



**FRANCHISE DISCLOSURE DOCUMENT  
(BUSINESS WITHIN A BUSINESS)**

## Franchise Disclosure Document

	<p><b>Champs Chicken Franchising, LLC</b> <b>A Delaware Limited Liability</b> <b>Company</b> <b>120 Commerce Drive</b> <b>Holts Summit, Missouri 65043</b> <b>(573) 896-2500</b> <b>sjb@pfsbrands.com</b> <b>www.champschicken.com</b></p>
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The franchisee will operate a Champs Chicken® restaurant within an existing business the franchisee operates, like a grocery store or convenience store. The restaurant will offer a wide variety of fried chicken, fried fish, side dishes, breakfast items, and other menu items (the “Products and Services”).

The total investment necessary to begin operation of a Champs Chicken franchise within an existing business is \$9,000 to \$349,000. This includes \$4,500 to \$130,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shawn Burcham at 120 Commerce Drive, Holts Summit, Missouri 65043 and (573) 896-2500.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as [“A Consumer’s Guide to Buying a Franchise,”](#) which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](#) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	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 F.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Champs Chicken Restaurant in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Champs Chicken Franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State-Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only Missouri. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigation with the franchisor in Missouri than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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## **EXHIBITS**

- A            Champs Chicken® Franchise Agreement
- Attachment 1 -     Addresses and Contact Information; Equipment; Special Terms and Conditions
- Attachment 2 -     Current Products and Services
- B            Gold and Silver Addenda to Franchise Agreement
- Exhibit B-1 -     Gold Addendum
- Exhibit B-2 -     Silver Addendum
- C            State Regulations and Requirements Addendum
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- F            List of Franchisees and Outlets and List of Franchisees Who Have Left the System
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- I            Champs Chicken Acknowledgment Statement
- I            Disclosure Document Receipts

## **ITEM 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

#### **The Franchisor**

The franchisor is Champs Chicken Franchising, LLC, referred to in this disclosure document as "Franchisor", "we," "us," "our," "the "Company," or "Champs Chicken®." We refer to the person interested in buying a franchise as "you" or "your". If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the franchise will apply to your owners. These are addressed in this disclosure document where appropriate.

Our principal business address is 120 Commerce Drive, Holts Summit, Missouri 65043. We are a Delaware limited liability company. We were organized on September 4, 2013. We do business under our corporate name and under the trade name and trademark, "Champs Chicken®". We began offering franchises on April 14, 2014.

We grant franchises (the "Franchises") for the establishment and operation of Champs Chicken Restaurants featuring a wide variety of fried chicken, fried fish, side dishes, breakfast items, and other menu items (the "Restaurants" or the "Champs Chicken Restaurants").

We do not own or operate Champs Chicken Restaurants, although we reserve the right to do so.

We do not operate, franchise, or have plans to operate or franchise, a business under a different trademark, that is similar to the type of business to be operated by you.

We have not offered franchises in any other line of business.

Our agents for service of process in the states that require franchise registration are listed in Exhibit D to this disclosure document.

#### **Parent Company**

We do not have a parent company.

#### **Our Affiliates**

Our affiliate is Pro Food Systems, Inc., a Missouri corporation, formed on July 13, 1998, and its principal business address is 120 Commerce Drive, Holts Summit, Missouri 65043. We refer to Pro Food Systems, Inc. as "Pro Food Systems."

From 1999 to 2013, Pro Food Systems previously offered licenses for outlets that are similar to the type of business to be operated by you. Pro Food Systems stopped offering licenses when we began offering franchises, although it retains the right to resume offering licenses.

Pro Food Systems also authorizes outlets to use the "Cooper's Express®" trademarks. These outlets sell products and services that are similar to the Products and Services you will offer. Pro Food Systems expects to expand the Cooper's Express program. Cooper's Express outlets are generally located within an existing business. They are owned and operated by Pro Food Systems' licensees. Pro Food Systems currently has 303 licensees who use the Cooper's Express® trademark.

We also have an affiliate called BluTaco Franchising, LLC that franchises restaurants under the name BluTaco Restaurants, featuring a wide variety of tacos, burritos, breakfast items, and other menu items. Pro Food Systems also authorizes outlets to use the “Hot Mex Express®” trademarks. Pro Food Systems expects to expand the Hot Mex Express program. Hot Mex Express outlets are generally located within an existing business. They are owned and operated by Pro Food Systems’ licensees. Pro Food Systems currently has 23 licensees who use the Hot Mex Express® trademark.

We also have an affiliate called Hangar 54 Pizza Franchising, LLC that franchises restaurants under the name Hangar 54 Pizza Restaurants, featuring pizza products and other menu items. Pro Food Systems also authorizes outlets to use the “Wingman Pizza®” trademarks. Pro Food Systems expects to expand the Wingman Pizza program. Wingman Pizza outlets are generally located within an existing business. They are owned and operated by Pro Food Systems’ licensees. Pro Food Systems currently has 234 licensees who use the Wingman Pizza® trademark.

Other than Champs Chicken and Coopers Express, neither our parent or any of our other affiliates have offered franchises in any other line of business.

### **Our Predecessor**

We do not have a predecessor.

### **Our Business and the Franchises Offered**

Champs Chicken Restaurants offer the food, beverages, merchandise, and miscellaneous items we designate. We refer to these items, collectively, as the “Products and Services.” We refer to the combination of the Champs Chicken concept, the Champs Chicken Marks, the Products and Services, and our methods of operating a Restaurant, as the “System.”

There are two types of Champs Chicken Restaurants:

1. **Business within a Business:** Restaurants located within an existing business the franchisee operates, like a grocery store or convenience store (“Business-Within-a-Business Locations” or “BWB Locations”). BWB Locations offer carry-out services, although customers may also dine-in if the Restaurant offers seating areas.
2. **Freestanding:** Restaurants that are freestanding or are developed in a strip mall, shopping center food court, airport, or similar facility. We refer to these locations as “Independent Locations.” Independent Locations offer dine-in or carry-out services.

This disclosure document and the Franchise Agreement are for Business-Within-a-Business Locations.

### **Addendum**

We will offer you an addendum to the Franchise Agreement under which we will pay you a cash rebate based on the amount of your net purchases of Branded Products during the fiscal year we prescribe. There are two levels of this addendum: (i) the Gold Level; and (ii) the Silver Level;

1. **Gold Level Addendum:** If you sign the Gold Level Addendum, your Territory will consist of either (a) a one-mile radius around your Restaurant, or (b) a smaller territory determined by us, at our sole discretion, if your Restaurant is located in a heavily populated area. Under the Gold Level Addendum, the percentage of rebate you receive is higher than that offered under the Silver Level Addendum.

2. Silver Level Addendum: If you sign the Silver Level Addendum, your Territory will consist of the outside shell of your Restaurant and we will not grant you any territorial protection outside of the shell of your Restaurant. Under the Silver Level Addendum, the percentage of rebate you receive is lower than that offered under the Gold Level Addendum.

### **Laws and Regulations**

In addition to laws governing businesses generally such as the Americans with Disabilities Act, Federal Wage and Hours Laws, and the Occupation, Health and Safety Act, you should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration at the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions and restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national air quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of these laws impose caps on emissions resulting from commercial food preparation. State and local laws, regulations and ordinances vary significantly. You will need to understand and comply with these laws in operating the Restaurant. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

### **Competition**

The restaurant industry is highly competitive. You will compete with other businesses and restaurants that offer the same type of products and services you offer; as well as other businesses and restaurants that offer food, beverages, products, and services different from those you will offer. These businesses may be connected with national or regional chains, or they may be local businesses.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **President and Chief Executive Officer: Shawn Burcham**

Mr. Burcham has served as our President and CEO since we were organized on September 4, 2013. From July 1998 to the present, he has also served as President and CEO of Pro Food Systems.

#### **Company Secretary: Julie Ann Burcham**

Ms. Burcham has served as Corporate Secretary of Pro Food Systems since July 1998. As part of our affiliate relationship with Pro Food Systems, she has also served as our Corporate Secretary since September 4, 2013.

#### **Vice President of Human Resources: Carla Dowden**

Ms. Dowden has served as Vice President of Human Resources of Pro Food Systems since November 2010. As part of our affiliate relationship with Pro Food Systems, she has also served as our Vice President of Human Resource since September 4, 2013.

**Senior Vice President of Operations: Brock Blaise**

Mr. Blaise has served as Senior Vice President of Operations of Pro Food Systems since April 1, 2018. As part of our affiliate relationship with Pro Food Systems, he has also served as our Senior Vice President of Operations since April 1, 2018. From January 2015 to March 31, 2018, he served as Vice President of Operations of Pro Food Systems.

**Chief Financial Officer: Kyle Menges**

Mr. Menges has served as Chief Financial Officer of Pro Food Systems since December 1, 2021. As part of our affiliate relationship with Pro Food Systems, he also served as CFO since December 1, 2022. From April 30, 2018 to November 30, 2022, he served as Controller.

**Director of Technology: John Bleidistel**

Mr. Bleidistel has served as Director of Technology of Pro Food Systems since February 2009. As part of our affiliate relationship with Pro Food Systems, he has also served as our Director of Technology since September 4, 2013.

**Key Account Manager: Brian Harding**

Mr. Harding has served as Key Account Manager of Pro Food Systems since October 2008. As part of our affiliate relationship with Pro Food Systems, he has also served as our Key Account Manager since September 4, 2013.

**National Business Developer: Lori Humphrey**

Ms. Humphrey has served as National Business Developer of Pro Food Systems since August 2005. As part of our affiliate relationship with Pro Food Systems, she has also served as our National Business Developer since September 4, 2013.

**Regional Manager- Retail Growth: Craig Mulcahy**

Mr. Mulcahy has served as Regional Manager of Pro Food Systems since January 1, 2016. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager since January 1, 2016. From March 19, 2014 to December 2015, he was a Territory Manager with Pro Food Systems.

**Regional Manager- Retail Growth: Tim Sullivan**

Mr. Sullivan has served as Regional Manager of Pro Food Systems since February 2012. As part of our affiliate relationship with Pro Food Systems he has also served as our Regional Manager since September 4, 2013.

**Regional Manager- Retail Growth: Dwight Stiles**

Mr. Stiles has served as Regional Manager of Pro Food Systems since September 1, 2021. From October 28, 2019 to August 31, 2021 he also served as Business Advisor. As part of our affiliate relationship with Pro Food Systems he served as a Business Advisor since October 28, 2019.

**Regional Manager- Retail Growth: Tim Huntington**

Mr. Huntington has served as Regional Manger of Pro Food Systems since October 1, 2021. From October 24, 2014 to September 30, 2021 he also served as a Business Advisor. As part of our affiliate relationship with Pro Food Systems he served as a Business Advisor since October 24, 2014.

#### **Regional Manager - Business Development: Ken Elders**

Mr. Elders has served as Regional Manager - Business Development of Pro Food Systems since January 16, 2019. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager - Business Development since January 16, 2019. From May 10, 2010 to January 15, 2019, he was Regional Business Developer of Pro Food Systems.

#### **Regional Manager – Business Development: Devon Clark**

Mr. Clark has served as Regional Manager – Business development of Pro Food Systems since October 31, 2022. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager – Business Development since October 31, 2022. From December 12, 1994 to September 6, 2022, he was the Senior Director of Business Development for OLM Food Solutions in Sioux Falls, South Dakota.

#### **National Business Developer: Brian Lee Fuller**

Mr. Fuller has served as a National Business Developer since January 1, 2022. From March 2014 to January 2022, he served as a Senior Regional Business Developer of Pro Food Systems. As part of our affiliate relationship with Pro Food Systems, he has also served as our Senior Regional Business Developer since March 2014. From March 30, 2004 to March 2014, he was Regional Business Developer of Pro Food Systems.

#### **Regional Business Developer: Richard Kimmel**

Mr. Kimmel has served as Regional Business Developer of Pro Food Systems since July 31, 2017. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since July 31, 2017. From August 2009 to July 2017, he served as District Manager of Orion Food Systems in Sioux Falls, South Dakota.

#### **Regional Business Developer: Wesley Heinert**

Mr. Heinert has served as Regional Business Developer of Pro Food Systems since March 2015. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since March 2015.

#### **Regional Business Developer: Richard Dias**

Mr. Dias has served as Regional Business Developer of Pro Food Systems since August 14, 2017. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since August 2017. From June 2015 to August 2017, he served as Account Manager Midwest for Trilliant FBN located in Little Chute, Wisconsin.

#### **Regional Business Developer: Clayton Waldie**

Mr. Waldie has served as Regional Business Developer of Pro Food Systems since June 4, 2018. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since June 4, 2018. From July 2017 to June 2018, he was Vice President of Operations for Waldie Farms

located in Marion, North Dakota. From March 15, 2015 to July 1, 2017, he served as the Director of Sales and Marketing for CD Hartnett Company located in Weatherford, Texas.

#### **Regional Business Developer: John McMillin**

Mr. McMillin has served as Regional Business Developer of Pro Food Systems since November 18, 2019. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since November 18, 2019. From May 2018 to September 2019, he served in Regional Sales for H. T. Hackney, located in Somerset, Kentucky. From September 17, 2018 to May 18, 2018, he served as Outside Sales Representative for Silent Guard, located in Somerset, Kentucky. From March 17, 2017 to August 2017, he served as Outside Sales Representative for UniFirst Uniform Services, located in Lexington, Kentucky. From May 2016 to February 2017, he served as Outside Sales Representative for G&K Services, located in Minnetonka, Minnesota. From December 2012 to May 2016, he served as Food Service Director & Category Manager West Region, for H. T. Hackney, located in Somerset, Kentucky.

#### **Vice President - Business Development: Mason Hutchinson**

Mr. Hutchinson has served as Vice President - Busienss Development since September 24, 2021. From April 28, 2020 to September 23, 2021 he served as a Regional Manager – Business Development. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager – Business Development since April 28, 2020. From December 9, 2019 to April 27, 2020, he served as Regional Business Developer of Pro Food Systems. From April 2018 to November 2019, he served as Midwest Business Development Manager for Aperion Solutions, a division of Hussman Corporation, located in Bridgeton, Missouri. From August 2012 to April 2018, he served as Midwest Regional Sales Manager, for Crown Poly, Inc., located in Huntington, California.

#### **Regional Business Developer: David McCutcheon**

Mr. McCutcheon has served as Regional Business Developer of Pro Food Systems since May 26, 2020. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since May 26, 2020. From June 2018 to November 2019, he served as Territory Sales Manager for US Foods, located in Greensburg Pennsylvania. From June 2016 to May 2018, he served as Regional Sales Manager for QSR, located in Louisville, Kentucky.

#### **Regional Business Developer: Tawnie Hedrick**

Ms. Hedrick has served as Regional Business Developer of Pro Food Systems since May 29, 2020. As part of our affiliate relationship with Pro Food Systems, she has also served as our Regional Business Developer since May 31, 2020. From June 6, 2015 to May 13, 2020, she served as Mtn. States Supervisor MWC/DRT, for SAS/Advantage Sales, located in Boise, Idaho.

#### **Regional Business Developer: Tony Bisignano**

Mr. Bisignano has served as Regional Developer of Pro Food Systems since August 10, 2020. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since August 10, 2020. From April 1, 2019 to June 5, 2020, he was a National Account Manager for EasyPak located in Leominster, Massachusetts. From May 2006 to March 2019, he was Account Executive for L.K. White & Associates, located in Wenstzville, Missouri.

#### **Regional Business Developer: James Patrick Ross**

Mr. Ross has served as a Regional Business Developer for Pro Food Systems since January 18, 2022. As part of our affiliated relationship with Pro Food Systems, he has served as our Regional Business Developer since January 18, 2022. From January 2020 to January 2022, he served as a Territory Salesman for James River Petroleum in Richmond, Virginia. From September 2015 to January 2020, Mr. Ross served as a Salesman for National Resource Management in Boston, Massachusetts.

**Regional Business Developer: Joel “Frankie” Wagner**

Mr. Wagner has served as a Regional Business Developer for Pro Food Systems since November 7, 2022. As part of our affiliated relationship with Pro Food Systems, he has served as our Regional Business Developer since November 7, 2022. From March 2021 to November 2022, he served as a Licensed Insurance Broker for Independent Insurance Broker in Lauderdale, Mississippi. From October 2017 to March 2021, Mr. Wagner served as a Business Development Executive for Gulf Coast Produce Distributors in Biloxi, Mississippi.

Except as shown above, all positions have been located in Holts Summit, Missouri.

**ITEM 3**

**LITIGATION**

**Missouri**

TravelCenters of the Ozarks, Inc. and Wilmoth Enterprises Inc. v. Champs Chicken Franchising, LLC, in the Circuit Court of Cole County, Missouri (Case No. 22AC-CC01009). On July 1, 2022, the Plaintiffs, affiliate companies that operate two (2) Champs Chicken outlets, brought a claim against Champs Chicken Franchising, LLC, alleging a breach of contract claim for failure to make rebate payments to Plaintiffs pursuant to the VIR Program, as described below. Plaintiffs seek damages in amount of \$14,971.91 in the case of TravelCenters of the Ozarks, Inc. and \$9,810.14 in the case of Wilmoth Enterprises, Inc. Defendant strongly denies the allegations made by the Plaintiffs and intends to aggressively defend the matter. The matter is in its preliminary stage.

**Illinois**

On August 8, 2016, Champs Chicken entered into an Assurance of Voluntary Compliance, File No. 16-AVC-F006 with the People of Illinois by and through Lisa Madigan, Attorney General of the State of Illinois (“Attorney General”). The Attorney General alleges that in 2016, Champs Chicken sold two franchises in Illinois while its registration to offer or sell franchises was suspended. Champs Chicken, without admitting or denying the Attorney General’s findings of fact or conclusions of law, agreed in the Assurance of Voluntary Compliance to (1) refrain from offering or selling franchises in Illinois or to Illinois residents without being properly registered to do so; (2) offer rescission to any Illinois residents or franchisees with an Illinois location who purchased a franchise while Champs Chicken was not registered; and (3) pay the sum of \$2,000 to the State of Illinois, pursuant to the penalty provisions of the Illinois Franchise Disclosure Act (815 ILCS 505/7) Securities Division. The provisions of the Assurance Voluntary Compliance are applicable to Champs Chicken, its officers, agents, employees, all persons or entities associated, affiliated or connected with Champs Chicken and any successor corporation or business entities. We offered each of these two Illinois franchisees the opportunity to rescind their respective franchise agreements, but both declined our offer to rescind their franchise agreements.

**Washington**

On January 18, 2017, Champs Chicken entered into Consent Order S-16-2008-17-CO01 with the State of Washington, Department of Financial Institutions, Securities Division (the “Securities Division”). The Securities Division alleges that in 2016 Champs Chicken sold franchises to at least two persons residing in Washington (the “Franchisees”) without having a current permit to offer and sell franchises in Washington and without providing the Franchisees with a current disclosure document. Champs Chicken, without admitting or denying the State’s findings of fact or conclusions of law, agreed in the Consent Order to (1) cease and desist from any violation of RCW 19.100.080, the unlawful acts section of the Franchise Investment Protection Act of Washington; (2) cease and desist from any violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of Washington; (3) to pay the Securities Division \$3,000 for its costs of investigation of the matter; and (4) to waive its right to a hearing and to judicial review of the matter.

Other than the above, 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**

We do not charge an initial franchise fee.

We do not charge an initial training fee.

You must purchase, license, or otherwise obtain certain products, equipment, services, supplies, and merchandise that you need to develop and open your Restaurant from Pro Food Systems. These items include fryers, batter and breading tables, hot cases, signage, menu boards, point of sale materials, ingredients, packaging, and branded products.

The costs may vary and can range from \$4,500 on the low end to \$130,000 on the high end due to the retailer physical location. The Program is a business within a business as opposed to a stand-alone franchise that has required design buildouts. A store that has a kitchen/deli already in place as well as equipment acceptable to run the Program will incur costs on the low end of the range. Conversely, a store that must upgrade existing space and/or infrastructure and has no equipment to run the Program will land on the high end of the range.

The payment terms for equipment will vary depending on Pro Food Systems’ policies, your creditworthiness, the total cost of the item, and other factors. For planning purposes, you should assume that you must pay 50% of the amount owed when you order the item, and the balance before Pro Food Systems ships the item.

If you are not satisfied with the Program, we will provide you with a 100% money back guarantee for the equipment that you purchase from Pro Food Systems to run the Program. Further details on this program can be found in our Gold Addendum, Section 6.

Other than fees described above, or in the case of overpayment or similar error, none of the fees shown in this Item 5 are refundable.

The costs of products, equipment, services, supplies, and merchandise will vary for the reasons we describe above. However, we and our affiliates intend to charge similarly-situated franchisees substantially the same prices for the same items they purchase in substantially the same quantities.

Although we have no present intention of varying the fees and costs, we reserve the right to do so. The factors we would consider in deciding whether to vary the fees may include the value of the area where the franchisee intends to develop Restaurants, the franchisee's qualifications, and other factors. If we grant a variance, we will comply with all notice requirements under negotiated sales statutes and rules.

## ITEM 6

### OTHER FEES

<b>Column 1 Type of Fee<sup>(Note 1)</sup></b>	<b>Column 2 Amount</b>	<b>Column 3 Due Date</b>	<b>Column 4 Remarks</b>
Payment Processing Fee Reimbursement	Approximately \$0.14 per payment	Within 10 days of request for payment	<i>See Note 2</i>
Collection Charge	The greater of: (i) \$100 per delinquent payment; or (ii) our actual costs of collection, plus interest	Within 5 days of request for payment	<i>See Note 3</i> You would pay this amount only if we must collect past-due amounts you owe.
Reimbursement of Franchise Taxes and Similar Taxes	\$0 to \$2,500 or more per year per jurisdiction	So that we actually receive reimbursement by the end of 10 days after we request it	<i>See Note 4</i> You must reimburse us for any franchise tax or similar tax assessed against, or payable by us, on payments paid passed on the Franchise Agreement.
Reimbursement of Relocation Costs	\$1,000 to \$2,500 or more	So that we actually receive reimbursement by the end of 10 days after we request it	<i>See Note 5</i> Payable only if you relocate your Restaurant.
Equipment; Supplies; Inventory; Proprietary Products	\$500 to \$50,000	As incurred	<i>See Note 6</i>
Approval of Suppliers	\$25 to \$500 for each supplier and item you request that we approve	So that we actually receive reimbursement by the end of 10 days after we request it	Payable only if you request that we approve a supplier or the items a supplier offers.
Reporting Services	\$2,000 to \$5,000 a year	As required by supplier	Our reporting service company converts data from your POS System into reports that help determine the best product mix for your Restaurant, profitability, and other matters. Our current reporting service company is MicroSale.
Training Unpreparedness Fee	\$3,500 plus the cost of travel	As incurred	If we arrive at your restaurant and find you are unprepared to train and therefore will prevent the restaurant from opening, you must pay us this fee. If the fee does not cover the cost of our travel to your restaurant, we reserve the right to charge you the remaining the amount for travel expenses.

Column 1 Type of Fee <sup>(Note 1)</sup>	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Manager Training	Currently \$1,500	So that we actually receive reimbursement by the end of 10 days after we request it	<i>See Note 7</i> Payable only if we determine that you want us to train an unreasonable number of Managers,
Additional Training	Currently \$50 to \$120 an hour	So that we actually receive reimbursement by the end of 10 days after we request it	<i>See Note 8</i> We will provide you with any additional training that we believe would benefit the System.
Indemnification	Varies under circumstances	So that we actually receive reimbursement by the end of 10 days after we request it	You must reimburse us for losses from claims, damage, or lawsuits related to the Franchise Agreement.
Transfer of Franchise	\$2,500	On transfer	<i>See Note 9</i> Paid if you assign or transfer, with our written permission, the rights to the Franchise Agreement.
Renovations	Varies under circumstances	As required by supplier	<i>See Note 10</i> You would pay this amount to architects, designers, contractors, decorators, and other suppliers, not to us.
Reimbursement of Training Costs	\$7,500	<u>If You Terminate:</u> Together with your notice of termination <u>If We Terminate:</u> So that we actually receive payment by the end of 10 days after we request it	Payable only: if you terminate this Agreement anytime within the Initial Term of this Agreement; or (ii) if we terminate this Agreement anytime within the Initial Term of this Agreement due to your breach.
De-Identification Fee	\$1,000 per day	So that we actually receive it on or before the tenth (10 <sup>th</sup> ) day after we demand the payment of such fee.	<i>See Note 11</i> You pay these fees only if your store has not been de-identified within seven days after the effective date of termination or expiration.
Liquidated Damages (For Breach of Your Obligations on Termination)	\$250 to \$1,250 per day multiplied by the number of days you are not in compliance with your obligations on termination	On your breach of your obligations on termination of the Franchise Agreement	<i>See Note 12</i> Your compliance with your obligations on termination of the Franchise Agreement is within your sole control.
Costs and Attorneys' Fees	Varies under circumstances	So that we actually receive reimbursement by the end of 10 days after we request it	You pay these fees only if you breach the Franchise Agreement or if there are other claims related to our relationship.
GRITT Summit and Franchise Advisory Meeting	Then current registration fees, plus travel expenses. <sup>6</sup>	Paid to PFS at the time of registration.	<i>See Note 13</i> You will send at least one (1) individual to the annual GRITT Summit and Franchise Advisory Meeting. This person should be a decision maker or manager for the Restaurant.

#### Explanatory Notes:

1. Unless we note otherwise, we impose and collect all fees, and all fees are payable only to us. All fees are nonrefundable except in the case of overpayment or similar error. All fees are uniformly imposed.

There are no Company-owned Restaurants in the System. There are also no cooperatives. As a result, no Company-owned Restaurants have controlling voting power over any fees any cooperative may impose.

You must pay all fees you are required to pay us: (i) in one lump sum; (ii) by automatic debit or in another manner we may direct; (iii) in United States dollars; and (iv) so that we actually receive the payment by the end of the date the payment is due.

2. If banks, credit card companies, or other payment processors charge us a fee for processing any payment you make to us, you must reimburse us for the amount of the fee. The amount of the fee would depend on factors like the type of process used, the size of the payment, and the processor's costs. For planning purposes, you should assume that the amount of the fee would be approximately \$0.14 per payment.

3. If you do not pay us an amount you owe so that we actually receive the payment by the end of the date it is due, you must pay us the amount of the payment, plus (i) a collection charge (the "Collection Charge") equal to the greater of \$100 per delinquent payment or our actual costs of collection; plus (ii) interest on the overdue amount at the lesser of 18% per annum (the "Contract Rate") or the highest rate then permitted by applicable law (the "Default Rate").

Our actual costs of collection may vary widely depending on a number of factors, like the amount of time we spend collecting the payment, whether we collect it ourselves or send it to a collection agency or attorney, whether you cooperate with us, and other factors. For planning purposes, you should assume that our costs could range from: (i) approximately \$100, if we collect the money ourselves, you pay after a brief conference with us, and you cooperate; to (ii) \$2,500 or more, or 50% or more of the amount of the debt, if we have a collection agency or an attorney collect the payment, you do not cooperate, and we engage in legal proceedings.

4. If a governmental authority imposes a tax or charge on us or our affiliates related to fees you are obligated to pay us, the transactions between us, or other aspects of our relationship, you must reimburse us for the amount we pay. This requirement does not require you to reimburse us for federal, state, or local income taxes. The amount of the reimbursement would depend on a number of factors, like the governmental authority (federal, state, or local) that imposes the tax or charge, whether one or more governmental authorities impose it, the governmental authorities' need for revenue, and other factors.

5. You must obtain our prior written consent before you relocate the Restaurant. If we allow you to relocate the Restaurant, you must reimburse us for any costs or expenses we may incur related to the relocation. The amount of the reimbursement would depend on a number of factors, like the number of proposed replacement sites we must evaluate, the thoroughness of the information you provide, whether we must send instructors to train your personnel at the relocated Restaurant, and other factors.

6. The System includes items that we have developed, that are proprietary to us, that we keep secret, or that we designate as meeting our requirements. We refer to these items as "Proprietary Products." You must obtain these items only from us, from our affiliates, from suppliers we designate, from suppliers you select and we approve, or in accordance with our written specifications.

The low end of the range assumes that you already own the equipment you will use in the operation of the Restaurant. This equipment includes fryers, batter and breading tables, hot cases, and various other equipment and smallwares. The high range shown assumes that you must purchase these items.

7. We do not charge you a fee to train a reasonable number of your Managers. If we must train an unreasonable number of Managers, you must pay us our then-current fee.

In determining whether the number of Managers you want us to train is reasonable, we may consider: (i) whether you already have the number of Managers that we require; (ii) the volume of business of your Restaurant; (iii) the reliability of your existing Managers; (iv) the skills of your existing Managers; (v) your Manager turnover; and (vi) other factors.

8. We may develop additional training that we believe would benefit the System. We refer to this training as the “Additional Training.” If we develop Additional Training, we will charge you a reasonable fee for providing it; however, the fee will not exceed our costs of developing and conducting the Additional Training, including our costs to attend the training.

The price for Additional Training will vary substantially depending on: (i) the expertise the training requires; (ii) the length of the training; (iii) the place where we provide the training; (iv) the means of delivery (in-person, electronically, or in writing); and (v) other factors.

9. The Transfer Fee is for a transfer of the Franchise. It compensates us for: (i) the expenses we incur related to the transfer, like attorneys’ fees and costs for the due diligence we undertake and the documentation we prepare; (ii) training and other initial assistance we provide to the transferee; (iii) losses from sub-optimal efficiencies during the initial stages of the transferee’s operation of the Franchised Business; and (iv) other costs, expenses, and losses.

10. It is in your best interests, and in the best interests of our other franchisees and the System, that each Champs Chicken Restaurant, including your Restaurant, be clean, up-to-date, well-maintained, and well-appointed. Therefore, you must redesign, refurbish, and remodel (collectively, “Renovate”) your Restaurant to conform to: (i) our then-current specifications for Champs Chicken Restaurants; and (ii) our judgment as to the condition, state of repair, and general appearance of your Restaurant compared to the condition, state of repair, and general appearance that we consider desirable.

We will not require you to Renovate your Restaurant more often than one time every five years. We cannot predict, with any degree of accuracy, what your Renovation costs may be. If you must replace your signage, it would include the cost of replacement signage. If you must redecorate the Restaurant and replace your equipment, it would include the costs of redecoration and the equipment you purchase. For planning purposes, you should assume that the costs will range from \$1,000 to \$25,000. However, if you have more signage than is standard, or if your Restaurant needs substantial Renovations, your costs may be higher.

There is no cap on these amounts: they are dictated entirely by your particular circumstances. Because you have the right to terminate the Franchise Agreement without cause, your decision of whether to Renovate your Restaurant is within your control. If you do not want to Renovate, you may terminate the Franchise Agreement.

11. For example purposes, if your store’s signage is not removed until the 15<sup>th</sup> day after the effective date of termination, the De-Identification Fee will equal \$8,000.

12. You must comply with your obligations on termination of the Franchise Agreement. If you do not comply, your noncompliance will dilute the value of the Marks and deprive us of the full value of the System. As a result, if you fail to comply with your obligations on termination of the Franchise Agreement, you must pay us liquidated damages for each day that you are not in compliance.

For most breaches of your obligations on termination, you must pay us \$250 per day multiplied by the

number of days you are not in compliance.

We may adjust the amount of the liquidated damages shown in this Explanatory Note based on the increase, if any, in the Metropolitan Area Consumer Price Index for All Urban Consumers-All Items, published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index.

The amounts shown in this Explanatory Note would apply only if you breach your obligations on termination of the Franchise Agreement. Your compliance with these obligations is within your sole control.

13. In 2023, the GRITT Summit and the Franchise Advisory Meeting will be held simultaneously. This arrangement will be reviewed on an annual basis and is subject to change.

## ITEM 7

### **ESTIMATED INITIAL INVESTMENT**

#### **YOUR ESTIMATED INITIAL INVESTMENT**

<b>Column 1</b> <b>Type of Expenditure</b> <sup>(Note 1)</sup>	<b>Column 2</b> <b>Amount</b>		<b>Column 3</b> <b>Method of Payment</b>	<b>Column 4</b> <b>When Due</b>	<b>Column 5</b> <b>To Whom Payment is to Be Made</b>
	<b>Low</b>	<b>High</b>			
Architectural and Engineering Fees	\$0	\$8,500	As Arranged	As Arranged	Architects, Engineers
Construction, Remodeling, and Site Improvements <sup>(Note 2)</sup>	\$0	\$145,000	As Arranged	As Arranged	Contractors
Furniture, Fixtures, Equipment, Décor, and Signage <sup>(Note 3)</sup>	\$1,500	\$115,000	As Arranged	As Arranged	Pro Food Systems; Other Suppliers
Training Expenses: Wages and Benefit Costs <sup>(Note 4)</sup>	\$1,500	\$5,500	As Incurred	During Training	Your Employees; Suppliers of Benefits
Grand Opening Advertising <sup>(Note 5)</sup>	\$0	\$5,000	As Incurred	As Arranged	Advertisers
Professional Fees <sup>(Note 6)</sup>	\$0	\$5,000	As Incurred	Before Opening	Attorneys, Accountants
Insurance (for One Year) <sup>(Note 7)</sup>	\$0	\$13,000	As Arranged	Before Opening	Insurers
Security Deposits, Utility Deposits, Business Licenses, and Other Prepaid Expenses <sup>(Note 8)</sup>	\$0	\$4,000	As Arranged	Before Opening	Utilities, Governmental Authorities
Opening Inventory	\$3,000	\$15,000	As Incurred	As Arranged	Pro Food Systems; Other Suppliers
Project Financing Costs <sup>(Note 9)</sup>	\$0	\$3,000	As Arranged	As Incurred	Lenders, Brokers, Attorneys
Additional Funds – 3 Months <sup>(Note 10)</sup>	\$3,000	\$30,000	As Incurred	As Incurred	Suppliers, Employees, Tradesmen
<b>Total</b> <sup>(Note 12)</sup>	<b>\$9,000</b>	<b>\$349,000</b>			

#### **Explanatory Notes:**

1. Security deposits you pay may be refundable or the supplier may use them to set off amounts you owe, depending on the supplier's policies. Amounts you pay for your supplies and inventory may be refundable, provided the supplies and inventory are in resalable condition, depending on the supplier's policies. For planning purposes, you should assume that none of the expenditures shown are refundable, except in the case of overpayment or similar error.

**Neither we nor any affiliate of ours will finance any part of your initial investment.**

2. The costs to construct your Restaurant will vary widely depending on: (i) the condition of the facility where you develop the Restaurant; (ii) the size and configuration of the space; (iii) pre-construction costs, like the costs to remove walls and existing improvements; (iv) the age of the facility; (v) local building and zoning laws; (vi) permitting fees and costs; (vii) construction and labor costs in your area; (viii) special charges collected by building inspectors, fire inspectors, police authorities, and other governmental authorities, and by labor unions; and (ix) the cost of materials in your area.

The low range shown in the table assumes that the space is already properly configured and needs no construction. The high range shown assumes that you must construct the interior of your Restaurant from empty shell space in which you have flexibility over the use of the space.

3. You must purchase or lease all furniture, fixtures, equipment, décor, and signage you will need to operate the Restaurant. These items include: (i) a fryer; (ii) other cooking and holding equipment; (iii) exhaust equipment; (iv) fire suppression equipment; (v) grease removal equipment and other environmental-protection equipment; (vi) a breading and batter table; (vii) a hot case; (viii) freezers and refrigeration equipment; (ix) tables, sinks, shelving, and racks; (x) cabinets and counters; (xi) utensils and smallwares; (xii) interior and exterior signage; (xiii) menu boards; (xiv) a computer system and electronic cash register system; (xv) office supplies; and (xvi) other items.

The costs of your furniture, fixtures, equipment, décor, and signage will vary widely depending on the size of your Restaurant, the configuration of your Restaurant, the availability of used items, general economic conditions, your ability to negotiate with the vendor, and other factors. We will provide you with a list of the furniture, fixtures, equipment, décor, and signage you will need to operate your Restaurant.

The low range shown in the table assumes that: (i) you do not have dine-in seating; (ii) you already have a computer system and electronic cash register system in your existing business; (iii) you lease the other equipment that you need; and (iv) you purchase your signage.

The high range assumes that: (i) you have limited dine-in seating; and (ii) you purchase your equipment and signage, including a computer system and electronic cash register system.

4. This amount includes the wage and benefit costs of the personnel who attend our training. These costs will vary depending on the number of personnel you send, the amount you pay them, and the benefits you provide.

5. We do not require you to conduct grand opening advertising. The low range shown in the table assumes that you do not conduct any grand opening advertising. The high range assumes that you conduct limited grand opening advertising.

6. The low range shown in the table assumes that: (i) you do not use an attorney to review the Franchise Agreement or this Disclosure Document, and you do not have any construction contracts to review; (ii) you add your Restaurant to your existing accounting systems; and (iii) your existing accountant

processes your payroll and does your bookkeeping as a part of the payroll and bookkeeping for your existing business without payment of any additional fee.

The high range shown assumes that: (i) you engage legal counsel to review the Franchise Agreement, this Disclosure Document, and your construction contracts; (ii) your existing accountant adds your Restaurant to your existing accounting systems for a minimal additional fee; and (iii) your existing accountant processes your payroll and does your bookkeeping as a part of the payroll and bookkeeping for your existing business for a minimal additional fee.

Your legal fees will vary for many reasons, including: (i) whether you conduct lease and other negotiations yourself, or whether you have your counsel do so; (ii) your counsel's skill and experience; (iii) the prevailing rate for attorneys in your area; and (iv) other factors.

7. The low range shown in the table assumes that your Restaurant falls within the coverage your existing policies provide. The high range shown is your estimated annual premium for the insurance described in the table for one full year after you purchase the policies.

8. These costs include deposits for utilities, prepaid expenses, and other miscellaneous deposits and prepaid costs you may incur.

9. Project financing costs will include legal fees, loan fees, interest, and other costs, on any debt you incur to finance the development, opening, and initial operation of your Restaurant. These costs may vary widely depending on the amount you borrow, the length of time between the time you receive disbursements of your loan proceeds and the time you open your Restaurant for business, and other factors.

10. These are estimates of the funds you will need for the typical Restaurant's first three months of operation. The figures include costs of performing background checks, hiring employees, payroll costs, health insurance costs, purchasing miscellaneous products and services, and additional amounts you will spend during the first three months of operation. They do not include any draw or salary by your owners unless they are acting in the capacity of a Restaurant Manager. These amounts may vary widely depending on the number of employees you have, the rates you pay your employees, your costs of insuring your employees, and similar variables.

In compiling the figures for Additional Funds, we relied on the experience of our officers in the development, opening, and operation of Champs Chicken restaurants.

Most costs and expenses listed in this Item 7 are not within our control. They are affected more by national, regional, and local economic conditions than by our actions. You should review these estimates carefully with your attorney, accountant, and other business advisors before you make any decision to enter into the Franchise Agreement with us. You should also prepare a set of estimates of your own. Your estimates should accurately account for your particular circumstances.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### **Your Obligation to Purchase or Lease Items**

We and our franchisees have an interest in protecting the quality and integrity of the System. To protect our common interests, we place restrictions on the products and services you purchase, and on the sources from which you purchase them.

No franchisor officer owns an interest in any supplier.

We currently are not, but reserve the right to be so in the future, an approved supplier of the products and services used in the operation of your Restaurant.

Our parent, Pro Food Systems, is an approved supplier; and the only approved supplier of the following Proprietary Products (the “Proprietary Products”): (i) Food Preparation Equipment; (ii) Cooking Equipment; (iii) Hot Food Cases; (iv) Food Inventory; and (v) Branded Packaging.

### **Grant and Revocation of Approval of Alternative Suppliers**

We do not currently have written criteria for approving suppliers. If we develop written criteria, we will provide you with a copy on your written request.

We do not assert any right to control products and services you offer unless they relate to the Champs Chicken Products and Services. For example, if you operate a grocery store, we do not control the grocery items you generally stock, including the deli items, chicken, fish, and breading you offer.

We do not permit you to contract with alternative suppliers to obtain Proprietary Products. We also have the right to control the ingredients you use in connection with the Champs Chicken Products and Services, the packaging of the Champs Chicken Products and Services, and similar matters. You must obtain our approval of any alternative supplier of these items, and the products or services it offers, before you use the supplier. To secure our approval: (i) you must submit a written request to us for approval, together with any samples, specifications, and other information we may request; (ii) the proposed supplier must demonstrate to our reasonable satisfaction that it is able to supply the items to you in compliance with our specifications; and (iii) the proposed supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community with respect to its financial soundness and integrity, and the reliability of the items it offers. If you ask us to approve an unreasonable number of alternative suppliers, products, or services, we have the right to require you to reimburse us for our actual costs and expenses of evaluations we perform.

We will give you notice of our approval or disapproval by the end of 30 days after you or the proposed supplier deliver to us the last information we request in connection with the approval.

We may revoke our approval of any supplier, good, or service if we determine, in our exercise of reasonable business judgment, that revocation is in your best interests, our best interests, or the best interests of the System. If we revoke our approval, we will give you written notice of the revocation.

We make our standards and specifications available to our franchisees. We will provide you with a copy of them on your written request. We may disclose them to suppliers you propose using, provided they sign agreements we prepare to protect the confidentiality of our standards and specifications, but we are not required to do so. We have no formal procedures for modifying our standards and specifications; we do so based on our judgment as to how to best serve our franchisees and their customers, and how to enhance profits.

### **Revenue or Other Material Consideration from Required Purchases or Leases by Franchisees**

We require you to purchase or lease Proprietary Products and other products and services from our affiliate, Pro Food Systems. Pro Food Systems includes a reasonable markup in the price of the products and services they sell to you. The costs of these products and services to you will vary depending on: (i) Pro Food Systems’ cost of producing or purchasing the product or service; (ii) the costs and difficulties Pro Food

Systems' incurs in storing and shipping the item; (iii) competition in the marketplace; (iv) the requirements of applicable law; and (v) other factors. Many products, (such as chicken, flour and eggs) are commodity based and the prices can fluctuate daily. Pro Food Systems establishes the prices based on the market price for each product or service as determined by the supply and demand of these products on the commodity-based market. During the fiscal year ended, June 30, 2023, Pro Food Systems received revenues of \$35,538,980.81 from all required purchases and leases by our franchisees. Based on the terms of an agreement between Pro Food Systems and us, Pro Food Systems pays us a fee, on a quarterly basis, equal to one-half of one percent (0.5%) of the total of all purchases and leases by our franchisees. During our fiscal year ended June 30, 2023, we received fees equal to \$201,337.79 from Pro Food Systems based on the terms of this agreement. This represents 5% of our total revenues for fiscal year ended June 30, 2023.

We may also require you to purchase or lease products and services from other third parties. We and our affiliates may enter into arrangements with these third parties under which we and our affiliates receive revenue or other material benefit, like rebates, discounts, and allowances, as a result of consideration you or any of our other franchisees pay to those third parties. As of the issuance date of this document, we have not entered into any of these types of arrangements with third parties and we have not otherwise derived any revenue from any other third party based on purchases by our franchisees.

Your required purchases and leases, which include purchases and leases of products and services from Pro Food Systems, and purchases and leases of products and services in accordance with our specifications, will represent approximately 25% to 80% of your total purchases and leases of products and services to establish your Franchised Business and approximately 55% to 80% of your total purchases and leases of products and services to operate your Franchised Business.

Your computer hardware and software include the following:

• Electronic Cash Register	• Back Office System
• Office Computer	• WIFI Network Controller
• Office Management System <ul style="list-style-type: none"><li>• Point of sale system</li><li>• People Counter Device</li></ul>	

You are required to obtain the following insurance coverages:

Type of Coverage	Amount
Commercial General Liability	\$1 million per occurrence and \$2 million in the aggregate
Automobile Liability, for Owned, Non-Owned, and Hired Vehicles	\$1 million per claim, including bodily injury and property damage

Type of Coverage	Amount
Workers' Compensation and Employer's Liability	\$500,000 per accident \$500,000 disease per employee with a policy limit of \$500,000 in the aggregate
Unemployment Compensation, Disability, Social Security, and other insurance required by law	As prescribed by law

### **Benefits We Provide Based on Your Purchases**

We will offer you an addendum to the Franchise Agreement (the “Special Terms and Conditions Addendum”). There are two levels of this addendum: (i) the Gold Level; and (ii) the Silver Level. The two forms of addenda are attached to this Disclosure Document as Exhibit B.

The addenda provide you with material benefits based on your purchases of particular products or services from us or our affiliates. We refer to these products or services as the “Branded Products.”

We have a “MDF Program.

**MDF Program.** “MDF” stands for “Marketing Development Fund.” Under the MDF Program, we will accrue a portion of your net purchases of Branded Products and will reimburse you for a portion of your expenditures for advertising you publish.

We describe the MDF Program below.

#### **MDF Program**

Under the MDF Program, we have established an advertising fund. We refer to this fund as the “Accrual Fund.” We deposit a percentage of your net purchases of Branded Products into the Accrual Fund. The percentage we deposit depends on whether you enter into a Gold Addendum or Silver Addendum, as follows:

MDF PROGRAM: REIMBURSEMENT OF ADVERTISING EXPENDITURES	
Level:	Percentage of Your Net Purchases of Branded Products We Will Deposit Into the Accrual Fund:
Gold	4.0%
Silver	2.5%

To be eligible for reimbursement from the Accrual Fund, the advertising must be “Qualified Advertising.” “Qualified Advertising” is advertising in broadcast, print, or electronic media, or any other advertising material or signage we approve for reimbursement with MDF Program funds, that: (i) you submit to us in the manner we specify for our approval before you purchase it or publish it; and (ii) we approve in writing.

To receive a reimbursement from the Accrual Fund, you would submit a claim to us within 90 days after the Qualified Advertising was published. We refer to the claim as an “Advertising Claim.” If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount

of the balance we are holding for you in the Accrual Fund (the “Balance”). We may also pay the amount of the Advertising Claim directly to the supplier of advertising.

We want you to advertise regularly. To give you an incentive to advertise regularly, any portion of your Balance in the Accrual Fund that is over one Program Year old will be removed from the Balance.

To be eligible to receive the reimbursements, you and your affiliates must be in compliance with all agreements with us and our affiliates.

All amounts that we accrue are ours until we actually use them to pay an Advertising Claim.

### **General Matters**

Currently, we have no purchasing or distribution cooperatives for the System.

We negotiate purchase arrangements with our affiliates and some of the other suppliers we designate, including price terms, for the benefit of franchisees.

## **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.**

<b>Obligation</b>	<b>Section in Agreement<sup>(Note 1)</sup></b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 4	Item 11
b. Pre-opening purchases/leases	Section 7	Items 5 and 8
c. Site development and other pre-opening requirements	Sections 4, 5, 7	Item 11
d. Initial and ongoing training	Section 5	Items 6, 7, and 11
e. Opening	Section 4.e	Item 5
f. Fees	Sections 3, 5.a, 5.b, 12, 16c.v	Items 1, 5, and 7
g. Compliance with standards and policies/operating manual	Recital B; Sections 6.a, 6.c, 9.b, 9.f	Items 8, 11, and 16
h. Trademarks and proprietary information	Recitals A, B; Sections 8, 17.c	Items 13 and 14
i. Restrictions on products/services offered	Recital B; Sections 7, 8.b, 9.c	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 11
k. Territorial development and sales quotas	Section 4	Item 12

<b>Obligation</b>	<b>Section in Agreement<sup>(Note 1)</sup></b>	<b>Disclosure Document Item</b>
	Gold Addendum: Section 3	
l. Ongoing product/service purchases	Section 7	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 9.b, 9.f	Item 12
n. Insurance	Section 12.b	Items 6 and 7
	Section 6	
o. Advertising	Gold Addendum: Section 2	Items 6, 7, 8, and 11
	Silver Addendum: Section 2	
p. Indemnification	Section 12.a	Item 6
q. Owner's participation/management/staffing	Not Applicable	Item 15
	Section 11	
r. Records and reports	Gold Addendum: Section 5.4	Item 6
s. Inspections and audits	Section 10	Item 6
t. Transfer	Section 13	Items 6 and 17
	Section 2	
u. Renewal	Gold Addendum: Section 4	Item 9
	Silver Addendum; Section 3	
v. Post-termination obligations	Section 15	Item 9
w. Non-competition covenants	Section 15	Item 9
	Section 16.3	
x. Dispute resolution	Gold Addendum: Section 7.2	Item 17
	Silver Addendum: Section 5.2	
y. Other		
Signage	Gold Addendum: Section 4.2	Item 9
	Silver Addendum: Section 3.2	
Breakfast Program	Gold Addendum: Section 4.3	Item 9
	Silver Addendum: Section 3.3	
Point of Sale ("POS") System	Gold Addendum: Section 5.5	Item 9

Obligation	Section in Agreement <sup>(Note 1)</sup>	Disclosure Document Item
Equipment	Gold Addendum: Section 4.4.	Items 9 and 11
Test Marketing	Gold Addendum: Section 4.5	Item 9

**Explanatory Note 1:**

All references are to the Franchise Agreement unless otherwise noted.

**ITEM 10**

**FINANCING**

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

**ITEM 11**

**FRANCHISOR'S ASSISTANCE, ADVERTISING,  
COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, Champs Chicken is not required to provide you with any assistance.**

**Pre-Opening Obligations**

Before you open your Restaurant:

1. We will review the proposed site for the Restaurant.
2. We will provide you, on loan, with one copy of our Operations Manual. (Franchise Agreement; Section 9.b)
3. We will provide you with our Manager Training. (Franchise Agreement, Section 5.a).
4. We will provide you with our Opening Assistance. (Franchise Agreement, Section 5.b).
5. Provide you with standards and specifications for furniture, fixtures, equipment, décor, and signage. (Franchise Agreement, Sections 4.c, 7.a)
6. Provide you with standards and specifications for opening inventory and supplies. (Franchise Agreement, Section 7.a)
7. Consult with you regarding the design, construction, remodeling, equipping, and decorating of the Restaurant.

**Locating the Site; Negotiating the Purchase or Lease of the Site**

We refer to the site where you propose to develop your Restaurant as the "Proposed Site." Because you will operate your Restaurant within an existing business of yours, you will have the Proposed Site before you sign the Franchise Agreement. We will evaluate your Proposed Site before we enter into the Franchise

Agreement with you. If you do not have a site we approve, we will not enter into the Franchise Agreement.

We must approve the Proposed Site. We refer to the location we approve as the “Approved Location.” We will show the Approved Location on Schedule A of the Franchise Agreement before you sign it. (Franchise Agreement, Section 4.a).

We do not provide you with any assistance in locating a site or negotiating the purchase or lease of the site. We do not generally own the premises and lease it to you.

### **Conforming Premises to Local Ordinances and Building Codes; Obtaining Required Permits**

You are solely responsible for conforming the premises of the Restaurant to all ordinances and building codes. We will not have any responsibility related to conforming the premises of the Restaurant to any ordinances or building codes. (Franchise Agreement, Section 4).

You are solely responsible for promptly seeking and obtaining all governmental and other approvals, consents, permits, and licenses required to open and operate the Restaurant and to offer for sale and sell the Products and Services. You must use your best efforts to obtain all required approvals, consents, permits, and licenses. We will not have any responsibility related to these required approvals, consents, permits, and licenses. (Franchise Agreement, Section 9.a).

### **Constructing, Remodeling, and Decorating Your Restaurant**

You must promptly make all site improvements and install the furniture, fixtures, equipment, décor, and signage that we require at the Restaurant, at your sole cost and expense.

You must lease or purchase, install, use, and maintain all furniture, fixtures, equipment, décor, and signage related to the Restaurant, at your sole cost and expense.

We will consult with you regarding the design, construction, remodeling, equipping, and decorating of the Restaurant; however, it is your sole responsibility to design, construct, remodel, equip, decorate, ready, and open the Restaurant in compliance with the Franchise Agreement and the Operations Manual. (Franchise Agreement, Section 4).

We will not be responsible for any loss from the design, construction, remodeling, refurbishment, renovation, or equipping of the Restaurant.

### **Hiring and Training Employees**

You must hire the employees that are required for the operation of your Franchised Business, and you must train and properly supervise all of your employees.

We will provide you with assistance with your Manager Training and opening your Store. We may have a corporate trainer (the “Corporate Trainer”) provide you with opening assistance. (Franchise Agreement, Section 5.b).

### **Furniture, Fixtures, Equipment, Décor, and Signage; Opening Inventory and Supplies**

We will provide you with standards and specifications for furniture, fixtures, equipment, décor, and signage. If we require you to use approved suppliers for these items, we will provide you with the names of the approved suppliers. We will provide this information in writing, in the Operations Manual or in other

materials we provide. You will have the sole responsibility for obtaining and installing all furniture, fixtures, equipment, décor, and signage. We do not provide you with furniture, fixtures, equipment, décor, or signage directly. We do not deliver or install these items. (Franchise Agreement, Sections 4, 7.a).

We will provide you with standards and specifications for opening inventory and supplies. If we require you to use approved suppliers for these items, we will provide you with the names of the approved suppliers. We will provide this information in writing, in the Operations Manual or in other materials we provide. You will have the sole responsibility for stocking the Restaurant with opening inventory and supplies. We do not provide you with opening inventory and supplies directly. We do not deliver or install these items. (Franchise Agreement, Section 7.a).

### **Time for Opening Your Restaurant**

You and we will agree on the opening date of your Restaurant before you sign the Franchise Agreement. We refer to this date as your “Opening Date.” You may open the Restaurant once we have completed a check-off sheet showing that you are ready and able to offer for sale and sell the Products and Services under the System at the Restaurant. (Franchise Agreement, Section 7).

A franchisee will typically open a Restaurant one to four (4) months after the Effective Date of the Franchise Agreement. The factors that may affect this time period include the time required to: (i) obtain any required building permits; (ii) build out and decorate the Restaurant; and (iii) order and install furniture, fixtures, equipment, décor, and signage at the Restaurant.

If you have not opened the Restaurant by the end of the Opening Date, we will have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 14.b.ii).

### **Obligations During Operation of Franchise**

During the operation of your Franchise:

1. We will list your Restaurant on any Internet site we maintain that lists franchised or Company-owned Champs Chicken Restaurants operating under the System to the same extent as we list other Champs Chicken Restaurants generally.
2. We will permit you to develop an Internet site.
3. We will permit you to develop a site on Facebook and similar social network services (collectively, the “Social Media Sites”).
4. We will grant you access to advertising and promotional programs and material we or our designated advertising agency may develop for the System.
5. We will allow your additional or replacement Managers to attend Manager Training.
6. We will provide you with any additional training that we believe would benefit the System.
7. We will defend the Marks and bear all costs of this defense
8. We will provide you with access to the products and services we may offer.

9. We will evaluate suppliers you propose to use and the products, equipment, services, supplies, or merchandise they offer.

### **Advertising Programs**

#### **Grand Opening Advertising**

We do not require you to conduct grand opening advertising. (No specific reference in Franchise Agreement)

#### **Local Advertising Requirement**

We do not require you to conduct local advertising.

#### **Regional Advertising Cooperative**

We do not require you to participate in any regional advertising cooperative.

#### **National Advertising**

We do not collect any national advertising fee. We do not require you to participate in any national advertising fund.

We do not have any obligation to conduct advertising.

#### **Internet Advertising**

We will list your Restaurant on any Internet site we maintain that lists franchised or Company-owned Restaurants operating under the System to the same extent as we list these other Restaurants generally.

You may create an Internet site (your “Internet Site”) for the Restaurant. Your Internet Site must hyperlink off one or more Internet sites that we designate. You must use and publish all templates and forms we direct you to use and publish in connection with the Internet Site. You must submit to us all text, graphics, photographs, and other material (collectively, the “Internet Content”) you propose to use on your Internet Site, including all material modifications to the Internet Content, before you use it. We have the right to: (i) approve, disapprove, and modify the Internet Content; (ii) format, upload, or hyperlink your Internet Site to any other Internet site related to the System that we designate; and (iii) modify, use, print, publish, display, store, and transmit the Internet Content, and to authorize third parties to modify, use, print, publish, display, store, and transmit the Internet Content.

#### **Social Media Advertising**

You may establish sites on Facebook and other social media and social network services. We refer to your sites on these media and services as your “Social Media Sites.” We have the right to: (i) disapprove or to require you to modify the text, graphics, photographs, and other material (collectively, the “Social Media Content”) on any Social Media Site; (ii) hyperlink your Social Media Sites to any other Internet site related to the System that we designate; and (iii) modify, use, print, publish, display, store, and transmit any of the Social Media Content, and to authorize third parties to modify, use, print, publish, display, store, and transmit any of the Social Media Content, subject to the requirements of the social network service that hosts the applicable Social Media Site. You must keep us advised at all times of your Social Media Sites’ addresses and domain names.

We have the sole ownership, right, title, and interest in and to the Social Media Content of all Social Media Sites, subject to the requirements of the social network service that hosts the applicable Social Media Site.

We have the sole ownership, right, title, and interest in and to all domain names related to the Social Media Sites, subject to the requirements of the social network service that hosts the applicable Social Media Site.

The Social Media Content on each Social Media Site must meet the standards of propriety that we prescribe. Your Social Media Sites and Social Media Content must comply with our rules, guidelines, standards, specifications, plans, programs, and procedures. You must monitor the Social Media Content on each Social Media Site. You must remove any inappropriate Social Media Content so that the removal is fully completed immediately on our demand, or within 12 hours after the inappropriate Social Media Content is posted on the Social Media Site, whichever is earlier.

### **Access to Advertising**

We will grant you access to standard advertising and promotional programs and material we or our designated advertising agency may develop for the System. You will receive, at no additional charge, all advertising and promotional programs and materials produced for the System for radio, television, or print media. These items include ad slicks, circulars, direct mail pieces, broad sheets, newsletters, and brochures. You must pay the hard costs associated with these items, like the cost of purchasing media, film, plates, paper, and other hard costs, and any shipping and handling charges for delivering the items to you. You must also pay all costs of customizing the programs or materials, and of having them published in the media.

### **Control Over Advertising**

You may use only: (i) advertising and promotional materials that we have provided to you; or (ii) your own advertising and promotional materials that we have approved in writing in advance. (Franchise Agreement, Section 6).

If you want to use advertising and promotional materials that we have provided to you, you must give us a description of the media in which you propose to use them for our approval before you use them. We will have 10 days in which to approve or disapprove the use of the materials in the media you propose. If we have not disapproved the use of the materials in the media you propose by the end of this 10-day period, they will be deemed approved.

If you want to use your own advertising and promotional materials, you must give us a copy of the advertising and promotional materials, together with a description of the media in which you propose to use them, for our approval before you use them. We will have 10 days in which to approve or disapprove the materials and their use in the media you propose. If we have not disapproved the use of the materials in the media you propose by the end of this 10-day period, they will be deemed approved.

You may not: (i) issue any press release or similar promotion related to the Restaurant, the Franchised Business, or the System unless we expressly approve the release or promotion in writing in advance; (ii) conduct any advertising or promotional activities that fall outside our guidelines; or (iii) advertise the Restaurant with any business that is not operated under the Franchise Agreement or some other Champs Chicken franchise agreement, without our prior written consent. (Franchise Agreement, Section 6).

All advertising materials we prepare or provide are protected by copyright and are our exclusive property.

### **Advertising Council**

We do not have an advertising council composed of franchisees that advises us on advertising policies.

### **Electronic Cash Register System; Computer System**

We may require you to buy and use the electronic cash register system and computer system that meets our requirements. However, the systems in your existing business may meet our requirements. (No specific reference in Franchise Agreement; Gold Addendum, Section 5.5).

You will use your electronic cash register system: (i) to record your sales transactions; (ii) to print bar code labels and other labels; (iii) to prepare daily sales reports and similar periodic reports; (iv) to provide us with other reports, documents, and data that we may specify; and (v) to perform other functions that we may specify. (Exhibit B-1, Gold Addendum, Section 5.5).

You will use your computer system: (i) for interactive training; (ii) for purchasing and inventory control; (iii) for accounting and bookkeeping; (iv) for scheduling; (v) for Internet communication and email; and (vi) for other functions that we may specify.

Your electronic cash register system and computer system will consist of a point of sale system (a “POS”) and a back-office system (a “BOS”). We do not currently require you to use any specific POS or BOS. Your POS system must comply with the Payment Applications Best Practices (“PABP”) standards or the successor standards to the PABP. You must connect it to the Internet using an always-on access method, like a T-1 line, cable, or DSL. Our specifications may change, and you must upgrade to equipment that meets our specifications as we direct. You should ask us for a list of our current specifications before you sign the Franchise Agreement. The current purchase price of POS and BOS systems that meet our specifications ranges from \$5,000 and \$20,000. (No specific reference in Franchise Agreement.) You must enter, generate, and store in your electronic cash register system and computer system the data and information we prescribe. This data and information will include: (i) sales records; (ii) product mix and sales performance data; (iii) inventory records; (iv) accounting and bookkeeping records; (v) training materials; (vi) schedules; (vii) Internet communications; and (viii) other data and information we specify. You must use the reporting services we require. The fees for these services range from \$2,000 to \$5,000 per year.

Neither we nor any affiliate of ours has any obligation to provide ongoing maintenance, repairs, upgrades, updates to your hardware or software. We do not currently require you to enter into agreements with third parties to provide ongoing maintenance, repairs, upgrades, or updates to your hardware or software, although we may do so in the future.

You must keep your electronic cash register system and computer system in good maintenance and repair. You must upgrade and update your electronic cash register system and computer system on notice from us. We may require you: (i) to add additional capacity, accessories, and peripheral equipment to your systems; and (ii) to upgrade or replace your systems, at your sole cost and expense. The cost to comply with these obligations could be as low as \$500 or may be as high as \$25,000. We do not intend to require you to upgrade and update your systems more often than one time every five years; however, there is no contractual limitation on the frequency or cost of these obligations.

If you elect, at your option, to enter into maintenance, updating, upgrading, or support contracts, or if we require you to enter into these contracts, your costs should range from \$250 to \$5,000 per year. Your actual costs will vary depending on the price and quality of the components of your systems, the level of deductibles you select, and other factors. ‘

If we substitute one or more software programs for any software we specify, you must, by the end of 30

days after we give you notice to do so, at your sole cost and expense: (i) stop all use of the software being replaced; (ii) preserve all data from the software being replaced; (iii) obtain and install the substitute software on your computer as we may direct; (iv) import, to the substitute software, relevant data from the software being replaced; and (v) begin using the substitute software.

We will not have independent access to the information that will be generated or stored in your electronic cash register system and computer system.

### **Renovations**

“Renovation” refers to the periodic large-scale refurbishment and remodeling of your Restaurant. It includes the replacement of worn, obsolete, or non-functioning furniture, fixtures, equipment, décor, and signage. (Franchise Agreement, Section 9.f).

It is in your best interests, and in the best interests of our other franchisees and the System, that each Champs Chicken Restaurant, including your Restaurant, be clean, up-to-date, well-maintained, and well-appointed. Therefore, you must, at our request, Renovate your Restaurant to conform to: (i) our then-current specifications for Champs Chicken Restaurants; and (ii) our judgment as to the condition, state of repair, functionality, and general appearance of your Restaurant and its furnishings, fixtures, equipment, décor, and signage compared to the condition, state of repair, functionality, and general appearance that we consider desirable. This Renovation will be at your sole cost and expense. Our right to require you to Renovate does not affect our right to require you to maintain the Restaurant in compliance with the Franchise Agreement, our Operations Manual, and our standards and specifications, or your obligation to do so. (Franchise Agreement, Section 9.f).

We will not require you to Renovate your Restaurant more often than one time every five years. (Franchise Agreement, Section 9.f).

You must finish all Renovations so that they are completed by the end of six months after we deliver notice to you that we are requiring you to make the Renovations.

### **Test Marketing**

We may conduct market research and testing to determine consumer trends and the marketability of new products, equipment, services, supplies, and merchandise. We refer to these items, collectively, as the “Test Products.” You must assist us with this market research and testing by participating in any programs as we may require. (No specific reference in Franchise Agreement; Gold Addendum, Section 4.5).

### **Operations Manual**

We loan you during the term of the Franchise Agreement one copy of an Operations Manual, which may consist of one or more handbooks or manuals and other written, video or audio materials (collectively the “Operations Manual”). The Operations Manual contains mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your Franchised Business and information relative to your other obligations. We have the right to modify the Operations Manual to reflect changes in products, services, specifications, standards and operating procedures, including marketing techniques. No addition or modification may alter your fundamental status and rights. You must keep one copy of the Operations Manual current and the master copy of the Operations Manual we maintain at our principal office controls if there is a dispute relative to the contents of the Operations Manual (Franchise Agreement, Section 9).

The Table of Contents of the Operations Manual as of the date of this Disclosure Document, and the number of pages devoted to each subject, as Exhibit G to this Disclosure Document. The Operations Manual contains a total of 114 pages as of the date of this Disclosure Document.

### **Training**

We will provide you with our Champs Chicken Manager Training. (Franchise Agreement, Section 5).

Your Managers must attend, and successfully complete, to our satisfaction, Manager Training 2 to 4 weeks prior to opening your franchised business.

Our Manager Training as of the date of this Disclosure Document is as follows:

### **TRAINING PROGRAM**

#### **MANAGER TRAINING<sup>(Note 1)</sup>**

<b>Column 1 Subject</b>	<b>Column 2 Hours of Classroom Training</b>	<b>Column 3 Hours of On-the- Job Training<sup>(Note 2)</sup></b>	<b>Column 4 Location</b>
Orientation	0	1.0	Your Restaurant
Planning, Leading, Organizing, Controlling, Managing, Staffing, and Training	0	1.5	Your Restaurant
Equipment	0	0.5	Your Restaurant
Back-of-House Training	0	1.5	Your Restaurant
Kitchen Management Training	0	3.0	Your Restaurant
Front-of-House Training	0	1.0	Your Restaurant
Service Management Training	0	0.5	Your Restaurant
Inventory Control	0	1.5	Your Restaurant
Shift Management Training	0	0.5	Your Restaurant
Training Overview; Questions and Answers	0	0.5	Your Restaurant

#### **Explanatory Notes:**

1. Your “Managers” are the individuals who exercise actual control over the Restaurant.
2. The actual hours of training will vary depending on a number of factors, like the number of Managers in the training class, their experience, and their strengths and needs.

We will conduct training classes on an as-needed basis.

Our instructional materials consist of our Operations Manual, hands-on training and coaching, and discussions.

The experience of our instructors is as follows:

Name of Instructor	Years of Experience Instructor Has in Subject Instructor is Teaching	Years of Experience Instructor has with our Affiliate, Pro Food Systems
<b>Tim Sullivan</b>	<b>11</b>	<b>11</b>
<b>Dwight Stiles</b>	<b>11</b>	<b>11</b>
<b>Tim Huntington</b>	<b>10</b>	<b>10</b>
<b>Craig Mulcahy</b>	<b>9</b>	<b>9</b>
<b>Joanne Cavender</b>	<b>1</b>	<b>1</b>
<b>Katie Degn</b>	<b>2</b>	<b>2</b>
<b>Rob Lawrence</b>	<b>0</b>	<b>0</b>
<b>Tom VanLandingham</b>	<b>1</b>	<b>1</b>
<b>Jason Weeks</b>	<b>1</b>	<b>1</b>

1. The instructors are employees of our affiliate, Pro Food Systems.

**Explanatory Notes:**

We may also use instructors who are independent contractors.

We do not charge you any fee for training a reasonable number of Managers. We do not require you to reimburse us for the travel, food, lodging, wage, and benefit costs we incur in training a reasonable number of Managers. If we determine that you want us to train an unreasonable number of Managers, we may charge you a reasonable fee to train the additional Managers. We will list our current price for Manager Training in the Operations Manual. (Franchise Agreement, Section 5.a).

Our current price for training additional Managers is \$1,500.

In determining whether the number of Managers you want us to train is reasonable, we may consider: (i) whether you already have the number of Managers that we require; (ii) the volume of business of your Restaurant; (iii) the reliability of your existing Managers; (iv) the skills of your existing Managers; (v) your Manager turnover; and (vi) other factors.

**Opening Assistance**

At no additional cost to you, we will furnish a representative (the “Retail Growth Advisor”) to your Restaurant. The Retail Growth Advisor will provide you with advice related to developing and opening your Restaurant.

At no additional cost to you, we may, at our discretion, provide you with a trainer (the “Corporate Trainer”) to assist in the opening process.

You must staff the Restaurant with your employees to train with, and to assist, the Retail Growth Advisor and Corporate Trainer.

#### Additional Training

If you are a business entity, we refer to certain persons as “Principals.” A “Principal” is: (i) a natural person who owns or holds any equity in you; (ii) a business entity that owns or holds any equity in you; (iii) any natural person who owns or holds any equity of any business entity that owns or holds any equity in you; and (iv) other natural persons or business entities that we may designate. An equity holder will be deemed to “own” equity whether the ownership is direct, indirect, or beneficial.

We may develop additional training that we believe would benefit the System. We refer to this training as “Additional Training.” If we develop Additional Training, we may designate the training as “optional” or “mandatory.” If we designate Additional Training as mandatory, you and those of your Principals, Managers, and other personnel we specify must attend and complete the training to our satisfaction, at the times we specify. We reserve the right to charge a reasonable fee for Additional Training; however, the fee will not exceed our costs of developing and conducting the Additional Training, including our costs related to attending the training.

For planning purposes, you should assume that our costs for Additional Training will range from \$25 to \$500. However, they will depend on several factors, like: (i) the place where we conduct the Additional Training (e.g., at our headquarters, at a Champs Chicken Restaurant near your Restaurant, or at a central location); (ii) the number of attendees who participate in the Additional Training and who share its costs; and (iii) whether we must engage a specialist to provide the Additional Training. As a result, our costs could be higher. They will be based on the hourly rate described in Item 6. We have not yet developed any Additional Training, so we cannot predict with any degree of accuracy where we would conduct it or its content. We do not expect to conduct it more often than once a year; however, if the demands of the market or other factors require us to conduct it more often, we may do so.

Because we have not developed any Additional Training, no franchisees have enrolled in any non-mandatory training during the preceding 12 months.

#### Miscellaneous

You must pay all expenses you and your designated attendees incur related to attending any training we conduct. These expenses may include, but will not be limited to, your attendees’ travel, food, lodging, wage, benefit, and other costs and expenses.

Except for the Opening Assistance, we will determine the location, duration, and program of any training we conduct.

We will not pay any compensation for any services you or your attendees perform in the course of any training.

We may train any number of attendees from any number of Restaurants at any training we conduct, at the same time as we train your attendees. We may train attendees from other systems we or our affiliates may develop, at the same time as we train your attendees.

You are responsible for scheduling appropriate training for yourself and your Principals, Managers, and other employees we designate, and for ensuring that you and they successfully complete the training.

## **ITEM 12**

### **TERRITORY**

The Franchise Agreement grants you the right to operate a CHAMPS CHICKEN® Restaurant at a single location that you select and we approve. Once a location for the Restaurant is approved by us, it will be listed in Schedule A to the Franchise Agreement. If you sign the Gold Addendum, your Territory will consist of either (a) a one-mile radius around your Restaurant, or (b) a smaller territory determined by us, at our sole discretion, if your Restaurant is located in a heavily populated area. If you sign the Silver Addendum, your Territory will consist of the outside shell of your Restaurant and we will not grant you any territorial protection outside of the shell of your Restaurant.

#### **Scope of Territorial Rights**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We reserve the right to (a) establish CHAMPS CHICKEN® Restaurant independent locations that sell and deliver the same products and services that you provide within your Territory and (b) sell and deliver competing products and services through “alternative channels of distribution” such as through Internet and catalog sales, toll-free telephone or any similar form of electronic commerce, telemarketing, other direct-marketing techniques, and to conduct advertisements and sales through other distribution channels both inside and outside your Territory. The CHAMPS CHICKEN® Restaurant independent locations may include those at free standing locations and those located within shopping centers and shopping malls, as well as mobile locations such as food trucks and trailers.

We will not develop, open, or operate, and will not authorize a third party to develop, open, or operate, a Champs Chicken Restaurant in a BWB Location using the System in your Territory.

You may solicit business inside or outside your Territory and serve customers who reside outside your Territory. There are no restrictions on your right to do so. We, our affiliates, and our and their franchisees and licensees may solicit business inside or outside your Territory and serve customers who reside inside your Territory. There is no restriction on our or their right to do so. You will not be entitled to any compensation for orders solicited or accepted within your Territory.

You may not offer for sale, sell, or deliver the Products and Services, or any products or services similar to the Products and Services, through any alternative distribution channel, including Internet, catalog sales, telemarketing or other direct marketing to make sales outside your territory.

Our affiliate, Pro Food Systems authorizes outlets to use the “Cooper’s Express®” trademarks (Cooper’s Express Licensees”). The Cooper’s Express Licensees operate outlets that are generally located within an existing business and offer and sell products and services that are similar to the Products and Services you will offer. Cooper’s Express Licensees may solicit and/or accept orders within your Territory.

We do not, and do not plan to, operate or franchise businesses under a different trademark that will sell similar goods or services to those of the franchisee.

#### **Continuation of Territorial Rights; Modification of Territorial Rights**

The continuation of your rights to the Territory does not depend on your achievement of any certain sales volume, market penetration, or other contingency. We will not alter the size of your Territory or modify your rights to the Territory if the population of your Territory increases or decreases. We may not modify

your Territorial rights except as you and we may mutually agree.

### **Relocation of Restaurant**

You may relocate the Restaurant with our prior written consent. To obtain our consent, you must: (i) comply with the procedures shown in Item 11 of this Disclosure Document under the heading “Locating the Site; Negotiating the Purchase or Lease of the Site,” and with other criteria we may establish; (ii) close your old Restaurant and open your relocated Restaurant substantially simultaneously so that there is no break in operations; and (iii) enter into our then-current form of relocation agreement. The relocation agreement will show the terms of the relocation.

If we approve a new location, the new location will be deemed to be the “Approved Location” as we use that term in the Franchise Agreement and this Disclosure Document. Any relocation of your Restaurant will be at your sole cost and expense. You must reimburse us for any costs or expenses we incur related to any relocation, like costs and expenses we incur in evaluating your replacement site, and costs and expenses we incur in connection with the relocation agreement.

### **Establishment of Additional Restaurants: Options, Rights of First Refusal, or Similar Rights**

You do not have any options, rights of first refusal, or similar rights to develop additional Restaurants.

## **ITEM 13**

### **TRADEMARKS**

The principal trademarks we license you to use are shown in the table below.

Our affiliate Pro Food Systems owns the Marks. Pro Food Systems has registered the following Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

<b>Table #1: Principal Marks (Federally Registered)</b>		
<b>Mark</b>	<b>Registration Date</b>	<b>Registration Number</b>
CHAMPS CHICKEN (Stylized with Design) 	05/15/2012	4141697
CHAMPS CHICKEN (Stylized with Design) 	09/09/2014	4600485
	09/09/2014	4600486
	09/09/2014	4600488

**Table #1: Principal Marks (Federally Registered)**

Mark	Registration Date	Registration Number
CHAMPSTIX (Stylized with Design) 	02/13/2019	5401957
CHAMPSTIX	02/13/2019	5401958
Miscellaneous Design (New "Champ" head)(Class 43), 	04/20/2021	6329729
Miscellaneous Design (New "Champ" head) (Class 30)	04/12/2021	6323314
Miscellaneous Design (New "Champ" head) (Class 29)	04/13/2021	6323315
Miscellaneous Design (New "Champ" head) (Class 30) 	04/13/2021	6323316
Miscellaneous Design (New "Champ" head) (Class 30)	04/13/2021	6323317

Pro Food Systems has filed all required affidavits. No registration has been renewed. When it is time to renew a registration, Pro Food Systems expects to renew it if the System is still using the Mark.

Please note that the mark displayed on the cover page of this document is a combination of two registered marks (6323316 and 6329729) however the combination image is not registered with the USPTO as the separate marks are.

### **Legal Proceedings**

There are no currently-effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, that limit your right to use any Mark. There is no pending infringement, opposition, or cancellation proceeding involving any Mark. Neither Pro Food Systems nor we have unsuccessfully sought to prevent registration of a trademark in order to protect a trademark we license.

There is no pending material federal or state court litigation regarding Pro Food Systems' or our use or ownership rights in any Mark.

### **Trademark License Agreement**

We and Pro Food Systems entered into a Trademark and System License Agreement. We refer to this agreement as the "Trademark License Agreement."

The Trademark License Agreement grants us the formal contractual right to use, and to authorize others to use, the Marks worldwide. It affects you because it grants us the right to license the Marks to you.

The Trademark License Agreement is dated September 15, 2013. It has a 20-year initial term. Unless we are in uncured material breach of the Trademark License Agreement, it will automatically renew for successive terms of 20 years each, unless the parties elect not to renew it.

Pro Food Systems may terminate the Trademark License Agreement if we are in material breach and the breach is not cured within 30 days. The Trademark License Agreement may be canceled or modified at any time on the written consent of both parties. We do not intend to cancel the Trademark License Agreement, and Pro Food Systems has not indicated any desire to do so. If Pro Food Systems terminates the Trademark License Agreement, or if Pro Food Systems and we mutually agree to cancel the Trademark License Agreement, you may continue to use the Marks during the term of your Franchise Agreement.

Except for the terms shown above, the Trademark License Agreement does not contain any material terms relevant to the franchise.

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

### **Defense of Marks**

We must defend the principal Marks and your right to use them. We will bear all costs of this defense. You must cooperate fully with us in the defense of the Marks. If you have provided this notice and cooperation, we must indemnify you against, and reimburse you for, all direct damages (but not damages for loss of future revenue and consequential, special, multiplied, enhanced, exemplary, or punitive damages) and expenses you incur: (i) due to any infringement or unfair competition claim any third party brings against you that arises out of your proper use of the Marks; and (ii) if you are a party to an administrative or judicial proceeding involving a Mark we license you to use, whether the proceeding is resolved favorably or unfavorably to you.

You must notify us promptly in writing of any use of, or any claim of rights to, any mark identical to, or confusingly similar to, any Mark. We are not required to take affirmative action when you notify us of these uses or claims, but we expect to do so if it is in the best interests of the System.

We have the right to control any administrative proceeding or litigation involving any Mark we license you to use. We have sole discretion over the protection and defense of any Mark and the settlement of any administrative proceeding or litigation related to any Mark. You may not take any action with regard to this protection or defense, and you may not initiate any suit or proceeding related to the System, without our prior express written consent.

### **Modifications to Marks; Discontinuance; Signage Reimbursement**

We will have the right at any time, on notice to you, to make additions to, deletions from, and changes to the Marks in our absolute discretion. You must adopt and use any and all of these additions, deletions, and changes as we direct, at your sole cost and expense. However, we will not change the primary name of the System from "Champs Chicken" or require you to change your approved Champs Chicken signage to some other primary name for a period of two years after the Effective Date of the Franchise Agreement unless we reimburse you for the cost of converting your approved Champs Chicken signage to signage using the other primary name.

If we are required to reimburse you for a signage change, we will reimburse you for the actual cost to obtain replacement signage from signage suppliers we designate; however, this reimbursement will be limited to: (i) \$2,000 per Restaurant; and (ii) \$6,000 in the aggregate. We refer to this reimbursement as the "Signage

Reimbursement.”

We will not be liable to you or any other party for any loss, expense, liability, damage, or damages, however characterized, and whether actual, consequential, incidental, special, multiplied, enhanced, exemplary, or punitive, for any of these additions to, deletions from, or changes to the Marks; including loss of profits, earnings, revenue, business, or expectancies, except for the Signage Reimbursement.

#### **Prior Rights; Infringing Uses**

We do not know of any superior prior rights or infringing uses that could materially affect your use of our principal Marks in any state where the Franchised Business will be located.

### **ITEM 14**

#### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

There are no patents or registered copyrights that are material to the franchise. There are no pending patent applications that are material to the franchise.

We own the rights to the Products and Services. We claim common law rights and copyright protection in the Products and Services, as well as a number of other items you will use in the operation of your Franchised Business, including our Operations Manual and other materials and information related to the System. These other items include our marketing materials; our methods for offering for sale, selling, and delivering the Products and Services; our methods for operating your Franchised Business; and our specifications, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use. We have not registered any of these copyrighted materials with the United States Registrar of Copyrights, although we may do so.

There are no current material determinations of the USPTO, the United States Copyright Office, or any court regarding any of our copyrights. There are no material proceedings pending in the USPTO or any court.

There are no agreements that limit our right to use or license you to use any of our copyrighted material in any manner material to your Franchised Business.

We do not have any obligation to protect any copyright. We may defend our copyrights when it is in the best interests of the System to do so. You are not required to notify us of any infringement claims. We are not required to defend or indemnify you against claims arising from your use of any items in which we claim copyright protection. We are not required to take any affirmative action if we are notified of any infringement. We have the exclusive right to control any copyright litigation. We are not required to participate in your defense or to indemnify you for expenses or damages in any proceeding involving a copyright we license to you.

We will have the right at any time, on notice, to make additions to, deletions from, and changes in any item in which we claim copyright protection. You must adopt and use all additions, deletions, and changes as we direct, at your expense.

We do not know of any patent or copyright infringement that could materially affect the franchise.

We claim proprietary rights in information that we designate as “Confidential Information” and “Trade Secrets.” “Confidential Information” is information that we disclose to you that we designate as

confidential, or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Examples of Confidential Information are the Operations Manual and the information in it, and our training programs and the material in them. “Trade Secrets” are items that derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who may obtain economic value from their disclosure or use. Examples of Trade Secrets include all customer lists, the contact information of customers, and our recipes.

You may use the Confidential Information and Trade Secrets during the Term of the Franchise Agreement. You must maintain the confidentiality of our Confidential Information and secrecy of our Trade Secrets, during and after the Term. You may not use this information in any other business or in any manner that we do not approve in writing, and you may not communicate, divulge, or otherwise display this information to anyone other than your personnel who have a need to know of it in order to operate your Franchised Business.

We have the right to take legal action against you if there has been an unauthorized use of our Confidential Information or Trade Secrets through you. In addition, misuse or unauthorized disclosure of our Confidential Information or Trade Secrets is a breach of the Franchise Agreement.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

#### **Your Obligations**

We refer to your general managers, assistant general managers, and other individuals who manage the overall operation of the Restaurant as your “Managers.”

If you are a business entity, you must participate personally in the direct operation of the Franchised Business, and you must exercise on-premises supervision of your Restaurant, through your Managers. Your Principals may be Managers, although we do not require this. We recommend that your Principals be Managers and that they exercise on-premises supervision of your Franchised Business and Restaurant.

If you are an individual, you may participate personally in the direct operation of the Franchised Business, and you may exercise on-premises supervision of your Restaurant, although we do not require you to do so. If you do not do so yourself, you must appoint one or more Managers who participate personally in the direct operation of the Franchised Business and exercise on-premises supervision of your Restaurant. You may be a Manager, although we do not require this. We recommend that you be a Manager and that you exercise on-premises supervision of your Franchised Business and Restaurant.

#### **Your Manager**

You must conduct any background investigations, aptitude screenings, and other screenings as we may prescribe, on each prospective Manager. The prospective Manager must pass these investigations and screenings.

Your Managers are required to attend, and complete successfully, Manager Training.

Each Manager must: (i) devote the amount of time and effort required to manage the Restaurant in compliance with the Franchise Agreement and our requirements; (ii) have day-to-day management responsibility for your Restaurant; and (iii) personally participate in the direct operation of the Restaurant.

You must cause your Managers to maintain the confidentiality of our Confidential Information and the secrecy of our Trade Secrets.

We do not require your Managers to have any equity interest in you.

Except as shown above, we do not require you to place restrictions on your Manager.

#### **You Are an Independent Contractor**

You are an independent contractor. Neither you nor any employee of yours will in any manner be construed to be an employee of ours for any purpose.

### **ITEM 16**

#### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

##### **Restrictions or Conditions on Products and services that You May Sell**

The System is a comprehensive system for the establishment, operation, and promotion of Champs Chicken Restaurants. We and our franchisees have an interest in ensuring the proper marketing and promotion of the Products and Services, and in protecting the quality and integrity of the System. We expect to change the System, and our franchisees expect us to change it, to respond to changes in the marketplace, economic conditions, business conditions, the hospitality profession, the law, the demands of consumers, our business needs, the needs of the System, and otherwise.

We do not assert any right to control products and services you offer, with two exceptions: (i) you must offer for sale all Champs Chicken Products and Services that we direct you to offer; and (ii) you may not offer for sale any products, equipment, services, supplies, or merchandise that are substantially the same as the Champs Chicken Products and Services, or that we have directed you not to offer. We may add to, delete from, and modify the list of Products and Services as we deem appropriate. There is no limitation on our right to do so.

##### **Restrictions or Conditions that Limit Your Access to Customers**

You must operate your Restaurant at and from the Approved Location, unless we agree, in writing, to allow you to operate an outlet at or from another location.

We do not impose any other restrictions or conditions on you that limit your access to customers.

### **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.**

<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Franchise Agreement: Section 2	Continues in effect until either party terminates.
	Gold Addendum: Section 4.1	5 years
	Silver Addendum: Section 3.1	3 years
b. Renewal or extension of the term	Franchise Agreement: None	No renewal because Franchise Agreement continues in effect until either party terminates.
	Gold Addendum: Section 4.1	Automatically renews for consecutive 5-year terms unless one party notifies the other that it will not renew.
	Silver Addendum: Section 3.1	Automatically renews for consecutive 3-year terms unless one party notifies the other that it will not renew.
c. Requirements for franchisee to renew or extend	None	When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by franchisee	Franchise Agreement: Section 14.b	You may terminate on 60 days' written notice.
	Gold Addendum: Section 4.2.2	None; you do not have the right to terminate.
	Silver Addendum: Section 3.1.0	None; you do not have the right to terminate.
e. Termination by franchisor without cause	None	Not applicable. We cannot terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 14.b	We may terminate if you commit: (i) any one of several listed breaches; or (ii) any other breach of the Franchise Agreement.
g. "Cause" defined – curable defaults	Franchise Agreement: Section 14.b.ii	10 days to cure if you commit any breach of the Franchise Agreement not specifically enumerated in Section 14.2.1 of the Franchise Agreement.
h. "Cause" defined – non-curable defaults	Franchise Agreement: Section 14	No opportunity to cure if: (i) you do not allow us to inspect your Restaurant, or if you do not provide us with all assistance we may request in the course of any inspection; or (ii) you commit any breach of the Franchise Agreement that is not susceptible of cure.
i. Franchisee's obligations on termination/nonrenewal	Franchise Agreement: Section 15	You must: (i) cease all use of the System; (ii) pay us all money you owe; (iii) return all Confidential Information; (iv) allow us to purchase the assets of your former Restaurants; and (v) comply with our then-current de-identification requirements.
j. Assignment of contract by franchisor	None	We may assign any or all of our rights and may delegate any or all of our obligations. We are not required to obtain your consent to any assignment or delegation. After any assignment, you must deliver to the assignee performance of all rights that we assigned. After any delegation, you must look solely to the delegatee, and not to us, for the performance of all obligations that we delegated. We may also, without your consent, transfer the ownership in us, and may engage in a public offering of equity.
k. "Transfer" by franchisee – defined	None	"Transfer" means the sale, assignment, delegation, transfer, conveyance, gift, pledge, mortgage, encumbrance, or hypothecation of any "Interest." An

<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
		<p>“Interest” is: (i) any direct, indirect, or beneficial interest in you, or of any Principal in you, the Franchised Business, the Franchise Agreement, the Franchise, any Approved Location, any Restaurant, or substantially all of the assets of the Franchised Business; and (ii) you, the Franchised Business, the Franchise Agreement, the Franchise, any Approved Location, or any Restaurant.</p>
l. Franchisor approval of transfer by franchisee	Franchise Agreement: Section 13	<p>We have the right to withhold our consent to a Transfer of any Interest. We will not unreasonably withhold our consent.</p>
m. Conditions for franchisor approval of transfer	None	<p>The conditions for Transfer are: (i) you must obtain our written consent prior to the transfer; (ii) the transferee and its equity holders must meet our Principal Qualifications; (iii) you must satisfy all monetary and other obligation with us (iv) at all times during the Term, you must have been in substantial compliance with all agreements and the Operations Manual; (v) at the time of Transfer, you must be in compliance with all agreements; (v) you, Principals, transferor, and transferee must sign our then-current form of transfer agreement; (vi) if the Transfer is a Transfer of you, all or substantially all of your assets, any Restaurant, all or substantially all of the assets of any Restaurant, the Franchised Business, all or substantially all of the assets of the Franchised Business, or the Franchise, the transferee must enter into our then-current form of franchise agreement, which may contain provisions that differ materially from the provisions of your Franchise Agreement; (vii) the transferee must agree to Renovate the Restaurant; (viii) the transferee and, if applicable, the transferee’s Managers, must complete any training programs then in effect for new franchisees; and (ix) the transferor or transferee must reimburse us for all costs and expenses we incur in connection with the Transfer.</p> <p>In the event of transfer of ownership of your store, you must notify our affiliate, Pro Food Systems, Inc. (“PFS”) of such sale. You must satisfy all monetary and other obligations with PFS within 10 days of the closing of the sale.</p>
n. Franchisor’s right of first refusal to acquire franchisee’s business	None	<p>Not applicable. We do not have a right of first refusal to acquire your Franchised Business.</p>
o. Franchisor’s option to purchase franchisee’s business	None	<p>Not applicable. We do not have an option to purchase your Franchised Business.</p>
p. Death or disability of franchisee	None	<p>The person acquiring your interest must be capable of conducting the Franchised Business.</p>
q. Non-competition covenants during the term of the franchise	None	<p>You and your Principals and Managers may not divert any business from the Restaurant, the Franchised Business, the System, or other systems we or our affiliates may operate.</p>

Provision	Section in Franchise or Other Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	None	Not applicable. We do not prohibit you from competing with us after your Franchise Agreement terminates.
s. Modification of the agreement	None	No modification without your and our written agreement, but we may change the Operations Manual and modify the System without your consent.
t. Integration/merger clause	Franchise Agreement: Section 17.a	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations will be binding representations or promises will be binding. Nothing in the Franchise Agreement or in any related written agreement is intended to disclaim representations made in the franchise disclosure document.
	Gold Addendum: Section 7.1	
	Silver Addendum: Section 5.1	
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 16.c	All disputes must be resolved exclusively by litigation.
	Gold Addendum: Section 7.2	
	Silver Addendum: Section 5.2	
v. Choice of forum	Franchise Agreement: Section 16.c	All litigation must take place in a federal or state court having jurisdiction over the subject matter in the place where our principal business office is located, subject to state law. Our principal business office is currently located in Holts Summit, Missouri. This provision is subject to state law.
w. Choice of law	Franchise Agreement: Section 16.c	Delaware law applies, subject to state law.

## **ITEM 18**

### **PUBLIC FIGURES**

We do not provide or promise any compensation or other benefit to any public figure arising from the use of the public figure in the franchise name or symbol, or for the public figure's endorsement or recommendation of the franchise to prospective franchisees. No public figure is involved in our management or control. No public figure has any investment in us.

## **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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 Shawn Burcham at Champs Chicken Franchising, LLC, 120 Commerce Drive, Holts Summit, Missouri 65043, 573) 896-2500, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20**

### **OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**FOR YEARS JUNE 30, 2022 TO JUNE 30, 2023**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	406	417	+11
	2022	417	431	+14
	2023	431	415	-16
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	1	1
Total Outlets	2021	406	417	+11
	2022	417	431	+14
	2023	431	416	-15

**TABLE NO. 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES**  
**TO NEW OWNERS (OTHER THAN THE FRANCHISOR)**  
**FOR YEARS JUNE 30, 2021 TO JUNE 30, 2023**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Georgia	2021	0
	2022	0
	2023	1
Illinois	2021	1
	2022	0
	2023	0
Iowa	2021	0
	2022	1
	2023	0
	2021	1

Kansas	2022	0
	2023	0
Minnesota	2021	0
	2022	5
	2023	0
Missouri	2021	1
	2022	2
	2023	4
Ohio	2021	1
	2022	0
	2023	0
Oklahoma	2021	2
	2022	1
	2023	1
Oregon	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	1
	2023	1
Utah	2021	0
	2022	1
	2023	0
Washington	2021	4
	2022	0
	2023	0
Wyoming	2021	0
	2022	1
	2023	1
Total	2021	10
	2022	13
	2023	8

**TABLE No. 3**  
**STATUS OF FRANCHISED OUTLETS**  
**FOR YEARS JUNE 30, 2021 TO JUNE 30, 2023**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other	Col. 9 Outlets at End of the
Alabama	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	1	6
	2023	6	0	0	0	0	0	6
	2021	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other	Col. 9 Outlets at End of the
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	21	3	0	0	0	1	23
	2022	23	3	0	0	0	1	25
	2023	25	0	0	0	0	1	24
Colorado	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	1	4
	2023	4	1	0	0	0	2	3
Florida	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Georgia	2021	28	9	0	0	0	1	36
	2022	36	5	0	0	0	4	37
	2023	37	0	0	0	0	7	30
Idaho	2021	15	0	0	0	0	2	13
	2022	13	1	0	0	0	4	10
	2023	10	1	0	0	0	1	10
Iowa	2021	12	1	0	0	0	2	11
	2022	11	0	0	0	0	2	9
	2023	9	0	0	0	0	3	6
Illinois	2021	21	1	0	0	0	1	21
	2022	21	3	0	0	0	2	22
	2023	22	1	0	0	0	1	22
Kansas	2021	24	1	0	0	0	0	25
	2022	25	0	0	0	0	2	23
	2023	23	2	0	0	0	5	20
Kentucky	2021	2	1	0	0	0	0	3
	2022	3	2	0	0	0	0	5
	2023	5	2	0	0	0	1	6
Louisiana	2021	6	2	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1	7
Maryland	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Michigan	2021	1	3	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Minnesota	2021	11	1	0	0	0	2	10
	2022	10	4	0	0	0	1	13

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other	Col. 9 Outlets at End of the
	2023	13	4	0	0	0	1	16
Missouri	2021	65	3	0	0	0	8	60
	2022	60	4	0	0	0	6	58
	2023	58	3	0	0	0	10	51
Mississippi	2021	2	0	0	0	0	1	1
	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Montana	2021	14	0	0	0	0	5	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	1	8
Nebraska	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	1	6
	2023	6	0	0	0	0	1	5
Nevada	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
North Carolina	2021	24	0	0	0	0	0	24
	2022	24	1	0	0	0	0	25
	2023	25	1	0	0	0	0	26
North Dakota	2021	19	1	0	0	0	1	19
	2022	19	1	0	0	0	1	19
	2023	19	1	0	0	0	2	18
Ohio	2021	12	5	0	0	0	0	17
	2022	17	7	0	0	0	0	24
	2023	24	9	0	0	0	1	32
Oklahoma	2021	19	3	0	0	0	1	21
	2022	21	3	0	0	0	3	21
	2023	21	2	0	0	0	3	20
Oregon	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6
Pennsylvania	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
South Carolina	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	1	2
South Dakota	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2021	7	1	0	0	0	0	8

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other	Col. 9 Outlets at End of the
Tennessee	2022	8	0	0	0	0	1	7
	2023	7	1	0	0	0	6	2
Texas	2021	34	4	0	0	0	10	28
	2022	28	3	0	0	0	3	28
	2023	28	4	0	0	0	2	30
Utah	2021	6	1	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Virginia	2021	5	1	0	0	0	0	6
	2022	6	2	0	0	0	1	7
	2023	7	1	0	0	0	0	8
Washington	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	2	10
	2023	10	0	0	0	0	0	10
West Virginia	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	2	1
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Wyoming	2021	9	0	0	0	0	1	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	1	8
Totals	2021	406	45	0	0	0	34	417
	2022	417	50	0	0	0	36	431
	2023	431	39	0	0	1	54	415

**TABLE NO. 4**  
**STATUS OF COMPANY-OWNED OUTLETS**  
**FOR YEARS JUNE 30, 2020 TO JUNE 30, 2022**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Missouri	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
	2023	0	1	0	0	0	1

**TABLE NO. 5**  
**PROJECTED OPENINGS AS OF JUNE 30, 2023**

Col. 1 State	Col. 2 Franchise Agreement Signed but Outlet not Opened	Col. 3 Projected New Franchised outlets in the next Fiscal Year	Col. 4 Projected New Company Owned Outlets Next Fiscal Year
Alabama	0	1	0
Arizona	0	3	0
Arkansas	1	0	0
California	2	3	0
Colorado	0	2	0
Georgia	1	2	0
Illinois	0	2	0
Indiana	0	1	0
Kansas	1	1	0
Kentucky	0	1	0
Louisiana	0	1	0
Maryland	0	1	0
Michigan	0	1	0
Minnesota	4	6	0
Mississippi	0	3	0
Missouri	0	3	0
Montana	0	1	0
Nebraska	0	1	0
Nevada	0	0	0
New Mexico	0	1	0
North Carolina	0	1	0
Ohio	4	4	0
Oklahoma	1	3	0
Oregon	1	1	0
South Carolina	0	1	0
South Dakota	0	1	0
Tennessee	1	2	0
Texas	1	4	0
Utah	1	2	0
Virginia	1	1	0
Washington	2	3	0

Col. 1 State	Col. 2 Franchise Agreement Signed but Outlet not Opened	Col. 3 Projected New Franchised outlets in the next Fiscal Year	Col. 4 Projected New Company Owned Outlets Next Fiscal Year
West Virginia	1	1	0
Wyoming	1	1	0
<b>TOTALS</b>	23	59	0

**Notes:**

1. The above tables encompass only the Business within a Business locations. There are no free-standing locations as of the date of this disclosure document.
2. Attached to this Disclosure Document as Exhibit F is a listing of the names of all current franchisees and the address and telephone number of each of their Restaurants.

Listed below are the franchisees who have signed a franchise agreement but were not yet operational as of the end of our last fiscal year end:

Store Name	Address	City	ST	Zip	Telephone
White Oak One Stop	400 Esplanade Avenue	Conway	AR	72034	501-358-8395
Chuck's Place	14618 Skyway	Magalia	CA	95954	530-682-3588
Tipton Fuel	NULL	Buttonwillow	CA	93206	661-201-2661
Royal Seven 10	106 John R. Williams Pkwy	McDonough	GA	30252	678-938-5173
Wamego Store LLC	403 Spruce Street	Wamego	KS	56310	816-294-5633
Barnesville Cenex	619 FRONT STREET	BARNESVILLE	MN	56514	218-354-2139
Elk Mound Store LLC.	NULL	Avon	MN	56310	816-294-5633
Farmers Co-Op Oil	5036 100th Ave SE	Clara City	MN	56222	TBD
Mel's Corner	NULL	Avon	MN	56310	816-294-5633
BellStore- Ashland West #1059	7977 Hills & Dales Rd NE	Massillon	OH	44646	330-4174-3094
BellStore- South Market #1016	7977 Hills & Dales Rd NE	Massillon	OH	44646	330-4174-3094
Friendly Express #6	910 US 250 RT 5	ASHLAND	OH	44805	419-368-5263
Friendly Express #4	363 31 <sup>st</sup> Street NW	Barberton	OH	44203	(330) 983-9238
Campus Quick Stop	1601 W Grand Ave	Chickasha	OK	73018	405-825-3531
Center Market #35	1015 Walnut Street	The Dalles	OR	97058	(503) 480-5945
Hwy 31W Marketplace	1649 Foxland Blvd	Gallatin	TN	37066	731-514-7426
Speedy Express 51	2718 Old Max Ct.	Pearland	TX	77581	832-781-4398
Big Pine Sinclair (Thompson Oil Co)	115 N Main St	Manti	UT	84642	435-835-5011
Rockingham Petroleum – Broadway	100 Main Street	Broadway	VA	22815	540-434-4321
Cenex Zip Trip #59	4407 N Division Street #300	Spokane	WA	99207	509-535-7701
Irrigon Express Stop LLC	15005 NW 2nd Ave	Vancouver	WA	98685	360-567-9077
Fayette Convenience Center	1267 Beckwith Rd	Fayetteville	WV	25840	304-574-1286

Listed below are the franchisees who have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

Store Name	Address	City	ST	Zip	Telephone
The Curve	301 West 4th	Fordyce	AR	71742	870-352-9400
LMR Oil #3	4513 CO-63	Atwood	CO	80722	480-280-2446
Clear View Food Mart	4815 Yucatan Dr	Colorado Springs	CO	80911	719-390-3510
Mt Pleasant Store	4977 Mt Pleasant Church Rd	Macon	GA	31216	478-259-1750
Gas Express #167	1740 Duluth Hwy	Lawrenceville	GA	30043	404-809-4923
Gas Express #198	2700 Austell Road SW	Marietta	GA	30008	404-809-4923
Gas Express #246	3858 COVINGTON HIGHWAY	Decatur	GA	30032	404-809-4923
Gas Express #209	6429 Covington Hwy	Lithonia	GA	30058	404-809-4923
Gas Express #153	343 Joseph Lowery Blvd SW	Atlanta	GA	30310	404-809-4923
Southside BP	1979 Hwy 27 South	Carrollton	GA	30117	770-832-2311
PRO-GO C-MART	155 S RERICK AVE	PRIMGHAR	IA	51245	712-757-0640
Jack Rabbit Junction	1706 Pierce Ave	Sibley	IA	51249	712-754-2586
BP to Go #4 (Former Owner)	250 16th Ave	Cedar Rapids	IA	52404	816-294-5633
SWENSEN'S MARKET #6	991 S WASHINGTON ST	TWIN FALLS	ID	83301	208-733-8987
PIONEER EXPRESS - PERRY	204 S CLOVER	PERRY	IL	62362	217-236-3707
Food Fair (Pleasanton)	922 Main Street	Pleasanton	KS	66075	913-795-2989
FOOD FAIR INC	720 MAIN STREET	MOUND CITY	KS	66056	913-795-2989
Fast Stop #12 (55th Street)	945 S 55th St	Kansas City	KS	66106	913-287-5990
U PUMP IT #202	220 E SANTA FE TR	LAKIN	KS	67860	817-573-4265
SHORT STOP #27	101 N Highway 99	Westmoreland	KS	66549	785-632-5648
Horse Cave Shell (Former Owner)	515 Flint Ridge Road	Horse Cave	KY	42749	270-737-3400
Emerald Palace Casino	347 Lobdell Hwy	Port Allen	LA	70767	225-346-4882
Carroll Motor Fuel	4101 Patterson Ave	Baltimore	MD	21215	410-585-0520
A to Z Gas Stop Inc (Stop N Shop)	3050 1st Ave S	Minneapolis	MN	55408	612-827-6370
YELLOW JACKETS EXPRESS	379 N JEFFERSON	LEBANON	MO	65536	417-718-4731
Prenger Foods Bucklin	2 S Livingston	Bucklin	MO	64631	660-395-3000
The Corner (Maiden Lane)	2300 Maiden Ln	Joplin	MO	64801	417-553-5315
TRAVEL CENTER O/T OZARKS - EDW - CHAMPS	225 EAST EVERGREEN	STRAFFORD	MO	65757	417-736-2161
T/A TRUCK STOP	1080 E MT VERNON BLVD	MT VERNON	MO	65712	417-276-3333
HOT SPOT #3	548 N Spring Park Blvd	Mt Vernon	MO	65712	417-276-3333
HOT SPOT #4	515 W COLLEGE ST	GREENFIELD	MO	65661	417-276-3333
ALPS (PITTSBURG)	25817 MO-64	PITTSBURG	MO	65724	417-852-1111
THOELE CONV STORE (Former Owner)	3000 HWY 94 N	ST CHARLES	MO	63301	636-338-4669
THOELE OIL CO (HAZELWOOD) (Former Owner)	6025 HOWDERSHELL ROAD	HAZELWOOD	MO	63042	636-338-4669
Cheyenne Depot I	221 S Cheyenne Ave	Lame Deer	MT	59043	406-477-6767
Envision C-Store	401 Highway 2 SW	Rugby	ND	58368	701-208-0539
Envision of Mohall	803 Hwy 5 E	Mohall	ND	58761	701-756-6040
HWY 41 Express Stop (Former Owner)	1200 Road 24	Milligan	NE	68406	402-366-8173
Tipp City RoadDog	1200 W Main St	Tipp City	OH	45371	937-266-8204

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, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We do not know of any trademark-specific franchisee organization associated with the System.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Exhibit E is our audited financial statements for the fiscal year ending June 30, 2023, June 30, 2022 and June 30, 2021.

Also included in Exhibit E are our unaudited financials as of December 31, 2023.

No affiliate guaranties to assume our duties and obligations under the Franchise Agreement. No parent commits to perform our post-sale obligations or guaranties our obligations.

## **ITEM 22**

### **CONTRACTS**

The following are all proposed agreements regarding the franchise offering:

<b>Agreement:</b>	<b>Attached As:</b>
Champs Chicken® Franchise Agreement	Exhibit A to Disclosure Document
State Law Addendum	Schedule C to Franchise Agreement
Gold and Silver Addenda to Franchise Agreement	Exhibit B to Disclosure Document
Form of Release, Estoppel, Covenant Not to Sue, Indemnification	Exhibit H to Disclosure Document
Disclosure Document Receipts	Exhibit I to Disclosure Document

## **ITEM 23**

### **RECEIPTS**

The last two pages of this Disclosure Document (Exhibit J) are detachable Receipts acknowledging that you received this Disclosure Document. You must sign and date each Receipt. If you are missing these Receipts, please contact us at this address or telephone number:

Champs Chicken Franchising, LLC  
120 Commerce Drive  
Holts Summit, Missouri 65043  
(573) 896-2500

**EXHIBIT A**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**CHAMPS CHICKEN® FRANCHISE AGREEMENT**

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Champs Chicken Franchising, LLC  
A Delaware Limited Liability Company  
120 Commerce Drive  
Holts Summit, Missouri 65043  
(573) 896-2500  
sjb@pfsbrands.com  
www.champschicken.com

**CHAMPS CHICKEN FRANCHISE AGREEMENT**  
**FOR BUSINESS WITHIN-A-BUSINESS LOCATIONS**

THIS AGREEMENT (the "Agreement") is made and entered into on \_\_\_\_\_ (the "Effective Date"), by and between CHAMPS CHICKEN FRANCHISING, LLC, a Delaware limited liability company ("we," "us," or "our"), and \_\_\_\_\_ ("you" or "your"), for the Champs Chicken outlet at the address shown on Attachment 1 to this Agreement (the "Restaurant(s)").

**RECITALS**

- A. We own the right to use, and to license others to use, the trademark "Champs Chicken®" and trademarks, trade names, service marks, logotypes, trade dress, and other commercial symbols related to the trademark "Champs Chicken" (collectively, the "Marks").
- B. We have acquired and have further developed a unique concept and system for the development, opening, and operation of restaurant(s)s that sell a line of food, *beverages*, merchandise, and miscellaneous items we designate (collectively, the "Products and Services"), using: (i) our rules, guidelines, standards, specifications, plans, programs, and procedures (collectively, our "Standards and Specifications"); (ii) our designs, business formats, training, expertise, know-how, and confidential information; (iii) our recipes; and (iv) our advertising and promotional materials (all of which, together with the Marks, are referred to collectively in this Agreement as the "System"), all of which System is subject to change, improvement, and further development by us.
- C. You are a skilled and experienced business professional. You have an existing retail outlet (your "Store(s)"), or you are developing one. You have applied to us for a franchise to use the System to operate the Restaurant(s) in the Store(s), and we want to grant you a franchise to use the System to operate the Restaurant(s) in the Store(s).

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency all of which you and we hereby acknowledge, you and we hereby agree as follows:

1. **Grant of Franchise.** We hereby grant to you, and you hereby accept from us, a franchise (the "Franchise") to develop, open, and operate the Restaurant(s) in compliance with this Agreement.
2. **Term.** This Agreement will commence on the Effective Date and will continue in effect until either party terminates this Agreement as set forth in this Agreement.
3. **Fees.**
  - a. **Initial Fee.** You are not required to pay an initial franchise fee in relation to this Agreement.
  - b. **Royalty.** You are not required to pay a continuing royalty in relation to this Agreement.
4. **Development of Restaurant(s); Territory.**
  - a. **Proposed Site.** We will review the proposed site for the Restaurant(s). Because you will operate your Restaurant(s) within an existing business of yours, you will have the Proposed Site before you sign the Franchise Agreement. We will evaluate your Proposed Site before we enter into the Franchise Agreement with you. If you do not have a site we approve, we will not enter into the Franchise Agreement.
  - b. **Approved Location.** You will develop and operate the Restaurant(s) only at the address shown on Attachment 1 to this Agreement, in the Store(s).

- c. **Territory.** Your territory (“Territory”) will consist of the shell of the Store(s). Inside your Territory, we will not operate, and we will not authorize others to operate, restaurant(s)s using the System. Outside your Territory, we may operate, and we may authorize others to operate, restaurant(s)s using the System at any location, even if they compete with you.
- d. **Site Improvements.** You will make the site improvements and install the furniture, fixtures, equipment, décor, and signage at the Restaurant(s) that we require. We will consult with you regarding the design, construction, remodeling, equipping, and decorating of the Restaurant(s); provided, however, it will be your sole responsibility to design, construct, remodel, equip, decorate, ready, and open the Restaurant(s) in compliance with this Agreement.
- e. **Opening Date.** You will open the Restaurant(s) for regular business operations within six months of the Effective date of this Agreement.

## 5. **Training and Assistance.**

- a. **Managers; Manager Training.** You will appoint one or more individuals to exercise overall control over the Restaurant(s) (such individuals being referred to as the “Managers”). We will provide you with our training for Managers (the “Manager Training”). Your Managers must attend, and successfully complete Manager Training. We will not charge you any fee for training a reasonable number of Managers at your Store(s). If we train an unreasonable number of Managers, we may require you to pay us a fee for the training and to reimburse us for our costs and expenses of providing such training.
- b. **Opening Assistance.**
  - i. **Retail Growth Advisor.** We will furnish a representative (the “Retail Growth Advisor”) to your Restaurant(s). The Retail Growth Advisor will provide you with advice related to developing and opening your Restaurant(s). We will not charge you any fee for the Retail Growth Advisor.
  - ii. **Corporate Trainer.** We may, at our discretion, provide you with a trainer (the “Corporate Trainer”) to assist in the opening process. We will not charge you any fee for the Corporate Trainer.
  - iii. **Your Staffing.** You will staff the Restaurant(s) with your employees to train with the Retail Growth Advisor and Corporate Trainer.
  - iv. **Training Charges for Unpreparedness.** If we arrive at your Restaurant and find you are unprepared to train or prevent the Restaurant from opening, you must pay us a minimum of Three Thousand Five Hundred Dollars (\$3,500). If Three Thousand Five Hundred Dollars (\$3,500) does not cover the travel expenses of the training team, we reserve the right to charge the actual travel expenses incurred.
- c. **Continuing Assistance** We will make available to you, at no additional charge: (i) subject to the availability of our personnel, at times we determine, with reasonable periodic or continuing individual or group assistance and consultation; and (ii) with such bulletins, brochures, and reports as we may from time to time publish regarding our plans, policies, marketing research, testing, developments, and activities (collectively, the “Assistance”).

## 6. **Advertising; Press Releases and Promotions.**

- a. **If We Provided Advertising.** You may use advertising materials that we have provided to you. Such use must comply with this Agreement and our Standards and Specifications.
- b. **If We Have Not Provided Advertising.** If you want to use advertising materials that we have not provided to you, you must submit the advertising materials to us for our approval before you use them. We will have ten (10) days in which to approve or disapprove the materials. If we have not disapproved the use of the materials by the end of ten (10) days after we receive them, they will be deemed approved.
- c. **Press Releases; Promotions; Compliance.** You may not: (i) issue any press release or similar promotion related to the Restaurant(s) unless we expressly approve the press release or promotion in writing in advance; or (ii) conduct any advertising or promotional activities that fall outside our Standards and Specifications.

## 7. **Products, Equipment, Services, Supplies, and Merchandise.**

- a. **Sources.** You must purchase, license, or otherwise obtain all products, equipment, services, supplies, and merchandise that we specify only from us, from our affiliates, from suppliers we designate, or from suppliers you select and we approve.
- b. **Right to Receive Revenue, Profits, and Other Benefits.** You acknowledge and agree that: (i) we and our affiliates may enter into agreements with third parties, pursuant to which we and our affiliates may derive revenue, profits, and other benefits, such as rebates, discounts, and allowances, as a result of purchases we require you to make from such third parties; and (ii) we may require you to purchase products, equipment, services, supplies, and merchandise from us and our affiliates, and that we and our affiliates may derive revenue, profits, and other benefits from purchases we require you to make from us and such affiliates.

## 8. Use of Marks; Limitation on Use of Marks.

- a. Use of Marks. You agree that you will: (i) use and display the Marks only in relation to the operation of the Restaurant(s); and (ii) use and display the Marks only in the form, manner, and locations that we approve or direct.
- b. Limitations on Use of Marks. You agree that unless we expressly authorize you to do so in writing, you will not: (i) use or display the Marks in relation to any business or activity other than the operation of the Restaurant(s); (ii) use any trademark, trade name, service mark, logotype, other commercial symbol, or trade dress, other than the Marks, as a primary identifier of the Restaurant(s); (iii) offer the Products and Services, or any other products, equipment, services, supplies, or merchandise, under the Marks, except as set forth in this Agreement; (iv) use or display the Marks except in the form, manner, and locations that we specifically approve or direct; (v) use or register any Mark, any part of any Mark, or anything similar, as part of your name or the name of any entity related to your activities; (vi) use or register any Mark, any part of any Mark, or anything similar, as a part of any Internet domain name, social media site name, user name, or like name; (vii) use any Mark in any manner that may injure or disparage us or our reputation; or (viii) take any action that may harm or jeopardize any Mark, or our ownership of such Mark, in any way.

## 9. Your Obligations.

- a. Compliance with Laws. You must develop, open, and operate the Restaurant(s) in compliance with all applicable constitutions, statutes, rules, regulations, ordinances, and case law (collectively, the "Laws").
- b. Compliance with Agreement, Operations Manual, and Standards and Specifications. You must develop, open, and operate your Restaurant(s) in compliance with this Agreement, our Operations Manual, and our Standards and Specifications.
- c. Products and Services. You must offer for sale all Products and Services that we direct you to offer. You must use reasonable commercial efforts to sell all Products and Services that we direct you to offer. We list our current Products and Services on Attachment 2 to this Agreement. We may add to, delete from, and modify such list and the Products and Services on it from time to time. We may not require you to offer all Products and Services at the Restaurant(s). You may not offer for sale any products, equipment, services, supplies, or merchandise that: (i) are substantially the same as the Champs Chicken Products and Services; or (ii) we have directed you not to offer.
- d. If you breach any provision of Section 10 ("Inspections") of this Agreement, and fail to cure such breach within seven (7) days of receipt of the certified notice, this will result in One Hundred and No/100 Dollars (\$100) PER DAY fee. You shall pay us the fee on or before the tenth (10th) day after we demand the payment of such fee.
- e. Payment. You must pay all amounts you owe us, our affiliates, and your other suppliers within their required credit terms.
- f. Confidentiality. "Confidential Information" means any information that we disclose to you that we designate as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. All of the following shall conclusively be deemed to be "Confidential Information" whether or not we designate them as such: (i) all information that we have marked or designated as confidential; (ii) our Operations Manual, together with all similar directives and documentation; (iii) our training programs and the material contained in them; (iv) our Standards and Specifications; (v) our cost information; and (vi) all other information that we provide to you in confidence.
  - i. You agree that: (i) we own the Confidential Information; and (ii) the Confidential Information shall remain our sole and exclusive property.
  - ii. You will: (i) hold all Confidential Information in confidence; (ii) not use, discuss, communicate, or transmit to others, or make any unauthorized copy of or use Confidential Information in any capacity, position, or business except the Restaurant(s) franchised under this Agreement or a Restaurant(s) franchised under some other Champs Chicken franchise agreement; (iii) take all reasonable action that we specify to prevent unauthorized use or disclosure of the Confidential Information, and to protect our interests in the Confidential Information; and (iv) at all times use your best efforts to prevent unauthorized copying or disclosure of any and all Confidential Information.
- g. Renovation. You must renovate the Restaurant(s), and renovate or replace the Restaurant(s)'s furniture, fixtures, equipment, décor, and signage, from time to time as we direct, at your sole cost and expense, to conform the Restaurant(s) to: (i) our then-current Standards and Specifications; and (ii) our judgment as to the condition, state of repair, functionality, and general appearance of your Restaurant(s), furniture, fixtures, equipment, décor, and signage compared to the condition, state of repair, functionality, and general appearance that we consider desirable.
- h. GRITT Summit and Franchise Advisory Meeting Attendance. You will send at least one (1) individual to the annual GRITT Summit and Franchise Advisory Meeting. This person should be a decision maker or manager for the Restaurant. You will pay the registration fees and travel expenses associated with attending these

events.

10. **Inspections.** You agree that: (i) we may, at any time the Restaurant(s) is required to be or is in fact open for business, without notice, enter onto the premises of the Restaurant(s) to determine your compliance with this Agreement; (ii) we may examine, inspect, and photograph, and videotape all areas and aspects of the Restaurant(s); and (iii) you and your personnel will provide us with all assistance we may request in the course of any such inspection.

11. **Reports, Documents, and Data; Use of Information.**

- a. **Reports, Documents, and Data.**
  - i. We may request that you provide us with continuing and other reports, documents, and data related to the Restaurant(s). If we request such items, you will prepare and deliver the items we requested to us so that we actually receive them by end of the date we specify.
  - ii. We may request that suppliers provide us with reports, documents, and data related to your purchases. You hereby authorize such suppliers to prepare and deliver the items we may request.
- b. **Use of Information.** You hereby authorize us to incorporate: (i) in our franchise disclosure documents; (ii) in bulletins, reports, and other memoranda; and (iii) in any advertising and promotional materials, information we derive from the reports, documents, and data you or your suppliers are required to provide to us.

12. **Indemnification and Insurance.**

- a. **Indemnification.** You will, at your sole cost and expense, defend, indemnify, and hold harmless us and our affiliates, and our and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Indemnitees"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages (actual, consequential, multiplied, enhanced, exemplary, punitive, and otherwise), expenses, costs, liability, and liabilities, of any nature or kind, including without limitation attorneys' fees and costs (collectively, the "Losses"), arising out of or related to any action, suit, proceeding, claim, demand, or investigation (collectively, the "Claims"), arising out of or related to: (i) this Agreement; (ii) the Restaurant(s); or (iii) the business relationship between you and us (collectively, your "Indemnification Obligations").
- b. **Insurance.** You will obtain and maintain, at your sole cost and expense, the insurance policies and coverages we require, in forms and through insurance companies satisfactory to us.

13. **Transfer.**

- a. The Franchise granted under this Agreement is granted to you only. You may not, without our prior express written consent, transfer, assign, subfranchise, or otherwise authorize others to use any direct, indirect, or beneficial interest of yours in or to this Agreement, the Franchise granted under this Agreement, the System, or the other rights we grant you in relation to this Agreement.
- b. In the event of the transfer of ownership of your store(s), you must notify our parent company, Pro Food Systems, Inc. ("PFS"), of such sale. You must satisfy all monetary and other obligation with PFS within 10 days of the closing of sale.

14. **Termination.**

- a. **Termination by You.** You may terminate this Agreement at any time on sixty (60) days' written notice of termination to us.
- b. **Termination by Us.**
  - i. **Immediate Termination.** We may terminate this Agreement immediately on notice of termination to you: (i) if you breach any provision of Section 10 ("Inspections") of this Agreement; or (ii) if you commit any breach of this Agreement that is not reasonably susceptible of cure.
  - ii. **Termination with Opportunity to Cure.** We may terminate this Agreement after ten (10) days' written notice of breach to you and your failure to cure such breach by the end of such cure period, if you breach any provision of this Agreement not described in Section 14.b.i of this Agreement.
- c. **Reimbursement of Training Costs.** Notwithstanding anything set forth in this Agreement to the contrary: (i) if you terminate this Agreement anytime within the Initial Term of this Agreement, you must pay us Seven Thousand Five Hundred and No/100 Dollars (\$7,500) together with your notice of termination; or (ii) if we terminate this Agreement anytime within the Initial Term of this Agreement due to your breach, you must pay us Seven Thousand Five Hundred and No/100 Dollars (\$7,500) so that we actually receive such payment by the end of ten (10) days after we demand such payment, to reimburse us for our training costs and expenses.

15. **Obligations on Termination.** On termination of this Agreement for any reason, you will immediately: (i) cease all use of the System; (ii) pay us and our affiliates all amounts you owe; (iii) return all Confidential Information, and all copies of all Confidential Information, to us; and (iv) comply with our then-current de-identification requirements.

a. If your store has not been de-identified within seven (7) days after the effective date of termination or expiration, then you must pay us a “De-Identification Fee” equal to One Thousand and No/100 Dollars (\$1,000) per day that your store is not de-identified following such termination. For example, purposes, if your store’s signage was not removed until the 15<sup>th</sup> date after the effective termination, the De-Identification Fee will equal Eight Thousand and No/100 Dollars (\$8,000). You shall pay us the De-Identification Fee on or before the tenth (10<sup>th</sup>) day after we demand the payment of such fee.

16. **Miscellaneous Provisions.**

a. **Notices.**

i. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given: (i) when delivered in person by the other party; (ii) one (1) business day after being sent by reputable commercial courier service for next business day delivery; (iii) five (5) business days after being deposited in the United States mail for certified or registered delivery, return receipt requested, postage prepaid; or (iv) on the intended recipient’s failure or refusal to accept delivery of any notice given pursuant to this Section 16.a.i, which failure or refusal shall be deemed constructive delivery effective on the earlier of the date of such refusal or the dates set forth in Clauses (i) through (iii) of this Section 16.a.i. UPS, Federal Express, and any successors thereto shall conclusively be deemed “reputable commercial courier services.”

ii. You and we will direct notices to the other, to the address for the other set forth on Attachment 1 to this Agreement.

b. **Further Assurances.** You agree that: (i) you will perform such acts, and will execute and deliver such agreements and other documents to us, as we may deem necessary or beneficial to effect the intent of this Agreement; (ii) you will not condition or delay the performance of such acts or the execution and delivery of such agreements and other documents; and (iii) you will deliver such agreements and other documents to us so that we actually receive them by the end of thirty (30) days after we deliver them to you for execution.

c. **Dispute Resolution.**

i. **Litigation.** In the event of any dispute arising out of or related to this Agreement, including without limitation any dispute arising out of or related to the making of this Agreement, such dispute shall be resolved exclusively through litigation. Such litigation shall be conducted on an individual, not a class-wide, basis. No litigation under this Agreement may be consolidated with any other litigation involving us and any other person without our prior written consent.

ii. **Governing Law.** The existence, validity, construction, enforcement, and sufficiency of performance of this Agreement shall be determined exclusively in accordance with, and governed exclusively by, the laws of the State of Delaware applicable to agreements made and to be entirely performed within the State of Delaware, which laws shall prevail in the event of any conflict of laws. Notwithstanding the foregoing, all litigation hereunder, to the extent governed by the United States Trademark Act of 1946, shall be governed by such Trademark Act of 1946.

iii. **Forum, Venue, and Jurisdiction.** In the event of any litigation arising out of or related to this Agreement, including without limitation any litigation arising out of or related to the making of this Agreement, the exclusive forum and venue for such litigation shall be a state or federal court having jurisdiction over the subject matter in or for the city or county where our principal place of business is located. You hereby irrevocably accept and submit to, generally and unconditionally, the exclusive jurisdiction of any such court in any such action or proceeding and hereby waive all defenses based on jurisdiction, venue, and forum non conveniens.

iv. **WAIVER OF TRIAL BY JURY.** YOU AND WE HEREBY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATED TO: (I) THIS AGREEMENT; (II) THE RESTAURANT(S); AND (III) THE BUSINESS RELATIONSHIP BETWEEN YOU AND US.

v. **Attorneys’ Fees.** In the event of any dispute arising out of or related to this Agreement, including without limitation any dispute arising out of or related to the making of this Agreement, the non-prevailing party shall pay the prevailing party, on demand, such prevailing party’s costs, including without limitation such prevailing party’s reasonable attorneys’ fees and costs, and further including without limitation such prevailing party’s reasonable attorneys’ fees and costs of appeal, and further including without limitation such prevailing party’s reasonable attorneys’ fees and costs of collection, all of which shall be taxed as costs, so that the prevailing party actually receives such amounts by the end of ten (10) days after demand therefor. In the event of any breach of this Agreement, the breaching party shall pay the non-breaching party such non-breaching party’s costs related to such breach, including without limitation such non-breaching party’s reasonable attorneys’ fees and costs,

and further including without limitation such non-breaching party's reasonable attorneys' fees and costs of collection, so that the non-breaching party actually receives such amounts by the end of ten (10) days after demand therefor.

d. **Relationship of the Parties.** You acknowledge and agree that: (i) the relationship between you and us is solely and exclusively an independent contractual relationship; (ii) you do not have any right, power, or authority to obligate or to bind us, legally or otherwise; (iii) nothing in this Agreement may be construed to create a partnership or a joint venture, or an agency, fiduciary, or employment relationship; (iv) we will not be liable for any damages to any person or property that directly or indirectly arise out of or relate to the Store(s) or the Restaurant(s); and (v) except as otherwise set forth in this Agreement, we do not have control or any right of control over your business.

#### **17. Construction of Agreement.**

- a. **Merger: Entire Agreement.** This Agreement, including the schedules and addenda to this Agreement and the Franchise Disclosure Document, is a complete integration that sets forth the entire agreement between you and us, fully superseding any and all prior negotiations, agreements, representations, and understandings between you and us, whether oral or written, related to the subject matter of this Agreement. You and we hereby expressly agree that there are no other oral or written agreements, "side-deals," arrangements, or understandings between you and us except as expressly set forth in this Agreement.
- b. **Interpretation.** The Recitals to this Agreement shall be construed as a material and enforceable part of this Agreement for all purposes and shall in no event be considered prefatory material or mere surplusage. Except as otherwise set forth in this Agreement, the language of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either party. Both parties are skilled and experienced business professionals, and both have contributed to the negotiation and drafting of this Agreement. As a result, in no event may any adverse construction of this Agreement be attributed to either party as the drafting party. The word "including" means "including without limiting the scope or generality of" any requirement or description related to such word. Where this Agreement uses the word "expressly," it means that the matter at issue must be stated with specificity, and not left to inference or implication.
- c. **Survival of Obligations.** All obligations of this Agreement that expressly or by their nature require performance after the termination or expiration of this Agreement, or that by their nature would reasonably be expected to continue in effect after termination or expiration of this Agreement, shall continue in full force and effect after and notwithstanding this Agreement's termination or expiration, until they are satisfied in full or by their nature expire. Such obligations shall include, without limitation, provisions applicable to: (i) your obligations on termination or expiration; (ii) the protection of the Marks; (iii) Confidential Information; (iv) indemnification; and (v) dispute resolution. The provisions of this Agreement may be enforced through specific performance. We are entitled to all remedies at law or in equity to protect our rights, including without limitation injunctive relief and specific performance. Bond is hereby waived should we seek any injunctive relief or specific performance.
- d. **Authority to Enter into Agreement.** The parties hereby attest that they are fully authorized to enter into this Agreement.
- e. **Submission of Agreement.** Submission of this Agreement to you does not constitute an offer to enter into a contract. This Agreement shall become effective only on its execution by you and us, and shall not be binding on us unless and until it is signed by our authorized officer and delivered to you.

**[SIGNATURES CONTAINED ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound hereby, have duly executed and delivered this Agreement as of the Effective Date.

**US:**

CHAMPS CHICKEN FRANCHISING, LLC

**YOU:**

PRINT FULL LEGAL NAME OF COMPANY

By: \_\_\_\_\_  
Shawn Burcham

Title: Founder & Chief Executive Officer

By: \_\_\_\_\_  
\_\_\_\_\_

PRINT FULL NAME OF PERSON SIGNING THIS AGREEMENT

Title: \_\_\_\_\_

**Fractional Franchise**

If you are not in one of the following states, California, Hawaii, Illinois, Indiana, Maryland, New York, North Dakota, Rhode Island or Washington, and you meet the following two conditions, you are eligible to be treated as a fractional franchise. By checking the boxes below and initialing each condition, you are confirming that (i) you meet the requirements of a fractional franchisee and (ii) you are acknowledging that, as a fractional franchisee, you will not be issued a Franchise Disclosure Document.

Initial

<input type="checkbox"/>	The franchisee, any of the franchisee's current directors or officers, or any current directors or officers of a parent or affiliate, has more than two (2) years of experience in the same type of business; and	_____
<input type="checkbox"/>	The parties have a reasonable basis to anticipate that the sales arising from the relationship will not exceed 20% of the franchisee's total dollar volume in sales during the first year of operation.	_____
		Us
		You
		_____
		Us
		You

You hereby covenant, warrant, represent, and agree that you will not: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, alleging, claiming, or raising any matter contrary to the matters set forth above regarding the Fractional Franchise.

**ATTACHMENT 1 TO  
FRANCHISE AGREEMENT**

**ADDRESSES AND CONTACT INFORMATION;  
EQUIPMENT; SPECIAL TERMS AND CONDITIONS**

1. **Approved Location.** The Restaurant(s) address and contact information are:

Store(s) Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact Person: \_\_\_\_\_

\_\_\_\_\_

Store(s) Phone Number: \_\_\_\_\_

\_\_\_\_\_

Mobile Number: \_\_\_\_\_

\_\_\_\_\_

Fax Number: \_\_\_\_\_

\_\_\_\_\_

Email Address: \_\_\_\_\_

\_\_\_\_\_

2. **Your Corporate Address.** Your billing address and contact information are:

Corporate Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact Person: \_\_\_\_\_

\_\_\_\_\_

Corporate Number: \_\_\_\_\_

\_\_\_\_\_

Mobile Number: \_\_\_\_\_

\_\_\_\_\_

Fax Number: \_\_\_\_\_

\_\_\_\_\_

Email Address: \_\_\_\_\_

\_\_\_\_\_

3. **Your Address for Delivery of Notices.** Your address for delivery of notices and the person to whom we must direct notices are:

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

\_\_\_\_\_

4. **Our General Address.** Our general address and contact information are:

Address: P.O. Box 160

Holts Summit, Missouri 65043

Office Number: (888) 581-9188

Fax Number: (573) 896-9583

**ATTACHMENT2 TO  
FRANCHISE AGREEMENT**

5. **Our Addresses for Delivery of Notices.**

5.1 Our address for delivery of notices that you send by courier (e.g., UPS or Federal Express) and the person to whom you must direct such notices are:

Address: 120 Commerce Drive  
Holts Summit, Missouri 65043  
Attention: President

5.2 Our address for delivery of notices that you send by certified or registered U.S. mail and the person to whom you must direct such notices are:

Address: P.O. Box 160  
Holts Summit, Missouri 65043  
Attention: President

6. **Special Terms and Conditions:**

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**ATTACHMENT2 TO  
FRANCHISE AGREEMENT**

**Required Products**

- Champs Chicken Breading
- Champs Chicken Batter Mix
- Fish Breading
- Liquid Shortening Creamy Fry
- Chicken Tenders
- Chicken Dippers
- Chicken Breast Fillets
- White Fish Fillets
- French Fries Colossal Crisp
- Seasoned Potato Wedges
- Creamy Macaroni & Cheese
- Seasoned Butter Corn
- Seasoned Mashed Potatoes
- Gravy (White Peppered)
- Bun Brioche Sandwich (4")
- Biscuit Buttermilk Split
- Bacon Applewood Smoked
- Ham Hickory Smoked
- Sausage Patties Pork
- Cheesy Eggs
- Sausage Gravy
- Pickle Rounds Homestyle
- Champs Chicken Wax Bag
- Champs Chicken Snack Box
- Champs Chicken Lunch Box
- Champs Chicken Dinner Box
- Champs Chicken 3-Comp Foam Container
- Dipping Cup Buffalo
- Dipping Cup Honey Mustard
- Dipping Cup Ranch
- Dipping Cup Sweet N' Smokey BBQ
- Dipping Cup Tartar Sauce
- Shortening Preserver
- Carbon Buster (Fryer Cleaner)

**Other Products**

**Chicken**

- Chicken Gizzards
- Chicken Livers

**Seafood**

- Catfish Fillets
- Shrimp Butterfly

**Dipping Cups**

- Cocktail Sauce
- Sassy Chipotle Ranch

**Side Items**

- Gravy (Chicken)
- Candied Cinnamon Apples
- Collard Greens

**Pork**

- Pulled Pork
- Hushpuppies (Ready to Fry Dough)
- Seasoned Green Beans

**Other/Supplies**

- Champs Chicken Cutlery Kit
- Champs Chicken Foil Wrap (12x14)
- Grab & Go Cup/Lid 12oz
- Crab Rangoon
- Flour Tortillas (12")
- Filter Bags/Paper

**EXHIBIT B**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**GOLD AND SILVER ADDENDA  
TO FRANCHISE AGREEMENT**

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**SPECIAL TERMS AND CONDITIONS ADDENDUM  
TO THE CHAMPS CHICKEN FRANCHISE AGREEMENT**

**FOR BUSINESS-WITHIN-A-BUSINESS LOCATIONS**

THIS ADDENDUM (the “Addendum”) is made and entered into on \_\_\_\_\_, (the “Effective Date”), by and between CHAMPS CHICKEN FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and \_\_\_\_\_ (“you” or “your”).

**RECITALS**

A. You and we are entering into a Champs Chicken® franchise agreement (the “Franchise Agreement”) together with this Addendum.

B. You and we mutually desire to add certain provisions to, and to modify, the Franchise Agreement as set forth in this Addendum.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Addendum, you and we hereby agree as follows:

1. **Definitions.**

1.1 **Accounting Period.** “Accounting Period” shall mean the four (4) week accounting period we prescribe.

1.2 **Branded Products.** “Branded Products” shall mean the Champs Chicken branded products that: (i) we specify; (ii) you purchase from us or our affiliates, and (iii) that apply to the Champs Chicken operation. We will list the Branded Products in the Operations Manual or otherwise in writing. We will have the right to add to, delete from, and modify the items that are included within the scope of “Branded Products” from time to time.

1.3 **BWB Location.** “BWB Location” shall mean a Champs Chicken restaurant that is located in a grocery store, convenience store, or similar business-within-a-business location that you or an affiliate of yours operate.

1.4 **Independent Location.** “Independent Location” shall mean a Champs Chicken restaurant that is located: (i) in a freestanding building, or in a strip mall or similar shopping center; or (ii) in a business a third party operates, like a shopping center food court or an airport.

1.5 **MDF.** “MDF” shall mean “marketing development fund” as set forth in Section 2 of this Addendum.

1.6 **Program Quarter.** “Program Quarter” shall mean three (3) or four (4) consecutive Accounting Periods as we may prescribe.

1.7 **Program Year.** “Program Year” shall mean: (i) thirteen (13) consecutive Accounting Periods; and (ii) four (4) consecutive Program Quarters.

1.8 **VIR.** “VIR” shall mean “volume incentive rebate”. Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the “VIR Program.”

1.9 **GIR.** “GIR” shall mean “growth incentive rebate.” Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the “GIR Program.”

1.10 Capitalized terms used but not otherwise defined in this Addendum shall have the same meanings as are ascribed to them in the Franchise Agreement.

2. **MDF Program: Reimbursement for Qualified Advertising You Publish.**

2.1 **MDF Program.** We have developed a program under which we will reimburse you for a portion of your expenditures for qualified advertising you publish. We refer to this program as the "MDF Program."

2.2 **Definitions.**

2.2.1 **Accrual Fund.** "Accrual Fund" shall mean the advertising fund or funds that we create.

2.2.2 **Advertising Claim.** "Advertising Claim" shall mean a request for reimbursement that you submit to us, in writing, using the form we specify, in the manner we specify, requesting that we use amounts you have accrued in the Accrual Fund to reimburse you for Qualified Advertising you publish. Such Advertising Claim must include: (i) proof that the Qualified Advertising for which you are requesting reimbursement was in fact published; (ii) the date of such publication; (iii) the net amount you paid for such publication; and (iv) such other information as we may request.

2.2.3 **Balance.** "Balance" shall mean the amount we are holding in the Accrual Fund from your net purchases of Branded Products. "Balance" shall not include amounts we are holding in the Accrual Fund for our other franchisees' purchases of Branded Products or for any other reason.

2.2.4 **Qualified Advertising.** "Qualified Advertising" shall mean advertising in broadcast, print, or electronic media, or any other advertising material or signage we approve for reimbursement with MDF Program funds, that: (i) you submit to us in the manner we specify for our approval prior to purchase or publication; and (ii) we approve in writing.

2.3 **Accrual Fund; Deposits We Make Into Accrual Fund.** We will create the Accrual Fund. We will deposit four percent (4.0%) of your total net purchases of Branded Products into the Accrual Fund. Our affiliate Pro Food Systems, Inc. will provide you with an initial MDF contribution of \$1,000 to be used for advertising and promotional purposes for the Restaurant.

2.4 **Reimbursement for Expenditures for Qualified Advertising.** To receive reimbursement of expenditures you made for purchase or publication of Qualified Advertising, you must submit an Advertising Claim to us. You must submit such Advertising Claim so that we actually receive it by the end of ninety (90) days after the Qualified Advertising that is the subject of the Advertising Claim was published.

2.4.1 If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount of the Balance we are holding for you in the Accrual Fund from your net purchases of Branded Products.

2.4.2 Notwithstanding anything set forth in Section 2.4.1 of this Addendum, we reserve the right to pay the amount of any Advertising Claim directly to the applicable supplier of advertising, and not to you.

2.4.3 In no event will we be required to reimburse you for any amount in excess of your Balance in the Accrual Fund. In no event will we be required to pay any supplier of advertising any amount in excess of your Balance in the Accrual Fund.

2.5 **Reimbursement Date.** We will pay you the amount of any Advertising Claim we may owe by the end of thirty (30) days after the end of each Program Quarter for the immediately-preceding Program Quarter.

2.6 **Expiration.** Any portion of your Balance in the Accrual Fund that is over one (1) Program Year old will be deducted from the Balance and will not be eligible to be used for reimbursement of an Advertising Claim. We will have the right to use such portion as we deem appropriate.

2.7 **MDF Policies and Procedures.** Our Standards and Specifications (as defined in the Franchise Agreement) specifically include, without limitation, rules, guidelines, standards, specifications, plans, programs, and procedures that we publish in connection with the MDF Program (collectively, the “MDF Policies and Procedures”). We may add to, delete from, and modify the MDF Policies and Procedures from time to time as we deem appropriate. You must comply with the MDF Policies and Procedures and all additions to, deletions from, and modifications of them.

2.8 **Compliance with Agreements.** We will not be required to pay any Advertising Claim under this Section 2: (i) if we have notified you of any non-compliance with the Franchise Agreement during the immediately-preceding Program Year; (ii) if you are, at the time you submit the Advertising Claim, in breach of the Franchise Agreement; (iii) if you or any of your affiliates are, at the time you submit the Advertising Claim, in breach of any other agreement to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties; (iv) if you have not been in substantial compliance with the Franchise Agreement during so much of the term of the Franchise Agreement as has expired; or (v) if you or any of your affiliates have not been in substantial compliance with all other agreements to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties, during so much of the terms of such agreements as have expired. We will have the sole discretion to determine whether you or any of your affiliates are in breach of the Franchise Agreement or the other agreements described in this Section 2.8, or whether you or any of your affiliates have not been in substantial compliance with such agreements.

2.9 **Ownership of Amounts.** You acknowledge and agree that all amounts set forth in Section 2.3 of this Addendum and otherwise are our sole and exclusive property until we have actually paid the Advertising Claim related to such amounts.

2.10 **Our Rights.**

2.10.1 We reserve the right to discontinue the MDF Program at any time on notice to you, as we deem appropriate in our sole discretion. If we discontinue the MDF Program, we will pay all Advertising Claims as set forth in this Addendum up to the amount of your Balance in the Accrual Fund, subject to Section 2.6 (“Expiration”) of this Addendum.

2.10.2 We may charge you for advertising and marketing materials you ask us to produce, or that we produce on your behalf. You agree that: (i) we may deduct the amount of these fees from your account in the Accrual Fund; and (ii) if the amount in your account in the Accrual Fund is not sufficient to pay the fees, you will pay us the amount you owe so that we actually receive the payment by the end of thirty (30) days after we request payment.

3. **Territory.** Section 4.2 (“Territory”) of the Franchise Agreement, which section provides that:

Your territory (your “Territory”) will consist of the shell of the Store. Inside your Territory, we will not operate, and we will not authorize others to operate, restaurants using the System. Outside your Territory, we may operate, and we may authorize others to operate, restaurants using the System at any location, even if they compete with you.

shall be modified to provide as follows:

Your territory (your “Territory”) will consist of a one (1) mile radius around your Restaurant. Inside your Territory: (i) we will not operate, and we will not authorize others to operate, restaurants in BWB Locations using the System; and (ii) we may operate, and we may authorize others to operate, restaurants in Independent Locations using the System, even if they compete with you. Outside your Territory, we may operate, and we may authorize others to operate, restaurants using the System at any location, even if they compete with you. Notwithstanding anything set forth in Section 4.2(i) to the contrary, if there is another Champs Chicken restaurant in a BWB Location in your Territory as of the Effective Date of this Agreement: (a) such other restaurant may continue to operate; and (b) such operation shall not be a breach of this Section 4.2.

4. **Other Requirements.**

4.1 **Term.**

4.1.1 **Five (5) Year Term.** Section 2 (“Term”) of the Franchise Agreement, which section provides that:

This Agreement will commence on the Effective Date and will continue in effect until either party terminates this Agreement as set forth in this Agreement.

shall be modified to provide as follows:

This Agreement will commence on the Effective Date and will continue in effect for five (5) years thereafter (the “Initial Term”). This Agreement will automatically renew for an unlimited number of consecutive five (5) year terms (each such additional term being referred to in this Agreement as a “Renewal Term,” and the Initial Term, together with all Renewal Terms, being referred to collectively as the “Term”) unless you or we notify the other in writing, at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term, of such party’s intent not to renew at the end of such Initial Term or then-current Renewal Term.

4.1.2 **Damages for Termination.** If we terminate the Franchise Agreement due to your breach prior to the expiration of the Initial Term or the then-current Renewal Term, or if you terminate the Franchise Agreement prior to the expiration of the Initial Term or the then-current Renewal Term, you will reimburse us the amount of: (i) all VIR or GIR rebates paid to you by us or our affiliates PFSbrands during the Initial Term or the then-current Renewal Term; (ii) all Advertising Claims we paid under the MDF Program during the Initial Term or the then-current Renewal Term. You must pay us all amounts owed under this Section 4.1.2 so that we actually receive the payment by the end of ten (10) days after we request such payment.

4.2 **Signage.** You will purchase or lease from us, our affiliates, or suppliers we designate, the interior and exterior signage we specify. You will display and maintain such signage as we direct. Such signage will include, without limitation: (i) illuminated exterior signage; and (ii) a digital menu board.

4.3 **Breakfast Program.** You will participate in our breakfast program by offering for sale the breakfast items we specify, in compliance with our Standards and Specifications.

4.4 **Equipment.** You will purchase or lease from us, our affiliates, or suppliers we designate, the equipment we specify. You will use and maintain such equipment as we direct.

4.5 **Test Marketing.** We may from time to time conduct market research and testing to determine consumer trends and the marketability of new products, equipment, services, supplies, and merchandise (collectively, the “Test Products”). We will work with you in good faith to determine the Test Products that would be a good product match with your Store. You will assist us with such market research and testing by participating in any such programs as we may require, at your sole cost and expense. Such assistance may include, without limitation: (i) test-marketing Test Products through the Restaurant as we may direct; (ii) providing us with timely reports and other relevant information we may request regarding such test-marketing; and (iii) effectively promoting and making reasonable efforts to sell such Test Products. If we or our affiliates offer ingredients used in the Test Products, we will offer them to you at a discount off the list price.

5. **Retail Technologies.**

5.1 **WIFI Network Controller.** You will install, maintain, and use our WIFI network controller that we designate. This device will create a network structure within your Store that will connect all of the herein described technologies to the internet. You will allow our affiliate to access the device to update, maintain, and troubleshoot the connected devices. You will also install, maintain, and use the PFSnet router device that we designate. All internet usage of networks connected to the PFSnet router device shall be solely related to the operation of the Restaurant(s) and in compliance with our Standards and Specifications. In the event you use any network connected to the PFSnet router device for purposes other than the operation of the Restaurant(s), or your

use is not in compliance with our Standards and Specifications, you will be solely responsible for the costs associated with the data usage related thereto, and shall be required to pay to us an amount equal to any amounts we must pay for data usage on your behalf. You will allow us and our affiliate access to update and maintain the system remotely.

5.2 Digital Menu Boards. You will install, maintain and use the digital menu system that we designate. You will use the system as we direct. You will allow us access to update the system remotely with access via the WIFI network controller listed in 5.1.

5.3 Communications Tablet. You will utilize and maintain our Communications Tablet that we designate. This tablet will give the Store access to materials such as training videos, standard operating procedures library, upcoming events and promotions, promotional materials, and direct communications with corporate office. This device will be connected via the WIFI Network Controller listed in section 5.1.

5.4 Sales Reporting. Section 11.a (“Reports, Documents, and Data”) of the Franchise Agreement shall be modified by adding the following language to such section, as Section 11.a.iii:

11.a.iii Sales Reporting. You will provide us with daily sales reports and similar periodic reports, using the form or method we specify.

5.5 Order Management System. You will install, maintain, and use the Order Management System that we designate. This system includes a Point of Sale (“POS”) system as well as a People Counter device. You will use your Order Management System as we direct. Our directions will require you, without limitation, to use your Order Management System: (i) to accurately record your sales transactions; (ii) to print bar code labels and other labels; (iii) to prepare daily sales reports and similar periodic reports; (iv) to provide us with other reports, documents, and data that we may specify; and (v) to perform other functions that we may specify.

5.6 Other. All other technologies we develop in the future that we deem appropriate and essential to developing the Champs Chicken local, regional, and/or national brand identity

## 6. Brand Promise; Money Back Guarantee

6.1 If you are not satisfied with the Program, we will provide you with a 100% money back guarantee for the equipment listed in 6.2 that you purchase from us to run the Program.

6.2 Eligible equipment for money back guarantee is as follows: Digital Menu Boards, POS, fryer, bread and batter table, and hot case. We will refund you the amount paid for equipment and sales taxes minus freight charges for these items.

6.3 You have 90 days from the date you open your Restaurant to notify us that you would like to execute this Brand Promise; Money Back Guarantee. You must notify us in writing via certified mail.

6.4 You must comply with our then current de-identification requirements prior to us arranging for pickup of your equipment.

6.5 You must unhook, disassemble, and/or dismantle all equipment and have it located in one convenient area for pickup.

6.6 Prior to us arranging the return of your equipment, you must pay us the freight charges required to return the equipment to one of our locations. We will provide you with the stated 100% money back guarantee within 21 days after the date we pick up the equipment. We reserve the right, in our sole discretion, to discount the money back guarantee if any of the equipment is not operational, missing components, or is deemed to be in a condition not consistent with equipment that is 90 days old.

## 7. Miscellaneous.

7.1 Merger; Entire Agreement. This Addendum, together with the Franchise Agreement, is a complete integration that sets forth the entire agreement between you and us, fully superseding any and all prior

negotiations, agreements, representations, and understandings between you and us, whether oral or written, related to the subject matter of the Franchise Agreement and this Addendum. In the event of any conflict between any provision of this Addendum and a provision of the Franchise Agreement, the provision set forth in this Addendum shall control. A breach by you of this Addendum shall be deemed to be a breach of the Franchise Agreement. Notwithstanding the forgoing, nothing in this Addendum or any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

7.2 **Dispute Resolution.** In the event of any dispute arising out of or related to this Addendum, including without limitation any dispute arising out of or related to the making of this Addendum, such dispute shall be resolved exclusively as set forth in Section 16.c ("Dispute Resolution") of the Franchise Agreement. The provisions of this Section 7.2 shall remain in full force and effect after the expiration or termination of the Franchise Agreement.

7.3 **Submission of Addendum.** Submission of this Addendum to you does not constitute an offer to enter into a contract. This Addendum shall become effective only on its execution by you and us, and shall not be binding on us unless and until it is signed by our authorized officer and delivered to you.

The parties to this Addendum, intending to be legally bound hereby, have duly executed and delivered this Addendum as of the Effective Date.

**US:**

CHAMPS CHICKEN FRANCHISING, LLC

**YOU:**

PRINT FULL LEGAL NAME OF COMPANY

By: \_\_\_\_\_

Shawn Burcham

Title: Founder & Chief Executive Officer

By: \_\_\_\_\_

PRINT FULL NAME OF PERSON SIGNING THIS  
AGREEMENT

Title: \_\_\_\_\_

**SPECIAL TERMS AND CONDITIONS ADDENDUM  
TO THE CHAMPS CHICKEN FRANCHISE AGREEMENT**

**FOR BUSINESS-WITHIN-A-BUSINESS LOCATIONS**

THIS ADDENDUM (the “Addendum”) is made and entered into on \_\_\_\_\_ (the “Effective Date”), by and between CHAMPS CHICKEN FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and \_\_\_\_\_ (“you” or “your”).

**RECITALS**

A. You and we are entering into a Champs Chicken® franchise agreement (the “Franchise Agreement”) together with this Addendum.

B. You and we mutually desire to add certain provisions to, and to modify, the Franchise Agreement as set forth in this Addendum.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Addendum, you and we hereby agree as follows:

1. **Definitions.**

1.1 **Accounting Period.** “Accounting Period” shall mean the four (4) week accounting period we prescribe.

1.2 **Branded Products.** “Branded Products” shall mean the Champs Chicken branded products that: (i) we specify; (ii) you purchase from us or our affiliates, and (iii) that apply to the Champs Chicken operation. We will list the Branded Products in the Operations Manual or otherwise in writing. We will have the right to add to, delete from, and modify the items that are included within the scope of “Branded Products” from time to time.

1.3 **BWB Location.** “BWB Location” shall mean a Champs Chicken restaurant that is located in a grocery store, convenience store, or similar business-within-a-business location that you or an affiliate of yours operate.

1.4 **Independent Location.** “Independent Location” shall mean a Champs Chicken restaurant that is located: (i) in a freestanding building, or in a strip mall or similar shopping center; or (ii) in a business a third party operates, like a shopping center food court or an airport.

1.5 **MDF.** “MDF” shall mean “marketing development fund” as set forth in Section 2 of this Addendum.

1.6 **Program Quarter.** “Program Quarter” shall mean three (3) or four (4) consecutive Accounting Periods as we may prescribe.

1.7 **Program Year.** “Program Year” shall mean: (i) thirteen (13) consecutive Accounting Periods; and (ii) four (4) consecutive Program Quarters.

1.8 **VIR.** “VIR” shall mean “volume incentive rebate”. Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the “VIR Program.”

1.9 **GIR.** “GIR” shall mean “growth incentive rebate.” Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the “GIR Program.” Capitalized terms used but not otherwise defined in this Addendum shall have the same meanings as are ascribed to them in the Franchise Agreement.

1.10 Capitalized terms used but not otherwise defined in this Addendum shall have the same meanings as are ascribed to them in the Franchise Agreement

2. **MDF Program: Reimbursement for Qualified Advertising You Publish.**

2.1 **MDF Program.** We have developed a program under which we will reimburse you for a portion of your expenditures for qualified advertising you publish. We refer to this program as the "MDF Program."

2.2 **Definitions.**

2.2.1 **Accrual Fund.** "Accrual Fund" shall mean the advertising fund or funds that we create.

2.2.2 **Advertising Claim.** "Advertising Claim" shall mean a request for reimbursement that you submit to us, in writing, using the form we specify, in the manner we specify, requesting that we use amounts you have accrued in the Accrual Fund to reimburse you for Qualified Advertising you publish. Such Advertising Claim must include: (i) proof that the Qualified Advertising for which you are requesting reimbursement was in fact published; (ii) the date of such publication; (iii) the net amount you paid for such publication; and (iv) such other information as we may request.

2.2.3 **Balance.** "Balance" shall mean the amount we are holding in the Accrual Fund from your net purchases of Branded Products. "Balance" shall not include amounts we are holding in the Accrual Fund for our other franchisees' purchases of Branded Products or for any other reason.

2.2.4 **Qualified Advertising.** "Qualified Advertising" shall mean advertising in broadcast, print, or electronic media, or any other advertising material or signage we approve for reimbursement with MDF Program funds, that: (i) you submit to us in the manner we specify for our approval prior to purchase or publication; and (ii) we approve in writing.

2.3 **Accrual Fund; Deposits We Make Into Accrual Fund.** We will create the Accrual Fund. We will deposit two and one-half percent (2.5%) of your total net purchases of Branded Products into the Accrual Fund. Our affiliate Pro Food Systems, Inc. will provide you with an initial MDF contribution of \$500 to be used for advertising and promotional purposes for the Restaurant.

2.4 **Reimbursement for Expenditures for Qualified Advertising.** To receive reimbursement of expenditures you made for purchase or publication of Qualified Advertising, you must submit an Advertising Claim to us. You must submit such Advertising Claim so that we actually receive it by the end of ninety (90) days after the Qualified Advertising that is the subject of the Advertising Claim was published.

2.4.1 If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount of the Balance we are holding for you in the Accrual Fund from your net purchases of Branded Products.

2.4.2 Notwithstanding anything set forth in Section 2.4.1 of this Addendum, we reserve the right to pay the amount of any Advertising Claim directly to the applicable supplier of advertising, and not to you.

2.4.3 In no event will we be required to reimburse you for any amount in excess of your Balance in the Accrual Fund. In no event will we be required to pay any supplier of advertising any amount in excess of your Balance in the Accrual Fund.

2.5 **Reimbursement Date.** We will pay you the amount of any Advertising Claim we may owe by the end of thirty (30) days after the end of each Program Quarter for the immediately-preceding Program Quarter.

2.6 **Expiration.** Any portion of your Balance in the Accrual Fund that is over one (1) Program Year old will be deducted from the Balance and will not be eligible to be used for reimbursement of an Advertising Claim. We will have the right to use such portion as we deem appropriate.

2.7 **MDF Policies and Procedures.** Our Standards and Specifications (as defined in the Franchise Agreement) specifically include, without limitation, rules, guidelines, standards, specifications, plans, programs, and procedures that we publish in connection with the MDF Program (collectively, the “MDF Policies and Procedures”). We may add to, delete from, and modify the MDF Policies and Procedures from time to time as we deem appropriate. You must comply with the MDF Policies and Procedures and all additions to, deletions from, and modifications of them.

2.8 **Compliance with Agreements.** We will not be required to pay any Advertising Claim under this Section 2: (i) if we have notified you of any non-compliance with the Franchise Agreement during the immediately-preceding Program Year; (ii) if you are, at the time you submit the Advertising Claim, in breach of the Franchise Agreement; (iii) if you or any of your affiliates are, at the time you submit the Advertising Claim, in breach of any other agreement to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties; (iv) if you have not been in substantial compliance with the Franchise Agreement during so much of the term of the Franchise Agreement as has expired; or (v) if you or any of your affiliates have not been in substantial compliance with all other agreements to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties, during so much of the terms of such agreements as have expired. We will have the sole discretion to determine whether you or any of your affiliates are in breach of the Franchise Agreement or the other agreements described in this Section 2.8, or whether you or any of your affiliates have not been in substantial compliance with such agreements.

2.9 **Ownership of Amounts.** You acknowledge and agree that all amounts set forth in Section 2.3 of this Addendum and otherwise are our sole and exclusive property until we have actually paid the Advertising Claim related to such amounts.

2.10 **Our Rights.**

2.10.1 We reserve the right to discontinue the MDF Program at any time on notice to you, as we deem appropriate in our sole discretion. If we discontinue the MDF Program, we will pay all Advertising Claims as set forth in this Addendum up to the amount of your Balance in the Accrual Fund, subject to Section 2.6 (“Expiration”) of this Addendum.

2.10.2 We may charge you a reasonable fee for advertising and marketing materials you ask us to produce, or that we produce on your behalf. You agree that: (i) we may deduct the amount of these fees from your account in the Accrual Fund; and (ii) if the amount in your account in the Accrual Fund is not sufficient to pay the fees, you will pay us the amount you owe so that we actually receive the payment by the end of thirty (30) days after we request payment.

3. **Other Requirements.**

3.1 **Term.**

3.1.1 **Three (3) Year Term.** Section 2 (“Term”) of the Franchise Agreement, which section provides that:

This Agreement will commence on the Effective Date and will continue in effect until either party terminates this Agreement as set forth in this Agreement.

shall be modified to provide as follows:

This Agreement will commence on the Effective Date and will continue in effect for three (3) years thereafter (the “Initial Term”). This Agreement will automatically renew for an unlimited number of consecutive three (3) year terms (each such additional term being referred to in this Agreement as a “Renewal Term,” and the Initial Term, together with all Renewal Terms, being referred to collectively as the “Term”) unless you or we notify the other in writing, at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term, of such party’s intent not to renew at the end of such Initial Term or then-current Renewal Term.

3.1.2 Damages for Termination. If we terminate the Franchise Agreement due to your breach prior to the expiration of the Initial Term or the then-current Renewal Term, or if you terminate the Franchise Agreement prior to the expiration of the Initial Term or the then-current Renewal Term, you will reimburse us the amount of: (i) all VIR or GIR rebates paid to you by us or our affiliates PFSbrands during the Initial Term or the then-current Renewal Term; (ii) all Advertising Claims we paid under the MDF Program during the Initial Term or the then-current Renewal Term. You must pay us all amounts owed under this Section 3.1.2 so that we actually receive the payment by the end of ten (10) days after we request such payment.

3.2 Signage. You will purchase or lease from us, our affiliates, or suppliers we designate, the interior and exterior signage we specify. You will display and maintain such signage as we direct. Such signage will include, without limitation: (i) illuminated exterior signage; and (ii) a digital menu board.

3.3 Breakfast Program. You will, if we direct you to do so, participate in our breakfast program by offering for sale the breakfast items we specify, in compliance with our Standards and Specifications.

#### 4. Retail Technologies.

4.1 WIFI Network Controllers. You will install, maintain, and use our WIFI network controller that we designate. This device will create a network structure within your Store that will connect all of the herein described technologies to the internet. You will allow our affiliate to access the device to update, maintain, and troubleshoot the connected devices. You will also install, maintain, and use the PFSnet router device that we designate. All internet usage of networks connected to the PFSnet router device shall be solely related to the operation of the Restaurant(s) and in compliance with our Standards and Specifications. In the event you use any network connected to the PFSnet router device for purposes other than the operation of the Restaurant(s), or your use is not in compliance with our Standards and Specifications, you will be solely responsible for the costs associated with the data usage related thereto, and shall be required to pay to us an amount equal to any amounts we must pay for data usage on your behalf. You will allow us and our affiliate access to update and maintain the system remotely.

4.2 Digital Menu Boards. You will install, maintain and use the digital menu system that we designate. You will use the system as we direct. You will allow us access to update the system remotely with access via the WIFI network controller listed in 4.1.

4.3 Communications Tablet. You will utilize and maintain our Communications Tablet that we designate. This tablet will give the Store access to materials such as training videos, standard operating procedures library, upcoming events and promotions, promotional materials, and direct communications with corporate office. This device will be connected via the WIFI Network Controller listed in Section 4.1.

4.4 Other. All other technologies we develop in the future that we deem appropriate and essential to developing the Champs Chicken local, regional, and/or national brand identity.

#### 5. Miscellaneous.

5.1 Merger; Entire Agreement. This Addendum, together with the Franchise Agreement, is a complete integration that sets forth the entire agreement between you and us, fully superseding any and all prior negotiations, agreements, representations, and understandings between you and us, whether oral or written, related to the subject matter of the Franchise Agreement and this Addendum. In the event of any conflict between any provision of this Addendum and a provision of the Franchise Agreement, the provision set forth in this Addendum shall control. A breach by you of this Addendum shall be deemed to be a breach of the Franchise Agreement. Notwithstanding the forgoing, nothing in this Addendum or any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

5.2 Dispute Resolution. In the event of any dispute arising out of or related to this Addendum, including without limitation any dispute arising out of or related to the making of this Addendum, such dispute shall be resolved exclusively as set forth in Section 16.3 ("Dispute Resolution") of the Franchise Agreement. The provisions of this Section 5.2 shall remain in full force and effect after the expiration or termination of the Franchise Agreement.

5.3 Submission of Addendum. Submission of this Addendum to you does not constitute an offer to enter into a contract. This Addendum shall become effective only on its execution by you and us, and shall not be binding on us unless and until it is signed by our authorized officer and delivered to you.

The parties to this Addendum, intending to be legally bound hereby, have duly executed and delivered this Addendum as of the Effective Date.

**US:**

CHAMPS CHICKEN FRANCHISING, LLC

**YOU:**

PRINT FULL LEGAL NAME OF COMPANY

By: \_\_\_\_\_  
Shawn Burcham  
Title: Founder & Chief Executive Officer

By: \_\_\_\_\_  
PRINT FULL NAME OF PERSON SIGNING THIS  
AGREEMENT

Title: \_\_\_\_\_

**EXHIBIT C**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**STATE REGULATIONS AND REQUIREMENTS ADDENDUM**

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## **STATE REGULATIONS AND REQUIREMENTS ADDENDUM**

The following are additional disclosures for our Multistate Franchise Disclosure Document. Various state franchise laws require us to make these additional disclosures. These additional disclosures will not apply to you unless you meet the jurisdictional requirements of the applicable state franchise registration and disclosure law independently without reference to these additional disclosures. These disclosures supplement our Disclosure Document and supersede any conflicting information contained in the body of the Disclosure Document:

### **CALIFORNIA**

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
2. Neither we nor any person in Item 2 of the disclosure document is subject to any currently-effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
4. We encourage you to consult with private legal counsel to determine the applicability of California and federal laws (such as California Business and Professions Code Section 20040.5 and Code of Civil Procedure Section 1281) to any provisions of the Franchise Agreement that restrict venue to a forum outside the State of California.
5. The Franchise Agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.
6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
7. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at [www.corp.ca.gov](http://www.corp.ca.gov).

### **ILLINOIS**

1. Item 17, “Renewal, Termination, Transfer, and Dispute Resolution,” shall be amended by the addition of the following paragraph at the end of the Item:

Sec. 705/4 of the Illinois Franchise Disclosure Act of 1987 provides that “any provision in a franchise/license agreement that designates jurisdiction or venue in a forum outside of Illinois is void provided that a franchise/license agreement may provide for arbitration in a forum outside of Illinois.”

2. Notwithstanding Item 17.v. and the Franchise Agreement, we agree that litigation may take place

in state or federal courts in Illinois.

3. Illinois law governs the agreement(s) between the parties to this franchise.

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other law of the State of Illinois is void.

## **INDIANA**

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or

Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

The following provision will be added to the Franchise Agreement:

**No Limitation on Litigation.** Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

## **MARYLAND**

### **FDD**

The FDD is amended by the addition of the following language:

Item 17 of the FDD is hereby amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the FDD is hereby amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

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

### **FRANCHISE AGREEMENT**

The Franchise Agreement is amended by the addition of the following language:

1. 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.

2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).
3. 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. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
5. Attachment 3 of the Franchise Agreement, the Franchisee Acknowledgement Statement is amended to state:

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.”

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

THE parties to this Maryland State Addendum, intending to be legally bound hereby, have duly executed and delivered this Maryland State Addendum as of the Effective Date of the Franchise Agreement.

**US:**

CHAMPS CHICKEN FRANCHISING, LLC

**YOU:**

PRINT FULL LEGAL NAME OF COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

Shawn Burcham

Title: Founder & Chief Executive Officer

PRINT FULL NAME OF PERSON SIGNING THIS  
AGREEMENT

Title: \_\_\_\_\_

## **ADDENDUM 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 H 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:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive

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

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for a franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**,” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

The undersigned does hereby acknowledge receipt of this addendum. Dated this day

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FRANCHISOR

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FRANCHISEE

## **NORTH DAKOTA**

**This addendum to the Disclosure Document effectively amends and revises said document as follows:**

**THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES ([NDCC SECTION 51-19-09](#)):**

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to [NDCC Section 9-08-06](#), without further disclosing that such covenants will be subject to the statute.

2. Sites of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

**This addendum to the Franchise Agreement effectively amends and revises said document as follows:**

1. Any provision of the Franchise Agreement that designates jurisdiction or venue outside of the State of North Dakota or requires you to agree to jurisdiction or venue in a forum outside of the State of

North Dakota, is void with respect to any cause of action that is otherwise enforceable in the State of North Dakota.

2. The Franchise Agreement shall be construed under the laws of the State of North Dakota.
3. Section 16.3.4, Waiver of Trial by Jury, is deleted in its entirety.
4. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law applicable to the provisions are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

## **VIRGINIA**

In recognition of the restrictions contained in Section 13-1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Champs Chicken Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure.

The State cover page, Item 5 and Item 7 of the FDD will be amended with the addition of the following language:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its preopening obligations under the franchise agreement.

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 do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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 or her 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 or her under the franchise, that provision may not be enforceable.

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, FRANCHISEE ACKNOWLEDGEMENT STATEMENT AND RELATED AGREEMENTS**

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

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

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

The undersigned does hereby acknowledge receipt of this addendum. Dated this day

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FRANCHISOR

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FRANCHISEE

**EXHIBIT D**

**CHAMPS CHICKEN FRANCHISING, LLC**

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

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## **AGENCIES/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.

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
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
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> 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 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 <sup>th</sup> 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 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> 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

Our agent for service of process in the State of Missouri is as follows:

Shawn Burcham  
120 Commerce Drive  
Holts Summit, Missouri 65043

**EXHIBIT E**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**FINANCIAL STATEMENTS**

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Financial Statements  
June 30, 2023 and 2022

**Champs Chicken Franchising, LLC**

Champs Chicken Franchising, LLC  
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June 30, 2023 and 2022

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## **Independent Auditor's Report**

To the Board of Directors  
Champs Chicken Franchising, LLC  
Holts Summit, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Champs Chicken Franchising, LLC, which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Champs Chicken Franchising, LLC as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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



Fargo, North Dakota  
August 18, 2023

Champs Chicken Franchising, LLC  
 Balance Sheets  
 June 30, 2023 and 2022

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	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 483,163	\$ 431,016
Receivables		
Due from related party	49,987	51,587
Total current assets	<u>533,150</u>	<u>482,603</u>
Intangible Assets, Net of Accumulated Amortization	1,020	1,200
	<u><u>\$ 534,170</u></u>	<u><u>\$ 483,803</u></u>
<b>Liabilities and Member's Equity</b>		
<b>Current Liabilities</b>		
Current portion of deferred revenues	\$ 1,750	\$ 1,750
Income taxes payable	5,205	10,544
Total current liabilities	<u>6,955</u>	<u>12,294</u>
<b>Long-term Liabilities</b>		
Deferred revenues, net of current portion	20,125	21,875
Deferred income taxes	4,000	4,000
Total long-term liabilities	<u>24,125</u>	<u>25,875</u>
Total liabilities	<u><u>31,080</u></u>	<u><u>38,169</u></u>
<b>Member's Equity</b>		
	<u><u>503,090</u></u>	<u><u>445,634</u></u>
	<u><u>\$ 534,170</u></u>	<u><u>\$ 483,803</u></u>

**Champs Chicken Franchising, LLC**  
**Statements of Operations**  
**Years Ended June 30, 2023 and 2022**

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	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
License fees	<u>\$ 203,088</u>	<u>\$ 192,188</u>
<b>Operating Expenses</b>		
Professional fees	91,965	89,545
Directors fees	38,850	38,850
Dues and subscriptions	2,363	1,965
Registration and license fees	1,250	551
Contribution	500	1,000
Advertising expense	382	-
Amortization expense	180	180
Bank service changes	50	120
Postage and delivery	31	28
Franchise taxes	-	300
	<u>135,571</u>	<u>132,539</u>
<b>Total operating expenses</b>	<u>135,571</u>	<u>132,539</u>
<b>Operating Income</b>	<u>67,517</u>	<u>59,649</u>
<b>Other Income</b>		
Interest income	<u>7,039</u>	<u>707</u>
<b>Net Income Before Income Taxes</b>	<u>74,556</u>	<u>60,356</u>
<b>Provision for Income Taxes</b>	<u>(17,100)</u>	<u>(15,000)</u>
<b>Net Income</b>	<u>\$ 57,456</u>	<u>\$ 45,356</u>

Champs Chicken Franchising, LLC  
Statements of Member's Equity  
Years Ended June 30, 2023 and 2022

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	Member's Equity
Balance, June 30, 2021	\$ 400,278
Net income	<u>45,356</u>
Balance, June 30, 2022	445,634
Net income	<u>57,456</u>
Balance, June 30, 2023	<u><u>\$ 503,090</u></u>

**Champs Chicken Franchising, LLC**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

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	<u>2023</u>	<u>2022</u>
<b>Operating Activities</b>		
Net income	\$ 57,456	\$ 45,356
Adjustments to reconcile net income to net cash from operating activities		
Amortization	180	180
Deferred income taxes	-	1,797
Changes in assets and liabilities		
Due from related party	1,600	(3,579)
Accounts payable	-	(19)
Deferred revenue	(1,750)	(1,750)
Income taxes	<u>(5,339)</u>	<u>15,003</u>
Net Cash from Operating Activities	<u>52,147</u>	<u>56,988</u>
Net Cash from Investing Activities	<u>-</u>	<u>-</u>
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash	52,147	56,988
Cash, Beginning of Year	<u>431,016</u>	<u>374,028</u>
Cash, End of Year	<u><u>\$ 483,163</u></u>	<u><u>\$ 431,016</u></u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash refunds for income taxes	\$ 13	\$ 1,800
Cash payments for income taxes	\$ 22,452	\$ -

## **Note 1 - Principal Business Activity and Significant Accounting Policies**

### **Principal Business Activity**

Champs Chicken Franchising, LLC (the Company) was formed on September 4, 2013, for the purpose of managing franchise restaurant operations and will continue perpetually until dissolution. The Company sells two types of franchises, "BWB" and "Freestanding." "BWB" or "business within a business" is a franchise for the operation of Champs Chicken restaurants inside an existing business, such as a convenience store or grocery store. "Freestanding" franchises are standalone restaurants. The company does not charge the franchisees an initial startup fee for this type of franchise. The company derives a license fee from the affiliate Pro Food Systems, Inc. for the sale of product to the franchisees. The Company had 414 and 433 existing "BWB" franchises and no "Freestanding" franchises as of June 30, 2023 and 2022, respectively. The company awarded 37 new franchisees in 2023 and 51 new franchisees in 2022. The company closed 56 and 35 franchises in 2023 and 2022, respectively.

### **Concentrations of Credit Risk**

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2023 and 2022, the Company had approximately \$230,000 and \$159,000, respectively, in excess of FDIC-insured limits.

### **Receivables and Credit Policy**

The Company states its accounts receivable balance at the amount management expects to be collectible, and the balance in the current year consists entirely of quarterly license fees due from Pro Food Systems, Inc., an affiliate (see Note 3, Related Party Transactions). The Company expects this balance to be fully collectible. As such, no allowance for doubtful accounts is required. If any accounts do become uncollectible, they will be charged to operations as appropriate.

### **Intangible Assets**

Intangible assets with a finite life consist of organizational costs that occurred when the Company began. These costs are being amortized on a straight-line basis over 15 years.

### **Income Taxes**

The Company is a Limited Liability Company and has elected to be taxed as a C Corporation. Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, intangible assets, and deferred revenue for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

# Champs Chicken Franchising, LLC

## Notes to Financial Statements

June 30, 2023 and 2022

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The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of June 30, 2023 and 2022, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

### **Revenue Recognition**

License fee revenue is considered to be a sales-based royalty that is recognized over time as the franchisee receives the benefits from the products sold by Pro Food Systems, Inc. to the franchisee. Generally, the license fee revenue is billed and collected quarterly in arrears. The Company collected 0.50% of Pro Food Systems Inc.'s net sales to the franchisees for license fees for the years ended June 30, 2023 and 2022.

Deferred revenue consists of license fees from an advance cash payment from Pro Food Systems, Inc for the use of the Champs Chicken Franchising, LLC's license. The revenue from this advance payment is recognized over the life of the agreement, which is 20 years.

### **Estimates**

The preparation of the 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 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.

### **Subsequent Events**

The Company has evaluated subsequent events through August 18, 2023, the date which the financial statements were available to be issued.

# Champs Chicken Franchising, LLC

## Notes to Financial Statements

June 30, 2023 and 2022

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### **Note 2 - Revenue**

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2023 and 2022:

	2023	2022
Revenue recognized over time	\$ 203,088	\$ 192,188
<b>Total revenue from contracts with customers</b>	<b>\$ 203,088</b>	<b>\$ 192,188</b>

Revenue from performance obligations satisfied over time consists of license fees received from Pro Food Systems, Inc.

The beginning and ending balances for accounts receivable and deferred revenues were as follows for the years ended June 30, 2023 and 2022:

	2023	
	July 1	June 30
Accounts Receivable	\$ 51,587	\$ 49,987
Deferred Revenues	23,625	21,875
2022		
	July 1	June 30
	\$ 48,008	\$ 51,587
Accounts Receivable	25,375	23,625
Deferred Revenues		

### **Note 3 - Intangible Assets**

Intangible assets as of June 30, 2023, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational Costs	<u>\$ 2,700</u>	<u>\$ 1,680</u>	<u>\$ 1,020</u>

Intangible assets as of June 30, 2022, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational Costs	<u>\$ 2,700</u>	<u>\$ 1,500</u>	<u>\$ 1,200</u>

Champs Chicken Franchising, LLC

Notes to Financial Statements

June 30, 2023 and 2022

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Amortization expense for the years ended June 30, 2023 and 2022, was \$180.

Estimated future amortization expense related to these intangible assets is as follows:

Years ending June 30,	Amount
2024	\$ 180
2025	180
2026	180
2027	180
2028	180
Thereafter	<u>120</u>
	<u><u>\$ 1,020</u></u>

**Note 4 - Related Party Transactions**

Related party balances as of and for the years ended June 30, 2023 and 2022 consist of the following:

	2023	2022
Royalty Income Received from Pro Food Systems, Inc.	\$ 203,088	\$ 192,188
Accounts Receivable Due from Pro Food Systems, Inc.	49,987	51,587
Deferred Revenue from Pro Food Systems, Inc.	21,875	23,625
Management fees paid to Burcham Companies, LLC	60,000	60,000
Directors Fees Paid to Member's Immediate Family	38,850	38,850

The sole member of the Company also serves as President and Chief Executive Officer of the affiliate Pro Food Systems. Burcham Companies, LLC is a related parties as they share common ownership with the Company.

# Champs Chicken Franchising, LLC

## Notes to Financial Statements

June 30, 2023 and 2022

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### Note 5 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of June 30, 2023 and 2022:

	2023	2022
Deferred Tax Assets (Liabilities)		
Receivables	\$ (12,000)	\$ (13,000)
Deferred revenues	5,000	6,000
Intangibles	3,000	3,000
 Net deferred tax liability	 <u>\$ (4,000)</u>	 <u>\$ (4,000)</u>

The provision for income taxes charged to income for the years ended June 30, 2023 and 2022, consists of the following:

	2023	2022
Currently Payable		
Deferred	\$ (17,100)	\$ (13,203)
	<u>-</u>	<u>(1,797)</u>
	 <u>\$ (17,100)</u>	 <u>\$ (15,000)</u>

The Company's provisions for 2022 differ from what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of timing differences from using the accrual method of accounting for financial statement reporting purposes and the cash method of accounting for income tax reporting purposes.

### Note 6 - Concentrations

#### Customer Concentration

Pro Food Systems, Inc. accounted for 100% of revenues for the years ended June 30, 2023 and 2022. See also Note 3 for Related Party Transactions.



Financial Statements  
June 30, 2022 and 2021

**Champs Chicken Franchising, LLC**

Champs Chicken Franchising, LLC  
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## **Independent Auditor's Report**

To the Board of Directors  
Champs Chicken Franchising, LLC  
Holts Summit, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Champs Chicken Franchising, LLC, which comprise the balance sheet as of June 30, 2022, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Champs Chicken Franchising, LLC as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Restatement of Prior Year Financial Statements***

The financial statements of Champs Chicken Franchising, LLC as of and for the year ended June 30, 2021, were audited by other auditors, whose report dated August 10, 2021, contained an unmodified opinion on those statements.

As discussed in Note 6 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

As part of our audit of the 2022 financial statements, we also audited the adjustments described in Note 6 that were applied to restate the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2021 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2021 financial statements as a whole.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

A handwritten signature in black ink that reads "Eric Sallie LLP". The signature is fluid and cursive, with "Eric" and "Sallie" connected, and "LLP" in a smaller, separate section.

Fargo, North Dakota  
August 23, 2022

Champs Chicken Franchising, LLC  
Balance Sheets  
June 30, 2022 and 2021

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	2022	2021		
	(Restated)			
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 431,016	\$ 374,028		
Receivables				
Due from related party	51,587	48,008		
Income taxes	-	4,459		
Total current assets	<u>482,603</u>	<u>426,495</u>		
Intangible assets, net of accumulated amortization	<u>1,200</u>	<u>1,380</u>		
	<u><u>\$ 483,803</u></u>	<u><u>\$ 427,875</u></u>		
<b>Liabilities and Member's Equity</b>				
<b>Current Liabilities</b>				
Accounts payable, related party	\$ -	\$ 19		
Current portion of deferred revenues	1,750	1,750		
Income taxes payable	<u>10,544</u>	<u>-</u>		
Total current liabilities	<u>12,294</u>	<u>1,769</u>		
<b>Long-term Liabilities</b>				
Deferred revenues, net of current portion	21,875	23,625		
Deferred income taxes	<u>4,000</u>	<u>2,203</u>		
Total long-term liabilities	<u>25,875</u>	<u>25,828</u>		
Total liabilities	<u>38,169</u>	<u>27,597</u>		
Member's Equity	<u>445,634</u>	<u>400,278</u>		
	<u><u>\$ 483,803</u></u>	<u><u>\$ 427,875</u></u>		

**Champs Chicken Franchising, LLC**  
**Statements of Operations**  
**Years Ended June 30, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
	(Restated)	
<b>Revenues</b>		
License fees	\$ 192,188	\$ 174,081
<b>Operating Expenses</b>		
Professional fees	89,545	103,138
Directors fees	38,850	38,850
Dues and subscriptions	1,965	1,126
Contribution	1,000	-
Registration and license fees	551	-
Franchise taxes	300	103
Amortization expense	180	180
Bank service changes	120	110
Postage and delivery	28	63
Education and training	-	7,315
	<hr/>	<hr/>
Total operating expenses	132,539	150,885
<b>Operating Income</b>	59,649	23,196
<b>Other Income</b>		
Interest income	707	813
<b>Net Income Before Income Taxes</b>	60,356	24,009
<b>(Provision for) Benefit from Income Taxes</b>	(15,000)	3,294
<b>Net Income</b>	<hr/> \$ 45,356	<hr/> \$ 27,303

Champs Chicken Franchising, LLC  
Statements of Member's Equity  
Years Ended June 30, 2022 and 2021

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	Member's Equity
Balance, June 30, 2020 (Restated)	\$ 372,975
Net income (Restated)	<u>27,303</u>
Balance, June 30, 2021 (Restated)	400,278
Net income	<u>45,356</u>
Balance, June 30, 2022	<u><u>\$ 445,634</u></u>

**Champs Chicken Franchising, LLC**  
**Statements of Cash Flows**  
**Years Ended June 30, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
	(Restated)	
<b>Operating Activities</b>		
Net income	\$ 45,356	\$ 27,303
Adjustments to reconcile net income to net cash from operating activities		
Amortization	180	180
Deferred income taxes	1,797	(1,703)
Changes in assets and liabilities		
Due from related party	(3,579)	(8,966)
Accounts payable	(19)	4
Deferred revenue	(1,750)	(1,750)
Income taxes	<u>15,003</u>	<u>3,648</u>
Net Cash from Operating Activities	<u>56,988</u>	<u>18,716</u>
Net Cash from Investing Activities	<u>-</u>	<u>-</u>
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash	56,988	18,716
Cash, Beginning of Year	<u>374,028</u>	<u>355,312</u>
Cash, End of Year	<u>\$ 431,016</u>	<u>\$ 374,028</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash refunds for income taxes	\$ 1,800	\$ 3,648

## **Note 1 - Principal Business Activity and Significant Accounting Policies**

### **Principal Business Activity**

Champs Chicken Franchising, LLC (the Company) was formed on September 4, 2013, for the purpose of managing franchise restaurant operations and will continue perpetually until dissolution. The Company sells two types of franchises, "BWB" and "Freestanding." "BWB" or "business within a business" is a franchise for the operation of Champs Chicken restaurants inside an existing business, such as a convenience store or grocery store. "Freestanding" franchises are standalone restaurants. The company does not charge the franchisees an initial startup fee for this type of franchise. The company derives a license fee from the affiliate Pro Food Systems, Inc. for the sale of product to the franchisees. The Company had 433 and 417 existing "BWB" franchises and no "Freestanding" franchises as of June 30, 2022 and 2021, respectively. The company awarded 51 new franchisees in 2022 and 45 new franchisees in 2021. The company closed 35 and 15 franchises in 2022 and 2021, respectively.

### **Concentrations of Credit Risk**

The Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

### **Receivables and Credit Policy**

The Company states its accounts receivable balance at the amount management expects to be collectible, and the balance in the current year consists entirely of quarterly license fees due from Pro Food Systems, Inc., an affiliate (see Note 3, Related Party Transactions). The Company expects this balance to be fully collectible. As such, no allowance for doubtful accounts is required. If any accounts do become uncollectible, they will be charged to operations as appropriate.

### **Intangible Assets**

Intangible assets with a finite life consist of organizational costs that occurred when the Company began. These costs are being amortized on a straight-line basis over 15 years.

### **Income Taxes**

The Company is a Limited Liability Company and has elected to be taxed as a C Corporation. Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, intangible assets, and deferred revenue for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

# Champs Chicken Franchising, LLC

## Notes to Financial Statements

June 30, 2022 and 2021

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The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of June 30, 2022 and 2021, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

### **Revenue Recognition**

License fee revenue is considered to be a sales-based royalty that is recognized over time as the franchisee receives the benefits from the products sold by Pro Food Systems, Inc. to the franchisee. Generally, the license fee revenue is billed and collected quarterly in arrears. The Company collected 0.50% of Pro Food Systems Inc.'s net sales to the franchisees for license fees for the years ended June 30, 2022 and 2021.

Deferred revenue consists of license fees from an advance cash payment from Pro Food Systems, Inc for the use of the Champs Chicken Franchising, LLC's license. The revenue from this advance payment is recognized over the life of the agreement, which is 20 years.

### **Estimates**

The preparation of the 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 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.

### **Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net income or member's equity.

### **Subsequent Events**

The Company has evaluated subsequent events through August 23, 2022, the date which the financial statements were available to be issued.

Champs Chicken Franchising, LLC

Notes to Financial Statements

June 30, 2022 and 2021

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**Note 2 - Revenue**

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2022 and 2021:

	2022	2021
	(Restated)	
Revenue recognized over time	\$ 192,188	\$ 174,081
Total revenue from contracts with customers	<u>\$ 192,188</u>	<u>\$ 174,081</u>

Revenue from performance obligations satisfied over time consists of license fees received from Pro Food Systems, Inc.

The beginning and ending balances for accounts receivable and deferred revenues were as follows for the years ended June 30, 2022 and 2021:

	2022	
	July 1	June 30
Accounts receivable	\$ 48,008	\$ 51,587
Deferred revenues	25,375	23,625
2021		
	July 1	June 30
		(Restated)
Accounts receivable	\$ 39,042	\$ 48,008
Deferred revenues	27,125	25,375

**Note 3 - Intangible Assets**

Intangible assets as of June 30, 2022, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational costs	<u>\$ 2,700</u>	<u>\$ 1,500</u>	<u>\$ 1,200</u>

Intangible assets as of June 30, 2021, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational costs	<u>\$ 2,700</u>	<u>\$ 1,320</u>	<u>\$ 1,380</u>

Champs Chicken Franchising, LLC

Notes to Financial Statements

June 30, 2022 and 2021

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Amortization expense for the years ended June 30, 2022 and 2021 was \$180.

Estimated future amortization expense related to these intangible assets is as follows:

Years ending June 30,	Amount
2023	\$ 180
2024	180
2025	180
2026	180
2027	180
Thereafter	<u>300</u>
	<u>\$ 1,200</u>

**Note 4 - Related Party Transactions**

Related party balances as of and for the years ended June 30, 2022 and 2021 consist of the following:

	2022	2021 (Restated)
Royalty income received from Pro Food Systems, Inc.	\$ 192,188	\$ 174,081
Accounts receivable due from Pro Food Systems, Inc.	51,587	48,008
Deferred revenue from Pro Food Systems, Inc.	23,625	25,375
Management fees paid to Burcham Companies, LLC	60,000	30,000
Management fees paid to Burcham Rentals, Inc.	-	32,815
Directors fees paid to member's immediate family	38,850	38,850

The sole member of the Company also serves as President and Chief Executive Officer of the affiliate Pro Food Systems. Burcham Companies, LLC and Burcham Rentals, Inc. are related parties as they share common ownership with the Company.

# Champs Chicken Franchising, LLC

## Notes to Financial Statements

June 30, 2022 and 2021

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### Note 5 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of June 30, 2022 and 2021:

	2022	2021
	(Restated)	
Deferred Tax Assets (Liabilities)		
Receivables	\$ (13,000)	\$ (11,900)
Deferred revenues	6,000	6,400
Intangibles	3,000	3,297
Net deferred tax liability	<u>\$ (4,000)</u>	<u>\$ (2,203)</u>

The (provision) benefit for income taxes charged to income for the years ended June 30, 2022 and 2021, consists of the following:

	2022	2021
Currently payable		
Deferred	\$ (13,203) (1,797)	\$ 1,591 1,703
	<u>\$ (15,000)</u>	<u>\$ 3,294</u>

The Company's provisions for 2021 differ from what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of timing differences from using the accrual method of accounting for financial statement reporting purposes and the cash method of accounting for income tax reporting purposes.

### Note 6 - Concentrations

#### Customer Concentration

Pro Food Systems, Inc. accounted for 100% of revenues for the years ended June 30, 2022 and 2021. See also Note 3 for Related Party Transactions.

**Champs Chicken Franchising, LLC**

Notes to Financial Statements

June 30, 2022 and 2021

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**Note 7 - Restatement**

During 2022, the Company identified misstatements within the 2021 financial statements related to deferred revenues that were not recorded.

The following is a summary of the effects of the restatement in the Company's June 30, 2021 Balance Sheet:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
<b>As of June 30, 2021</b>			
Current portion of deferred revenues	\$ -	\$ 1,750	\$ 1,750
Total current liabilities	19	1,750	1,769
Deferred income taxes liabilities (noncurrent)	8,932	(6,729)	2,203
Deferred revenues, net of current portion	-	23,625	23,625
Total long-term liabilities	8,932	16,896	25,828
Total liabilities	8,951	18,646	27,597
Member's equity	418,924	(18,646)	400,278

The following is a summary of the effects of the restatement in the Company's June 30, 2021 Statement of Operations:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
<b>Year Ended June 30, 2021</b>			
License fees	\$ 172,331	\$ 1,750	\$ 174,081
Net income before income taxes	22,259	1,750	24,009
Net income	25,553	1,750	27,303

The following is a summary of the effects of the restatement in the Company's June 30, 2021, Statement of Cash Flows:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
<b>Year Ended June 30, 2021</b>			
Net income	\$ 25,553	\$ 1,750	\$ 27,303
Deferred revenues	-	(1,750)	(1,750)

**CHAMPS CHICKEN FRANCHISING, LLC**

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**UNAUDITED FINANCIAL STATEMENTS**

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THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

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Accrual Basis

## Champs Chicken Franchising LLC

### Profit & Loss

September through December 2023

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Sep - Dec 23

Ordinary Income/Expense	
Income	
4000 · Revenue	
4140 · Royalty Income	64,915.20
Total 4000 · Revenue	64,915.20
Total Income	64,915.20
Gross Profit	64,915.20
Expense	
6120 · Dues & Subs Summary	1,020.00
6150 · Taxes & Licenses	10,245.00
6160 · Professional Fees	29,645.00
Total Expense	40,910.00
Net Ordinary Income	24,005.20
Other Income/Expense	
Other Income	3,658.07
Net Other Income	3,658.07
Net Income	27,663.27

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Accrual Basis

## Champs Chicken Franchising LLC

## Balance Sheet

As of December 31, 2023

	Dec 31, 23
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	523,114.94
<b>Accounts Receivable</b>	47,178.10
<b>Total Current Assets</b>	<u>570,293.04</u>
<b>Fixed Assets</b>	
<b>1700 · Intangibles</b>	1,020.00
<b>Total Fixed Assets</b>	<u>1,020.00</u>
<b>TOTAL ASSETS</b>	<b><u>571,313.04</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	4,374.00
<b>Total Current Liabilities</b>	<u>4,374.00</u>
<b>Long Term Liabilities</b>	
<b>2600 · Other Long Term Liabilities</b>	
<b>2640 · Prepaid License Fee Revenue</b>	21,875.00
<b>Total 2600 · Other Long Term Liabilities</b>	<u>21,875.00</u>
<b>Total Long Term Liabilities</b>	<u>21,875.00</u>
<b>Total Liabilities</b>	<u>26,249.00</u>
<b>Equity</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>571,313.04</u></b>

**EXHIBIT F**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**LIST OF FRANCHISEES AND OUTLETS**

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**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
PIGGLY WIGGLY #416	102 W BROAD STREET	EUFAULA	AL	36027	(706) 315-9134
PIGGLY WIGGLY #436	1631 S EUFAULA AVE	EUFAULA	AL	36027	(706) 315-9134
Finnway Express #507	1577 West Third St	Luverne	AL	36049	(334) 335-5375
Gas Express #708	2200 WEST POINT PKWY	OPELIKA	AL	36801	(404) 809-4923
PIGGLY WIGGLY #443	1515 2ND AVE.	OPELIKA	AL	36801	(706) 315-9134
PIGGLY WIGGLY #411	1837 STADIUM DRIVE	PHENIX CITY	AL	36867	(706) 315-9134
Gas Express #309	1220 Hwy 35 & 417 Kenwood Rd	Benton	AR	72015	(404) 809-4923
Road Runner #1104	545 Skyline Dr	Conway	AR	72032	(870) 774-8055
The Filling Station #23	701 HIGHWAY 65 SOUTH	DUMAS	AR	71639	(662) 820-9583
White Oak MOARK #18	102 Passion Play Rd	Eureka Springs	AR	72632	870-577-3432
The Filling Station #46	309 South Gould Ave	Gould	AR	71643	(662) 820-9583
White Oak #13	101 E Main St	Green Forest	AR	72638	870-577-3432
Road Runner #760	1500 Bypass Road	Heber Springs	AR	72543	(870) 774-8055
THE FILLING STATION #22	1108 HWY 65 South	LAKE VILLAGE	AR	71653	(662) 820-9583
Gas Express #301	6201 Colonel Glenn Rd	Little Rock	AR	72204	(404) 809-4923
Gas Express #302	10200 Rodney Parham	Little Rock	AR	72227	(404) 809-4923
Gas Express #305	10321 Colonel Glenn Rd	Little Rock	AR	72204	(404) 809-4923
Road Runner #15	800 Broadway Street	Little Rock	AR	72201	(870) 774-8055
Road Runner #38	13400 I-30	Little Rock	AR	72209	(870) 774-8055
Parkers Filling Station	104 Highway 65 North	McGehee	AR	71654	(662) 820-9583
JAMES SUPER SAVE FOODS (MENA)	707 7th Street	MENA	AR	71953	(479) 394-7257
Gas Express #306	3320 J F Kennedy Blvd	North Little Rock	AR	72116	(404) 809-4923
Gas Express #313	5051 Warden Road	North Little Rock	AR	72116	(404) 247-9473
Gas Express #304	4601 Northshore Drive	North Little Rock	AR	72118	(404) 247-9473
Road Runner #471 - Morgan/Maumelle	18823 MacArthur Dr	North Little Rock	AR	72118	(479) 783-6800
Gas Express #307	118 Country Club Rd	Sherwood	AR	72120	(404) 809-4923
Gas Express #308	9324 AR-107	Sherwood	AR	72120	(404) 809-4923
CRAVEN FOODS	14551 HWY 16 E	SHIRLEY	AR	72153	(501) 723-5007
ALLEN'S GROCERY	103 SOUTH MAIN STREET	SUMMIT	AR	72677	(870) 736-1396
Road Runner #1102	5720 Four States Fair Pkwy	Texarkana	AR	71854	(870) 774-8055

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Good2Go #506 - Kingman	915 W. Beale Street	Kingman	AZ	86401	(208) 206-6195
Fuel B's (Kahlon)	23580 Hwy 94	Calhan	CO	80808	(510) 860-2297
Woolsey's Food Center	474 Colorado Ave	Calhan	CO	80808	(719) 452-0752
D&S C-STORE	640 HWY 285	FAIRPLAY	CO	80440	719-539-4641
	3831 Hwy 4	Jay	FL	32565	850-626-4949
	496 North Ave	Athens	GA	30601	678-732-4577
Gas Express #222	7320 Roswell Road	Atlanta	GA	30328	(404) 247-9473
Gas Express #251	1896 Piedmont Rd NE	Atlanta	GA	30324	(404) 809-4923
Gas Express #238	4081 South Bogan Road	Buford	GA	30519	(404) 247-9473
Gas Express #215	8023 Cumming Hwy	Canton	GA	30107	(404) 809-4923
Gas Express #219	3299 Sixes Rd.	Canton	GA	30114	(404) 809-4923
Gas Express #127	1697 Norman Drive	College Park	GA	30349	(404) 809-4923
Gas Express #181	4903 Old National Highway	College Park	GA	30337	(404) 809-4923
LEWIS JONES (PIGGLY WIGGLY 432)	1359 13th STREET	COLUMBUS	GA	31901	(706) 315-9134
PIGGLY WIGGLY #407	1807 S LUMPKIN ROAD	COLUMBUS	GA	31903	(706) 315-9134
PIGGLY WIGGLY #434	5850 MOON ROAD	COLUMBUS	GA	31909	(706) 315-9134
PIGGLY WIGGLY #444	2424 WOODRUFF FARM ROAD	COLUMBUS	GA	31907	(706) 315-9134
Gas Express #190	3000 Moreland Avenue	Conley	GA	30288	(404) 809-4923
Gas Express #203	2244 Hurricane Shoals Road NE	Dacula	GA	30019	(404) 809-4923
Gas Express #184	2475 Candler Road	Decatur	GA	30032	(404) 809-4923
Gas Express #205	4265 Glenwood Road	Decatur	GA	30032	(404) 809-4923
Gas Express #217	7342 Spout Springs Road	Flowery Branch	GA	30542	(404) 809-4923
Gas Express #200	1750 Dry Pond Rd	Jefferson	GA	30549	(404) 809-4923
Gas Express #263	2390 Whiteville	LaGrange	GA	30240	(404) 809-4923
PIGGLY WIGGLY #401	1861 ROANOKE ROAD	LAGRANGE	GA	30240	(706) 315-9134
Gas Express #124	2685 Evans Mill Road	Lithonia	GA	30058	(404) 809-4923
Gas Express #213	3010 Bill Gardner Pkwy	Locust Grove	GA	30248	(404) 809-4923
Gas Express #202	1230 Cobb Parkway N	Marietta	GA	30062	(404) 809-4923
Gas Express #197	1605 Troy Smith Rd	Monroe	GA	30656	(404) 809-4923
Gas Express #234	5175 S Old Peachtree Rd	Norcross	GA	30092	(404) 809-4923
Gas Express #199	215 Old Peachtree Road NW	Sewanee	GA	30024	(404) 809-4923
Gas Express #244	5 Buford Highway	Sewanee	GA	30024	(404) 247-9473
PIGGLY WIGGLY #430	301 N CENTER STREET	THOMASTON	GA	30286	(706) 315-9134

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Gas Express #201	3000 Kia Blvd.	West Point	GA	31833	(404) 809-4923
Snappy Foods	608 Bedell Ave	Woodbine	GA	31569	(912) 617-0666
Olsen's BP	110 LOCUST ST	Atlantic	IA	50022	(712) 249-0861
Kwik Stop 16th Street	1215 East 16th St	Dubuque	IA	52001	(563) 552-6582
Tiger Mart - Griswold	708 Main	Griswold	IA	51535	(712) 778-2708
Big G Foods	310 W Dillon St	Marengo	IA	52301	319-642-5551
GARY'S FOODS	715 1ST AVE SW	MOUNT VERNON	IA	52314	(319) 895-8616
Community Oil Company	910 10th St	Rock Valley	IA	51247	(712) 476-5494
Good2Go #118 - Ammon	125 S. 25th East	Ammon	ID	83401	(208) 206-6195
GAS AND SCRUB	410 N Hwy 26	Blackfoot	ID	83221	(208) 317-4232
Pit Stop Grill	232 N Highway 77	Declo	ID	83323	(360) 567-9077
Dubois Travel Stop	424 W Main St	Dubois	ID	83423	(360) 567-9077
Dad's Travel Centers	3607 North Yellowstone	Idaho Falls	ID	83401	(208) 317-3005
Sammy's Mini Mart	318 Custer Street	Mackay	ID	83251	(208) 720-8862
Barneys Harvest Foods #4	13030 Hwy 12	Orofino	ID	83544	(208) 476-3413
Stein's Market #2-Osburn	712 E. Mullan	Osburn	ID	83849	(208) 752-5021
Good2Go #108 - Rigby	182 So State Street	Rigby	ID	83442	(208) 206-6195
Good2Go #120 - Shelley	510 S State St	Shelley	ID	83274	(208) 206-6195
JACK FLASH (Arthur)	809 E COLUMBIA STREET	ARTHUR	IL	61911	(217) 821-7291
RHODES MARKET	409 MAIN ST	AUGUSTA	IL	62311	(217) 392-2221
RANDY'S MARKET INC.-BENLD	900 NORTH HARDROAD	BENLD	IL	62009	(217) 835-2514
BP #208 (Canton)	510 E Linn	Canton	IL	61520	(314) 580-1191
	301 S Broadway Street	Coal City	IL	60416	815-830-6672
FAST STOP GENERAL STORE	410 S WILLOW STREET	EFFINGHAM	IL	62401	(217) 821-2948
MACH 1	800 W MAIN STREET	FAIRFIELD	IL	62837	(618) 767-6428
JACK FLASH FARMERSVILLE	30239 W Frontage Rd	Farmersville	IL	62533	(217) 821-7291
HOMETOWN EXPRESS #2	12 SW SECOND STREET	GALVA	IL	61434	(309) 235-5401
Hometown Express #5 Geneseo IL	106 S. Chicago St	Geneseo	IL	61254	(309) 235-5401
Mach 1 #22 (Herrin, IL)	912 N Park Ave	Herrin	IL	62948	618-925-3707
SINCLAIR FOODS	202 SINCLAIR DRIVE	JERSEYVILLE	IL	62052	(417) 770-1948
COUNTRY JUNCTION LARSON OIL LLC.	108 SOUTH FRONT STREET	KANSAS	IL	61933	(217) 251-7480
Mach 1 #6 (Lawrenceville)	So1502 State St.	Lawrenceville	IL	62439	618-925-3707

LIST OF FRANCHISEES AND OUTLETS					
Name	Address	City	State	Zip	Phone
LINCOLN IGA	713 PULASKI ST	LINCOLN	IL	62656	(217) 737-9815
Mackinaw IGA	100 N MAIN	MACKINAW	IL	61755	(309) 359-5211
MARION FAST STOP	1501 EAST DEYOUNG	MARION	IL	62959	(618) 922-5587
Preet Mini Mart	2704 69TH AVENUE CT	Moline	IL	61265	(309) 762-4121
Pana Save-a-Lot	1 WEST 4TH STREET	PANA	IL	62557	(217) 827-5703
PAXTON IGA	144 W PELLS ST	PAXTON	IL	60957	(217) 379-3312
HADDAD'S WEST PEORIA MARKET	2407 ROHMAN AVE	PEORIA	IL	61604	(201) 291-1656
Jack Flash (St Joe)	303 Warren Street	St Joseph	IL	61873	(217) 821-7291
WEST PLAZA COUNTRY MART 0165	1900 N. BUCKEYE	ABILENE	KS	67410	(785) 280-1782
FOODMART THRIFTWAY	2311 M STREET	BELLEVILLE	KS	66935	(785) 527-2464
Caney Market	114 N State Street	Caney	KS	67333	(620) 879-2772
U PUMP IT #211	701 Morton St.	Elkhart	KS	67950	(620) 697-1080
STUB'S MARKET	525 W STATE STREET	ERIE	KS	66733	(620) 244-3216
U PUMP IT #207	156 CAMPUS DR	GARDEN CITY	KS	67846	(817) 903-1267
U PUMP IT #212	2001 E. Mary St.	GARDEN CITY	KS	67846	(817) 903-1267
LENTZ EXPRESS	729 1ST AVENUE EAST	HORTON	KS	66439	(785) 548-5028
CHECKERS GROCERY 195	2300 LOUISIANA	LAWRENCE	KS	66044	(785) 843-0023
JERRYS THRIFTWAY	880 LAKIN STREET	OSAGE CITY	KS	66523	785-528-3065
Snak Atak #2	3201 N Rouse Rd	Pittsburg	KS	66762	816-294-5633
WEHNERS THRIFTWAY (ROSSVILLE)	551 E. HWY 24 TRAFFICWAY	ROSSVILLE	KS	66533	(785) 584-9922
KLEMA MARKET	51 SOUTH FOSSIL STREET	RUSSELL	KS	67665	(785) 483-2149
GARRETT'S COUNTRY MART	707 S OLD HIGHWAY 75	SABETHA	KS	66534	(785) 284-2167
Phillips 66 All Star	1781 Frontage Rd	Sabetha	KS	66534	424-666-9031
U PUMP IT #214	1887 HWY 83	Sublette	KS	67877	(817) 903-1267
DART IN - ULYSSES	220 N COLORADO	ULYSSES	KS	67880	(620) 353-0083
Short Stop #25 (Leiszler Oil)	200 E 7th Street	Washington	KS	66968	(785) 632-0780
Bert's	1021 Poplar St.	Wellsville	KS	66092	785-285-2147
21st St Market	2011 E 21st Street	Wichita	KS	67214	(316) 573-9433
Clark's Pump N-Shop - Ashland	1920 29th St.	Ashland	KY	41101	606-286-0264
Flying Horse (Edmonton)	1840 Greensburg Road	Edmonton	KY	42129	270-272-2823

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Clark's Pump N Shop #83 (Georgetown)	2001 Paris Pike	Georgetown	KY	40324	606-286-0264
Clark's Pump N-Shop #72 (Greenup)	1233 KY 10	Greenup	KY	41144	606-286-0264
Paris BP	101 Corporate Way	Paris	KY	40361	859-987-3666
TAYLORSVILLE COUNTRY MART 5763	913 TAYLORSVILLE ROAD	TAYLORSVILLE	KY	40071	(502) 477-2276
STOP 4 U INC	1920 W MADISON AVE	BASTROP	LA	71220	(318) 880-7622
Stop4All Inc.	3437 New Monroe Road	Bastrop	LA	71220	(318) 281-8958
MINNIE'S QUICK STOP #1	2000 FLORIDA ST.	MANDEVILLE	LA	70448	(985) 630-5659
Buzz Buy #24	12155 Hwy 80	Minden	LA	71055	318-377-4070
Simpson's One Stop	378 Hwy 2 E	Sterlington	LA	71280	(318) 245-6070
QUICK & EASY #4	22025 HIGHWAY 20	VACHERIE	LA	70090	(225) 717-0081
Dub's Corner	120 S. Pine St.	Vivian	LA	71082	(318) 564-1239
Ben's Supercenter (Brown City)	4436 Main St	Brown City	MI	48416	(810) 346-2835
Ben's Fresh Market (Cass City)	6233 Church Street	Cass City	MI	48726	(810) 346-2835
Ben's Supercenter (Marlette)	6541 Plaza Drive	Marlette	MI	48453	(810) 346-2835
J & H Family Stores Dorr Exxon	1331 142nd Street	Wayland	MI	49348	(616) 299-1252
Northdale Oil Corporation (Carlos)	8170 State Highway 29 N	Alexandria	MN	56308	218-681-3546
Glacial Plains C-Store	1020 Atlantic Ave	Benson	MN	56215	320-843-3999
Brookdale Winner	1500 Brookdale Dr	Brooklyn Park	MN	55444	612-986-5230
7-Eleven Inc. (Speedway)	602 E 4th St	Duluth	MN	55805	218-529-1680
KornerStore #000	1331 Commonwealth	Duluth	MN	55808	(218) 341-6478
WIN-E-MAC	22848 347th Street S.E.	Erskine	MN	56535	(218) 687-3887
Northdale Oil	702 N Mill St	Fertile	MN	56540	218-681-3546
Lakeville Amoco	8333 210th St W	Lakeville	MN	55044	952-255-8413
Eagle Lake Market	9601 63rd Ave N	Maple Grove	MN	55369	320-356-7512
Northdale Oil Corporation (Miltona)	4350 County Road 14 NE	Miltona	MN	56354	320-260-0358
Northdale Oil Corporation (Osakis)	300 W Nokomis St	Osakis	MN	56360	218-681-3546
Bill's Superette	17333 55th Ave NW	Royalton	MN	56373	(763) 350-6002
Northdale Oil Corporation (Sauk Centre)	321 Main Street North	Sauk Centre	MN	56378	320-260-0358
Farmers Union Oil - Cenex - Thief River Falls (HWY 59 SE)	1930 Highway 59 Southeast	Thief River Falls	MN	56701	(218) 686-7257

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Farmers Union Oil - Cenex - Thief River Falls (Atlantic Ave)	8th Street And Atlantic ST.	Thief River Falls	MN	56701	(218) 681-1240
Northdale Oil - Petro	17107 US Hwy 59 NE	Thief River Falls	MN	56701	218-773-4345
YOSS THRIFTWAY 891	BUSINESS 71 & HAZEL	ADRIAN	MO	64720	(816) 738-3212
Shoat's <i>Obtained via transfer</i>	304 E Hwy 136	Albany	MO	64402	(660) 254-0806
Ayerco (Alexandria)	36430 US Hwy 61	Alexandria	MO	63430	573-288-4464
STANG'S TRAVEL CENTER	497 EAST HWY 76	ANDERSON	MO	64831	(417) 845-1500
FOOD FAIR	309 WEST 4TH STREET	APPLETON CITY	MO	64724	(660) 492-0313
MOSER'S FOODS #5	109 EASTSIDE DRIVE	ASHLAND	MO	65010	(573) 220-0601
SHOW ME OIL COMPANY	804 SOUTH MAIN	AUXVASSE	MO	65231	(573) 220-0601
MACE SUPERMARKETS (BELLE)	1004 HIGHWAY 28	BELLE	MO	65013	(573) 263-4378
CROSSROADS GENERAL STORE	1001 Business 61 South	BOWLING GREEN	MO	63334	(573) 470-0543
USA MO #201 (Branson)	200 State Hwy F	Branson	MO	65616	870-577-3432
Prenger Foods Brookfield	542 S Main St	Brookfield	MO	64628	(660) 734-0497
WAYSIDE SOUTH	6823 HIGHWAY O	CATAWISSA	MO	63015	(636) 257-5600
White Oak Station #226 <i>Obtained via transfer</i>	347 US Highway 160	Caulfield	MO	65626	(417) 725-3981
BUZZS MARKET-2328	1310 S. Business Rt. 13	COLLINS	MO	64738	(417) 328-8783
MOSER'S FOODS #4 (New Build)	4420 Faurot Drive	Columbia	MO	65203	(573) 642-9145
MOSER'S FOODS #7	4840 RANGELINE	COLUMBIA	MO	65201	(573) 220-0601
MOSER'S FOODS #9	900 N Keene Street	Columbia	MO	65201	(573) 220-0601
MACE SUPERMARKETS (CUBA)	200 NORTH FRANKLIN	CUBA	MO	65453	(573) 259-6223
Temp Stop 102	7 Acorn Drive	Eldon	MO	65026	(816) 885-6507
Wayside Eureka	5150 State Rt 109	Eureka	MO	63025	(636) 257-5600
C-BARN 5 (FARMINGTON)	13 W KARSCH BOULEVARD	FARMINGTON	MO	63640	(573) 915-8116
MOSER'S FOODS #1	2020 NORTH BLUFF	FULTON	MO	65251	(573) 220-0601
SHORT STOP (JS INVESTMENTS)	4425 State Rd J	Fulton	MO	65251	(573) 826-8002
White Oak Station #228 <i>Obtained via transfer</i>	21334 Hwy 160	Gainesville	MO	65655	(417) 273-5502
Temp Stop (Grain Valley)	723 S Main St	Grain Valley	MO	64029	(816) 554-3352

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
THOELE CONV. STORE #470	62 SOUTH HWY 47	HAWK POINT	MO	63379	314-565-5396
LOUTRE MARKET	1381 HIGHWAY 19	HERMANN	MO	65041	(573) 486-5757
TRADING POST	20954 County Road 295	HERMITAGE	MO	65668	(417) 770-0526
Yoss Brothers Market #892	1200 East 10th Street	Holden	MO	64040	(816) 738-3212
R2 – 252 W Simon Blvd <i>Obtained via transfer</i>	252 WEST SIMON	HOLTS SUMMIT	MO	65043	(573) 896-8638
Jack Flash (Jefferson City)	910 S Country Club Drive	Jefferson City	MO	65109	(217) 821-7291
Fast Stop #5	8431 Hickman Mills Dr.	Kansas City	MO	64132	(816) 665-8422
The Station #2	8050 N Brighton Ave	Kansas City	MO	64119	(816) 891-9992
EAST GATE COMPLEX LLC	22993 PROFESSIONAL LN	LEBANON	MO	65536	(417) 664-0394
LINN THRIFTWAY	P.O. BOX 710	LINN	MO	65051	(469) 230-4681
Ayerco 65	303 Mansion St	Louisiana	MO	63353	(573) 393-2330
Prenger Foods Marceline	205 N CHESTNUT ST	MARCELINE	MO	64658	(660) 734-0497
MOSER'S FOODS #8	1101 West Monroe Street	Mexico	MO	65265	(573) 220-0601
7th Heaven	53381 Commercial Dr	Milan	MO	63556	(913) 206-7127
Junction Fuel and Grocery	447 Booneslick Rd	New Florence	MO	63363	(573) 835-2744
SEITTER'S MARKET	109 SEITTER DRIVE	NEW HAVEN	MO	63068	(573) 237-3403
C-BARN 4 (PARK HILLS)	154 PARKWAY DRIVE	PARK HILLS	MO	63601	(573) 915-8116
The Station #4	7201 Homer Parkway	Parkville	MO	64152	(816) 891-9992
Temp Stop 103	4575 S Limit Ave	Sedalia	MO	65301	(816) 885-6507
Ozarks Technical Community College	1001 E Chestnut Expwy	Springfield	MO	65802	(417) 447-6620
Lawson's Quick Stop	104 Hill St	Stewartsville	MO	64490	816-294-4459
Green Hills - St. Joseph	7014 King Hill Rd	St. Joseph	MO	64504	(816) 238-2007
Temp Stop 105	100 W 4th St	Stover	MO	65078	(816) 885-6507
Express Mart	35 Shawnee Four Drive	Sunrise Beach	MO	65079	636-464-5266
MOSER'S FOODS #3	1035 ARMORY ROAD	WARRENTON N	MO	63383	(573) 220-0601
Hickamo	18718 HWY 54	Wheatland	MO	65779	(417) 770-0526
TRIANGLE QUICK SHOP	20190 HWY 254	Wheatland	MO	65779	(417) 770-0526
TOWN AND COUNTRY LUCEDALE	7140 HIGHWAY 198	LUCEDALE	MS	39452	(601) 508-4321
Larson's Cash Saver (Oxford)	1936 University Ave	Oxford	MS	38655	662-234-3221
Larson's Cash Saver (Water Valley)	323 S Main St	Water Valley	MS	38965	662-471-2751
Bigfork Harvest Foods	8111 Hwy 35	Bigfork	MT	59911	406-837-5010

LIST OF FRANCHISEES AND OUTLETS					
Name	Address	City	State	Zip	Phone
GLACIERS FAMILY FOODS	601 SE BOUNDARY STREET	BROWNING	MT	59417	406-338-7283
PEOPLE'S HARVEST FOODS	801 N MAIN	DARBY	MT	59829	(406) 821-3612
Fic's Plaza	1220 N Main St	Deer Lodge	MT	59722	(406) 846-3970
Stein's Market #4-Eureka	33 Kaylin Lane	Eureka	MT	59917	(509) 292-2253
Rods Harvest Foods	116 MAIN STREET	ST IGNATIUS	MT	59865	(406) 360-3521
Burnt Fork Market	601 Main	Stevensville	MT	59870	(406) 360-3474
Stein's Market #5-Troy	607 E Missoula Avenue	Troy	MT	59935	(509) 292-2253
DUCK THRU #12 Ahoskie	800 N ACADEMY STREET	AHOSKIE	NC	27910	(252) 395-2031
DUCK THRU #3 Ahoskie	401 NC 561 WEST	AHOSKIE	NC	27910	(252) 395-2028
Duck Thru #27 – Ahoskie	342 NC-42	AHOSKIE	NC	27910	252-332-2131
Duck Thru #16 - Camden	103 East Hwy 158	Camden	NC	27921	(252) 395-2040
DUCK THRU #32 - COLERAIN	101 W MAIN STREET	COLERAIN	NC	27924	(252) 395-2036
Duck Thru #54 Columbia	775 US HWY 64	Columbia	NC	27925	(252) 395-2025
DUCK THRU #34 - Elizabeth City	1052 US HIGHWAY 158	ELIZABETH CITY	NC	27909	(252) 395-2032
Duck Thru #43 Gatesville	107 Main St.	Gatesville	NC	27938	(252) 395-2033
Duck Thru #59 - Greenville	3921 Bell Arthur Rd	Greenville	NC	27843	252-332-2131
Duck Thru #53 Hamilton	400 S Front St.	Hamilton	NC	27840	(252) 395-2043
Duck Thru #41 Hertford	964 Ocean Hwy South	Hertford	NC	27944	(252) 332-2131
Duck Thru #52 Hobbsville	1323 NC Hwy 32 S	Hobbsville	NC	27946	(252) 395-2042
DUCK THRU #26 Lewiston	208 E Church Street	Lewiston	NC	27849	252-332-2131
Duck Thru #46 Manteo	948 North Hwy 64-264	Manteo	NC	27954	(252) 395-2039
Debs Mini Mart #1	91 North Hwy 9	Mill Spring	NC	28756	864-497-4431
Duck Thru #1 Murfreesboro	602 W Main St	Murfreesboro	NC	27855	(252) 395-2030
Pinebluff Mini Mart	475 N Walnut St.	Pinebluff	NC	28373	(910) 603-5278
Duck Thru #57 Pinetops	314 E Hamlett St.	Pinetops	NC	27864	252-332-2131
Duck Thru #49 - Plymouth	22 US HWY 64 EAST	PLYMOUTH	NC	27962	(252) 395-2041
DUCK THRU #7 Rich Square	224 N Main St Rich	Rich Square	NC	27869	(252) 395-2027
Duck Thru #56 Scotland Neck	826 Main St.	Scotland Neck	NC	27874	(252) 395-2026

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Duck Thru #42 Seaboard	116 W. Central St.	Seaboard	NC	27876	(252) 395-2037
NEIGHBORS COUNTRY STORE	2511 LOBELLA ROAD	VASS	NC	28394	(919) 619-2005
Duck Thru #45 Wanchese	2991 HWY 345 S	Wanchese	NC	27981	(252) 395-2038
Duck Thru #55 Windsor	211 us 13 bypass	Windsor	NC	27983	(252) 395-2044
DUCK THRU #18 Winton	100 SOUTH MAIN STREET	WINTON	NC	27986	(252) 395-2035
TA TRAVEL CENTER (ALEXANDER ND)	14256 Hwy 85 N	Alexander	ND	58831	(701) 828-3352
1 Stop Market	4324 Hwy 281	Belcourt	ND	58316	(701) 477-8005
Farmers Union Oil Company (Beulah)	1600 N Dakota 49	Beulah	ND	58523	(701) 873-4363
Farmers Union - Bottineau	207 West 11th St	Bottineau	ND	58318	(701) 228-2900
Gordy's Casselton	15556 37th Street	Casselton	ND	58012	(701) 347-4586
Farmers Union Oil Company-Devils Lake	1803 Highway 2 East	Devils lake	ND	58301	(701) 351-4989
County Line Truck Stop	11106 30th G Street SW	Dickinson	ND	58601	(701) 590-1748
United Quality C-Store West #301	209 Main St.	Keene	ND	58847	(462) 835-2759
Red Trail Petro	2511 Old Red Trail NW	Mandan	ND	58554	(701) 527-2650
Farmers Union Oil Co.- Minot, ND	4750 N Broadway	Minot	ND	58703	(701) 240-7853
Mick's 281 Service	206 S 1st Street South	New Rockford	ND	58356	(701) 302-0375
United Quality Cooperative (1st St, New Town)	712 1st St N	New Town	ND	58763	(701) 421-8360
United Quality Cooperative (99 Coop, New Town)	99 Coop St	New Town	ND	58763	(701) 421-8360
Oakes Convenience, LLC d/b/a Tornado Stop	617 Main Ave	Oakes	ND	58474	(701) 742-2419
United Quality Cooperative - Parshall	3798 72nd Avenue	Parshall	ND	58770	(701) 421-0926
Farmers Union Oil (Powers Lake)	9045 Highway 50	Powers Lake	ND	58773	(701) 464-5416
Pinnacle Travel Plaza - Stanley C-Store	8149 Highway 2	Stanley	ND	58784	(701) 628-2322
Pinnacle Travel Plaza - Tioga	6714 Hwy 40 S	Tioga	ND	58852	(701) 628-2322
BIG BAT'S - CHADRON	1250 W HWY 20	CHADRON	NE	69337	(308) 430-4407
Peterson's Supermarket, Inc.	718 4th Street	Gothenburg	NE	69138	308-537-2048
Fill N Chill #001	709 N Brown Ave	Minden	NE	68959	(402) 984-0438

LIST OF FRANCHISEES AND OUTLETS					
Name	Address	City	State	Zip	Phone
Pawnee City Thriftway Inc.	535 F Street	Pawnee City	NE	68420	(402) 852-2267
Fill-N-Chill	401 Grand Avenue	Ravenna	NE	68869	(402) 984-0438
The Market at Laughlin Inc	3100 Needles Hwy	Laughlin	NV	89029	970-626-5811
Country Club Shell	266 Spring Creek Parkway	Spring Creek	NV	89815	(775) 397-3550
BellStores - Apple Creek	60 East Main Street	Apple Creek	OH	44606	330-833-8555
BellStores - Ashland East	1011 Sugarbush Drive	Ashland	OH	44805	(330) 833-8555
Bellstores - Hayesville	1923 State Route 60	Ashland	OH	44805	(330) 833-8555
FRIENDLY EXPRESS 5	655 US Rt 250	Ashland	OH	44805	419-368-5263
BellStores - Barnesville	204 East Main Street	Barnesville	OH	43713	(330) 833-8555
Batavia Sunoco	2700 Old State Rd. 32	Batavia	OH	45103	(270) 670-9666
BellStores - Cambridge	1002 Wheeling Ave	Cambridge	OH	43725	(330) 833-8555
BellStore- Waco #1028	2540 Waynesburg Rd SE	Canton	OH	44707	330-833-8555
Bellstores - Dalton	208 S Mill St	Dalton	OH	44618	(330) 833-8555
BellStore – Findlay	1215 West Main Cross St	Findlay	OH	45840	(330) 417-3094
Bellstores - Galion	902 Portland Way N	Galion	OH	44833	(330) 833-8555
SEL Properties of Genoa, LLC	22210 OH-51	Genoa	OH	43430	419-350-9057
Clark's Pump-N-Shop - Jackson, OH	90 Twin Oaks Drive	Jackson	OH	45640	606-286-0264
Bellstores - Johnstown #1155	8 W. Coshocton St	Johnstown	OH	43031	(330) 833-8555
Bellstores - Malvern	7397 Canton Rd NW	Malvern	OH	44654	(330) 833-8555
BellStore- Martins Ferry #1074	507 Crawford St	Martins Ferry	OH	43935	330-833-8555
Bellstore - Hills and Dales #1145	8015 Hills and Dales Rd NE	Massillon	OH	44646	330-833-8555
Bellstores - First Street	108 Lake Ave NE	Massillon	OH	44646	(330) 833-8555
Bellstore - Massillon #1040	4141 Erie St S	Massillon	OH	44646	330-833-8555
Bellstores - Millersburg South	1129 Washington St	Millersburg	OH	44654	(330) 833-8555
BellStore #1138-Berlin	4716 OH-39	Millersburg	OH	44654	(330) 833-8555
BellStore #1054 Mt. Eaton	15927 E MAIN ST	MOUNT EATON	OH	44659	330-833-8555
Bellstores - New Lexington	149 West Broadway St	New Lexington	OH	43764	(330) 833-8555
BellStore - Market & Easton #1021	6256 N. Market St.	North Canton	OH	44721	(330) 833-8555
BellStores - Orrville	425 W High Street	Orrville	OH	44667	(330) 833-8555
JC'S CONVENIENCE PLUS	77 STATE ROAD 325 W	RIO GRANDE	OH	45674	740-645-0953
BellStores- St. Clairsville	418 S Marietta Street	St. Clairsville	OH	43950	(330) 833-8555

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Bellstores - 585	2424 Akron Rd	Wooster	OH	44691	(330) 833-8555
Bellstores - Midway	1046 Apple Creek Rd	Wooster	OH	44691	(330) 833-8555
Bellstores - North End	132 W Milltown Rd	Wooster	OH	44691	(330) 833-8555
Bellstores - S. Wooster	1337 Blachleyville Rd	Wooster	OH	44691	(330) 833-8555
Bellstore- Columbus Ave #1165	220 S. Columbus Ave	Wooster	OH	44691	330-833-8555
Carter Express	506 N. Washington	Ardmore	OK	73401	(580) 222-6894
Longhorn Express	15045 US HWY 70	Ardmore	OK	73401	(580) 222-6894
Myall Express	1202 S Commerce St	Ardmore	OK	73401	(580) 668-2235
SPENCERS GROCERY /BLANCHARD GROCERY LLC	1018 N COUNCIL Rd.	BLANCHARD	OK	73010	(405) 485-3810
Campus Quick Stop	1601 W Grand Ave	Chickasha	OK	73018	405-825-3531
Coffee Creek Corner	2709 N Broadway Ave	Edmond	OK	73034	(405) 824-0961
Satvam, LLC	19401 N Portland	Edmond	OK	73012	(215) 272-7553
Total Express at Rockwell	16401 N Rockwell Ave	Edmond	OK	73013	405-348-3835
Chisholm Corner #18 <i>Obtained via transfer</i>	11959 US Hwy 62	Elgin	OK	73538	(580) 467-0375
Express Store (Sher Group LLC)	10001 Hwy 76	Healdton	OK	73438	580-504-4918
Gas N Go (Henryetta)	906 E Frisco	Henryetta	OK	74437	918-824-1899
Marietta Shell	1504 Memorial Dr.	Marietta	OK	73448	(405) 414-2319
Push 'Em Station	5414 US 70	Mead	OK	73449	(580) 579-1504
Mr. C's	1920 Atchison Drive	Norman	OK	73069	(405) 361-2510
Valero on Hwy 9	1728 SW 24 <sup>th</sup>	Norman	OK	73072	(405) 600-5241
BUSTERS GROCERY	505 W. DAVIS DR.	NOWATA	OK	74048	(918) 273-1233
DAILY STOP #2	8501 SW 59TH STREET	OKLAHOMA CITY	OK	73139	(405) 414-2816
Oak Tree	6 West Memorial Rd	Oklahoma City	OK	73114	(405) 824-0961
Kwik Kountry Inc.	1510 Hwy 59 N	Westville	OK	74965	918-723-3424
ROY'S CARDINAL FOODS	621 N HIGHWAY 2	WILBURTON	OK	74578	(918) 465-2452
Baker City Chevron	275 Campbell St.	Baker City	OR	97814	(541) 523-6341
Crater Lake Junction Travel Center LLC	34315 Hwy 97 N	Chiloquin	OR	97624	(541) 783-9800
Roots Market #23	652 HWY 20 N	HINES	OR	97738	(503) 661-1244
TA Huntington	5945 US Hwy 30	Huntington	OR	97907	(360) 567-9077
US Market 541 (US Petroleum LLC)	3150 Aviation Dr	Roseburg	OR	97479	541-336-2232
Andersen Market & Deli	1030 W HARVARD AVE	ROSEBURG	OR	97471	541-643-0740

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
SAC #506 (LINCOLN BEDFORD)	6934 Lincoln Highway	Bedford	PA	15522	814-977-8212
SAC #511 (BEDFORD INTERCHANGE)	4418 Business 220	BEDFORD	PA	15522	(814) 623-7093
SAC #507 (BREEZEWOOD)	121 N BREEZEWOOD INTERCHANGE	BREEZEWOOD	PA	15533	(814) 735-4503
SAC #512 (EVERETT)	13107 LINCOLN HWY	EVERETT	PA	15537	(814) 652-9092
SAC #514 (SNAKE SPRING)	10071 LINCOLN HWY	EVERETT	PA	15537	(814) 623-2989
Lancaster Travel Plaza	2504 Willow St Pike	Lancaster	PA	17602	717-687-6112
TA Express - Lancaster Travel Plaza	2622 Lincoln Highway	Ronks	PA	17572	717-687-6112
Debs Mini Mart #3	3697 Chesnee Hwy	Chesnee	SC	29323	864-497-4431
High Hill Quick Fill	2310 Timmonsville Hwy.	Darlington	SC	29532	(843) 319-3791
CBH Travel Center	18756 US HWY 85	Belle Fourche	SD	57717	(605) 723-9000
COWBOY COUNTRY STORE #7	104 Hwy 14 East	De Smet	SD	57231	(605) 854-3553
Cowboy Country Store #8	310 W. 1st Street	FT PIERRE	SD	57532	(605) 494-0221
Crow Creek C Store	1033 Wounded Knee Rd	Ft. Thompson	SD	57339	605-730-4050
Dakota Plains Cooperative (McLaughlin)	101 Main St	McLaughlin	SD	57642	920-286-3800
Cowboy Country C-Store	704 N. Broadway	Miller	SD	57362	(605) 280-3188
COWBOY COUNTRY STORE #5	1619 N HARRISON AVE	PIERRE	SD	57501	(605) 280-3188
Big Bat's- Pine Ridge	340767 SD-407	Pine Ridge	SD	57770	(308) 430-1968
Sioux Valley Coop	220 10th St NW	Watertown	SD	57201	(605) 881-3498
Bellevue Convenience, Inc.	1335 S Bellevue Blvd	Memphis	TN	38106	404-789-9881
Woodbury Market	1130 S McCrary Street	Woodbury	TN	37190	615-563-4112
Halftime	919 State 46 Hwy	Bergheim	TX	78004	(210) 960-5540
Hwy 6 Travel Center	13244 S, Hwy 6	Bryan	TX	77807	(979) 575-2241
Gilliam's Grocery	431 West Commerce	Buffalo	TX	75831	903-388-8802
Tailgate Food Store	8984 White Creek Rd #A	College Station	TX	77845	(979) 575-2241
Big's #301 (Cotulla)	1162 FM 468	Cotulla	TX	78014	(210) 960-5540
Big's #303	17294 S IH 35	Dilley	TX	78017	(210) 316-8880
Minit Mart #2	1989 S Veterans Blvd	Eagle Pass	TX	78852	(830) 757-6996
Minit Mart #3	3165 Del Rio Blvd	Eagle Pass	TX	78852	(830) 773-2230
Minit Mart #4 EXXON	3002 Us Highway 57	Eagle Pass	TX	78852	(830) 758-1712
Roadster #26	3004 IH-30 E	Greenville	TX	75402	(512) 767-3192
Big's 3834	5408 STATE HWY 21 East	Hemphill	TX	75948	(409) 625-1767

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
Bigs C Store <i>Obtained via transfer</i>	7678 E. US 290	Johnson City	TX	78636	
Speedy Express #43	1000 FM 1764	La Marque	TX	77568	832-781-4398
Big's 3818	620 N Raquet St	Lufkin	TX	75904	(210) 960-5540
Express Mart #14	383 N. LHS Drive	LUMBERTON	TX	77657	(409) 782-9544
Bowie's, LLC	1692 N US Hwy 83	Menard	TX	76859	325-396-5330
Uncle's Convenience Store - Countryside	4921 State Hwy 250 Loop	Midland	TX	79705	432-682-6960
Uncle's Convenience Store 130203	6601 FM-307	Midland	TX	79706	(432) 685-0639
Big's #304	13489 IH 35 S	Moore	TX	78057	(210) 960-5540
Big's #3824	2430 SE Stallings	Nacogdoches	TX	75961	(979) 219-2341
Big's #107	35830 FM 3159	New Braunfels	TX	78132	(210) 316-8880
BIG'S #108	10541 US Hwy 281 N	Round Mountain	TX	78663	(210) 316-8880
Big's #405, South Laredo Express	2101 S Laredo Street	San Antonio	TX	78207	(210) 744-2577
Big's #210	25580 Blanco Rd	San Antonio	TX	78260	(210) 960-5540
Paleface Grocery	3611 Pace Bend Road S.	Spicewood	TX	78669	512-923-2931
Road Runner #1101	4101 N Kings Hwy	Texarkana	TX	75503	(870) 774-8055
Road Runner #1105	1632 Richmond Rd	Texarkana	TX	75503	(870) 774-8055
Road Runner #1106	4603 W 7th St	Texarkana	TX	75501	(870) 774-8055
Bowie's Tuscola, LLC.	3049 Hwy 83/84	Tuscola	TX	79562	432-638-3632
Cimarron Crossing	13515 US HWY 87 N	Victoria	TX	77904	(361) 648-4315
Bear Lake Market	25 N Bear Lane Blvd	Garden City	UT	84028	801-392-9584
Good2Go #422 -Green River	1224 East Main	Green River	UT	84525	(208) 417-3935
Glazier's Market	264 South 100 East	Kanab	UT	84741	(435) 689-1614
Gouldings Lodge	1000 Main Street	Monument Valley	UT	84536	(435) 459-2659
Stewart's Market-Roosevelt	245 W Hwy 40	Roosevelt	UT	84066	(435) 828-6275
Fast Gas #1	84 EAST SR 198	SALEM	UT	84653	(801) 367-3303
Fast Gas #10	110 S State Street	Salina	UT	84654	(801) 367-3303
Fast Gas #7-SF	1351 East Center Street	Spanish Fork	UT	84660	(801) 367-3303
Trenis Fuel	3390 CATLETT ROAD	CATLETT	VA	20119	919-971-8525
Culpeper Petroleum Cooperative, Inc	13655 Beverly Ford Rd	Elkwood	VA	22718	(540) 937-0025
DUCK THRU #39 Franklin	807 HUNTERDALE	FRANKLIN	VA	23851	(252) 395-2034
DUCK THRU #5 - Franklin	30001 SMITHS FERRY RD	FRANKLIN	VA	23851	(252) 395-2029

**LIST OF FRANCHISEES AND OUTLETS**

Name	Address	City	State	Zip	Phone
I-95 Fuel Stop	10239 Patriot Highway	Fredericksburg	VA	22407	540-710-1215
CHARLIE BOBS DELI	13711 DUMFRIES ROAD	MANASSAS	VA	20112	571) 264-6632
Duck Thru #58	6125 Whaleyville Rd	Suffolk	VA	23435	252-332-2131
Millers #570	2530 Lynnhaven Parkway	Virginia Beach	VA	23464	757-495-1537
Brewster Harvest Foods	907 STATE HIGHWAY 97	BREWSTER	WA	98812	509-449-5038
Burbank Shell	14813 Dodd Road	Burbank	WA	99323	(541) 980-9064
Riverside Centerplace Market	34610 N Newport Hwy	Chattaroy	WA	99003	(509) 292-2253
Harvest Foods (Coulee Dam)	304 Mead Way	Coulee Dam	WA	99116	(509) 633-2202
DAYTON MERCANTILE	516 WEST MAIN STREET	DAYTON	WA	99328	(509) 520-3726
Colville Fuels Noisy Waters	34291 Hwy 20 E	Kettle Falls	WA	99141	509-322-1881
Colville Fuels Deep Water	67 Wapato Lake Road	Manson	WA	98831	(509) 634-3202
Half Sun Travel Plaza	420 South Wanapum Drive	Moses Lake	WA	98837	(509) 634-3202
Trial Trails – Omak	29078 US-97	Omak	WA	98841	(509) 422-7459
ROYAL CITY HARVEST FOODS	150 CAMELLIA STREET	ROYAL CITY	WA	99357	1 (509) 750-1881
Baldwin Travel Plaza	975 Energy St	Baldwin	WI	54002	816-294-5633
Hansen's Corner Store	6391 STATE RD 93	EAU CLAIRE	WI	54701	(715) 495-3551
One Stop (INDEPENDENCE STORE LLC)	23150 Whitehall Rd	Independence	WI	54747	816-294-5633
Little General #7730 Elkhorn	13 Elkhorn St	Welch	WV	24801	(304) 253-9592,212
Good2Go #215 - Casper	400 Valley Drive	Casper	WY	82604	(208) 206-6195
Good2Go #216 - Casper	1968 East Yellowstone Ave	Casper	WY	82604	(208) 206-6195
Good2Go #202 - Cody	221 Yellowstone Ave	Cody	WY	82414	(208) 206-6195
Rips Grocery	98 County Road	Evanston	WY	82930	(307) 799-7846
Good2Go #212 - Lovell	1801 US Highway 310	Lovell	WY	82431	(208) 206-6195
Good2Go #218 - Sheridan	1229 East Brundage Lane	Sheridan	WY	82801	(208) 206-6195
Pit Stop #10 <i>Obtained via transfer</i>	167 Highway 20 South	Thermopolis	WY	82443	(307) 864-3108
PIT STOP 14	221 N 10th St	Worland	WY	82401	307-851-5171

## LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

Store Name	Address	City	ST	Zip	Telephone
The Curve	301 West 4th	Fordyce	AR	71742	870-352-9400
LMR Oil #3	4513 CO-63	Atwood	CO	80722	480-280-2446
Clear View Food Mart	4815 Yucatan Dr	Colorado Springs	CO	80911	719-390-3510
Mt Pleasant Store	4977 Mt Pleasant Church Rd	Macon	GA	31216	478-259-1750
Gas Express #167	1740 Duluth Hwy	Lawrenceville	GA	30043	404-809-4923
Gas Express #198	2700 Austell Road SW	Marietta	GA	30008	404-809-4923
Gas Express #246	3858 COVINGTON HIGHWAY	Decatur	GA	30032	404-809-4923
Gas Express #209	6429 Covington Hwy	Lithonia	GA	30058	404-809-4923
Gas Express #153	343 Joseph Lowery Blvd SW	Atlanta	GA	30310	404-809-4923
Southside BP	1979 Hwy 27 South	Carrollton	GA	30117	770-832-2311
PRO-GO C-MART	155 S RERICK AVE	PRIMGHAR	IA	51245	712-757-0640
Jack Rabbit Junction	1706 Pierce Ave	Sibley	IA	51249	712-754-2586
BP to Go #4 (Former Owner)	250 16th Ave	Cedar Rapids	IA	52404	816-294-5633
SWENSEN'S MARKET #6	991 S WASHINGTON ST	TWIN FALLS	ID	83301	208-733-8987
PIONEER EXPRESS - PERRY	204 S CLOVER	PERRY	IL	62362	217-236-3707
Food Fair (Pleasanton)	922 Main Street	Pleasanton	KS	66075	913-795-2989
FOOD FAIR INC	720 MAIN STREET	MOUND CITY	KS	66056	913-795-2989
Fast Stop #12 (55th Street)	945 S 55th St	Kansas City	KS	66106	913-287-5990
U PUMP IT #202	220 E SANTA FE TR	LAKIN	KS	67860	817-573-4265
SHORT STOP #27	101 N Highway 99	Westmoreland	KS	66549	785-632-5648
Horse Cave Shell (Former Owner)	515 Flint Ridge Road	Horse Cave	KY	42749	270-737-3400
Emerald Palace Casino	347 Lobdell Hwy	Port Allen	LA	70767	225-346-4882
Carroll Motor Fuel	4101 Patterson Ave	Baltimore	MD	21215	410-585-0520
A to Z Gas Stop Inc (Stop N Shop)	3050 1st Ave S	Minneapolis	MN	55408	612-827-6370
YELLOW JACKETS EXPRESS	379 N JEFFERSON	LEBANON	MO	65536	417-718-4731
Prenger Foods Bucklin	2 S Livingston	Bucklin	MO	64631	660-395-3000
The Corner (Maiden Lane)	2300 Maiden Ln	Joplin	MO	64801	417-553-5315
TRAVEL CENTER O/T OZARKS - EDW - CHAMPS	225 EAST EVERGREEN	STRAFFORD	MO	65757	417-736-2161
T/A TRUCK STOP	1080 E MT VERNON BLVD	MT VERNON	MO	65712	417-276-3333
HOT SPOT #3	548 N Spring Park Blvd	Mt Vernon	MO	65712	417-276-3333
HOT SPOT #4	515 W COLLEGE ST	GREENFIELD	MO	65661	417-276-3333
ALPS (PITTSBURG)	25817 MO-64	PITTSBURG	MO	65724	417-852-1111
THOELE CONV STORE (Former Owner)	3000 HWY 94 N	ST CHARLES	MO	63301	636-338-4669
THOELE OIL CO (HAZELWOOD) (Former Owner)	6025 HOWDERSHELL ROAD	HAZELWOOD	MO	63042	636-338-4669
Cheyenne Depot I	221 S Cheyenne Ave	Lame Deer	MT	59043	406-477-6767
Envision C-Store	401 Highway 2 SW	Rugby	ND	58368	701-208-0539
Envision of Mohall	803 Hwy 5 E	Mohall	ND	58761	701-756-6040
HWY 41 Express Stop (Former Owner)	1200 Road 24	Milligan	NE	68406	402-366-8173
Tipp City RoadDog	1200 W Main St	Tipp City	OH	45371	937-266-8204

**EXHIBIT G**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**Disclaimer:** The information contained in this program manual is confidential, privileged, and only for the information of the intended recipient and may not be redistributed or shared without the prior written consent from PFSbrands.

**EXHIBIT H**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**FORM OF RELEASE, ESTOPPEL, COVENANT  
NOT TO SUE, AND INDEMNIFICATION**

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## **RELEASE, ESTOPPEL, COVENANT NOT TO SUE, AND INDEMNIFICATION**

### **PRELIMINARY NOTE**

**This Exhibit H contains our form of release, estoppel, covenant not to sue, and indemnification provisions. These provisions may be printed in bold print, and will be modified as reasonably necessary and included in the applicable agreement.**

### **FORM OF AGREEMENT**

1. **Release; Estoppel; Covenant Not to Sue; Indemnification.**

1.1 **Release.** Franchisee, for itself and its affiliates, and for its and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, together with Principals, [Transferor, and Transferee,] and further together with and for the predecessors, successors, heirs, and assigns of any and all of the foregoing (collectively, the "Releasing Parties"), hereby release, remise, acquit, and forever discharge Champs Chicken and its officers, members, employees, agents, and attorneys, and Champs Chicken's affiliates and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Effective Date of this Agreement: (i) the Franchise Agreement; (ii) any and all other Champs Chicken license agreements and franchise agreements between Champs Chicken and any of the Releasing Parties; (iii) any and all Champs Chicken restaurants owned, opened, operated, or closed by Franchisee or any of the other Releasing Parties; (iv) [such other matters as Champs Chicken deems appropriate]; and (v) the business relationship between any or all of the Parties Released on the one hand, and any or all of the Releasing Parties on the other hand; including, without limitation, the Champs Chicken franchise offering, the Champs Chicken franchise offering documents, the offer and sale of the Champs Chicken franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Champs Chicken franchise and the Champs Chicken franchise offering.

1.1.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 1.1 of this Agreement to any third party.

1.1.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 1.1 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 1.1 of this Agreement, this Section 1.1 shall be a complete and conclusive defense thereto.

1.2 **Estoppel.**

1.2.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that:

1.2.1.1 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any breach of the Franchise Agreement or any other

agreement or document related to the Franchised Business, which other documents include, without limitation, the Franchise Disclosure Document that Champs Chicken delivered to Franchisee, as prospective Franchisee, which delivery was due and proper in every respect;

1.2.1.2 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any violation of any constitution, statute, rule, regulation, ordinance, case law, or any other law; including, without limitation, the FTC Franchise Rule, [jurisdictions' franchise Laws or other relevant Laws], or otherwise, arising out of or related to the Franchised Business, the Restaurant, the Champs Chicken franchise offering, the Champs Chicken franchise offering documents, the offer and sale of the Champs Chicken franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Champs Chicken franchise and the Champs Chicken franchise offering; and

1.2.1.3 Neither the Parties Released, nor any of them, owes the Releasing Parties, or any of them, any obligation, debt, claim, demand, right, action, cause of action, loss, losses, damage, damages, expense, cost, liability, or liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arises out of or is related to, or that may hereafter arise out of or relate to, any matter that is within the scope of the Release set forth in Section 1.1 of this Agreement.

1.2.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in Section 1.1 or this Section 1.2 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in Section 1.1 or this Section 1.2 of this Agreement, this Section 1.2 shall be a complete and conclusive defense thereto.

1.3 Covenant Not to Sue. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them will: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 1.1 of this Agreement; (b) any matter that is within the ambit of such Release; (c) the Estoppel set forth in Section 1.2 of this Agreement; or (d) any matter that is within the ambit of such Estoppel.

1.4 Indemnification. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that they and the other Releasing Parties: (i) will indemnify the Parties Released for, and will hold harmless the Parties Released from, any breach of Sections 1.1, 1.2, or 1.3 of this Agreement; and (ii) will pay the amount of all losses and expenses arising out of or related to any breach of Sections 1.1, 1.2, or 1.3 of this Agreement so that the Party Released to which such payment is owed actually receives such payment by end of ten (10) days after demand therefor. Such losses and expenses shall include, without limitation, attorneys' fees and costs, including without limitation attorneys' fees and costs of appeal, and further including without limitation attorneys' fees and costs of collection. Each Party Released shall have the right to counsel such Party Released reasonably chooses. No Party Released will be required to seek recovery from any insurer, other third party, or otherwise, or to mitigate any loss and expense, to maintain and recover fully a claim under this Section 1.4. No failure to pursue such recovery or to mitigate a loss or expense will in any way reduce or alter the amounts any Party Released is entitled to recover. The obligations of [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and the other Releasing Parties under this Section 1.4: (a) shall be joint and several; and (b) shall be within the ambit of all guaranties made by [Franchisee's Principals] [Franchisee's Principals, Transferor, Transferor's

Principals, Transferee, Transferee's Principals], and other guarantors, all of which shall remain in full force and effect.

[WASHINGTON STATE FRANCHISEES: THIS RELEASE SHALL NOT APPLY TO CLAIMS ARISING UNDER THE FRANCHISE INVESTMENT PROTECTION ACT, CHAPTER 19.100 RCW, OR THE RULES ADOPTED THEREUNDER IN ACCORDANCE WITH RCW 10.100.220(2).]

**CHAMPS CHICKEN:**

By: Exhibit Only: Not for Execution at This Time

Title:

**TRANSFeree:**

By: Exhibit Only: Not for Execution at This Time

Title:

**PRINCIPAL:**

Exhibit Only: Not for Execution at This Time  
Individually and as Principal

**FRANCHISEE:**

By: Exhibit Only: Not for Execution at This Time

Title:

**PRINCIPAL:**

Exhibit Only: Not for Execution at This Time  
Individually and as Principal

**PRINCIPAL:**

Exhibit Only: Not for Execution at This Time  
Individually and as Principal

**EXHIBIT I**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**CHAMPS CHICKEN ACKNOWLEDGMENT STATEMENT**

---

**\*NOT FOR USE IN CALIFORNIA\***  
**\*DO NOT SIGN THIS ACKNOWLEDGMENT STATEMENT IF YOU ARE A RESIDENT OF MARYLAND OR THE BUSINESS WILL BE OPERATED IN MARYLAND\***

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

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.
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.
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.
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.
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.
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.

7. Franchisee acknowledges that it has received the Champs Chicken Franchising, LLC 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.
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.
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.
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.
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.
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 CHAMPS CHICKEN FRANCHISING, LLC, PRO FOOD SYSTEMS, AND ANY OF THE ABOVE'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 (OR MULTI-UNIT DEVELOPMENT 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. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

***-SIGNATURE PAGE TO FOLLOW-***

FRANCHISEE:

---

By: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

Date: \_\_\_\_\_

PRINCIPAL:

---

\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

PRINCIPAL:

---

\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

### **State Effective Dates**

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

<b>State</b>	<b>Effective Date</b>
California	December 21, 2023
Illinois	Exempt
Indiana	Exempt
Maryland	Pending
Michigan	Exempt
Minnesota	Exempt
New York	March 4, 2024
North Dakota	December 22, 2023
Rhode Island	June 24, 2023 as amended October 31, 2023
South Dakota	Exempt
Virginia	Exempt
Washington	Pending
Wisconsin	Exempt

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 J**

**CHAMPS CHICKEN FRANCHISING, LLC**

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**DISCLOSURE DOCUMENT RECEIPTS**

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Receipt Pages

Champs Chicken FDD 2024 D1

## **RECEIPT**

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

If Champs Chicken 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 Champs Chicken does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is Champs Chicken Franchising, LLC, located at 120 Commerce Drive, Holts Summit, Missouri 65043. Its telephone number is (573) 896-2500.

Issuance Date: October 26, 2023

The name, principal address and telephone number of each franchise seller offer the franchise: \_\_\_\_\_  
\_\_\_\_\_.

Champs Chicken authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated \_\_\_\_\_, that included the following Exhibits:

- A Champs Chicken® Franchise Agreement
- B Gold and Silver Addenda to Franchise Agreement
- C State Regulations and Requirements Addendum
- D State Administrators and Agents for Service of Process
- E Financial Statements
- F List of Franchisees and Outlets
- G Confidential Operations Manual Table of Contents
- H Form of Release, Estoppel, Covenant Not to Sue, and Indemnification
- I Champs Chicken Acknowledgment Statement
- J Disclosure Document Receipts

Date Received: \_\_\_\_\_ DATE: \_\_\_\_\_  
(If other than date signed)

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**YOUR COPY: RETAIN FOR YOUR RECORDS**

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(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**OUR COPY: PLEASE SIGN, DATE, AND RETURN TO US**