



FOR IMMEDIATE RELEASE:

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**MERITAGE ANNOUNCES NEW QUARTERLY CASH DIVIDEND;
33.3% INCREASE OVER SAME PERIOD LAST YEAR**

GRAND RAPIDS, MI, August 17, 2016 – Meritage Hospitality Group, Inc. (OTCQX: MHGU), one of the nation’s premier restaurant operators, today announced that the Company’s Board of Directors approved a special quarterly dividend of \$.02 per share at the August 16, 2016 Directors meeting. The dividend is payable on September 15, 2016, to shareholders of record on September 2, 2016.

“The Company’s objective is to move from semi-annual dividend payments to quarterly dividend payments beginning in the second half of 2016. The dividend represents a 33.3% increase over the equivalent third quarter period last year. The increased dividend and move to a quarterly payment is consistent with our stated philosophy to reward shareholders with ‘dividend growth commensurate with earnings growth’. stated Meritage CEO, Robert Schermer, Jr.

The Company earlier announced it has embarked on a new five-year business plan for 2017-2021, which management believes will result in significant sales and earnings growth over the next five-years. “We consider ourselves in the early innings of a major consolidation and investment cycle driven by tuck-in acquisitions, restaurant renovations and new development”, added Schermer.

Meritage recently reported the acquisition of 10 additional Wendy’s restaurants located in the Oklahoma City market area, bringing the total number of newly acquired Wendy’s in Oklahoma to 18.

Meritage Hospitality Group is one of the nation’s premier restaurant operators, with 183 restaurants in operation located in Florida, Georgia, Michigan, North Carolina, South Carolina, Ohio, Oklahoma and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a growing workforce of approximately 6,200 employees. The Company’s public filings can be viewed at www.otcqx.com, under the stock symbol MHGU, or the Company’s website www.meritagehospitality.com.

SAFE HARBOR STATEMENT

Certain information in this news release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, constitutes forward-looking statements. Factors set forth in our Safe Harbor Statement, in addition to other possible factors not listed, could affect the Company’s actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company’s Safe Harbor Statement at <http://www.meritagehospitality.com>.

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