be equal to the amounts you would have had to pay if sales from alcoholic beverages were included in Gross Sales. For example, if you generated \$1,000 in Gross Sales, of which \$200 is from the sale of alcoholic beverages, then your weekly Royalty Fee is \$50 (5% x \$1,000). If you are not permitted by law to pay Royalty Fees on the sale of alcoholic beverages, then we must recalculate your royalty percentage so that you still pay the full Royalty Fee. In our example, we must deduct \$200 from the Gross Sales and raise your royalty percentage to 6.25% so that we may collect the same \$50 Royalty Fee ($\$1,000 - \$200 = \$800 \times 6.25\% = \$50$).

4.3 Brand Development Fee

In addition to the royalty fee described in Section 4.2 above, you agree to pay to us a brand development fee in an amount equal to one percent (1%) of the Restaurant's Gross Sales. Such brand development fee shall be contributed to a Brand Development Fund maintained by us, as described in Section 8.3 below. If the Brand Development Fund has not yet been established when this Agreement is executed by you and us, then you shall begin paying this brand development fee upon thirty (30) days' advance notice from us that the Brand Development Fund has been established. The brand development fee is payable to us at the same time and in the same manner as the royalty fee.

4.4 Payments to Us

By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account each week by electronic funds transfer ("EFT") in the amount of the royalty fee, brand development fee and any other payments due to us and/or our affiliates. If you do not report the Restaurant's Gross Sales, we may debit your account for one hundred twenty percent (120%) of the last royalty fee and brand development fee that we debited. If the royalty fee and brand development fee we debit are less than the royalty fee and brand development fee you actually owe to us, once we have been able to determine the true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the royalty fee and brand development fee we debit are greater than the royalty fee and brand development fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following week. You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process EFTs from your designated bank account for the payments due hereunder. If payments are not received when due, interest may be charged by us in accordance with Section 4.5 below. Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion.

4.5 Interest on Overdue Amounts

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) eighteen percent (18%) per annum; or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein, or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Controlling Principals shall be obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest.

4.6 Definition of Gross Sales

"Gross Sales" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Restaurant (including, without limitation, income related to catering and delivery activities, and any sales or orders of food products or food preparation services provided from or related to the Restaurant), whether for cash or credit and regardless of collection in the case of credit, and including any third-party delivery fees. In the event of a cash shortage, the amount of Gross Sales shall be determined based on the records of the electronic cash register system and any cash shortage shall not be considered in the determination. Gross Sales shall expressly exclude the following:

4.6.1 Receipts from the sale of any products from vending machines located at the Restaurant, except for any amount representing your share of such revenues;

4.6.2 Sums representing sales taxes collected directly from customers, based upon present or future laws of federal, state or local governments, collected by you in the operation of the Restaurant, and any other tax, excise or duty which is levied or assessed against you by any federal, state, municipal or local authority, based on sales of specific merchandise sold at or from the Restaurant, provided that such taxes are actually transmitted to the appropriate taxing authority; and

4.6.3 Proceeds from isolated sales of trade fixtures not constituting any part of your products and services offered for resale at the Restaurant nor having any material effect upon the ongoing operation of the Restaurant required under this Agreement.

4.6.4 We may, from time to time, authorize certain additional items to be excluded from Gross Sales. Any such permission may be revoked or withdrawn at any time in writing by us in our discretion. In addition to the foregoing, the following are included within the definition of Gross Sales:

a. The full value of meals furnished to your employees as an incident to their employment except that the value of any discounts extended to such employees may be credited against Gross Sales during the week in which the meals were furnished for the purpose of determining the amount of Gross Sales upon which the royalty fee is due; and

b. All proceeds from the sale of coupons, gift certificates or vouchers; provided that at the time such coupons, gift certificates or vouchers are redeemed the retail price thereof shall be added to Gross Sales during the week in which such coupon, gift certificate or voucher is redeemed for the purpose of determining the amount of Gross Sales upon which the royalty fee is due.

4.7 Website Fee

You shall pay to us or our designated supplier the then-current annual website fee for the development and maintenance of a web page for your Restaurant.

4.8 Reimbursement of Opening Team Expenses

As described in Section 6.4.2 below, we shall provide you with a team of our trainers (“Opening Team”) to assist you in the opening of your Restaurant. You shall reimburse us, within ten (10) days after receipt of an invoice from us, for the pro-rated salaries and travel expenses of the Opening Team members who assist you with the opening of your Restaurant. If your opening is delayed, you will pay all costs associated with rescheduling the Opening Team, including airfare and related travel charges. Thus, your Opening Team Expenses may be higher than the stated range if you reschedule the pre-opening training. Notwithstanding the generality of the foregoing, if we have an area representative in place for the area that includes your Territory and such area representative provides opening assistance, you agree to reimburse the area representative directly.

4.9 Inspection Fees

In the event Franchisee fails its first brand compliance review inspection, Franchisee agrees to pay the cost of Franchisor’s re-inspection of the brand compliance review, as follows:

If Franchisee's location is within 250 miles of Harrisburg, PA , Arooga's will drive and will be reimbursed at a rate of the current IRS reimbursement for miles driven, in addition to one night's hotel room and meal expenses of \$ 100 dollars per day. The cost not to exceed \$ 750 per compliance review

(quarterly). If Franchisee's location is more than 250 miles of Harrisburg, PA drive, Arooga's shall be reimbursed for airfare up to a maximum of \$ 600, in addition to two night's hotel room and meal expenses of \$ 100 dollars per day. The cost not to exceed \$2,000 per compliance review (quarterly).

4.10 Payment of Additional Fees

You shall pay such other fees or amounts described in this Agreement.

ARTICLE V: OUR OBLIGATIONS

We agree to provide the services described below with regard to the Restaurant:

5.1 Site Selection Assistance

Our written site selection guidelines and such site selection assistance as we may deem advisable.

5.2 On-Site Evaluation

At your request, we shall provide an on-site evaluation of your proposed location. You agree to pay our then-current location assistance fee and to reimburse our expenses in providing such assistance or evaluation, including travel, lodging and meals for our representative. We reserve the right to not conduct an on-site evaluation until we receive all required information and materials concerning such site prepared pursuant to Article II.

5.3 Prototype Design Plans

You shall independently, and at your expense, have such architectural and design plans and specifications adapted for construction of the Restaurant in accordance with Article II. You can also purchase Architectural plans for new construction can be purchased from Mohegan Restaurant LLC for up to \$25000. You must adapt our prototypical plans and specifications to suit your Restaurant premises. Plan adjustment will be done by FRCH Design International.

5.4 Confidential Operations Manual

On loan, one (1) set of Confidential Operations Manuals and such other manuals and written materials as we shall have developed for use in the Franchised Business (as the same may be revised by us from time to time, the "Manuals"), as more fully described in Section 10.1. The Manuals may, in our discretion, be provided electronically or via an intranet website for all Arooga's Restaurants in the System.

5.5 Visits and Evaluations

Visits to the Restaurant and evaluations of the products sold and services rendered therein from time to time as reasonably determined by us, as more fully described in Section 7.5.6.

5.6 Advertising and Promotional Materials

Certain advertising and promotional materials and information developed by us and/or our affiliate from time to time for use by you in marketing and conducting local advertising for the Restaurant at a reasonable cost to you. We shall have the right to review and approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Article VIII.

5.7 Management and Operations Advice

Advice and written materials concerning techniques of managing and operating the Restaurant from time to time developed by us, including new developments and improvements in Restaurant equipment, food products and the packaging and preparation thereof and menu items.

5.8 Products for Resale

From time to time and at our reasonable discretion, at a reasonable cost, make available for resale to your customers certain merchandise identifying the System, such as logoed merchandise and memorabilia, in sufficient amounts to meet customer demand. We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier.

5.9 Approved Suppliers

A list of approved suppliers as described in Section 7.4 from time to time as we deem appropriate.

5.10 Initial Training Program

An initial training program for your Head Coach, Assistant Head Coach, Front of House Manager, Back of House Manager and Assistant Back of House Manager, as well as other training programs in accordance with the provisions of Sections 6.4.1, 6.4.2 and 6.4.4.

5.11 Opening Assistance

On-site opening assistance at the Restaurant in accordance with the provisions of Section 6.4.2.

5.12 Brand Development Fund

Establishment and administration of a brand development fund and/or advertising cooperatives in accordance with Article VIII.

ARTICLE VI: YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Use Commercially Reasonable Efforts

Each of you and the Controlling Principals covenants and agrees that they shall make all commercially reasonable efforts to operate the Restaurant so as to achieve optimum sales.

6.2 Representations of Corporate Entity

If you are a corporation, limited liability company, or partnership, you and the Controlling Principals represent, warrant and covenant that:

6.2.1 You are duly organized and validly existing under the state law of your formation;

6.2.2 You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;

6.2.3 Your corporate charter, operating agreement, or written partnership agreement shall at all times provide that your activities are confined exclusively to the operation of the Restaurant, unless otherwise consented to in writing by us;

6.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within your corporate power, if you are a corporation, or if you are a limited liability company, permitted under your operating agreement, or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you;

6.2.5 If you are a corporation or a limited liability company, copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to the execution of this Agreement; or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to us prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement;

6.2.6 If you are a corporation, partnership or other form of legal entity other than an individual, the ownership interests in you are accurately and completely described in Attachment 4. Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in you or, if you are a partnership or other form of legal entity, you shall maintain at all times a current list of all owners of an interest in the partnership or entity. You shall immediately provide a copy of the updated list of all owners to us upon the occurrence of any change of ownership and otherwise make your list of owners available to us upon reasonable written request;

6.2.7 If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any of equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to us that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section shall not apply to the transfer of equity securities of a publicly held corporation (as defined in Section 19.18). If you are a partnership or limited liability company, your written agreement shall provide that ownership of an interest in the entity is held subject to all restrictions imposed upon assignments by this Agreement;

6.2.8 You must have provided us with your most recent financial statements. Such financial statements present fairly your financial position, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements.

6.2.9 If, after the execution of this Agreement, any person ceases to qualify as one of your Principals (defined in Section 19.18) or if any individual succeeds to or otherwise comes to occupy a position which would, upon designation by us, qualify him as one of your Principals, you shall notify us within ten (10) days after any such change and, upon designation of such person by us as one of your Principals or as a Controlling Principal, as the case may be, such person shall execute such documents and

instruments (including, as applicable, this Agreement) as may be required by us to be executed by others in such positions;

6.2.10 Your Principals shall each execute and bind themselves to the confidentiality and non-competition covenants set forth in the Confidentiality Agreement and Ancillary Covenants Not to Compete which forms Attachment 5 to this Agreement (see Sections 10.2.2 and 10.3.4). The Controlling Principals shall, jointly and severally, guarantee your performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained herein, and shall otherwise bind themselves to the terms of this Agreement as stated herein; and

6.2.11 You and the Controlling Principals acknowledge and agree that the representations, warranties and covenants set forth above in Sections 6.2.1 through 6.2.10 are continuing obligations of you and the Controlling Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. You and the Controlling Principals will cooperate with us in any efforts made by us to verify compliance with such representations, warranties and covenants.

6.3 General Manager / Head Coach

You shall designate and retain at all times a general manager (“Head Coach”) to direct the operation and management of the Restaurant. The Head Coach shall be responsible for the daily operation of the Restaurant and may be one of the Controlling Principals. The Head Coach shall, during the entire period he serves as Head Coach, meet the following qualifications:

6.3.1 The Head Coach shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us;

6.3.2 The Head Coach shall devote full time and best efforts to the supervision and management of the Restaurant; and

6.3.3 The Head Coach shall satisfy the training requirements set forth in Section 6.4. If, during the term of this Agreement, the Head Coach is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly notify us and designate a replacement within sixty (60) days after the Head Coach ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Restaurant until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Section 6.3 shall be deemed a material event of default under Section 17.1.3(o) hereof.

6.4 Training

You agree that it is necessary to the continued operation of the System and the Restaurant that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

6.4.1 Not later than sixty (60) days prior to the Opening Date, your Head Coach, Assistant Head Coach, Front of House Manager, Back of House Manager and Assistant Back of House Manager (for a maximum of five (5) persons) shall attend and complete, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating Restaurant at such location(s) as may be designated by us. If you wish to send additional employees to our initial training program, whether before the Restaurant opens or while the Restaurant is operating, you shall pay to us our then-current training fee for each additional trainee.

We shall determine, in our reasonable discretion, whether the Head Coach has satisfactorily completed initial training. If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the Head Coach, or (c) if we in our reasonable business judgment, based upon the performance of the Head Coach, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training. Any Head Coach subsequently designated by you shall also receive and complete such initial training. We reserve the right to charge a reasonable fee for any initial training provided by us to any initial Head Coach or any other Restaurant personnel for any initial training provided to a replacement or successor Head Coach. You shall be responsible for any and all expenses incurred by you, your Head Coach and other Restaurant personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and wages.

6.4.2 In connection with the opening of the Restaurant, we shall provide you with a team of our representatives (“Opening Team”) to provide on-site pre-opening and opening training, supervision, and assistance to you for a minimum of fourteen (14) days around the Restaurant’s opening. You agree to reimburse the expenses incurred by the Opening Team, as described in Section 4.8; provided, however, that if we have an area representative in place for the area that includes your Territory, such area representative shall provide opening assistance and you shall be obligated to reimburse the area representative. If this Agreement is for your second (2nd) or later Restaurant, we reserve the right to not provide opening assistance or to provide reduced opening assistance.

6.4.3 Upon your reasonable request or as we shall deem appropriate, we shall, during the term hereof, subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site remedial training and assistance to your Restaurant personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

6.4.4 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Restaurant. Such training programs and seminars may be offered to the Head Coach, Assistant Head Coach, Front of House Manager, Back of House Manager or other Restaurant personnel generally, and we may designate that such training programs and seminars are mandatory for your Head Coach, Assistant Head Coach, Front of House Manager, Back of House Manager and other Restaurant personnel. Failure to attend these training/convention will result in additional royalty to compensate us for your failure to attend training/convention. Increase royalty up to 1% for balance of calendar year.

6.5 Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Arooga’s Restaurant operators, which meetings shall not occur more frequently than annually. We shall not be required to hold such meetings until we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you and/or your Head Coach. We may use money from the Brand Development Fund to pay for the cost of presenting the annual meeting. You shall pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

6.6 Compliance with Laws

You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

6.7 Compliance with All Other Obligations

You shall comply with all other requirements and perform such other obligations as provided hereunder.

ARTICLE VII: FRANCHISE OPERATIONS

7.1 Compliance with Standards

You understand the importance of maintaining uniformity among all of the Restaurants and the importance of complying with all of our standards and specifications relating to the operation of the Restaurant.

7.2 Maintenance of Restaurant

You shall maintain the Restaurant in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, electronic cash register or computer hardware and software systems), and décor as we may reasonably direct in order to maintain system-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including point of sale or computer hardware and software systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Restaurant or to provide the Restaurant services by alternative means, such as through catering or delivery arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Restaurant or its premises without our prior written approval, which shall not be unreasonably withheld.

7.3 Remodeling and Redecorating

To assure the continued success of the Restaurant, you shall, upon our request, remodel and/or redecorate the Restaurant premises, equipment (including point of sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Restaurant to our then-current system-wide standards and

specifications. We agree that we shall not request such remodeling and/or redecorating more frequently than every five (5) years during the term of this Agreement, except that if the Restaurant franchise is transferred pursuant to Article XIV, we may request that the transferee remodel and/or redecorate the Restaurant premises as described herein.

7.4 Approved Suppliers

You shall comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including electronic cash register and computer hardware and software systems) and other products used or offered for sale at the Restaurant. Except as provided in Sections 7.6 and 7.7 with respect to certain materials bearing the Marks and proprietary products, you shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet our then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Restaurants and who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved in writing by us prior to any purchases by you from any such supplier; and who have not thereafter been disapproved by us.

If you desire to purchase, lease or use any products or other items from an unapproved supplier, you shall submit to us a written request for such approval, or shall request the supplier itself to do so. We reserve the right to require you to pay to us our then-current fee for evaluation and testing. You shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by us. We shall have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory designated by us, for testing. We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. Nothing herein shall be construed to require us to approve any particular supplier.

7.5 Operation of Restaurant in Compliance with Our Standards

To ensure that the highest degree of quality and service is maintained, you shall operate the Restaurant in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as may from time to time otherwise be prescribed in writing. In particular, you also agree:

7.5.1 To sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us, including, but not limited to, dine-in and take-out, only as expressly authorized by us in writing in the Manuals or otherwise in writing.

7.5.2 To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time.

7.5.3 To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, supplies and paper goods that conform to our standards and specifications; to prepare all menu items in accordance with our recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients; and to refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent.

7.5.4 To permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Restaurant, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our reasonable specifications.

7.5.5 To purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including electronic cash register and computer hardware and software systems), décor items, signs, delivery vehicles, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without our prior written consent, any fixtures, furnishings, equipment, delivery vehicles, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution. Our approval shall be conditioned upon such lease containing a provision which permits any interest of yours in the lease to be assigned to us upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon us in connection with such assignment.

7.5.6 To grant us and our agents the right to enter upon the Restaurant premises and any delivery/catering vehicle, during normal business hours, for the purpose of conducting inspections and brand compliance; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand.

7.5.7 To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may reasonably prescribe from time to time.

7.5.8 To install and maintain equipment and a telecommunications line in accordance with our specifications to permit us to access and retrieve by telecommunication any information stored on a point of sale system (or other computer hardware and software) you are required to utilize at the Restaurant premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Restaurant, Gross Sales and such other information as may be contained or stored in such equipment and software. You shall obtain and maintain Internet access or other means of electronic communication, as specified by us from time to time. It shall be a material default under this Agreement if you fail to maintain such equipment, lines and communication methods in operation and accessible to us at all times throughout the term of this Agreement. We shall have access as provided herein at such times and in such manner as we shall from time to time specify.

7.5.9 To honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices.

7.5.10 To sell or otherwise issue gift cards or certificates (together “Gift Cards”) that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner

specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Arooga's Restaurant. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Arooga's Restaurants and for making timely payment to us, other operators of Arooga's Restaurants, or a third-party service provider for Gift Cards issued from the Restaurant that are honored by us or other Arooga's Restaurant operators.

7.6 Proprietary Products

You acknowledge and agree that we and our affiliates have developed, will develop, and/or may continue to develop, for use in the System certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks. Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such products. Accordingly, you agree that if such products become a part of the System, you shall use only our secret recipes and proprietary products and shall purchase all of your requirements for such products solely from us or from a source designated by us. You further agree to purchase from us or our designated supplier for resale to your customers certain merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

7.7 Advertising and Promotional Materials

You shall require all advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Franchised Business), and other items which may be designated by us to bear the Marks in the form, color, location and manner prescribed by us, including, without limitation, notations about the ownership of the Marks.

7.8 Complaints

You shall process and handle all consumer complaints connected with or relating to the Restaurant, and shall promptly notify us by telephone and in writing of all of the following complaints: (i) food related illnesses, (ii) environmental, safety or health violations, (iii) claims exceeding Five Hundred Dollars (\$500.00), and (iv) any other material claims against or losses suffered by you. You shall maintain for our inspection any governmental or trade association inspection reports affecting the Restaurant or equipment located in the Restaurant during the term of this Agreement and for thirty (30) days after the expiration or earlier termination hereof.

7.9 Assignment of Numbers and Listings

At our request, you shall execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to us, your telephone numbers and listings; and provide us with passwords and administrator rights for all email, software, social media, or other such accounts used or created by you in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, we may exercise our authority, pursuant to such documents, to obtain any and all of your rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any website or listing on the internet or world wide web without our express written consent, which consent may be denied without reason.

7.10 Power of Attorney for Taxes

Upon execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Franchised Business.

7.11 Vehicles

Any vehicle used by you to deliver Restaurant products and services to customers shall meet our standards with respect to appearance and ability to satisfy the requirements imposed on you hereunder. You shall place such signs and décor items on the vehicle as we reasonably require and shall at all times keep such vehicle clean and in good working order. You shall not engage or utilize any individual in the operation of a motor vehicle in connection with providing services hereunder who is under the age of eighteen (18) years or who does not possess a valid driver's license under the laws of the state in which you provide such services. You shall require each such individual to comply with all laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of motor vehicles. Except as noted above, we do not set forth any standards or exercise control over any motor vehicle utilized by you.

7.12 Unapproved Products and Services

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars (\$250) per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

7.13 Customer Surveys

You shall participate in all customer surveys and satisfaction audits, which may require that you provide discounted or complimentary products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Restaurant. Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

7.14 Mystery Shopper Service

We may designate an independent evaluation service to conduct a "mystery shopper" quality control and evaluation program with respect to Restaurants. You agree that the Restaurant will participate in such mystery shopper program, as prescribed and required by us, provided that Restaurants owned by us, our affiliates and our franchisees also will participate in such program to the extent we have the right to require such participation. We shall have the right to require you to pay the then-current charges imposed by such evaluation service with respect to inspections of the Restaurant, and you agree that you shall promptly pay such charges.

7.15 Pricing

With respect to the offer and sale of all menu and beverage items, we may from time to time offer guidance with respect to the selling price for such goods, products and services or we may determine the minimum and/or maximum selling prices for such menu and beverage items, and you shall be bound to adhere to any such recommended or required pricing. If you elect to sell any or all of your products or

merchandise at any price recommended or required by us, you acknowledge that we have made no guarantee or warranty that offering such products or merchandise at the recommended or required price will enhance your sales or profits.

7.16 On-Line Ordering

You agree to participate in the on-line ordering program that we specify, whereby your customers are able to place orders through the internet. You agree to pay any then-current fees to our approved supplier for participation in the on-line ordering program, and to comply with all rules and procedures applicable to such program.

7.17 Green Restaurant Certification

You agree to take all actions necessary to (a) have your Arooga's Restaurant certified as a "green restaurant" evidencing your commitment to water efficiency, waste reduction and recycling, sustainable furnishings and building materials, energy, disposables, and other standards; and (b) maintain such green restaurant certification for the term of this Agreement. You acknowledge and agree that the requirements to be certified as a green restaurant may include, but are not limited to, developing and sustaining environmentally friendly programs and continuing education. The green restaurant certification shall be maintained by you with all other licenses and permits that you must have for your Restaurant, and a copy of such green restaurant certification shall be provided to us upon request.

ARTICLE VIII: ADVERTISING AND RELATED FEES

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

8.1 Participation in Advertising

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Restaurants operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

8.2 Local Advertising

In addition to the ongoing advertising contributions set forth herein and, subject to any allocation of your expenditures for local advertising to the Cooperative as described in Section 8.4 or Brand Development Fund as described in Section 8.3, you shall spend, throughout the term of this Agreement, not less than two percent (2%) of Gross Sales each month on advertising for the Restaurant in your Territory ("Local Advertising"). You shall submit to us, within thirty (30) days of our request, advertising expenditure reports accurately reflecting your Local Advertising expenditures, including verification copies of all advertising and any other information that we require.

8.3 Brand Development Fund

We reserve the right to establish and administer a Brand Development Fund for the purpose of advertising the System on a regional or national basis (the "Brand Development Fund"). You agree to contribute to the Brand Development Fund as described in Section 4.3 above. You agree that the Brand Development Fund shall be maintained and administered by us or our designee as follows:

8.3.1 We shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Restaurants operating under the System. We shall, with respect to Restaurants operated by us, contribute to the Brand Development Fund generally on the same basis as you. In administering the Brand Development Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. We shall be entitled to reimbursement from the Brand Development Fund for our reasonable expenses in managing the Brand Development Fund.

8.3.2 You agree that the Brand Development Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; public relations activities; employing advertising agencies to assist therein; development and maintenance of our website; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Brand Development Fund shall be maintained in a separate account by us and may be used to defray our expenses, if any, as we may incur in activities reasonably related to the administration or direction of the Brand Development Fund and advertising programs for franchisees and the System. The Brand Development Fund and its earnings shall not otherwise inure to our benefit. The Brand Development Fund is operated solely as a conduit for collecting and expending the brand development fees as outlined above. The Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

8.3.3 A statement of the operations of the Brand Development Fund shall be prepared annually by us and shall be made available to you upon request. This statement of operations may be unaudited.

8.3.4 Any monies remaining in the Brand Development Fund at the end of any year will carry over to the next year. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate the Brand Development Fund. The Brand Development Fund shall not be terminated, however, until all monies in the Brand Development Fund have been expended for advertising or promotional purposes or returned to contributing Franchised Businesses or those operated by us, without interest, on the basis of their respective contributions.

8.3.5 If we elect to terminate the Brand Development Fund, we may, in our sole discretion, reinstate the Brand Development Fund at any time. If we so choose to reinstate the Brand Development Fund, said reinstated Fund shall be operated as described herein.

8.4 Cooperative Funds

We may, in our discretion, create a regional advertising cooperative in any area, or we may approve the creation of such an advertising cooperative by franchisees in the System, and establish the rules and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Territory is located. In no event may the Restaurant be required to be a member of more than one cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto not to exceed two percent (2%) of such member's Gross Sales. You shall contribute such amounts at the times and in the manner as determined by the Cooperative members. Any funds contributed to a regional advertising cooperative will be credited against your obligation to pay for Local Advertising as set forth in Section 8.2 above; provided,

however, that if your contributions to a Cooperative are less than your Local Advertising requirement, you shall nevertheless spend the difference locally. The following provisions apply to each cooperative:

a. the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing;

b. the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in Local Advertising within the Cooperative's area;

c. the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

d. except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for Local Advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each Restaurant having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than twenty-five percent (25%) of the vote in the Cooperative regardless of the number of franchised businesses owned;

e. without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 8.5;

f. the Cooperative may require its members to periodically contribute to it in such amounts as it determines, subject to the limit set forth in the first paragraph of this Section 8.4;

g. no later than the fifteenth (15th) day of each month, each member/franchisee must submit its contribution under Section 8.4(f) for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

h. if an impasse occurs because of a Cooperative members' inability or failure, within forty-five (45) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

8.5 Conduct of Advertising; Our Approval

All advertising and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the twelve (12) months prior to their proposed use. You shall submit such unapproved plans and materials to us, and we shall have fifteen (15) days to notify you of our approval or disapproval of such materials. If we do not provide our specific approval of the proposed materials within this fifteen (15) days period, the proposed materials are deemed to be not approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the Internet, World Wide Web or via other means of advertising

through telecommunication without our express written consent. You shall be fined for unapproved advertisement. These fines would apply to any advertising materials or techniques used without following the procedures outlined in the Agreements. The fines shall be 1st infraction \$250, 2nd Infraction \$500 and 3rd infraction \$1,000 (As of May 13, 2015).

We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by a Cooperative, including, but not limited to, “Franchises Available” and reference to our telephone number and/or website.

8.6 Grand Opening Advertising

In addition to the ongoing advertising contributions set forth herein, you shall be required to spend between Fifteen Thousand Dollars (\$15,000) and Thirty Thousand Dollars (\$30,000) on a grand opening advertising campaign to advertise the opening of the Restaurant. The grand opening advertising campaign shall be conducted in the sixty (60) day period comprising thirty (30) days prior to and thirty (30) days following the Restaurant’s opening. All advertisements proposed to be used in the grand opening advertising campaign are subject to our review and approval in the manner set forth in this Article VIII, and you must include give-aways and other promotions that we require as part of your grand opening advertising campaign. We reserve the right to require you to give the grand opening advertising campaign monies to us and we will conduct the grand opening advertising campaign on your behalf.

8.7 Websites

As used in this Agreement, the term “Website” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

8.7.1 We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, Arooga’s Restaurants and any or all of the products offered at Restaurants, the franchising of Arooga’s Restaurants, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

8.7.2 We shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or the Franchised Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

8.7.3 You shall not establish a separate Website related to the Proprietary Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any Website owned or maintained by you or for your benefit shall be deemed “advertising” under this Agreement, and will be subject to (among other things) our approval under this Article VIII.

8.7.4 We shall have the right to modify the provisions of this Section 8.7 relating to Websites as we shall solely determine is necessary or appropriate.

8.7.5 You understand and agree that you may not promote your Restaurant or use any Proprietary Mark in any manner on social and/or networking Websites, including, but not limited to, Facebook, LinkedIn, MySpace and Twitter, without our prior written consent.

ARTICLE IX: MARKS

9.1 Use of Marks

We grant you the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications.

9.2 Ownership of Marks; Limited License

You expressly understand and acknowledge that:

9.2.1 We are the licensee of the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them. All references herein to our right, title and interest in the Marks shall be deemed to include the owner's right, title and interest in the Marks.

9.2.2 Neither you nor any Controlling Principal shall take any action that would prejudice or interfere with the validity of our rights with respect to the Marks. Nothing in this Agreement shall give the you any right, title, or interest in or to any of the Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Restaurant and only at or from its accepted location or in approved advertising related to the Restaurant.

9.2.3 You understand and agree that the limited license to use the Marks granted hereby applies only to such Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks.

9.2.4 You understand and agree that any and all goodwill arising from your use of the Marks and the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks.

9.2.5 You shall not contest the validity of or our interest in the Marks or assist others to contest the validity of or our interest in the Marks.

9.2.6 You acknowledge that any unauthorized use of the Marks shall constitute an infringement of our rights in the Marks and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks.

9.2.7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us. We shall not have any obligation in such event to reimburse you for your documented expenses of compliance. You waive any other claim arising from or relating to any Mark change, modification or substitution. We will not be liable to you for any expenses,

losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

9.3 Limitation on Use of Marks

With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that:

9.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Restaurant only under the name “Arooga’s Grille House & Sports Bar without prefix or suffix. You shall not use the Marks, or any portions, variations, or derivatives thereof, as part of your corporate or other legal name, and shall obtain our approval of such corporate or other legal name prior to filing it with the applicable state authority.

9.3.2 During the term of this Agreement and any successor term hereof, you shall identify yourself as the independent owner of the Restaurant in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Restaurant or any delivery vehicle as we may designate in writing.

9.3.3 You shall not use the Marks to incur any obligation or indebtedness on our behalf;

9.3.4 You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

9.4 Notification of Infringement or Claim

You shall notify us immediately by telephone and thereafter in writing of any apparent infringement of or challenge to your use of any Mark, of any claim by any person of any rights in any Mark, and you and the Controlling Principals shall not communicate with any person other than us, our counsel and your counsel in connection with any such infringement, challenge or claim. We shall have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in the Marks. We will indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages and reasonable expenses for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that the conduct of you and the Controlling Principals with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

9.5 Retention of Rights by Us

The right and license of the Marks granted hereunder to you is non-exclusive and we thus have and retain the following rights, among others, subject only to the limitations of Article I:

9.5.1 To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;

9.5.2 To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to you; and

9.5.3 To engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services, and (b) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

ARTICLE X: CONFIDENTIALITY AND NON-COMPETITION COVENANTS

10.1 Confidential Operations Manuals

10.1.1 To protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the Franchised Business.

10.1.2 You and the Controlling Principals shall at all times treat the Manuals, any of our written directives, and any other manuals and materials, and the information contained therein as confidential and shall maintain such information as trade secret and confidential in accordance with this Article X. You and the Controlling Principals shall divulge and make such materials available only to such of your employees as must have access to it in order to operate the Restaurant. You and the Controlling Principals shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

10.1.3 The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Restaurant premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement.

10.1.4 The Manuals, any written directives, and any other manuals and materials issued by us and any modifications to such materials shall supplement and be deemed part of this Agreement.

10.1.5 We may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Franchised Business. If we provided a hard copy of the Manual to you, then you shall remove and return to us all pages of the Manual that have been replaced or updated by us. You expressly agree to comply with each new or changed standard.

10.1.6 You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control.

10.2 Confidential Information

10.2.1 Neither you nor any Controlling Principal shall, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of

operation of the Franchised Business which may be communicated to them or of which they may be apprised in connection with the operation of the Restaurant under the terms of this Agreement. You and the Controlling Principals shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provide to you in connection with this Agreement shall be deemed confidential for purposes of this Agreement. Neither you nor the Controlling Principals shall at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Controlling Principals.

10.2.2 You shall require and obtain the execution of covenants similar to those set forth in Section 10.2.1 from your Head Coach and all other of your personnel who have received or will have access to confidential information. Such covenants shall be substantially in the form set forth in Attachment 5. All of your Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants.

10.2.3 If you, the Controlling Principals, the Head Coach or any of your employees develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Restaurant, you are required to promptly notify us and provide us with all necessary related information, without compensation. You and the Controlling Principals acknowledge that any such concept, process product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees as we determine to be appropriate.

10.3 Non-Competition

10.3.1 You and the Controlling Principals specifically acknowledge that, pursuant to this Agreement, you and the Controlling Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Controlling Principals and your managers and employees. You and the Controlling Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Restaurant, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets and confidential information (including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Controlling Principals and your managers and employees), you and the Controlling Principals covenant that with respect to you, during the term of this Agreement (or with respect to each of the Controlling Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "Controlling Principals" as described in Section 19.18 of this Agreement), except as otherwise approved in writing by us, which approval may be withheld or denied in our sole and absolute discretion, neither you nor any of the Controlling Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Restaurant, including a food service business which offers and sells the same or similar food products (a “Competitive Business”).

10.3.2 With respect to you, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of your interest in, this Agreement (or, with respect to each of the Controlling Principals, commencing upon the earlier of: (i) the expiration, termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Controlling Principals” as described in Section 19.18 of this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in our sole and absolute discretion, neither you, nor any of the Controlling Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to any Competitive Business, which business is, or is intended to be, located within a twenty (20) mile radius of the location of any Restaurant in the System.

10.3.3 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and the Controlling Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

(a) You and the Controlling Principals understand and acknowledge that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 10.3, or any portion thereof, without their consent, effective immediately upon notice to you; and you and the Controlling Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 19.2 hereof.

(b) You and the Controlling Principals expressly agree that the existence of any claims they may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section.

(c) Sections 10.3.1(b) and 10.3.2(c) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation.

10.3.4 You shall require and obtain execution of covenants similar to those set forth in this Section 10.3 (including covenants applicable upon the termination of a person's employment with you) from your Head Coach and all other of your personnel who have received or will have access to training from us. Such covenants shall be substantially in the form set forth in Attachment 5. All of your Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the non-competition covenant set forth in Attachment 5 or eliminate such non-competition covenant altogether for any party that is required to execute such agreement under this Section 10.3.4.

10.4 Failure to Comply

You and the Controlling Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material event of default under Article XVII hereof. You and the Controlling Principals acknowledge that a violation of the terms of this Section would result in irreparable injury to us for which no adequate remedy at law may be available, and you and the Controlling Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Controlling Principals in violation of the terms of this Section. You and the Controlling Principals agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

ARTICLE XI: BOOKS AND RECORDS

11.1 Books and Records

You shall maintain during the term of this Agreement, and shall preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manuals or otherwise in writing.

11.2 Reports

In addition to the remittance reports required by Article IV hereof, you shall comply with the following reporting obligations:

11.2.1 We shall access through Restaurant Solutions your Restaurant's profit and loss statement for each month (which may be unaudited) within fifteen (15) days after the end of each month during the term hereof;

11.2.2 You shall, at your expense, provide to us a complete annual financial statement (which shall be reviewed) for you prepared by an independent certified public accountant, within ninety (90) days after the end of each fiscal year during the term hereof, showing the results of operations of you during such fiscal year; we reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of payments due to us of two percent (2%) or more in any report, pursuant to Section 11.3; and

11.2.3 You shall also submit to us, for review or auditing, such other forms, reports, records, information and data as we may reasonably designate, and which pertain to the Franchised Business, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in writing.

11.3 Inspections; Audits

We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Restaurant. You shall make such books and records available to us or our designees immediately upon request. If any required royalty or other payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with the provisions of Section 4.5. If an inspection discloses an understatement in any report of two percent (2%) or more, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

Submission of Performance Reports: You shall submit to us, for review or auditing, financial statements, including a balance sheet and income statement prepared on a monthly basis, Gross Sales reports and performance reports for monthly periods, and other forms, reports, records, information, and data as we may reasonably designate, in the form and place reasonably required by us, including by electronic telecommunications data transmission methods, upon request and as specified periodically in the Manual or otherwise in writing. These reports shall be submitted no later than the 7th day of each month following the reporting period or on another date specified in writing by us. Failure to do so will result in our assessment of a penalty of \$500 and an administrative fee of \$50 per day until the required report is received. If you prepare and submit to us monthly profit and loss statements, we may require you to have a certified public accountant review these statements on a quarterly basis, at your expense, and then submit the quarterly reviews to us. You also shall immediately notify us in writing when one or more liens or judgments are filed against you, the Restaurant and/or any of the personal guarantors (if any) under the Franchise Agreement.

11.4 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or royalties paid to us (or the cashing of any royalty checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

11.5 Authorization of Us

You hereby authorize (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Restaurant. You authorize us to disclose data from your reports, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties, and you acknowledge and agree that such disclosure may include publishing of the financial performance of your Franchised Business in franchise disclosure document(s) issued by us following the Effective Date hereof.

11.6 We are Attorney-in-Fact

Notwithstanding any forms and documents which may have been executed by you under Section 7.10, you hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Franchised Business. This power of attorney shall survive the expiration or termination of this Agreement.

ARTICLE XII: INSURANCE

12.1 You shall procure, upon execution of this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Restaurant.

12.2 Such policy or policies shall be written by a responsible, duly licensed carrier or carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), in accordance with standards and specifications set forth in writing, the following:

12.2.1 General and liquor liability in the amount of One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) not excluding assaults and battery.

12.2.2 "All Risks" coverage for the full cost of replacement of the Restaurant premises and all other property in which we may have an interest with no coinsurance clause for the premises.

12.2.3 Business Interruption insurance in a sufficient amount to cover profit margins, maintenance of competent and desirable personnel and fixed expenses for a period of 12 month including ordinary payroll.

12.2.4 Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than One Million Dollars (\$1,000,000) combined single limit.

12.2.5 Worker's compensation insurance in amounts provided by applicable law (but not less than Five Hundred Thousand Dollars (\$500,000) per occurrence) or, if permissible under applicable law, a legally appropriate alternative providing substantially similar compensation for injured workers reasonably satisfactory to us.

12.2.6 Umbrella liability coverage in the amount of Three Million Dollars (\$3,000,000) per occurrence.

12.2.7 Employment Practices Liability in the amount of \$1,000,000 including 3rd party coverage.

12.2.8 Such other insurance as may be required by the state or locality in which the Restaurant is located and operated or as may be required by the terms of the lease for the Restaurant.

12.2.9 You may, with our prior written consent, which consent may be withheld or denied, elect to have reasonable deductibles in connection with the coverages required herein. Such policies shall also include a waiver of subrogation in favor of us, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees.

12.3 In connection with any construction, renovation, refurbishment or remodeling of the Restaurant, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

12.4 Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article XV of this Agreement.

12.5 All general liability and property damage policies shall contain a provision that we, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to us or our servants, agents or employees by reason of the negligence of you or your servants, agents or employees.

12.6 Upon execution of this Agreement, and thereafter in accordance with Article IV hereof and thirty (30) days prior to the expiration of any such policy, you shall deliver to us Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by us, you shall deliver to us a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder, with the exception of workers' compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any policy provisions. Further, all insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies.

12.7 Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

12.8 Upon written request by us, you shall procure from your insurance carrier or carriers a report of claims made and reserves set against your insurance policies.

12.9 We reserve the right to modify the types of insurance coverages and amounts of coverage that you are required to maintain for the Restaurant, and you agree to comply with any such changes, at your expense.

ARTICLE XIII: DEBTS AND TAXES

13.1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business under this

Agreement. Without limiting the provisions of Article XV, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within ten (10) business days after such filing has been made with the appropriate taxing authority.

The term “Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, taxes imposed on the Royalty Fees paid to us, or the exercise of rights granted pursuant to this Agreement, whether imposed upon you or us.

13.2 Payments to Us

Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes. Failure to have sufficient funds available for payments to us, you will be charged an insufficient fund fee of \$50 plus any fee charged to us for uncollected funds.

13.3 Tax Disputes

In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

13.4 Compliance with Laws

You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation.

13.5 Notification of Action or Proceeding

You shall notify and deliver to us, in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

ARTICLE XIV: TRANSFER OF INTEREST

14.1 Transfer by Us

We shall have the right, without the need for your consent, to assign, transfer or sell our rights under this Agreement to any person, partnership, corporation or other legal entity, provided that the transferee agrees in writing to assume all obligations undertaken by us herein and you receive a statement from both us and our transferee to that effect. Upon such assignment and assumption, we shall be under no further obligation hereunder, except for accrued liabilities, if any. You further agree and affirm that we may go public; may engage in a private placement of some or all of our securities; may merge, acquire

other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic, legal or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks (or any variation thereof) and System and/or the loss of association with or identification of Arooga's Franchising, LP as Franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

You agree that we have the right, now or in the future, 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 that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Restaurants operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Territory, proximate thereto, or proximate to any of your locations). However, we represent that we will not convert any such acquired restaurant premises that are operating within your Territory to a Restaurant.

If we assign our rights in this Agreement, nothing herein shall be deemed to require us to remain in the restaurant business or to offer or sell any products or services to you.

14.2 Transfer by You

14.2.1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and the Controlling Principals. Accordingly, neither you nor any Controlling Principal, nor any successor or assignee of you or any Controlling Principal, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement, in the Restaurant and/or any of the Restaurant's material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), in you or in any Controlling Principal that is an entity, in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

14.2.2 If you wish to transfer all or part of your interest in the Restaurant, any of the Restaurant's material assets (except as provided in Section 14.2.1 above) or this Agreement, or if you or a Controlling Principal wishes to transfer or permit a transfer of any ownership interest in you or in a Controlling Principal that is an entity, then in each such case (any or all of which are referred to in this Article XIV as a "Restricted Transfer"), transferor and the proposed transferee shall apply to us for our consent. We shall not unreasonably withhold our consent to a Restricted Transfer. We may, in our sole discretion, require any or all of the following as conditions of our approval:

(a) All of the accrued monetary obligations of you or any of your affiliates and all other outstanding obligations to us arising under this Agreement or any other agreement shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) You and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction:

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to us, of any and all claims against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations;

(d) The transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a franchise, including, but not limited to, our educational, managerial and business standards; transferee's good moral character, business reputation and credit rating; transferee's aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); transferee's financial resources and capital for operation of the business; and the geographic proximity and number of other Restaurants owned or operated by transferee;

(e) The transferee shall enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and, if the transferee is a corporation or a partnership, transferee's shareholders, partners or other investors, as applicable, shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements;

(f) The transferee shall execute, for a term ending on the expiration date of this Agreement and with such successor options as may be provided by this Agreement, the standard form franchise agreement then being offered to the new System franchisees and other ancillary agreements as we may require for the Restaurant, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then-current System-wide percentage royalty fee, advertising contribution or expenditure requirement; provided, however, that the transferee shall not be required to pay any initial franchise fee;

(g) The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Restaurant and, if applicable, any delivery vehicles to conform to the then-current standards and specifications of the System, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;

(h) The transferor shall remain liable for all of the obligations to us in connection with the Restaurant incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(i) At the transferee's expense, the transferee, the transferee's general manager and/or any other applicable Restaurant personnel shall complete any training programs then in effect for franchisees of Restaurants upon such terms and conditions as we may reasonably require;

(j) You shall pay to us a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee to reimburse us for reviewing the application to transfer, including, without limitation, training expenses, legal and accounting fees;

(k) If the transferee is a corporation, limited liability company or a partnership, the transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth at Article VI as we request. Transferee shall provide to us evidence satisfactory to us that the terms of such Section have been satisfied and are true and correct on the date of transfer.

14.2.3 You shall not grant a security interest in the Restaurant or in any of your assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of yours.

14.2.4 You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

14.3 Transfer to a Corporation or Limited Liability Company

In the event the proposed transfer is to a corporation or limited liability company formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements set forth at Section 14.2.2, except that the requirements set forth at Sections 14.2.2(c), 14.2.2(d), 14.2.2(f), 14.2.2(g), 14.2.2(i), 14.2.2(j) and 14.2.2(k) shall not apply. With respect to a transfer to a corporation formed for the convenience of ownership, you shall be the owner of all of the voting stock or interest of the corporation and if you are more than one (1) individual, each individual shall have the same proportionate ownership interest in the corporation as he had in you prior to the transfer. A transfer under this Section 14.3 may occur one (1) time only.

14.4 Our Right to Purchase Business

14.4.1 If you wish to transfer all or part of your interest in the Restaurant or this Agreement or if you or a Controlling Principal wish to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article XIV, with respect to a proposed transfer.

(a) In the case of a Restricted Transfer involving a bona fide purchase offer, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the interest proposed to be transferred in the Restricted Transfer on the same terms and conditions offered by the proposed purchaser (the "Offer Terms"). In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the

seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article XIV with respect to a proposed transfer.

(b) Notwithstanding the provisions of Section 14.4.1(a) above, where the Restricted Transfer (alone or together with any other Restricted Transfer or event effected within the prior twenty-four (24) month period) results in a “Change of Control”, we may elect, in our sole discretion, to treat the notice given pursuant to such Section 14.4.1(a) as an offer to assign to us all of your rights under this Agreement and to the Restaurant (including lease and contract rights and other assets of you and your affiliates used in connection with the Restaurant, excluding the assets of your benefit plans) (collectively, the “Restaurant Interests”). As used in this Section 14.4.1(b), Change of Control means any circumstance resulting in one or more of your Controlling Principals ceasing to be a Principal and/or the addition of any new Principal. In such case, we shall notify you of the special election provided for in this Section 14.4.1(b) at the time we exercise our option as provided in Section 14.4.1(a). The terms of such purchase shall be the same as the Offer Terms (subject to the other provisions of this Section 14.4), but the price shall be the lesser of (1) the Implied Market Price or (2) the fair market value of the Restaurant Interests, determined in a manner consistent with Section 18.11.1. As used herein, “Implied Market Price” shall mean an amount equal to the total price to be paid by the transferee under the Offer Terms, divided by the percentage (expressed as a decimal) of ownership of you proposed to be acquired (directly or indirectly) by the transferee, less the fair market value (determined as provided in Section 18.11.1) of any assets included in the Restricted Transfer that are not related to the Restaurant. If you have more than one (1) Restaurant, then the Implied Market Price shall, unless otherwise agreed by us and you, be allocated among all Restaurants equally.

(c) We may assign our rights under this Section 14.4 to any other person or entity, subject to Section 14.1 above.

(d) It shall be a material obligation of yours under this Agreement to cause any transferor and transferee described in this Article XIV to perform all of the obligations imposed on such persons under this Article XIV.

14.4.2 In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the Offer Terms, then such amount shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. In the event that we exercise our right of first refusal herein provided, we shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from you hereunder and (ii) all amounts due from you to us.

14.4.3 Failure to comply with the provisions of this Section prior to the transfer of any interest in you, the Restaurant or this Agreement shall constitute a material event of default under this Agreement.

14.5 Death or Disability

14.5.1 The grant of rights under this Agreement is personal to you, and on the death or permanent disability of you or any of your Principals, the executor, administrator, conservator or other personal representative of yours or of the deceased Principal, as the case may be, shall be required to transfer your or your Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by us. Failure to transfer in accordance with the forgoing will constitute a material default and the franchise granted by this Agreement will terminate. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of the Franchised Business during the six (6) month period from its onset.

14.5.2 Upon the death or claim of permanent disability of you or any Principal, you or a representative of yours must notify us of such death or claim of permanent disability within ten (10) days of its occurrence. Any transfer under this Section 14.5 shall be subject to the same terms and conditions as described in this Article 14 for any *inter vivos* transfer.

14.5.3 Immediately after the death or permanent disability of such person, or while the Restaurant is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to us, or we, in our sole discretion, may provide interim management at a fee equal to ten percent (10%) of the Gross Sales generated by the Franchised Business during our operation thereof, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by us, pending transfer of the Restaurant to the deceased or disabled individual's lawful heirs or successors. If we provide interim management pursuant to this Section 14.5, you agree to indemnify and hold us and any of our representatives harmless from any and all acts which we may perform.

14.6 No Waiver of Claims

Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee.

14.7 Transfer Among Owners

If any person holding an interest in you, this Agreement or the Restaurant (other than you or a Controlling Principal, which parties shall be subject to the provisions set forth above) transfers such interest, then you shall promptly notify us of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer. Such transferee may not be a competitor of ours. Such transferee will be your Principal and as such will have to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by us, which form shall be in substantially the same form attached hereto as Attachment 5 (see Sections 10.2.2 and 10.3.4). We also reserve the right to designate the transferee as one of the Controlling Principals. Notwithstanding the provisions contained in Section 14.2 to the contrary, the Controlling Principals may freely transfer their ownership interests in you among themselves and to their family members (or to trusts for the benefit of such family members), and our right of first refusal shall be inapplicable with respect to such transfers, provided you provide us with thirty (30) days prior written notice of such transfer, which notice shall include the names and percentages transferred.

ARTICLE XV: INDEMNIFICATION

15.1 Indemnification by You

You and each of the Controlling Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them (“Indemnitees”), from all “losses and expenses” (as defined in Section 15.4.2 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

15.1.1 The infringement, alleged infringement, or any other violation or alleged violation by you or any of the Controlling Principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted hereunder pursuant to Article X.);

15.1.2 The violation, breach or asserted violation or breach by you or any of the Controlling Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

15.1.3 Libel, slander or any other form of defamation of us, the System or any multi-unit franchisee or franchisee operating under the System, by you or by any of the Controlling Principals;

15.1.4 The violation or breach by you or by any of the Controlling Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between you or any of your affiliates and us and our Indemnitees; and

15.1.5 Acts, errors, or omissions of you, any of your affiliates and any of the Controlling Principals and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates in connection with the establishment and operation of the Restaurant, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle. The parties understand and agree that we cannot and do not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, you or any employee, agent or independent contractor of yours and that the safe operation of any motor vehicle is, therefore, entirely your responsibility.

15.2 Notification of Action or Claim

You and each of the Controlling Principals agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of you and each of the Controlling Principals, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of the Controlling Principals to indemnify the Indemnitees and to hold them harmless.

15.3 We May Settle

In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with

respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our reasonable judgment, there are reasonable grounds to believe that:

15.3.1 any of the acts or circumstances enumerated in Section 15.1.1 through 15.1.4 above have occurred; or

15.3.2 any act, error, or omission as described in Section 15.1.5 may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

15.4 Losses and Expenses

All losses and expenses incurred under this Article XV shall be chargeable to and paid by you or any of the Controlling Principals pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense.

As used in this Article XV, the phrase “losses and expenses” shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys’ fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

15.5 Recovery from Third Parties

Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you or any of the Controlling Principals. You and each of the Controlling Principals agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of the Controlling Principals by the Indemnitees.

15.6 Survival of Terms

You and the Controlling Principals expressly agree that the terms of this Article XV shall survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE XVI: RELATIONSHIP OF THE PARTIES

16.1 Independent Contractor

You understand and agree that you are and will be our independent licensee under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Arooga’s Restaurant does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Arooga's Restaurant and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Arooga's Restaurant, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Arooga's Restaurant.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Arooga's Restaurant. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Arooga's Restaurant.

16.2 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever. You alone hire each of your employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/ unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which has no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that your Arooga's Restaurant is at all times staffed at those levels necessary to operate your Arooga's Restaurant in conformity with the System and the products, services, standards of quality and efficiency, and other Arooga's brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff your Arooga's Restaurant with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate your Arooga's Restaurant, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of an Arooga's Restaurant and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dispositive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding,

arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

16.3 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Controlling Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Controlling Principals or any claim or judgment arising therefrom.

ARTICLE XVII: TERMINATION

17.1 Automatic Termination – No Right to Cure

17.1.1 You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable.

17.1.2 You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.1.3 You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, upon the occurrence of any of the following events:

(a) If you operate the Restaurant or sell any products or services authorized by us for sale at the Restaurant at a location which has not been approved by us;

(b) If you fail to acquire an accepted location for the Restaurant within the time and in the manner specified in Article II;

(c) If you fail to construct or remodel the Restaurant in accordance with the plans and specifications provided to you under Section 5.3 as such plans may be adapted with our approval in accordance with Section 2.5;

(d) If you fail to open the Restaurant for business within the period specified in Section 2.6 hereof;

(e) If you at any time cease to operate or otherwise abandon the Restaurant, or lose the right to possession of the premises, or otherwise forfeit the right to do or transact business in the jurisdiction where the Restaurant is located; provided, however, that this provision shall not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, acts of terrorism, fire or other catastrophe or other forces beyond your control), if through no fault of yours the premises are damaged or destroyed by an event as described above, provided that you apply within thirty (30) days after such event, for our approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation; such approval may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Restaurant is not in operation;

(f) If you or any of the Controlling Principals are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Restaurant;

(h) If you or any of the Controlling Principals purport to transfer any rights or obligations under this Agreement or any interest in you or the Restaurant to any third party without our prior written consent or without offering us a right of first refusal with respect to such transfer, contrary to the terms of Article XIV of this Agreement;

(i) If you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within five (5) days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply);

(j) If you or any of the Controlling Principals fail to comply with the in-term covenants in Section 10.3 hereof or you fail to obtain execution of the covenants and related agreements required under Section 10.3.4 hereof within thirty (30) days following notice from us;

(k) If, contrary to the terms of Section 10.2.1 hereof, you or any of the Controlling Principals disclose or divulge any confidential information provided to you or the Controlling Principals by us, or fail to obtain execution of covenants and related agreements required under Section 10.2.2 hereof within thirty (30) days following notice from us;

(l) If a transfer upon death or permanent disability is not transferred in accordance with Article XIV and within the time periods therein;

(m) If you knowingly maintain false books or records, or submit any false reports to us;

(n) If you breach in any material respect any of the covenants in any material respect set forth in Article VI or have falsely made any of the representations or warranties set forth in Article VI;

(o) If you fail to propose a qualified replacement or successor Head Coach within the time required under Section 6.3.4 following ten (10) days prior written notice;

(p) If you fail to procure and maintain the insurance policies required by Article XII and you fail to cure such default within ten (10) days following notice from us;

(q) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein; provided that, notwithstanding the above, you shall be entitled to notice of such event of default and shall have twenty-four (24) hours to cure such default;

(r) If you or any of the Controlling Principals commit three (3) material events of default under this Agreement, within any twelve (12) month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(s) If your Head Coach is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement Head Coach; and

(t) If you fail to comply with all applicable laws and ordinances relating to the Restaurant, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.

17.2 Notice of Termination – 30 Days to Cure

Except as provided in Sections 17.1.2 and 17.1.3 of this Agreement, upon any default by you which is susceptible of being cured, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least thirty (30) days prior to the effective date of termination. However, you may avoid termination by immediately initiating a remedy to cure such default and curing it to our reasonable or making a bona fide attempt to cure to our reasonable satisfaction within the thirty (30) day period and by promptly providing proof thereof to us and payment of required fine upon notice of infraction. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

17.2.1 If you fail to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by us, or fail to carry out the terms of this Agreement in good faith.

17.2.2 If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing. In particular, if you fail to submit the required financial reports by the 7th day of the following month, we will assess a penalty of \$500.00 and an administrative fee of \$50.00 per day until the required reporting is received.

17.2.3 If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement.

17.3 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article XVII, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you, until such time as you correct the breach.

ARTICLE XVIII: POST-TERMINATION

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

18.1 Cease Operations

You shall immediately cease to operate the Restaurant under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours.

18.2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System; the marks "Arooga's Grille House & Sports Bar" and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Marks, and shall immediately change all paint colors, remove all of our proprietary or non-proprietary design items.

18.3 Cancellation of Assumed Names

You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Marks or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

18.4 No Use of Similar Marks

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

18.5 Payment of Sums Owed

You and your Controlling Principals shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by you and on the premises operated hereunder at the time of default.

18.6 Payment of Damages, Costs and Expenses

You and the Controlling Principals shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article XVIII.

18.7 Delivery of Manuals and Materials

You shall immediately deliver to us all Manuals, software licensed by us, records, files, instructions, correspondence, all materials related to operating the Restaurant, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Restaurant in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

18.8 Confidential Information

You and the Controlling Principals shall comply with the restrictions on confidential information contained in Article X of this Agreement and shall also comply with the non-competition covenants contained in Article X. Any other person required to execute similar covenants pursuant to Article X shall also comply with such covenants.

18.9 Advertising and Promotional Materials

You shall also immediately furnish us with an itemized list of all advertising and sales promotion materials bearing the Marks or any of our distinctive markings, designs, labels, or other marks thereon, whether located on your premises or under your control at any other location. We shall have the right to inspect these materials. We shall have the option, exercisable within thirty (30) days after such inspection,

to purchase any or all of the materials at your cost, or to require you to destroy and properly dispose of such materials. Materials not purchased by us shall not be utilized by you or any other party for any purpose unless authorized in writing by us.

18.10 Assignment to Us

Upon execution of this Agreement, in partial consideration of the rights granted hereunder, you acknowledge and agree that all right, title and interest in the signs used at the Restaurant are hereby assigned to us, and that upon termination or expiration of this Agreement, neither you nor any lien holder of yours shall have any further interest therein.

18.11 Assignment of Lease

If you operate the Restaurant under a lease for the Restaurant premises with a third party or, with respect to any lease for equipment used in the operation of the Franchised Business, then you shall, at our option, assign to us any interest which we have in any lease or sublease for the premises of the Restaurant or any equipment related thereto. We may exercise such option at or within thirty (30) days after either termination or (subject to any existing right to a successor term) expiration of this Agreement. In the event we do not elect to exercise our option to acquire the lease or sublease for the Restaurant premises or do not have such option, you shall make such modifications or alterations to the Restaurant premises as are necessary to distinguish the appearance of the Restaurant from that of other Restaurants operating under the System and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Section 18.11, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Section 18.11 to the contrary, in the event the lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Restaurant premises from and after the date of the assignment of lease.

18.12 Our Right to Purchase

18.12.1 Except as provided in Sections 18.9, 18.10 and 18.13, we shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment (including any electronic cash register or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Restaurant, at fair market value. We shall be purchasing your assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. If we elect to exercise any option to purchase herein provided, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash.

18.12.2 In addition to the options described above and if you own the Restaurant premises, then we shall have the option, to be exercised at or within thirty (30) days after termination or expiration of this Agreement, to purchase the Restaurant premises including any building thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value. We shall purchase assets only and shall

assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If you do not own the land on which the Restaurant is operated and we exercise our option for an assignment of the lease, we may exercise this option for the purpose of purchasing the building if owned by you and related assets as described above. If the parties cannot agree on fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined in accordance with appraisal procedure described above.

18.12.3 With respect to the options described in Sections 18.11, 18.12.1 and 18.12.2, you shall deliver to us in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, you have not obtained all of these certificates and other documents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.12.4 The time for closing of the purchase and sale of the properties described in Sections 18.12.1 and 18.12.2 shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. The time for closing on the assignment of the lease described in Section 18.11 shall be a date no later than ten (10) days after our exercise of the option thereunder unless we are exercising our options under either Section 18.12.1 or 18.12.2, in which case the date of the closing shall be on the same closing date prescribed for such option. Closing shall take place at our corporate offices or at such other location as the parties may agree.

18.13 Restaurant Assets

Notwithstanding anything to the contrary contained in Sections 18.11 and 18.12, if you operate the Restaurant from premises that are subleased to you by us, upon termination (or expiration if you do not sign a successor term) of this Agreement, we shall have the right to take immediate possession of the assets of the Restaurant, including, any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Restaurant. We shall have a lien against all such assets in the amount of any amounts due to us under this Agreement or any other agreement. We shall have the right to have such assets appraised at the lower of cost or fair market value of the used assets, and to acquire all right, title and interest to such assets, without conducting any public sale, by paying to you (or to any lender of yours who has a lienholder interest in the assets) the difference between the appraised value and the amounts owed to us by you at the time of termination. If the lien on the assets from your lender has priority over any lien of ours, and the amount of the lien is in excess of the appraised value of such assets, we shall have the right to deal directly with your lienholder, and to pay any amounts due to you directly to the lienholder. You agree to provide all further assurances, and to execute all documents required by us or by law to lawfully effect such transfer, and to perfect our security interest. We shall have the right to take such action without the execution of any further documents by you if you fail or refuse to comply with these further assurances.

18.14 Assignment of Options by Us

We shall be entitled to assign any and all of our options in this Section to any other party, without your consent.

18.15 Telephone Numbers, Yellow Pages Listings, etc.

You, at our option, shall assign to us all rights to the telephone numbers of the Restaurant and any related Yellow Pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. Further,

you shall assign to us all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents which may have been executed under Section 7.9, you hereby appoint us as your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you.

18.16 Liquidated Damages

If we terminate this Agreement with cause, you must pay us liquidated damages equal to the average value of the Royalty Fees you paid or owed (per month) to us during the twelve (12) months before the termination multiplied by (i) twenty-four (24), being the number of months in two (2) full years, or (ii) the number of months remaining during the term of this Agreement, whichever is lower.

The parties hereto acknowledge and agree that it would be impractical to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE XIX: MISCELLANEOUS

19.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by facsimile or email (provided that the sender confirms delivery of the facsimile or email) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:	Arooga's Franchising, LP 1591 S. 19th Street Harrisburg, Pennsylvania 17104. Attention: President Facsimile: (717) 635-9246
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Notices to Franchisee and
the Controlling Principals:

Attention: _____
Facsimile: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing.

19.2 Entire Agreement

This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between us and you and the Controlling Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you and the Controlling Principals; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.3 No Waiver

No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or the Controlling Principals under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or the Controlling Principals, or as to a subsequent breach or default by you or the Controlling Principals. Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you or the Controlling Principals of any terms, provisions, covenants or conditions of this Agreement.

19.4 Our Prior Approval

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and such approval or consent shall be obtained in writing.

19.5 No Warranty or Guaranty

We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

19.6 Continued Obligation to Pay Sums

If a Force Majeure event shall occur, then, in addition to payments required under Section 17.1.3(e), you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article XV. Except as provided in Section 17.1.3(e) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this

Agreement when such failure is caused by an event of Force Majeure. Upon the occurrence of any event of the type referred to herein, the party affected thereby shall give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused.

19.7 Mediation and Arbitration

19.7.1 We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 19.7.3. If we and you cannot agree on a location, the mediation will be conducted in Harrisburg, Pennsylvania. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

19.7.2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 19.7.3.

19.7.3 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Pennsylvania under the authority of Pennsylvania Statutes. The arbitrator(s) will have a minimum of five (5) years experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Pennsylvania Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Pennsylvania Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or any non-extension or refusal of a successor term under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.8 Governing Law

With respect to any claims, controversies or disputes which are not finally resolved through mediation or arbitration, or as otherwise provided above, you and the Controlling Principals hereby irrevocably submit themselves to the jurisdiction of the state courts of Dauphin County, Pennsylvania and the Federal District Court nearest to our headquarters. You and the Controlling Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and the Controlling Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Pennsylvania or federal law. You and the Controlling Principals further agree that venue for any proceeding

relating to or arising out of this Agreement shall be Dauphin County, Pennsylvania; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Pennsylvania law.

19.9 Agreement Regarding Governing Law and Choice of Forum

You, the Controlling Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.8 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, the Controlling Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.10 Acceptance of Agreement

You, the Controlling Principals and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Dauphin County, Pennsylvania, and further acknowledge that the performance of certain obligations of yours arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Dauphin County, Pennsylvania.

19.11 Waiver of Punitive Damages

You, the Controlling Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.12 Execution in Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

19.13 Captions

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

19.14 Survival of Terms

Any obligation of you or the Controlling Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of you or the Controlling Principals therein, shall be deemed to survive such termination, expiration or transfer.

19.15 Severability of Provisions

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

19.16 Joint and Several Obligations

All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Controlling Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by all of the Controlling Principals.

19.17 Rights and Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Article XVII of this Agreement shall not discharge or release you or any of the Controlling Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

19.18 Terminology

The term “your Principals” shall include, collectively and individually, (1) your spouse, if you are an individual, (2) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of you and (3) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of any Controlling Principal that itself is an entity, in each case whom we designate as your Principals and all holders of an ownership interest in you and of any entity directly or indirectly controlling you, and any other person or entity controlling, controlled by or under common control with you. As used in this Section 19.18, the terms “control” and “controlling” shall mean the power to influence the management decisions of the specified person and shall in any case be deemed to exist where the second person holds ten percent (10%) or more of the total ownership interest in the specified person, serves on any board of directors or comparable body of such specified person or acts as an officer, general partner or manager thereof (or holds a comparable position

in a non-corporate entity). The initial Principals shall be listed on Attachment 4. The term “Controlling Principals” shall include, collectively and individually, any Principal who has been designated by us as a Controlling Principal hereunder. For purposes of this Agreement, a publicly held corporation is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

19.19 References

Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto.

19.20 No Rights or Remedies Except to the Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Article XIV), any rights or remedies under or as a result of this Agreement.

19.21 Effectiveness of Agreement

This Agreement shall not become effective until signed by an authorized officer of ours.

19.22 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising

from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

19.23 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

19.24 Step-In Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

19.25 Costs and Legal Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

19.26 Consent to do Business Electronically

The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Pennsylvania, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Addenda, and by attaching

their signature electronically to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature as the respective party's signature.

ARTICLE XX: TECHNOLOGY

20.1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system:

20.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Arooga's Restaurants, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Arooga's Restaurants, between or among Restaurants, and between and among the Franchised Restaurant and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "Computer System").

20.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("Required Software"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

20.1.3 You shall record all sales on computer-based point of sale systems approved by us or on such other types of systems as may be designated by us in the Manual or otherwise in writing ("Point of Sale Systems"), which shall be deemed part of your Computer System.

20.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, "Computer Upgrades").

20.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

20.1.6 In addition to the requirements of Section 4.4, you shall pay all fees, whether to us or to third party vendor(s), and expenses for technology required by this Agreement for operation of the Franchised Business, including but not limited to, all costs related to the Computer System, Required Software, and Computer Upgrades, digital menu displays, internet access, license fees, help desk fees, and licensing or user-based fees.

20.2 Data

We may, from time-to-time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Restaurant, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Restaurant, and all data created or collected by you in connection with the System, or in connection with your operation of the Restaurant (including without limitation data pertaining to or otherwise concerning the Restaurant's customers) or otherwise provided by you (including, without limitation, data

uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

20.3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

20.4 Internet Access

You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining Internet connections between your Computer System and our Extranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

20.5 Extranet

We may establish a website providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an "Extranet"). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of the Restaurant. The Extranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Extranet.

20.6 On-line Use of Proprietary Marks

You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

20.7 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

20.8 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to

technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Article XX were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

ARTICLE XXI: SECURITY INTEREST

21.1 Collateral

You grant to us a security interest (“Security Interest”) in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Restaurant, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant. All items in which a security interest is granted are referred to as the “Collateral”.

21.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the “Indebtedness”):

21.2.1 All amounts due under this Agreement or otherwise by you;

21.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

21.2.3 All expenses, including reasonable attorneys’ fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

21.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

21.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in a form satisfactory to us.

21.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

21.5 Our Remedies in the Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Pennsylvania (or

other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

21.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for the record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE XXII: YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22.1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that:

22.1.1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Restaurant.

22.1.2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

22.1.3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

22.1.4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

22.1.5 Neither you nor any of your Principals is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

22.1.6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 Your Acknowledgments

You shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgement, if any statement in Attachment 1 is incomplete or incorrect.

[Signatures appear on the next page]

Each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

FRANCHISEE:

FRANCHISOR:

AROOGA'SFRANCHISING, LP

By:_____

Name:_____

Title:_____

By:_____

Name: Keith Swade

Title: Director of Franchise Development

PRINCIPALS:

Name:_____

Name:_____

ATTACHMENT 1

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Franchisee hereby acknowledges the following:

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. Franchisee acknowledges that it has received the Arooga's Franchising, LP Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that

Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE AROOGA'S FRANCHISING, LP, AROOGA'S HOLDINGS, AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

FRANCHISEE:

By: _____

_____,
(Print Name, Title)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

ATTACHMENT 2 TO THE FRANCHISE AGREEMENT

ACCEPTED LOCATION AND TERRITORY

(If there is no Accepted Location on the Effective Date, include: ****TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER AN AROOGA'S LOCATION IS ACCEPTED BY FRANCHISOR IN THE SITE SEACH AREA OF _____.**)

Territory (insert map and/or define by zip codes):

Franchised Business Address:

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets over to Arooga’s Franchising, LP, a Pennsylvania limited partnership (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Restaurant between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than forty-five (45) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:

Arooga’s Franchising, LP

By Its General Partner:

Arooga’s Franchise Management, LLC

ASSIGNOR:

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease; any lease renewal; lease amendment; or landlord assignment. All notices shall be sent to Assignee's corporate offices, located at

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within forty-five (45) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee, fifteen (15) days following receipt of notice takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the forty-five (45) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as an Arooga's Restaurant.

Dated: _____

_____, Lessor

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

Name

Percentage of Ownership

ATTACHMENT 5 TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this day of _____, between Arooga's Franchising, LP, a Pennsylvania limited partnership ("Franchisor"), _____ ("Franchisee") and _____ ("Covenantor").

RECITALS:

WHEREAS, Franchisor has developed a unique system (the "System") for the development and operation of restaurants under the name and mark "Arooga's Grille House & Sports Bar" ("Restaurants"); and

WHEREAS, Franchisor has granted Franchisee the limited right to operate a Restaurant using the System, the Marks and the Trade Secrets for the period defined in the franchise agreement made and entered into on _____ ("Franchise Agreement"), by and between Franchisor and Franchisee; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain employees, agents, independent contractors, officers, directors and interest holders of Franchisee, or any entity having an interest in Franchisee ("Covenantor") to have access to and to use some of all of the Trade Secrets in the management and operation of Franchisee's business using the System; and

WHEREAS, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks "Arooga's Grille House & Sports Bar", and such other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor or its affiliates may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive exterior and interior design, décor and color scheme and furnishings ("Marks"); proprietary recipes and menu items; uniform standards, specifications and procedures for inventory and management and financial control; operations; quality and uniformity of products and services offered; procedures for management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System ("Trade Secrets"); and

WHEREAS, the Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, Franchisee has agreed to obtain from Covenantor a written agreement protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, Covenantor wishes to remain, or wishes to become associated with or employed by Franchisee; and

WHEREAS, Covenantor wishes and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform his services for Franchisee; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Franchisor and/or Franchisee shall disclose to Covenantor some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, any manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Franchisee and/or Covenantor shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. Covenantor shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with the Franchisee and then only in connection with the development and/or operation by Franchisee of a Restaurant for so long as Franchisee is licensed by Franchisor to use the System.

3. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a Restaurant using the System.

5. Covenantor shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Covenantor.

6. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Covenantor of the Trade Secrets, Covenantor further agrees and covenants as follows:

a. Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or customer of the Franchisee's Restaurant to any competitor of the Restaurant.

b. Except for the Restaurant described in the Franchise Agreement, not to directly or indirectly, for himself, or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of Franchisor, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which Franchisor or any of its affiliates has used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Restaurant, including a food service business which offers and sells the same or similar food products (a "Competitive Business").

2. In further consideration for the disclosure to Covenantor of the Trade Secrets and to protect the uniqueness of the System, Covenantor agrees and covenants that for two (2) years following the earlier of the expiration, termination or transfer of all of Franchisee's interest in the Franchise Agreement or the termination of his association with or employment by Franchisee, Covenantor will not, without the prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Restaurant to any competitor.

b. Directly or indirectly, for himself or through, on behalf of or in conjunction with any person, partnership or corporation, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any Competitive Business, which business is, or is intended to be, located within twenty (20) miles of any Restaurant in the System.

Miscellaneous

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF PENNSYLVANIA, WITHOUT REFERENCE TO PENNSYLVANIA CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF

THE STATE COURTS OF DAUPHIN COUNTY, PENNSYLVANIA AND THE FEDERAL DISTRICT COURTS CLOSEST TO FRANCHISOR'S HEADQUARTERS. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY PENNSYLVANIA OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DAUPHIN COUNTY, PENNSYLVANIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first class postage prepaid to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Arooga's Franchising, LP
1591 S. 19th Street Harrisburg,
Pennsylvania 17104.
Attention: President
Facsimile: (717) 635-9246

With a copy to:

Spadea Lignana
1315 Walnut Street
Suite 1532
Philadelphia, PA 19107

If directed to Franchisee, the notice shall be addressed to:

Attention: _____
Facsimile: _____

If directed to Covenantor, the notice shall be addressed to:

Attention: _____
Facsimile: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days' written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Easter, Memorial Day, Flag Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor without the prior written consent of Franchisor.

The undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:
Arooga’s Franchising, LP
a Pennsylvania limited partnership

By its General Partner:
Arooga’s Franchise Management, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

COVENANTOR:

By: _____
Name: _____

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT
ELECTRONIC TRANSFER AUTHORIZATION

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO AROOGA'S FRANCHISING, LP ("COMPANY")**

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's ☐ checking or ☐ savings account (select one) indicated below drawn by and payable to the order of Arooga's Franchising, LP by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

Date Signed

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

ATTACHMENT 7 TO THE FRANCHISE AGREEMENT

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Arooga’s Franchising, LP, a Pennsylvania limited (the “Franchisor”), _____ and _____ and _____ (collectively as the “Franchisee”).

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a Arooga’s business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media and software accounts, and use telephone listings linked to the Arooga’s brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 **Interest in Websites, Social Media and Software Accounts and Other Electronic Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media and software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings.** Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the

“Internet Companies”) with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee’s interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect

to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 **Release.** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 **Indemnification.** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 **No Duty.** The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 **Further Assurances.** Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 **Successors, Assigns, and Affiliates.** All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 **Effect on Other Agreements.** Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 **Survival.** This Agreement shall survive the Termination of the Franchise Agreement.

3.8 **Governing Law.** This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania, without regard to the application of Pennsylvania conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

FRANCHISOR:

AROOGA'S FRANCHISING, LP

By: _____

Name: _____

Title: _____

By: _____

Name: Keith Swade

Title: Director of Franchise Development

FRANCHISEE PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 8 TO THE FRANCHISE AGREEMENT
POWER OF ATTORNEY (TAX)

IRREVOCABLE POWER OF ATTORNEY

STATE OF _____)
)
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS

That _____, a _____ (“Franchisee”), does hereby irrevocably constitute and appoint Arooga’s Franchising, LP, a Pennsylvania limited partnership (“Franchisor”), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including, but not limited to, the State Comptroller of the State of _____, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor. Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____, 20__ by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of _____ and the laws of the State of _____ shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of this day of _____.

_____, a

By: _____
Name: _____
Title: _____

STATE OF _____)
_____))
COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____,
_____ of _____, known to me to be the person whose name is subscribed
to the foregoing instrument, who acknowledged to me that s/he executed the same for the purposes and
consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 20__.

(SEAL)

Notary Public in and for
The State of _____

My commission expires:

ATTACHMENT 9 TO THE FRANCHISE AGREEMENT

SBA ADDENDUM

**ADDENDUM
RELATING TO
AROOGA'S FRANCHISING, LP
FRANCHISE AGREEMENT**

THIS ADDENDUM (Addendum) is made and entered into on _____, 20__ by **Arooga's Franchising, LP**, located at 1591 S. 19th Street Harrisburg, Pennsylvania 17104 (Franchisor), and _____ located at _____ (Franchisee).

Recitals. Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____, 20__, (Franchise Agreement). The Franchisee agreed among other things to operate and maintain a franchise located at _____ designated by Franchisor as Unit # _____ (Unit). Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

- A. Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.
- B. Notwithstanding anything to the contrary in Section 7.15 of the franchise agreement, the franchisee shall have the discretion to set pricing for its products and services provided that, subject to applicable antitrust laws, such pricing: (1) is at or below any maximum price cap programs established by the franchisor for its franchise system ; or (2) is at or above any minimum price threshold programs established by the franchisor for its franchise system ; or (3) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by the franchisor for its franchise system.
- C. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 14.2 of the Franchise Agreement.
- D. The following is added to the end of Section 14.4 of the Franchise Agreement:

However, the Franchisor may not exercise a right of first refusal:

(a) If a proposed Transfer is between or among individuals (including members of their immediate families and their respective spouses) who, at the time of the proposed Transfer, have an ownership interest in the Franchisee or the Franchise, and who have guaranteed the Franchisee's obligations under a then outstanding indebtedness which is guaranteed by the SBA (Owner/Guarantors); or

(b) If a proposed Transfer involves a Person other than an Owner/Guarantor and the proposed Transfer involves a noncontrolling ownership interest in the Franchisee or the Franchise, unless such noncontrolling interest: (1) represents less than a 20% ownership interest in

the Franchisee or in the Franchise, or (2) the Franchisor (in combination with all of Franchisor's franchisees) qualifies as a small business and the exercise of the right does not affect the eligibility of the borrower to qualify for the SBA loan guarantee program.

The Franchisor's right to approve or to disapprove a proposed Transfer or transferee, or to exercise its right of first refusal with respect to a Transfer of a controlling interest in Franchisee or the Franchise, shall not be affected by any of the foregoing provisions. If the Franchisor does not qualify as a small business under SBA regulations, the parties acknowledge and understand that the Franchisor's exercise of its right of first refusal may result in an SBA guaranteed loan becoming immediately due and payable.

- E. Section 14.4.1(b) is hereby deleted.
- F. If the Franchisee becomes disabled under Section 14.5.2 of the Franchise Agreement and the parties are unable to agree as to whether the franchisee is permanently disabled, the disability shall be determined by three Physicians chosen in the following manner. Franchisee shall select one and the Franchisor shall select one, and the two physicians so chosen shall select a third physician. The decision of the majority of the physicians so chosen shall be conclusive.
- G. If the franchisor must operate the business under Sections 14.5.4, 19.23, 19.24 of the Franchise Agreement, Franchisor will operate the business for a 90 day renewable term, renewable as necessary for up to one year and the Franchisor will periodically discuss the status with the franchisee or its heirs.
- H. Notwithstanding anything to the contrary in Section 18.12.2 of the franchise agreement, neither the franchisor nor its affiliates will have the option to purchase any real estate owned by the franchisee. The franchisor, however, may lease the real estate for the remainder of the franchisee's term (excluding additional renewals) for fair market value.
- I. Notwithstanding anything to the contrary in Section 21.1 of the Franchise Agreement, the Franchisor will subordinate its lien on the business collateral to any lender/SBA financing, and lender/SBA will be granted a lien on the business assets of the Franchisee as required in its loan authorization.
- J. This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) SBA no longer has any interest in the Loan.

The parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:
AROOGA'S FRANCHISING, LP
By: _____
Print Name: _____
Title: _____

FRANCHISEE:
By: _____
Print Name: _____
Title: _____

ATTACHMENT 10 TO THE FRANCHISE AGREEMENT

AROOGA'S WING SHACK ADDENDUM

ARROGA'S WING SHACK ADDENDUM

This Addendum (the "Addendum") is being entered into this day of _____, (the "Effective Date") by and between Arooga's Franchising, LP, a Pennsylvania limited partnership having its principal place of business at 1591 S. 19th Street Harrisburg, Pennsylvania 17104 ("Franchisor", "we", "our", or "us") and _____, a(n) _____, with its principal place of business located at _____ and _____'s principals _____, an individual residing at _____, and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Addendum as "Franchisee", "you", or "your".

RECITALS

WHEREAS, Franchisor and Franchisee are parties to a franchise agreement of even date herewith which grants Franchisee the rights to establish a Arooga® franchise in accordance with said agreement (the "Franchise Agreement");

WHEREAS, Franchisee has elected to operate Franchisee's Franchised Business with as an Arooga's Wing Shack; and

WHEREAS, Franchisor and Franchisee desire to amend the Franchise Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained in the Franchise Agreement and this Addendum, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. The first sentence of Section 4.1.1 of the Franchise Agreement is hereby amended to delete "Forty-Nine Thousand Five Hundred Dollars (\$49,500)" and replace with "Twenty-Nine Thousand Five Hundred Dollars (\$29,500)".
2. Section 4.1.2 of the Franchise Agreement is hereby amended to delete "Thirty-Seven Thousand Dollars (\$37,000)" and replace with "Seventeen Thousand Dollars (\$17,000)".
3. Section 4.2.1 of the Franchise Agreement is hereby amended to delete "five percent (5%)" and replace with "six and one-half percent (6.5%)".
4. Section 4.3 of the Franchise Agreement is hereby amended to delete "one percent (1%)" and replace with "two percent (2%)".

Except as specifically amended hereby, all provisions of the Franchise Agreement remain in full force and effect.

-Remainder of Page Intentionally Blank-

The parties hereto have duly signed and executed this Addendum to the Arooga's Franchising, LP, Franchise Agreement as of the day and year first above written.

FRANCHISEE:

FRANCHISOR:

AROOGA'S FRANCHISING, LP

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES AND MULTI-UNIT FRANCHISEES
(as of December 31, 2021)

JGJO Development Co. LLC
3 Forest Drive, Sands Point,
New York, New York 11050
Signed: June 2015
Opened-August-2016

JERSEY WINGS UNLIMITED INC.
2501 Route 516, Suite 201,
Old Bridge, New Jersey 08857
Signed - May 4th, 2015
Opened: March 2018

Enterprise Capital Group
Toson Food 7 Beverages
North Plainfield LLC
3587 US Highway 9 Suite 327,
Freehold, NJ 07728
Signed - June 22nd, 2015
Opened May 2017

The Sporting Group
2630 Eastside Boulevard
Beatrice, Nebraska 68310
Signed : October 2016
Opened :May 2018

Manas Holdings, LLC
6 Dina Lane
Somerset, NJ 08873
Signed : 4/25/17
Opened : May 2018

MHC Arooga's Attleboro, MA, LLC
Shoppes at Mayfaire
228 Washington Street
(Route 1 & May Street),
Attleboro, Massachusetts 02703
Opened : August, 2021

MHC Arooga's Warwick, RI LLC
615 Greenwich Avenue
Warwick, RI 02886

Opened: March, 2021

Nosh Ventures LLC
Igor Zak
5169 US 9
Howell, NJ 07731
Signed: March 2019
Opened : December 2021

Signed but not yet opened

Divyesh Kakadia
80 Maiden Lane, Suite 1404
New York, NY 10038
Signed: October 27, 2015

Mona Lisa Group
399 Ellis Street
Staten Island, NY 10307
Signed : April 2016

Coatesville Sportsbar LLC
580 W. Germantown Pike
Plymouth Meeting, PA 19462
Signed: April 2019

FRANCHISEES AND MULTI-UNIT FRANCHISEES WHO HAVE LEFT THE SYSTEM

(as of December 31, 2021)

Mohegan Uncasville LLC
13 Crow Hill Road
Uncasville, CT 06382
Opened: March, 2016
Closed: October 2020

Mohegan Shelton
387 Bridgeport Ave.
Shelton, CT 06484
Opened : June 2018
Closed: April 2020

JGJO Development Co. LLC
49 N. Village Ave.
Rockville Centre, NY 11570
Opened location 2 - November 2018
Closed: August 2020

Mohegan Attleboro (AR), LLC
Shoppes at Mayfaire
228 Washington Street
(Route 1 & May Street),
Attleboro, Massachusetts 02703
Opened : October 24, 2017
Closed: April 2020

Mohegan Warwick LLC

615 Greenwich Avenue
Warwick, RI 02886
Opened: March, 2016
Closed : April 2020

EXHIBIT E TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF OPERATIONS MANUAL

Subject	Document Number	Number of pages
Using Your Arooga's Manual	00-00-01	4
Table of Contents	00-00-02	18
Alphabetical Subject Index	00-00-03	15
Welcome Letter		2
Pre-Opening Checklist: Online	01-01-01	1
Opening Your Arooga's: Checklist	01-01-02	2
Pre- Opening Checklist: Tasks	01-01-03	5
Applying for Financing	01-01-04	2
Site Selection Process	01-01-05	2
Leasing/Purchase Terms	01-01-06	1
Construction Management Process	01-01-07	1
Required Insurance Coverage	01-01-08	2
Special Licenses and Permits	01-01-09	1
Securing Your W-I-N-G Number	01-01-10	1
Confidentiality Agreement	02-01-01	2
Introducing Arooga's	02-01-02	2
History and Culture	02-01-03	3
Mission, Commitments and Brand Promise	02-01-04	3
Your Business Partners	02-01-05	4

Subject	Document Number	Number of pages
The Importance of the Operations Manual	02-01-06	2
Our Commitments to Each Other	02-02-01	2
Your Benefits	02-02-02	2
Our Mutual Expectations	02-02-03	2
Ongoing Franchisee Development	02-02-04	1
Key Business Practices	02-03-01	4
Important Legal Considerations	02-03-02	2
Branding and Our Public Image	02-03-03	1
Connecting with Customers and Your Community	02-03-04	1
Website Program (Arooga's Proprietary Website)	02-04-01	2
Participation on Other Websites	02-04-02	3
Security and Privacy	02-04-03	1
Email Marketing	02-04-04	2
Store Procedures: Daily	03-01-01	2
Manager's Opening Checklist	03-01-02	2
Manager's Closing Checklist	03-01-03	2
Hours of Operation	03-01-04	1
Daily Planner for Pre-Shift Jump Start! Meetings	03-01-05	2
Take-Out Order: Procedure	03-01-06	2
Carryout Order Details: Form	03-01-07	2

Subject	Document Number	Number of pages
Closing Out an In-House Check	03-01-08	7
Policy/Procedure Change Form	03-01-09	3
Location Inspection Checklist	03-01-10	9
Mystery Shoppers	03-01-11	1
Teleclaim Reporting Worksheet	03-01-12	2
Lost and Found Policy	03-01-13	1
Employee Smoking and Eating	03-01-14	1
Numbering Your Tables and Bar Seats	03-01-15	1
Limited Time Offers and Specials	03-01-16	1
Employee Discounts	03-01-17	1
Assigning Server Sections	03-01-18	1
Scheduling Your Management Team	03-01-19	1
TV Pre-Set Channels and Surround Sound	03-01-20	2
Inventory and Product Ordering	03-01-21	1
Prohibited Forms of Solicitation	03-01-22	3
Service Animals	03-01-23	3
Team Member Payments	03-02-01	3
Safe Count and Verification: Daily	03-02-02	3
Cash Shortages/Losses	03-02-03	1
Ordering Errors	03-02-04	1

Subject	Document Number	Number of pages
Cash On Hand Policy	03-02-05	2
Cash Refund Policy	03-02-06	1
Managing Your Invoices	03-02-07	1
Managing Your Finances	03-02-08	1
Credit Card Processing	03-02-09	1
Food Preparation and Presentation Standards	03-03-01	2
Freezer Pull List: Daily	03-03-02	2
Prep List: Daily	03-03-03	3
Bar Prep List and Guidelines: Daily	03-03-04	3
“Ghost Face Killa” Waiver	03-03-05	2
Keeping Foods Fresh and Safe	03-03-06	4
Kobe Burger Counting Procedure	03-03-07	13
Fresh Wing Counting Procedure	03-03-08	13
The Kitchen Intelligence Screen	03-04-01	3
Kitchen Reports	03-04-02	4
Printing Reports from the Kitchen Screen Intelligence System	03-04-03	2
Gift Cards	03-04-04	1
Online Ordering	03-04-05	2
Restaurant Guard	03-04-06	2
Customer Voice	03-04-07	2

Subject	Document Number	Number of pages
Pulse Real-Time	03-04-08	2
Network and Security Services	03-04-09	3
Mobile Pay	03-04-10	2
Configuration Center	03-04-11	3
Electronic Frequency and Loyalty Programs	03-04-12	2
Entouch	03-04-13	1
Rallio	03-04-14	2
Franchise Phones powered by Clarity	03-04-15	2
Taplister	03-04-16	7
Single Platform	03-04-17	1
Relevant Mobile	03-04-18	2
Restaurant Catering Software (RCS) Overview	03-04-19	1
Catering Specialist Manual	03-05-01	4
Catering Specialist's Core Responsibilities	03-05-02	2
Marketing Your Catering Division	03-05-03	2
RedBook Connect: Overview	03-06-01	2
Restaurant Solutions, Inc. (RSI): Overview	03-07-01	2
Using RSI for payroll & transmittals	03-07-02	1
i.Print Product Rotation Labels	03-08-01	1
Automated HACCP	03-08-02	1

Subject	Document Number	Number of pages
i.Temp	03-08-03	1
i.Path	03-08-04	1
Buzztime Beond	03-09-01	1
Digital Signage	03-09-02	1
ATM	03-10-01	1
Rockbot	03-11-01	1
Certifying Your Arooga's with Green Restaurant Association	03-12-01	1
Using Your Knox System	03-13-01	4
Human Resources: Overview	04-01-01	1
Host/Hostess Job Description	04-02-01	2
Seater Job Description	04-02-02	2
Busser Job Description	04-02-03	2
Server Job Description	04-02-04	3
Bartender Job Description	04-02-05	3
Expeditor Job Description/Expo Table Etiquette	04-02-06	3
Prep Cook Job Description	04-02-07	3
Line Cook Job Description	04-02-08	2
Dish Machine Operator Job Description	04-02-09	2
General Manager Job Description	04-02-10	6
Assistant General Manager Job Description	04-02-11	4

Subject	Document Number	Number of pages
Kitchen Manager Job Description	04-02-12	3
Manager Job Description	04-02-13	2
Hospitality Manager Job Description	04-02-14	5
Equal Opportunity Employment Policy	04-03-01	2
Americans with Disabilities Act	04-03-02	1
Recruiting and Selecting Team Members	04-03-03	2
How to Conduct an Interview	04-03-04	2
Interview Questions	04-03-05	8
The I-9 Form: Proof of Citizenship	04-03-06	1
Position Classifications	04-03-07	2
Code of Conduct	04-04-01	2
Personal Conduct Policy	04-04-02	2
Conflict of Interest	04-04-03	1
Agreement Not to Compete-Managerial Employees	04-04-04	2
Outside Employment	04-04-05	1
Discrimination Laws	04-05-01	3
Harassment/Discrimination Policy	04-05-02	5
At-Will Employment	04-05-03	2
Confidential Information	04-05-04	1
Workers' Compensation	04-05-05	2

Subject	Document Number	Number of pages
Drug and Alcohol Conduct Policy	04-05-06	2
Smoking Policy	04-05-07	1
Uniforms	04-05-08	2
Personal Appearance and Dress Code Policy	04-05-09	3
Phone Policy	04-05-10	2
Cameras, Computers and Handheld Devices	04-05-11	7
Social Media Policy	04-05-12	3
Attendance, Punctuality and Breaks	04-05-13	2
Fraternization Policy	04-05-14	2
Workplace Violence Policy	04-05-15	2
Resignation	04-05-16	1
Non-Interference with Employee Rights	04-05-17	1
Family and Medical Leave	04-06-01	9
Military Leave	04-06-02	2
Discipline, Falsification and Termination Policy	04-07-01	7
Employee Separation/Termination Form	04-07-02	2
Employee Write-Up Notice	04-07-03	2
What is a Customer?	05-01-01	1
Top 7 Do's of Customer Service	05-01-02	1
Top 9 Don'ts of Customer Service	05-01-03	1

Subject	Document Number	Number of pages
Service Objectives	05-01-04	1
Setting and Maintaining High Standards	05-01-05	2
Pillars of Success	05-01-06	5
Our “Eyes and Ears” System	05-01-07	1
Seating and Communicating With Guests: Host/Hostess	05-02-01	4
Host/Hostess Best Practices	05-02-02	2
Server Script	05-02-03	5
Server Best Practices	05-02-04	2
Packing Leftovers	05-02-05	1
Table Service	05-02-06	2
Bartender Script	05-02-07	5
Bar Best Practices	05-02-08	3
Responsible Alcohol Service	05-02-09	2
Incident Documentation Form	05-02-10	2
New Employee/Licensee Orientation Form	05-02-11	2
Bartender Pour Test	05-02-12	3
How to Prevent Complaints	05-03-01	2
Handling Customer Complaints: Eight Steps	05-03-02	2
Common Complaints and Suggested Solutions	05-03-03	6
Apology and Thank You Letters: Written Samples	05-04-01	3

Subject	Document Number	Number of pages
Qualities of a Profitable Team Member	05-05-01	4
Equipment for a New Build or Complete Remodel	06-01-01	2
Mandated List of Products	06-01-02	3
Mandated List of Chemicals	06-01-03	2
Approved Liquor, Wine, Mixer and Beer Mandates	06-01-04	11
Mandated Services Supplier List	06-01-05	2
Non-Proprietary Items	06-01-06	5
Mandated Equipment	06-01-07	2
Mandated Non-Alcoholic Beverage Suppliers	06-01-08 06-01-08	2
Mandated Supplier NuCo2	06-01-09	4
Mandated Vodka Sagoora	06-01-10	1
Mandated Supplier US Foods	06-01-11	10
Mandated Supplier Ed Don	06-01-12	14
Mandated Miscellaneous Items Needed For Your Opening	06-01-13	2
Opening Par List	06-02-01	13
Managing Inventory	06-02-02	2
Ordering Inventory	06-02-03	2
Rotating Inventory Properly	06-02-04	2
Food Cost Control	06-02-05	2
Calculating Food Cost	06-02-06	2

Subject	Document Number	Number of pages
Pre-Opening Advertising and Marketing	07-01-01	2
Your Opening: Planning and Objectives	07-01-02	2
Your Opening Timeline	07-01-03	7
Your Opening Checklist	07-01-04	2
Following Up on Your Opening	07-01-05	1
Our Marketing Philosophy	07-02-01	3
Our Marketing Objectives	07-02-02	1
Logo Information and Example	07-02-03	3
Marketing Our Brand and Advertising: Overview	07-02-04	1
Customer Loyalty Program	07-02-05	3
Social Media and In-House Promotional Teams	07-02-06	2
Four Walls Marketing and Trade Shows and Exhibits	07-02-07	2
Team Sponsorships and Networking	07-02-08	2
Pay-Per-View Events	07-02-09	1
Wildcard Scratch Off Promotion	07-02-10	5
Funds for Friends Program	07-03-01	2
Core Responsibilities of Funds for Friends Specialists	07-03-02	1
Responding to Donation Requests	07-03-03	2
Funds for Friends Templates: Letters/Emails and Vouchers	07-03-04	6
Funds for Friends Promotional Pieces	07-03-05	2

Subject	Document Number	Number of pages
Trade Shows/Community Events/School Meetings	07-03-06	2
A Successful Fundraiser: Helpful Hints	07-03-07	2
Basic Safety Rules	08-01-01	1
Safety Tips	08-01-02	2
Sanitation Checklist: Your Premises	08-01-03	3
Safety Guidelines to Avoid Work-Related Accidents and Injuries	08-01-04	2
Security Tips for Customers and Employees	08-02-01	1
Security Guidelines	08-02-02	2
Security Checklist for Opening and Daily Use	08-02-03	2
Security Checklist: Your Premises	08-02-04	2
Cash Register Security and Checklist	08-02-05	3
Employee Lockers	08-02-06	1
Fire Protection	08-03-01	2
Accident Prevention	08-03-02	6
Preventing Accidents: Tips	08-03-03	1
Preventing Theft and Burglary	08-03-04	3
Burglarproofing	08-03-05	1
Bank Deposits: Guidelines	08-03-06	1
Bank Deposits: Suggestions to Limit a Robbery	08-03-07	1
Counterfeit Bills	08-03-08	2

Subject	Document Number	Number of pages
Handling an Emergency: Overview	08-04-01	1
Emergency Information List	08-04-02	2
Accidents Involving Team Members	08-04-03	4
Workers' Compensation Procedures	08-04-04	1
Guest Third Party Injury: Steps to Follow	08-04-05	2
Accidents Involving Customers: Additional Guidelines	08-04-06	4
Injury Report Form	08-04-07	2
Handling a Robbery	08-04-08	2
First Aid Equipment	08-05-01	1
Burns	08-05-02	2
Cuts and Abrasions	08-05-03	2
Nosebleed	08-05-04	1
Choking	08-05-05	3
First Aid Treatment: Summary	08-05-06	1
The Nature of Chemicals	08-06-01	2
Types of Chemical Hazards	08-06-02	2
Avoiding Chemical Hazards	08-06-03	2
Material Safety Data Sheets	08-06-04	1
The Importance of Cleanliness	09-01-01	1
Health Inspections	09-01-02	2

Subject	Document Number	Number of pages
Cleaning and Sanitizing Standards: Overview	09-02-01	1
Cleaning and Sanitizing Standards for Each Piece of Equipment	09-02-02	10
Cleaning Checklists: Introduction	09-03-01	1
Restroom Guidelines	09-03-02	2
Work Order Network Powered by Corrigo	10-01-01	3
TOTAL PAGES		695

EXHIBIT F TO THE DISCLOSURE DOCUMENT
MULTI-STATE ADDENDUM

ADDENDUM TO AROOGA'S FRANCHISING, LP
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement and Multi-Unit Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement and Multi-Unit Franchise Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The franchise agreement requires binding arbitration. The arbitration will occur in Pennsylvania with the costs being borne by the franchisee and franchisor. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement and Multi-Unit Franchise Agreement require application of the laws of Pennsylvania. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
10. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
11. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
12. OUR WEBSITE, www.aroogas.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.
13. **In the state of California, all initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until the franchisor's pre-opening obligations to the franchisee are complete and the franchisee is open for business.**

**ADDENDUM TO THE AROOGA'S FRANCHISING, LP DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND MULTI-UNIT FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Multi-Unit Franchise Agreement.

2. Illinois law governs the Franchise Agreement and Multi-Unit Franchise Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement and Multi-Unit Franchise Agreement are amended accordingly.

5. The appropriate sections of the Franchise Agreement and Multi-Unit Franchise Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee and/or Multi-Unit Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

6. Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

7. For info about obtaining a liquor license in Illinois, see:
<https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx>

8. For info about obtaining TIPS certification in Illinois, see:
<https://www.tipscertified.com/tips-state-pages/illinois/>

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

AROOGA’S FRANCHISING, LP

By its General Partner
Arooga’s Franchise Management, LLC

Witness

By: _____
Name: _____

Title: _____

FRANCHISEE:

Witness

**STATE ADDENDUM TO THE AROOGA'S FRANCHISING, LP
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND
MULTI-UNIT FRANCHISE AGREEMENT FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends the Franchise Agreement and the Multi-Unit Franchise Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

**ADDENDUM TO THE AROOGA'S FRANCHISING, LP
FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF
MARYLAND**

This will serve as the State Addendum for the State of Maryland for Arooga's Franchising, LP's Franchise Disclosure Document. The amendments to the Franchise Disclosure Document included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Franchise Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The Franchisee Disclosure Acknowledgment Statement (Attachment 1 to the Franchise Agreement) is amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

ADDENDUM TO THE AROOGA'S FRANCHISING, LP
MULTI-UNIT FRANCHISE AGREEMENT REQUIRED BY THE STATE OF
MARYLAND

This will serve as the State Addendum for the State of Maryland for Arooga's Franchising, LP's Multi-Unit Franchise Agreement. The amendments to the Multi-Unit Franchise Agreement included in this addendum have been agreed to by the parties.

1. The appropriate sections of the Multi-Unit Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The appropriate sections of the Multi-Unit Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

3. The appropriate sections of the Multi-Unit Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The Multi-Unit Franchise Agreement is amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

FRANCHISOR:
AROOGA'S FRANCHISING, LP

MULTI-UNIT FRANCHISEE:

By its General Partner
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

DISCLOSURE REQUIRED BY THE 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:

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (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 thirty (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 five (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 six (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) 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

**ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND
MULTI-UNIT FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA**

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80C.14, Subd.3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Disclosure Document.”

3. Item 17 of the Disclosure Document, the Franchise Agreement and the Multi-Unit Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and 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 or agreements can abrogate or reduce any of the 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 jurisdiction.”

4. Item 17 of the Disclosure Document, the Franchise Agreement and the Multi-Unit Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Section 19.8 of the Franchise Agreement is hereby amended accordingly.

7. Section 19 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

**ADDENDUM TO THE AROOGA’S FRANCHISING, LP
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, 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.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE
AGREEMENT AND
MULTI-UNIT FRANCHISE AGREEMENT FOR THE NORTH DAKOTA**

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Franchise Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Section 3 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment

Law. Item 17(r) of the Disclosure Document, Section 10 of the Franchise Agreement and Section XII of the Multi-Unit Franchise Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Section 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Section 19 of the Franchise Agreement and Section XIX of the Multi-Unit Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Section 19 of the Franchise Agreement and Section XIX of the Multi-Unit Franchise Agreement which require jurisdiction of courts in the State of Pennsylvania are deleted.

6. Item 17(w) of the Disclosure Document, Section 19 of the Franchise Agreement and Section XIX of the Multi-Unit Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Section 19 of the Franchise Agreement and Section XVII of the Multi-Unit Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Section 19 of the Franchise Agreement and Section XIX of the Multi-Unit Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

10. In the State of North Dakota only, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

11. The provisions of Section 18 of the Franchise Agreement and Section XIX of the Multi-Unit Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement. This provision is hereby amended to read

that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

**ADDENDUM TO THE AROOGA'S FRANCHISING, LP
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**ADDENDUM TO THE AROOGA'S FRANCHISING, LP
DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Arooga's Franchising, LP for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**ADDENDUM TO THE AROOGA'S FRANCHISING, LP
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON**

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with 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 involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

AROOGA'S FRANCHISING, LP

By its General Partner
Arooga's Franchise Management, LLC

Witness

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE:

EXHIBIT G TO THE DISCLOSURE DOCUMENT
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of Business Oversight Department of Business Oversight 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Business Oversight
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT H TO THE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20____ by and between Arooga’s Franchising, LP, a Pennsylvania limited partnership having its principal place of business located at 1591 S. 19th Street, Harrisburg, Pennsylvania 17104(the “Franchisor”), and _____, an individual residing at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Pennsylvania law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the Commonwealth of Pennsylvania.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

(Name)

Witness:

AROOGA'S FRANCHISING, LP:

By its General Partner:
Arooga's Franchise Management, LLC

By: _____
Name: _____
Title: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
New York	September 10, 2021
Rhode Island	Pending
Illinois	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.

EXHIBIT I

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF AROOGA'S FRANCHISING, LP

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

If Arooga's Franchising, LP offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

If Arooga's Franchising, LP 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit G.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Keith Swade 1591 S. 19 th Street Harrisburg, PA 17104 (717) 635-9464
--

Issuance Date: May 11, 2022

I received a Disclosure Document dated _____, that included the following Exhibits:

EXHIBIT A: Financial Statements of Arooga's Franchising, LP
EXHIBIT B: Multi-Unit Agreement
EXHIBIT C: Franchise Agreement with Attachments
EXHIBIT D: List of Current and Former Franchisees
EXHIBIT E: Operations Manual Table of Contents
EXHIBIT F: State Addenda
EXHIBIT G: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT H: Form of General Release
State Effective Dates Page
EXHIBIT I: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

Legal residence address

**Please return signed receipt to Arooga's Franchising, LP,
1591 S. 19th Street,
Harrisburg, Pennsylvania 17104**

EXHIBIT K

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF AROOGA'S FRANCHISING, LP

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State Effective Dates Page
EXHIBIT I: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

KEEP FOR YOUR RECORDS