



## FRANCHISE DISCLOSURE DOCUMENT

Cajun Global LLC

a Delaware limited liability company

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The franchises described in this disclosure document are for quick-service restaurants specializing in the sale of fried chicken and other quick-service food under the service mark "Church's Chicken" ("Restaurants" or "Church's Restaurants"). Cajun Global LLC ("Cajun"), a Delaware limited liability company, offers these rights.

The total investment necessary to begin the operation of a new free-standing Church's Restaurant ranges from \$1,114,650 to \$1,636,300 for the Blaze Compact Model, \$1,302,224 to \$1,808,972 for the 1400 Blaze Image Model, \$738,538 to \$1,310,700 for a Conversion Restaurant Blaze Image Model, and \$644,366 to \$1,273,300 for the End Cap Blaze Image Model. Each of these estimates includes \$50,000 that is paid to Cajun (including a \$10,000 Development Fee, a \$20,000 Initial Franchise Fee and \$15,500 in Grand Opening Marketing Funds). If you plan to develop multiple Church's Restaurants, you will pay a Development Fee of \$10,000 multiplied by the number of Restaurants that you plan to develop.

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, us or our affiliates in connection with the proposed franchise sale or grant. **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 Frank Costello, Vice President of Franchise Development, at 980 Hammond Drive, Suite 1100, Atlanta, GA 30328, or 770-350-3800.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 by calling 1-877-FTC-HELP or writing the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Issuance Date: April 30, 2025**

## 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 I.
<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 K 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 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 Church's franchisee?</b>	Item 20 or Exhibit I 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 B.

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 agreements require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.

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

## TABLE OF CONTENTS

<u>Item</u>	<u>Heading</u>	<u>Page</u>
1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES ...	3
2	BUSINESS EXPERIENCE .....	6
3	LITIGATION.....	10
4	BANKRUPTCY .....	12
5	INITIAL FEES .....	13
6	OTHER FEES.....	15
7	ESTIMATED INITIAL INVESTMENT.....	20
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	27
9	FRANCHISEE'S OBLIGATIONS .....	30
10	FINANCING .....	31
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	31
12	TERRITORY .....	39
13	TRADEMARKS .....	41
14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	43
15	OBLIGATION TO PARTICIPATE .....	45
16	IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	45
17	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	46
	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	46
18	PUBLIC FIGURES.....	51
19	FINANCIAL PERFORMANCE REPRESENTATIONS .....	51
20	OUTLETS AND FRANCHISEE INFORMATION .....	58
21	FINANCIAL STATEMENTS .....	63
22	CONTRACTS.....	63
23	RECEIPT .....	64

## **EXHIBITS**

List of State Administrators .....	A
List of Agents for Service of Process.....	B
Franchise Agreement .....	C
Amendment to Franchise Agreement for Convenience Stores and Travel Plazas.....	D
Amendment to Franchise Agreement for Co-Branded Restaurants .....	E
Renewal Addendum.....	F
Development Agreement (Non-Exclusive).....	G
Amendment to Development Agreement (Exclusive) .....	H
List Of Franchised Locations; List Of Franchise Agreements Signed, But Restaurant Not Open; List Of Developers; And List Of Former Franchisees .....	I
Operations Manual Table of Contents .....	J
Financial Statements .....	K
Compliance Questionnaire for New Franchisees/Developers.....	L
State-Specific Addenda to Disclosure Document.....	M
State-Specific Addenda to Franchise Agreement .....	N
State-Specific Addenda to Development Agreement .....	O
Cities with Certified Training Restaurants.....	P
Sublease .....	Q
Addendum to Lease Agreement .....	R
Platinum Incentive Plan Addendum to Development Agreement and Platinum Incentive Plan Addendum to Franchise Agreement .....	S
U.S. Military Veteran and First Responder Addendum to Franchise Agreement.....	T
Participation Memorandum .....	U
State Effective Dates .....	V
Receipts.....	W

## ITEM 1

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

#### *The Franchisor.*

To simplify the language in this Franchise Disclosure Document, “Cajun”, “we” or “us” means Cajun Global LLC, the owner and franchisor of the Church’s Chicken restaurant system (“System”). “You” means the person or entity who buys the franchise. If you are a corporation or other entity, certain provisions of this Franchise Disclosure Document also apply to your owners and will be noted.

We are a Delaware limited liability company formed on January 14, 2011. Our principal business address is 980 Hammond Drive, Suite 1100, Atlanta, Georgia 30328-6161. Our agents for service of process are listed in Exhibit B to this Franchise Disclosure Document. We do business under our corporate name and under the trade names *Church’s*®, *Church’s Chicken*® and *Church’s Texas Chicken*® (as well as related trademarks and service marks). For purposes of this disclosure document, Church’s Restaurants include restaurants bearing those trade names and related trademarks. We have franchised Church’s Restaurants since our acquisition of the Church’s Chicken Restaurant business on February 24, 2011. As of December 31, 2024, we and/or our affiliates operated 159 Church’s or Church’s Texas Chicken Restaurants. We do not engage in any business not described in this Item 1.

As of December 31, 2024, there were 1,445 Restaurants in the System worldwide, including 761 Restaurants located within the domestic United States and 684 franchised Restaurants located in Puerto Rico and in foreign countries (some of which operate under the *Texas Chicken* name and trademarks). Of the Restaurants located within the United States, as of December 31, 2024, there were 159 company-owned Restaurants and 602 franchised Restaurants. We may offer and sell franchises for operation of Church’s Restaurants outside the United States on terms different than those described in this Franchise Disclosure Document and under different trademarks. In the U.S., we have not offered franchises other than for Church’s Restaurants, although we may do so in the future, and we do not conduct any other business.

#### *The Restaurants.*

Church’s Restaurants are quick-service restaurants offering a limited menu of lunch and dinner products featuring flavorful chicken, both original and spicy, with classic sides and freshly made *Honey Butter Biscuits*™. You must operate Restaurants in accordance with the System. Restaurants may be opened in free-standing buildings, store-front locations including mall locations, convenience stores, travel plazas, and other locations, in either urban, suburban or rural areas. Restaurants may feature walk-in, drive-in, sit-down, order ahead pay ahead, carside to go, delivery or catering formats, or some combination of these types of formats, with our approval.

#### *The Franchises.*

Our predecessors opened the first Church’s Restaurant in San Antonio, Texas in 1952 and started selling franchises for Church’s Restaurants in 1964. We currently grant franchises for Church’s Restaurants. We offer franchise agreements and development agreements to qualified individuals and entities wishing to operate Restaurants. We refer to individuals and entities (and the owners of entities) as “you” instead of the “Franchisee” or the “Developer” in this Franchise Disclosure Document.

Each Restaurant is operated under a Franchise Agreement. A copy of our standard Franchise Agreement is attached as Exhibit C. Under the Franchise Agreement, we grant you the right (and you accept the responsibility) to operate a Restaurant. You must operate the Restaurant under the Proprietary Marks.

You must also operate the Restaurant under the System and our business and operating procedures, which we describe in our Operations Manual (together with any other manuals created or approved for use in the operation of Church's Restaurants, and all amendments and updates, the "Manual"). The System includes specially designed buildings; distinctive interior and exterior layouts, décor, color schemes, and furnishings; confidential food formulas and recipes used in the preparation of food products and, particularly, a unique seasoning and batter formula for preparing Church's fried chicken; specialized menus; and standards and specifications for equipment, equipment layouts, products, operating procedures, employee training, and management programs. You cannot offer menu items that are not part of the System without our approval. We anticipate continued improvement of the System and will provide new information and techniques to you by means of the Manual.

In addition to a Franchise Agreement, you must sign a Development Agreement regardless of the number of Restaurants you commit to develop. A copy of our standard Development Agreement is attached as Exhibit G. Under the Development Agreement, you are granted the right and you accept the responsibility to develop a specific number of Restaurants in a specific geographic area (the "Development Area"). In some instances, we will sign an Amendment to the Development Agreement which provides limited exclusivity for the Development Area. A copy of our standard Amendment to Development Agreement is attached as Exhibit H. The Development Agreement also specifies the number of Restaurants that you must open and operate and the dates by which they must open and be in operation in a development schedule (the "Development Schedule") to the Development Agreement.

On a limited basis we may sublease the premises of the Church's Restaurant to you. If that occurs you must sign a "Sublease" in addition to the Franchise Agreement and Development Agreement. A copy of our form Sublease is attached as Exhibit Q. The Sublease that you sign may vary from this form based on many factors, such as the underlying lease.

#### *The General Market and the Competition.*

The customer base for the quick-service restaurant market includes the total population. There is a clearly established market for fast food prepared away from home. In general, the quick-service restaurant business is highly competitive. Changes in taste and eating habits of the public, local and national economic conditions, population, internet ordering platforms, food delivery, traffic patterns and epidemics such as COVID-19 affect the restaurant business and are generally unpredictable.

The principal basis of competition in the industry is the quality, appeal, and price of the food products offered, but name identification, site location, quality and speed of service, consistency, advertising, and attractiveness of facilities are also important factors. You should expect to compete with other fast food, carry-out, order ahead pay ahead, delivery, catering and sit-down restaurants as well as grocery and/or deli offerings that feature chicken and related menu items similar to those offered at the Restaurants. You will also compete with restaurants and fast food outlets that offer other types of chicken entrées and other foods to be eaten at those restaurants, delivered, or taken out by the consumer.

Some of these competitors may be in close proximity to your Restaurant and may have food delivery, order ahead pay ahead, drive-thru windows, greater financial resources, larger advertising budgets, and more national (or local) recognition than we have. In addition, competition for management and other operating personnel and for sites is intense within the industry.

You may also encounter competition from other Church's Restaurants that our franchisees or we or one of our affiliates operate.

*Industry-Specific Laws and Regulations.*

You must comply with the local, state and federal laws that apply to the operation of your Restaurant, including for example health and safety, sanitation, “no smoking”, current PCI (payment card industry) requirements, employment laws, caloric disclosure, and salt content disclosures.

*Our Parent, Predecessors and Affiliates.*

Cajun Operating Company (“Cajun Operating”) is our immediate predecessor, our in-direct corporate parent, and serves as our franchise sales broker. Our direct parent is Cajun Holdco LLC (“Cajun Holdco”) and Cajun Holdco is a wholly-owned subsidiary of Cajun Operating. Cajun Operating is a wholly-owned subsidiary of Church’s Holding Corp. (“Church’s Holding”). The principal business address of Cajun Operating and Cajun Holdco is the same as ours. Cajun Operating operated and franchised Restaurants from December 26, 2004 to February 24, 2011. On February 24, 2011, in connection with a financing transaction, Cajun Operating assigned all franchise agreements (“Franchise Agreements”) and development agreements (“Development Agreements”) governing franchised Restaurants to us so that we could expand and administer the System (through new franchises and other means). In connection with the financing transaction, most of the assets associated with the operations of company-owned Restaurants previously owned by Cajun Operating were assigned to our wholly-owned subsidiary, Cajun Restaurants LLC (“Cajun Restaurants”) and many of the leases were assigned to our wholly-owned subsidiary, Cajun Realty LLC (“Cajun Realty”). Both of their principal business addresses are the same as ours.

Also in connection with the financing transaction, Cajun Operating contributed its 100% ownership interest in Cajun Funding Corp. (“Cajun Funding”), owner of the *Church’s®*, *Church’s Chicken®* and *Church’s Texas Chicken®* trade names, service marks and other trademarks that are associated with the System (collectively, the “Proprietary Marks”), to us. Cajun Funding has granted us a 99-year license to use, and license others to use, the Proprietary Marks. Cajun Funding has never offered franchises in any line of business. Cajun Funding’s principal business address is the same as ours.

Under a management agreement (“Management Agreement”) between us, Cajun Operating, Cajun Realty, Cajun Restaurants and Cajun Funding, Cajun Operating will - at all times acting on our behalf - fulfill all of our obligations under all Franchise Agreements and Development Agreements, including: fulfilling all of our obligations to franchisees; managing the System; marketing, offering and negotiating new and renewal Franchise Agreements and Development Agreements as our franchise broker; and assisting franchisees.

Cajun Operating employs all the persons who will provide services to you on our behalf under your Franchise Agreements and Development Agreements. If Cajun Operating fails to perform its obligations under the Management Agreement, then Cajun Operating may be replaced as the franchise service provider. However, as the franchisor, we will always be ultimately responsible for fulfilling all of our obligations under your Franchise Agreements and Development Agreements.

On September 15, 2021 (the “Closing Date”), pursuant to an Agreement and Plan of Merger with REGO Restaurant Holdings III, LLC, a Delaware limited liability company (“RRH3”), and RIII Merger Sub, Inc., a Delaware corporation, Church’s Holding became a wholly-owned subsidiary of RRH3. RRH3 is a wholly-owned subsidiary of Super Rego LLC, a Delaware limited liability company (“Super Rego”). Super Rego is a wholly-owned subsidiary of our ultimate corporate parent High Bluff Capital Partners LLC, (“HBCP”), a Delaware limited liability company. HBCP is controlled by private equity funds affiliated with High Bluff Capital Partners. The principal business address of HBCP, RRH3 and Super Rego is 12760 High Bluff Drive, Suite 310, San Diego, CA 92130.

We have affiliates through common ownership with Super Rego and HBCP. Some of these affiliates own and franchise Quiznos® restaurants (“Quiznos Affiliates”). These Quiznos Affiliates include: REGO Restaurant Holdings, LLC, REGO Intermediate Holding Company, LLC, Quiz Franchisor, LLC, Quiz Restaurant Holdings, LLC, Quiz Holdings Canada, LLC, Quiz Holdings LLC, Quiz DIA Holdings, LLC (“Quiz DIA”), Quizno’s Canada Restaurant Holding Corporation, Quizno’s Canada Advertising Fund Holdings Inc., Quizno’s Global Holdings, LLC, Quiz Ad, Inc. and Quiz Gift Card LLC. Quiznos Restaurants feature submarine and other sandwiches, salads, soups and soft-drinks under the name “QUIZNOS.” Quiz DIA owns and operates 1 Quiznos restaurant and 1 independent concept in Denver, Colorado. As of December 31, 2024, there were 145 Quiznos Restaurants located within the United States and its territories, of which 1 is a company-owned Quiznos Restaurant and 144 are franchised Quiznos Restaurants. As of December 31, 2024, there were 235 Quiznos Restaurants operated outside of the United States, of which 89 are located in Canada. The Quiznos Affiliates, Quiz Franchisor, LLC and Quiz DIA’s principal business address is 4700 S. Syracuse St., Suite 225, Denver, Colorado 80237.

We also have affiliates through common ownership with RRH3, Super Rego and HBCP that own and franchise Taco Del Mar Restaurants (“TDM Affiliates”). These TDM Affiliates include: REGO Restaurant Holdings II, LLC (“RRH2”), TDM Canada, LLC, TDM Franchising, LLC (“TDMF”), TDM IP Holder, LLC (“TDM IP”), TDM Leasing, LLC (“TDM Leasing”), TDM Leasing of Canada, ULC (“TDM Leasing Canada”), and TDM Franchising of Canada, ULC (“TDM Franchising Canada”). TDM Restaurants feature a variety of Mexican-style food items, such as tacos, quesadillas, burritos, and nachos, under the name “Taco Del Mar.” As of December 31, 2024, there were 38 franchised Taco Del Mar Restaurants in the United States and 12 franchised Taco Del Mar Restaurants operated outside of the United States. TDMF’s principal business address is 4700 S. Syracuse St., Suite 225, Denver, Colorado 80237. The principal business address of RRH2 is 4700 S. Syracuse St., Suite 225, Denver, Colorado 80237. The principal business address of the TDM Affiliates is 4700 S. Syracuse St., Suite 225, Denver, Colorado 80237 and the principal business address of TDM Leasing Canada and TDM Franchising Canada is in care of Dentons Canada LLP, 2900-10180 - 101 Street, Edmonton AB T5J 3V5.

Additionally, we have affiliates through common ownership with RRH3, Super Rego and HBCP that are franchisees operating Dairy Queen® Restaurants (“DF Affiliates”). These DF Affiliates include: Alaska Deep Freeze Holdings (“ADFH”) and Alaska Deep Freeze Holdings II, LLC (“ADFH II”). Dairy Queen Restaurants feature soft serve ice cream and fast-food items. As of December 31, 2024, DF Affiliates operated 4 Dairy Queen Restaurants in the United States. The principal business address of DF Affiliates is 4700 S. Syracuse St., Suite 225, Denver, Colorado 80237. Additionally, we have affiliates through common ownership with HBCP that are franchisees operating Hardee’s® Restaurants (“Hardee’s Affiliates”). These affiliates include ARC Burger, LLC, ARC Intermediate, LLC and ARC Parent, LLC. As of December 31, 2024, Hardee’s Affiliates operated 79 Hardee’s Restaurants in the United States. The principal business address of Hardee’s Affiliates is 4994 Lower Roswell Road, Suite 17, Marietta, GA 30068.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Chief Executive Officer and Director: Roland Gonzalez**

Mr. Gonzalez became our Chief Executive Officer and Director in February 2025. Mr. Gonzalez was our U.S. Chief Operations Officer from March 2023 to February 2025. Mr. Gonzalez was the Executive Vice President of Operations for Virtual Dining Concepts in Orlando, Florida from September 2021 to March 2023 and the Head of Business Standards and Strategy for Global Operations at Restaurant Brands International in Miami, Florida from December 2016 to March 2021. Mr. Gonzalez serves in his present capacity in Atlanta, Georgia.

### **Executive Vice President, Chief Financial Officer: Danton Nolan**

Mr. Nolan has been our Executive Vice President and Chief Financial Officer since February 2023. He served as Senior Vice President, Finance for Inspire Brands, Inc. in Atlanta, Georgia from February 2018 to February 2023. Mr. Nolan serves in his present capacity in Atlanta, Georgia.

### **Executive Vice President, Chief Marketing Officer – Navin Sharma**

Mr. Sharma became our Executive Vice President, Chief Marketing Officer in December 2024. Before joining us, Mr. Sharma was the Founding Partner of Datacraft Advisors from June 2022 to November 2024. From December 2020 to April 2022, he served as the Chief Commercial Services Officer and from February 2018 to December 2020 as SVP of Insights and Customer Personalization at Inspire Brands, Inc. Mr. Sharma serves in his present capacity in Atlanta, Georgia.

### **Executive Vice-President, Chief Legal Officer and Corporate Secretary – Alisa Cleek**

Ms. Cleek became our Executive Vice-President, Chief Legal Officer and Corporate Secretary in January 2025. She previously served as Hooters of America's Chief Legal Officer and Corporate Secretary in Atlanta, Georgia from July 2022 to January 2025. From October 2015 to July 2022, she was an Equity Partner with the law firm Taylor English Duma LLP in Atlanta, Georgia. Ms. Cleek serves in her present capacity in Atlanta, Georgia.

### **Senior Vice President, Global Chief People Officer: Karen Jean Brandenberg Viera**

Ms. Viera became our Senior Vice President, Global Chief People Officer in January 2019. Ms. Viera serves in her present capacity in Atlanta, Georgia.

### **Senior Vice President, US Franchising and Operations Services: Ryan Hanawalt**

Mr. Hanawalt became our Senior Vice President, US Franchising and Operations Services in March 2025. He served as our Vice President, Franchise Operations from June 2024 to March 2025. He previously served CKE Restaurants, Inc. as its Vice President, Restaurant Excellence from February 2023 to May 2024, Vice President, Strategy and Transformation from August 2020 to January 2023 and Senior Director, Operations Intelligence from January 2018 to August 2020. Mr. Hanawalt serves in his present capacity in Nashville, Tennessee.

### **Senior Vice President, Brand Strategy, Media & Activation: Sarah Minton**

Ms. Minton began serving as Senior Vice President, Brand Strategy, Media & Activation in June 2023. She served as Vice President, Media & Omnichannel Marketing from May 2022 to June 2023, Senior Director, Media & Omnichannel Marketing from January 2022 to May 2022 and Senior Director, Media from August 2019 until January 2022. Ms. Minton serves in her present capacity in Atlanta, Georgia.

### **Senior Vice President, Global Supply Chain & Quality Assurance: Will Cash**

Mr. Cash became our Senior Vice President, Global Supply Chain & Quality Assurance in March 2024. He was our Vice President, Global Supply Chain & Quality Assurance from January 2023 to March 2024. Mr. Cash served as the Vice President of Supply Chain & Procurement of The Siegel Group, Inc. in Paradise, Nevada from May 2022 to January 2023 and the Vice President of Procurement of Exclusive Jets, LLC dba flyExclusive in Kinston, North Carolina from November 2021 to May 2022. From March 2019 to November 2021, Mr. Cash was a Senior Director of Indirect Sourcing for Krispy Kreme Doughnut Corporation in Winston-Salem, North Carolina. Mr. Cash serves in his present capacity in New Bern, North Carolina.

### **Vice President, Global Operations Services: Luis de la Torre**

Mr. de la Torre became our Vice President of Global Operations Services in May 2022. Mr. de la Torre served as our Senior Director of Operations Services and Support from January 2022 to May 2022 and our Director of Operations Excellence from January 2019 to January 2022. Mr. de la Torre serves in his present capacity in Atlanta, Georgia.

### **Vice President, Digital and Loyalty: Jessica Wu-McConnell**

Ms. Wu-McConnell has been our Vice President, Digital and Loyalty since May 2023. She was Senior Director of Strategic and Digital Initiatives and Senior Director of Digital Engagement for GoTo Foods, LLC formerly known as Focus Brands LLC from May 2021 to May 2023, and Senior Director of Marketing and Director of Digital Marketing from July 2019 to June 2021. Ms. Wu-McConnell serves in her present capacity in Atlanta, Georgia.

### **Assistant Secretary: Nicholas Coady Smith**

Mr. Smith has been our Assistant Secretary since September 2021. He has served as Assistant Secretary of Church's Holding, Cajun Restaurants, Cajun Realty and Cajun Funding since September 2021. Mr. Smith has been Vice President of High Bluff Capital Partners LLC in San Diego, California since November 2018. Mr. Smith serves in his present capacity in San Diego, California.

### **Assistant Secretary: Cary D. Devore**

Mr. Devore has been Assistant Secretary of Cajun Global LLC since September 2021. He joined Utz Brands, Inc. in Hanover, Pennsylvania in November 2016 and held the following positions: Head of Capital Markets and M&A since January 2025, Executive Vice President and Chief Transformation and Operating Officer since July 2019. Mr. Devore serves in his present capacity in Austin, Texas.

### **Assistant Secretary: Shaun Klein**

Mr. Klein became our Assistant Secretary and Assistant Secretary for Church's Holdings, Cajun Operating, Cajun Restaurants, Cajun Realty and Cajun Funding in September 2021. Mr. Klein is also a partner at Dentons US LLP and has held that position since 2008. Mr. Klein serves in his present capacity in Phoenix, Arizona.

### **Franchise Manager: Cajun Operating Company**

As detailed in Item 1, under the Management Agreement between us (and our three wholly owned subsidiaries Cajun Realty, Cajun Restaurants LLC and Cajun Funding) and Cajun Operating, which was entered into in February 2011, Cajun Operating will act as our franchise broker and will also, on our behalf, fulfill all of our obligations under Franchise Agreements and Development Agreements. See below in this Item 2 for the directors, principal officers and other individuals with Cajun Operating who will have managerial responsibility relating to the sale or operation of Restaurants franchises.

### **Senior Vice President, U.S. Franchise Development: Frank Costello**

Mr. Costello became our Senior Vice President, U.S. Franchise Development in March 2024. He was our Vice President, U.S. Franchise Development from April 2022 to March 2024. Mr. Costello was Senior Director, Franchise Development for TBC Corporation in Palm Beach Gardens, Florida from May 2018 to April 2022. Mr. Costello serves in his present capacity in Hilton Head Island, South Carolina.

### **Senior Vice President, Technology & Digital Platforms: Ahnaf Ali**

Mr. Ali became our Senior Vice President, Technology & Digital Platforms in March 2024. He was Vice President, Technology & Digital Platforms from December 2021 to March 2024. From April 2021 to December 2021, Mr. Ali was Vice President of Information Technology for BurgerFi International in North Palm Beach, Florida. From April 2011 to April 2021, Mr. Ali was the Head of Data Engineering for IPC (Subway Purchasing Cooperative) in Miami, Florida. Mr. Ali serves in his present capacity in Miami, Florida.

### **Senior Regional Franchise Director – West: Pam Preston**

Mrs. Preston became our Senior Regional Franchise Director – West in January 2022. She was our Senior Regional Franchise Director from August 2007 to December 2021. Ms. Preston serves in her present capacity in Phoenix, Arizona.

### **Director, Franchise Development: Michael Prince**

Mr. Prince has been our Director of Franchise Development since July 2022. He was a Franchise Development Sales Manager for TBC Corporation in Palm Beach Gardens, Florida from November 2021 to July 2022. Mr. Prince was Vice President of Franchise Development for United Water Restoration Group, Inc. in Ormond Beach, Florida from October 2020 to October 2021. From February 2016 to October 2020, he was the Global Development Coordinator for United Franchise Group in West Palm Beach, FL. Mr. Prince serves in his present capacity in Wellington, Florida.

### **Franchise Sales Manager, Franchise Development: Crystal Wells**

Ms. Wells has been our Franchise Sales Manager of Franchise Development since March 2025. She was a Franchise Sales Manager for Habit Burger & Grill in Irvine, California from October 2018 to November 2024. From December 2024 to February 2025, Ms. Wells was an independent franchise consultant. Ms. Wells serves in her present capacity in Trabuco Canyon, California.

## ITEM 3 LITIGATION

### ***Franchisor Initiated Litigation 2024 Fiscal Year – Enforcement of Express Contract Terms:***

Cajun Global, LLC v. Carolina Café Services, Inc., Case No. 24CV003456 (Fulton County, Georgia Superior Court). We filed suit against defendant on March 19, 2024. Defendant is a former Church's Chicken franchisee, which ceased operating its franchised restaurant before the end of the franchise agreement term. We brought claims for breach of the franchise agreement, lost royalty damages resulting from the premature closure of the restaurant, and attorneys' fees. On March 6, 2025, by agreement of the parties, the Court entered a Consent Final Judgment finding in favor of us on each of our claims and awarding us damages of \$136,000.00, plus pre- and post-judgment interest, thereby terminating the litigation.

### ***Other Concluded Franchise Litigation of Cajun Global:***

Saheer Ur Rehman Chaudhry & Ors v. Cajun Operating Company, Claim Number: A40LS211 (High Court of Justice, Queen's Bench Division, Leeds District Registry, March 11, 2014) (the "211 Claim") and Ali Nawaz, Rob Nawaz and Sukhraj Singh Klair & Ors v Cajun Operating Company, Claim Number: A40LS212, (High Court of Justice, Queen's Bench Division, Leeds District Registry, March 11, 2014) (the "212 Claim"). Former franchisees of the *Texas Chicken* brand brought these two claims against Cajun Operating claiming that Cajun Operating and its employees and consultants used fraud, negligent misstatements and deceit to induce the claimants to develop *Texas Chicken* restaurants in the U.K. All of the restaurants opened by the claimants were subsequently closed and claimants sought monetary damages for the amount of their investment in the franchises plus costs and interests. Cajun Operating and the claimants participated in a non-binding mediation procedure on November 11, 2015 during which the claimants dismissed the case with prejudice in consideration for a payment by Cajun Operating in the amount of £350,000 and no admission of liability on the part of Cajun Operating.

Cajun Global LLC, d/b/a Church's Chicken, et al. v. Thomas & Irons, LLC, et al., Case No. 1:18-cv-00538-RWS (United States District Court for the Northern District of Georgia, Atlanta Division) (the "Georgia Lawsuit"). We filed the Georgia Lawsuit on February 2, 2018 against our franchisees and their affiliates for injunctive relief, liquidated damages, trademark infringement, specific performance and breach of the franchise agreements when the franchisees continued to operate one restaurant and failed to de-identify another restaurant that had been closed following the terminations of both franchise agreements. On February 12, 2018, some of the defendants in the Georgia Lawsuit filed the following lawsuit and obtained a ten-day temporary restraining order enjoining us from enforcing our termination rights under the same franchise agreements at issue in the Georgia Lawsuit: Thomas & Irons, LLC, et al. v. Cajun Global, LLC, et al., in the Chancery Court of the First Judicial District of Hinds County, State of Mississippi, civil action number G-2018-193 (the "Mississippi Lawsuit"). In the Mississippi Lawsuit, the plaintiffs allege that we improperly terminated the franchise agreements and brought claims for injunctive relief, breach of contract, violation of Mississippi franchise law, fraudulent and intentional misrepresentation, negligent misrepresentation, and civil conspiracy, among other claims. On February 18, 2018, we removed the Mississippi Lawsuit to the United States District Court for Southern District of Mississippi, civil action number 3:18-cv-1070-DPJ-FKB. The plaintiffs in the Mississippi Lawsuit subsequently filed a motion to remand and for preliminary injunctions. Before any further litigation transpired, we settled the dispute with all defendants under terms whereby we purchased the operating restaurant from Thomas & Irons, LLC for \$175,000, and the parties agreed to mutually release and dismiss all claims. The Mississippi Lawsuit was dismissed on July 31, 2018, and the Georgia Lawsuit was dismissed on April 11, 2019.

Pacific Premier Bank vs. Royal Investment Holdings, LLC, Case No. 23LBCV01292 (Los Angeles County, California Superior Court) (“California Action”). Sheppard Mullin does not represent Cajun in this litigation. Cajun is represented by Mark Litvak of Pillsbury. On October 25, 2024, Royal Investment Holdings, LLC, Royal California One, LLC, and David Davoudpour (the “Royal California Parties”) filed a third-party complaint against Cajun in an action originally filed by Pacific Premier Bank against the Royal California Parties to recover monies allegedly paid to the Royal California Parties by Global Restaurant Hospitality Group, LLC (“Global”), and Church’s franchisee operating in California in which certain of the Royal California Parties hold a minority ownership stake and to which they have loaned money. In the California Action, the Royal California Parties allege that Cajun tortiously interfered with the operating agreement for Global (and their ownership interest in Global) and their loan to Global and engaged in unfair business practices and abuse of process by allegedly conspiring with Pacific Premier Bank to file the California Action against the Royal California Parties. On December 20, 2024, Cajun filed a special motion to strike, challenging the claims in the third-party complaint. On January 6, 2025, the parties stipulated to extend the Royal California Parties’ deadline to respond to the motion to strike to January 31, 2025. Counsel for the Royal California Parties indicated that it intended to apply for leave of Court to take discovery of facts related to the motion and to further continue the briefing schedule. The parties have also been in the process of negotiating a potential resolution to the litigation. On February 3, 2025, the parties stipulated that the deadline for the Royal California Parties to file an application for leave to take discovery is February 10, 2025 and the hearing on such application is February 19, 2025 or another date thereafter as set by the Court. After extensive negotiations, the parties reached a universal settlement and resolution was reached. On March 17, 2025, the entire California Action was dismissed. This litigation has ended.

***Pending Franchise Litigation of Cajun Global:***

Cajun Global, LLC, Cajun Operating Company, Cajun Realty, LLC, and Cajun Funding Corp. v. Royal Texas, LLC, Case No. 2022-17350 (Harris County, Texas District Court) (the “Texas State Action”). On March 21, 2022, we terminated the franchise agreements of Royal Texas, LLC (“Royal Texas”), a franchisee that operated 52 franchised restaurants in Houston, Texas for, among other things, operational defaults that we deemed to pose a threat or danger to public health and safety. On March 23, 2022, we and our affiliates filed the Texas Action against Royal Texas, asserting claims for breach of contract and to enforce the termination of the franchise agreements. We moved for an ex parte temporary restraining order, which the court granted on March 23, 2022. The court enjoined Royal Texas from operating the restaurants or using our Marks or System and requiring Royal Texas to turn over possession of the restaurants to us. We filed an Amended petition in the Texas Action adding David Davoudpour, BAH Texas, L.P., BAH Texas, LLC, BAH Texas Hospitality, Inc., Best American Hospitality Corp., Triangle Capital Properties, LLC (“Triangle”), all of whom are affiliates of Royal Texas. Triangle removed the action to Texas federal court (the “Texas Federal Action”). On removal, the Texas State Action was stayed. Several months after removal, the parties stipulated to stay the Texas Federal Action pending resolution of the Georgia Action. The Texas Federal Action currently remains stayed.

Royal Texas, LLC v. Cajun Global, LLC, Cajun Operating, LLC and High Bluff Capital Partners, LLC, Case No. 2022CV362893 (Fulton County, Georgia Superior Court) (the “Georgia Action”). On March 31, 2022, Royal Texas filed an action against us, our affiliate Cajun Operating, LLC, and our private equity ownership, High Bluff Capital Partners, LLC in Georgia (the “Georgia Action”). In the Georgia Action, Royal Texas asserted that we breached the parties’ franchise agreements and the implied covenant of good faith and fair dealing by: (1) failing to offer Royal Texas renewal terms; (2) terminating the franchise agreements for allegedly pretextual reasons; and (3) allegedly failing to provide local marketing. Royal Texas also asserted claims for an accounting of Cajun Operating’s Purchasing Group Fund, for business defamation, and for recovery of its attorneys’ fees. The complaint did not make a demand for specific damages but alleges damages in excess of \$50,000,000. We answered and filed counterclaims for breach of promissory note, statutory trademark infringement, statutory unfair competition, statutory

trademark or tradename infringement/unfair competition, common law unfair competition, civil theft, civil RICO, unjust enrichment, fraudulent inducement, fraudulent misrepresentation and concealment, and negligent misrepresentation. High Bluff filed a motion to dismiss, which was denied on May 12, 2023. We filed a motion to add BAH Texas, LLC and David Davoudpour as defendants, which was also denied on May 12, 2023. Non-expert discovery has closed. Both parties have designated experts and provided expert reports. This matter remains pending.

Store Master Funding XXIX, LLC v. Triangle Capital Properties, LLC and Royal Texas, LLC, Case No. 4:23-cv-01194 (United States District Court, Southern District of Texas, Houston Division) On July 31, 2024, Triangle filed a third-party complaint against our affiliates, Cajun Operating Company and Cajun Houston Holdings, LLC (the “Cajun Texas Parties”) in an action originally filed against Triangle and Royal Texas by their landlord (“Store”) for certain of the properties at which Royal Texas had previously operated franchised restaurants in Houston, Texas (the “Second Texas Action”), Case No. 4:23-cv-01194 (United States District Court for the Southern District of Texas). In the Second Texas Federal Action, Triangle claims that Cajun Texas Parties tortiously interfered with Triangles leases with Store by allegedly influencing Store to default Triangle on those leases in order for the Cajun Texas Parties to take possession of those locations. The Cajun Texas Parties have filed a motion to dismiss all claims. In April 2025, the Magistrate Judge issued a recommendation that all claims against the Cajun Texas Parties be transferred to the stayed Texas Federal Action. This recommendation remains pending.

Other than the actions described above, no litigation must be disclosed in this Item.

#### **ITEM 4 BANKRUPTCY**

In re QCE Finance LLC, et al., Case No. 14-10543-LSS (U.S. Bankruptcy Court for the District of Delaware). On March 14, 2014, QFA Royalties LLC filed a “Debtor’s Joint Prepackaged Chapter 11 Plan of Reorganization” (the “Plan”) in the United States Bankruptcy Court for the District of Delaware. QFA’s parent and affiliates (the “Other Debtors”), also filed Debtor’s Joint Prepackaged Chapter 11 Plan in the following associated, jointly administrated cases: In re American Food Distributors LLC, Case No. 14-10544-LSS (U.S. Bankruptcy Court for the District of Delaware); In re National Marketing Fund Trust, Case No. 14-10545-LSS (U.S. Bankruptcy Court for the District of Delaware); In re QAFT, Inc., Case No. 14-10546-LSS (U.S. Bankruptcy Court for the District of Delaware); In re QCE LLC, Case No. 14-10547-LSS (U.S. Bankruptcy Court for the District of Delaware); In re QFA Royalties LLC, Case No. 14-10548-LSS (U.S. Bankruptcy Court for the District of Delaware); In re The Quizno’s Master LLC, Case No. 14-10549-LSS (U.S. Bankruptcy Court for the District of Delaware); In re QIP Holder LLC, Case No. 14-10550-LSS (U.S. Bankruptcy Court for the District of Delaware); In re Quiz-CAN LLC, Case No. 14-10551-LSS (U.S. Bankruptcy Court for the District of Delaware); In re Restaurant Realty LLC, Case No. 14-10552-LSS (U.S. Bankruptcy Court for the District of Delaware); In re The Regional Advertising Program Trust, Case No. 14-10553-LSS (U.S. Bankruptcy Court for the District of Delaware); In re The Quizno’s Operating Company LLC, Case No. 14-10554-LSS (U.S. Bankruptcy Court for the District of Delaware); In re TQSC II LLC, Case No. 14-10555-LSS (U.S. Bankruptcy Court for the District of Delaware); In re Quiznos Canada Holding LLC, Case No. 14-10556-LSS (U.S. Bankruptcy Court for the District of Delaware); and In re Quiznos Global LLC, Case No. 14-10557-LSS (U.S. Bankruptcy Court for the District of Delaware). QFA and the Other Debtors had their address and principal place of business at 7595 Technology Way, Suite 200, Denver, Colorado 80237. The Plans contemplated the elimination of certain debt and the creation of new debt facilities with new lenders. On May 12, 2014, the court entered an order approving the Plans. On June 30, 2014, the Plan became effective pursuant to its terms, and QFA and the Other Debtors emerged from bankruptcy. The court closed the matter on December 15, 2015. The Plan was filed and became effective prior to the purchase of the Quiznos brand by High Bluff Capital Partners in 2018.

Other than the action described above, no bankruptcy information must be disclosed in this Item.

## **ITEM 5** **INITIAL FEES**

*Development Fee.* You must sign a Development Agreement regardless of the total number of Restaurants you commit to develop. You must pay a development fee (“Development Fee”) for each Restaurant to be developed under the same Development Agreement when you sign the Development Agreement. The Development Fee is \$10,000 per Restaurant you agree to develop under the Development Agreement. During fiscal year 2024, the Development Fees ranged from \$5,000 to \$10,000 per Restaurant.

*Initial Franchise Fee.* The initial franchise fee (“Franchise Fee”) is \$20,000 for each Restaurant. You must pay the Franchise Fee, which is in addition to the Development Fee, when you sign the Franchise Agreement for each Restaurant. You must sign the Franchise Agreement within 120 days after we accept a site for the Restaurant and before opening the Restaurant.

*Incentive Programs.* We are currently offering a “Platinum Incentive Plan” to celebrate the 70<sup>th</sup> anniversary of our brand. Qualified franchisees must sign a Development Agreement with a 5-year term and include a minimum of 5 Restaurants, with at least 1 Restaurant opened each year from the date of the Development Agreement. Simultaneously with your signing of the Development Agreement, you will sign a Platinum Incentive Program Addendum to the Development Agreement in the form attached as Exhibit S. The Restaurants developed under that Development Agreement will receive the reduced Development Fee, Initial Franchise Fee, and Royalty Fee as described in the table below:

<b>Eligible Restaurant Developed under Platinum Incentive Plan</b>	<b>Development Fee (Due on signing Development Agreement)</b>	<b>Initial Franchise Fee (Due on signing Franchise Agreement)</b>	<b>Royalty Fee<sup>1</sup></b>	<b>Advertising Contribution<sup>2</sup></b>	<b>Restaurant Opening Deadline</b>
1 <sup>st</sup> Restaurant	\$10,000	\$0	2% (Year 1 after Restaurant #1 Opens) 3% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	3% (Year 1 after Restaurant #1 Opens) 4% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	No later than 12 months after the effective date of the Development Agreement
2 <sup>nd</sup> Restaurant	\$10,000	\$0	2% (Year 1 after Restaurant #2 Opens) 3% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	3% (Year 1 after Restaurant #2 Opens) 4% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	No later than 24 months after the effective date of the Development Agreement

Eligible Restaurant Developed under Platinum Incentive Plan	Development Fee (Due on signing Development Agreement)	Initial Franchise Fee (Due on signing Franchise Agreement)	Royalty Fee <sup>1</sup>	Advertising Contribution <sup>2</sup>	Restaurant Opening Deadline
3 <sup>rd</sup> Restaurant	\$10,000	\$0	2% (Year 1 after Restaurant #3 Opens) 3% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	3% (Year 1 after Restaurant #3 Opens) 4% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	No later than 36 months after the effective date of the Development Agreement
4 <sup>th</sup> Restaurant	\$10,000	\$0	2% (Year 1 after Restaurant #4 Opens) 3% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	3% (Year 1 after Restaurant #4 Opens) 4% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	No later than 48 months after the effective date of the Development Agreement
5 <sup>th</sup> Restaurant	\$10,000	\$0	2% (Year 1 after Restaurant #5 Opens) 3% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	3% (Year 1 after Restaurant #5 Opens) 4% (Year 2) 4% (Year 3) 5% (Year 4 and thereafter)	No later than 60 months after the effective date of the Development Agreement

<sup>1</sup> Changes to the Royalty Fee as described in this table will start on the first day of the week after the anniversary of the Effective Date in Year 2, Year 3 and Year 4.

<sup>2</sup> Changes to the Advertising Contribution as described in this table will start on the first day of the week after the anniversary of the Effective Date in Year 2 and Year 4.

Existing Franchisees must, at a minimum, be in good standing to qualify for the Platinum Incentive Plan.

When you sign the Franchise Agreement for each Eligible Restaurant that you develop and open in accordance with the terms of the Development Schedule and the Platinum Incentive Plan requirements, you will sign a Platinum Incentive Program Addendum to the Franchise Agreement in the form attached as Exhibit S. We reserve the right to provide greater financial incentives if you sign a Development Agreement with a commitment to develop more than 10 restaurants.

The Platinum Incentive Plan may not be combined with any other franchise fee or royalty incentives. If you acquire existing Restaurants from another franchisee, we have the option, in our sole discretion, to offer or not offer the Platinum Incentive Plan for those Restaurants.

*U.S. Military Veterans and First Responders Program.* The Franchise Fee for U.S. military veterans and first responders (as established in accordance with our policies as we may adopt periodically) is \$10,000 for your first Restaurant established by the veteran, first responder or the veteran's or first responder's company for which the veteran or first responder owns a majority of the equity interest. The

reduced franchise fee is due on signing your first Franchise Agreement. You must sign the Franchise Agreement within 120 days after we accept a site for the Restaurant and before opening the Restaurant. The reduced initial franchise fee is only available to all qualified individuals who either have received an honorable discharge from one of the U.S. Armed Forces or are currently serving in one of the U.S. Armed Forces and are eligible to receive an honorable discharge, or their entities as noted above. It is also available to first responders who were employed at least 5 years as a law enforcement officer, medical doctor, nurse, emergency medical technician, or fire fighter who apply for a franchise after ending their service as a first responder. The reduced initial franchise fee for U.S. military and first responders does not apply to Restaurants purchased in a transfer. If you own the Restaurant for less than 2 years, you must pay us the full initial franchise fee of \$20,000 which would have been due had you not qualified for this U.S. military veterans and first responders program, which becomes due immediately when you are no longer an owner. We reserve the right to extend, change, or discontinue the U.S. military & first responder program at any time. See Exhibit T for additional limitations on this incentive.

*Grand Opening Marketing Funds.* When you sign the Franchise Agreement, you must pay us \$15,500 (“Grand Opening Marketing Funds”) to be used for conducting a grand opening advertising campaign, which will begin no earlier than the date your Restaurant opens and will end no later than 90 days after opening. We highly recommend that you invest an additional \$9,500 for an optional Grand Opening Clock Party.

*Manager Training.* Under current policy, there is no fee for the first two manager trainees in the case of a new development; the fee for each additional manager trainee is \$1,250 (\$250 per week). A franchisee who acquires the franchise through a transfer must pay a \$1,250 management training fee for the first two (and any subsequent) trainees. This fee must be paid before attending the training program.

All of the fees described above must be paid in full. Except as noted, none are refundable. Generally, our Development and Franchise Fees are uniformly imposed on our franchisees. However, in certain unique circumstances, we may reduce or waive a fee for a particular franchisee.

## **ITEM 6** **OTHER FEES**

<b>TYPE OF FEE<sup>1</sup></b>	<b>AMOUNT</b>	<b>DU DATE</b>	<b>REMARKS</b>
Development Schedule Extension Fee	\$5,000 for each Development Schedule extension of 5 months – if extending opening date and open within the extended time period, the extension fee will be credited to the Franchise Fee; if extending site approval date, no credit	On our approval of any Development Schedule Extension	We reserve the right, in our sole discretion, to grant one or more Development Schedule Extensions to site approval date and/or opening date.
Royalty <sup>2</sup>	5% of Gross Sales	Within 5 business days after the end of each fiscal week.	<i>See Note 2 below. See Item 5 for summary of the Platinum Incentive Plan and incentives offered.</i>

TYPE OF FEE <sup>1</sup>	AMOUNT	DU DATE	REMARKS
Tax Reimbursement	If any taxes, fees or assessments are imposed on us by reason of our acting as franchisor or licensing proprietary marks to you, then you must reimburse us that amount	30 days after receipt of invoice	
Advertising Fund Contribution	5% of Gross Sales (up to 1% of Gross Sales if a Regional Co-Op has been formed, plus contribution to Co-Op) and at least \$25,000/year	Same as Royalty	
Digital and Technology Fees	Then-current amount. Beginning on July 15, 2024, about \$205 per period (\$2,665 annually) plus 5% of first party digital sales.	Same as Royalty	These amounts may change. This fee covers the costs for your participation in our integrated platforms for enhancing customer experiences with ordering, product pick up, and engagement. The fixed annual fee may be discounted for restaurants that were open all of 2024 and had annual sales less than a determined threshold amount.
Transfer	\$10,000	On transfer of franchise	
Unauthorized Transfer	\$25,000	On transfer of franchise if transfer made in violation of Franchise Agreement	
Renewal	50% of our then-current, standard, initial franchise fee	On signing of Franchise Agreement for the renewal term	Renewal is subject to contractual requirements. See Item 17.
Securities Offering Review Fee	\$10,000 or any greater amount as necessary to reimburse us for reviewing the proposed offering	On request for review	Fee charged only if you propose to place securities in public or private offering.
New Supplier Inspection and Product Testing	Cost of inspecting the facilities of a previously unapproved supplier you propose and of testing ingredients, products, supplies or goods you propose to purchase from that supplier (could range from \$0 to \$5,000)	If incurred, on demand	You must pay the costs of our inspection of the facilities of a previously unapproved supplier you propose and of our testing ingredients, products, supplies or goods from that supplier.

TYPE OF FEE <sup>1</sup>	AMOUNT	DU DATE	REMARKS
Audit (by us)	Cost of audit plus cost of travel if determined to go on site	If incurred, on demand	If we audit you and find that you understated Gross Sales by 2% or more, you must reimburse us for the cost of the audit. <sup>3</sup>
Customer Satisfaction and Franchise Compliance Programs (“Restaurant Support Fund”)	Currently, \$95 per 4-week period for the combination of the Guest Retention program (ServiceCheck), Guest Satisfaction Program (Medallia/SMT), OPS 360 Tablet program (LTE Service, Protective Hardware, Samsung KNOX Manage license, and MDM management Fees), and Acrelec Drive-Thru Timer subscription fee, or currently \$75 per 4-week period if the restaurant has installed the HME Drive-Thru Timer system.	Every four weeks.	You must pay \$95 per 4-week period to us and we will pass the fees for these technologies on to the vendors supplying the technology. We do not keep any portion of these fees. If you are using the HME Drive-Thru Timer in lieu of the Acrelec Drive-Thru Timer, the fee will be \$75 per 4-week period.
Late Payment Fee - Overdue Payments and Understated Sales	1.5% of the amounts due per month, plus \$100	On demand	The late payment fee runs from the date your payment was due until the date we receive it. The late payment fee charged will not exceed the maximum amount permitted by applicable law.
Default Royalty	1% of Gross Sales	Within 5 business days after the end of each fiscal week.	For as long as you are in default under the Franchise Agreement, we may raise your Royalty Fee by 1% of Gross Sales.
Costs and Attorneys' Fees	Will vary by circumstances	Immediately, if incurred	Costs and attorneys' fees are payable if we terminate the Franchise Agreement due to your default.
Cure	Will vary by circumstances	If incurred, on demand	If you breach the Franchise Agreement or fail to comply with the Manual, we may take action to cure the breach or failure, and you must reimburse us for our reasonable expenses.

TYPE OF FEE <sup>1</sup>	AMOUNT	DU DATE	REMARKS
Follow-up Inspection	Will vary by circumstances	If incurred, on demand	If you fail an inspection conducted by us or our designee, we may require you to reimburse us or our designee for all costs (both out-of-pocket and internal overhead) we incur to conduct a follow-up inspection.
Minimum Royalty During Closure	The average weekly royalty that you owed to us during the 52 weeks before the closure of the Restaurant multiplied by the number of weeks or partial weeks that the Restaurant is not in operation.	On re-opening the Restaurant	If you wish to relocate your Restaurant or temporarily close due to a force majeure event, you must pay us this minimum Royalty while your Restaurant is closed.
Indemnity	Will vary by circumstances	If incurred, on demand	You must indemnify and reimburse us for our costs and any judgment if we are sued for claims relating to the operation of your Restaurant.
Liquidated Damages	Average weekly royalty fees and advertising contributions for the 52 weeks before the earlier of your closure of the Restaurant or our termination of your Franchise Agreement, multiplied by 208 (or if less than four years remaining in the term, multiplied by the number of weeks remaining in the franchise term).	If incurred, on demand	This amount is intended to reflect damages to us if your Franchise Agreement is terminated by us based on your default.
Supply Chain Department Surcharge	Pass-through of actual cost	On payment for goods that bear a surcharge dedicated to Church's Holding's Supply Chain Department.	Costs of Church's Holding's Supply Chain Department are reimbursed by surcharges on certain goods. Currently, the surcharges are \$1.22 per case of flour (breading), \$3.57 per case of regular chicken boxes, \$3.57 per case of family chicken boxes, \$1.10 per case of frying oil, and \$4.71 per case of biscuit mix.

TYPE OF FEE <sup>1</sup>	AMOUNT	DUE DATE	REMARKS
Manager Training	Cost of the training program	Before attending training	Under current policy, there is no fee for the first two manager trainees in the case of a new development; the fee for each additional manager trainee is \$1,250 (\$250 per week). A franchisee who acquires the franchise through a transfer must pay a \$1,250 management training fee for the first two (and any subsequent) trainees.

NOTES:

1. These fees are imposed and collected by and payable to us and are non-refundable. Generally, all fees are uniformly imposed on our franchisees. However, in our discretion, we may reduce or waive a fee for a particular franchisee for a limited period of time.
2. “*Gross Sales*” includes, as stated in Section 3.D of the Franchise Agreement, all revenue from the sale of all services and products and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed but not when purchased) related to the Franchised Restaurant, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales includes, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Franchised Restaurant, including, but not limited to, off-premises services such as catering and delivery, regardless of the method of collection (including cash registers, vending machines, payments to third-party delivery providers, or otherwise). Gross Sales do not include (1) the sale of food or merchandise for which refunds have been made in good faith to customers, (2) the sale of used equipment not in the ordinary course of business, or (3) taxes imposed by a governmental authority directly on sales and collected from customers, provided that the amount for the tax is added to or absorbed in the selling price and is actually paid by a franchisee to the governmental authority. You must participate in our electronic funds transfer program authorizing us to use a pre-authorized bank draft system. All royalty fees and other amounts owed to us under the Franchise Agreement, including advertising contributions and interest charges, must be received by us or credited to our account before 5:00 p.m. on the fifth business day after the end of each fiscal week. You must designate an account at a commercial bank and furnish the bank with all authorizations necessary to permit us to make withdrawals by electronic funds transfer.
3. It is very difficult to estimate audit costs that you might experience as these costs are contingent on a number of factors and, therefore, vary widely. For example, audit fees may be dependent on the amount of any understatement; the fees that were understated; the length of time the fees were understated; whether the understatement was intentional; the location of the franchisee’s offices and its restaurants; the condition of the franchisee’s books and records; the number of restaurants at issue; and the franchisee’s cooperation, or lack of cooperation, with the auditor. Depending on these factors, we anticipate that the audit costs could range from \$1,000 to \$5,000 for one Restaurant.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

Your initial investment will depend on the type of Restaurant that you develop.

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## **YOUR ESTIMATED INITIAL INVESTMENT: Blaze Compact Model**

The “Blaze Compact” model is a free-standing restaurant that is about 1,000 square feet with limited parking, no dine-in seating, but includes drive-thru and to-go facilities, and that complies with our current brand standards including the “Blaze Image”. This does not include an additional 205 square feet for the walk-in cooler and freezer and the utility room located outside of the Franchised Restaurant. The estimated initial investment for a ground-up construction of a Blaze Compact Model is described in the table below and is based on our best estimates of the costs based on our experience with other larger model restaurants. Given our lack of experience in building a Blaze Compact Model restaurant your costs may vary according to the circumstances and be lower than the low estimates or higher than the high estimates on some items.

Type of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made <sup>1</sup>
	Low	High			
Development Fee <sup>2</sup>	\$10,000	\$10,000	Lump sum	At signing of Development Agreement	Cajun
Initial Franchise Fee <sup>2</sup>	\$20,000	\$20,000	Lump sum	At signing of Franchise Agreement	Cajun
Grand Opening Marketing Funds <sup>3</sup>	\$15,500	\$25,000	Lump sum	At signing of Franchise Agreement	Cajun
Real Estate (purchase or lease) <sup>4</sup>	variable	variable	Lump sum or Monthly	As arranged	Lessors/ vendors
Site Work <sup>5</sup>	\$200,000	\$425,000	Lump sum	As ordered	Vendors
Building and Improvements <sup>6</sup>	\$475,000	\$600,000	Lump sum	As ordered	Vendors
Equipment and Signs <sup>7</sup>	\$320,000	\$350,000	Lump sum	As ordered	Vendors
Fees, Misc., Architectural and Engineering Services, Deposits <sup>8</sup>	\$45,000	\$125,000	Lump sum	As ordered	Vendors, consultants, municipalities
Initial Training <sup>9</sup>	\$0	\$23,000	As incurred	As incurred	Employees/ vendors
Opening Supplies <sup>10</sup>	\$6,350	\$12,700	As arranged	As incurred	Suppliers
Insurance <sup>11</sup>	\$7,500	\$10,000	As arranged	As ordered	Insurance company/ broker
Utility Deposits <sup>12</sup>	\$5,000	\$15,000	Lump sum	Per lease or utility company's requirements	Utility companies/ lessors
Business Licenses <sup>13</sup>	\$300	\$600	Lump sum	Before opening	Government agencies
Additional Funds Months <sup>14</sup>	\$10,000	\$20,000	As arranged	As needed	Employees/ suppliers
<b>Total Investment<sup>15</sup></b>	<b>\$1,114,650</b>	<b>\$1,636,300</b>		<b>(excluding Real Estate)</b>	

## **YOUR ESTIMATED INITIAL INVESTMENT: 1400 Blaze Model**

The “1400 Blaze” model is a free-standing restaurant that is about 1,400 square feet with limited parking, dine-in and 1 or 2 lane drive-thru facilities, and that complies with our current brand standards, including the “Blaze Image.” This does not include an additional 325 square feet for the walk-in cooler and freezer and the utility room located outside of the Franchised Restaurant. The estimated initial investment for a ground-up construction of a 1400 Blaze model is described in the table below.

<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method Of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made<sup>1</sup></b>
	<b>Low</b>	<b>High</b>			
Development Fee <sup>2</sup>	\$10,000	\$10,000	Lump sum	At signing of Development Agreement	Cajun
Initial Franchise Fee <sup>2</sup>	\$20,000	\$20,000	Lump sum	At signing of Franchise Agreement	Cajun
Grand Opening Marketing Funds <sup>3</sup>	\$15,500	\$25,000	Lump sum	At signing of Franchise Agreement	Cajun
Real Estate (purchase or lease) <sup>4</sup>	variable	variable	Lump sum or Monthly	As arranged	Lessors/ vendors
Site Work <sup>5</sup>	\$220,000	\$450,000	Lump sum	As ordered	Vendors
Building and Improvements <sup>6</sup>	\$605,124	\$692,672	Lump sum	As ordered	Vendors
Equipment and Signs <sup>7</sup>	\$352,450	\$380,000	Lump sum	As ordered	Vendors
Fees, Misc., Architectural and Engineering Services, Deposits <sup>8</sup>	\$50,000	\$150,000	Lump sum	As ordered	Vendors, consultants, municipalities
Initial Training <sup>9</sup>	\$0	\$23,000	As incurred	As incurred	Employees/ vendors
Opening Supplies <sup>10</sup>	\$6,350	\$12,700	As arranged	As incurred	Suppliers
Insurance <sup>11</sup>	\$7,500	\$10,000	As arranged	As ordered	Insurance company/ broker
Utility Deposits <sup>12</sup>	\$5,000	\$15,000	Lump sum	Per lease or utility company's requirements	Utility companies/ lessors
Business Licenses <sup>13</sup>	\$300	\$600	Lump sum	Before opening	Government agencies
Additional Funds – 3 Months <sup>14</sup>	\$10,000	\$20,000	As arranged	As needed	Employees/ suppliers
<b>Total Investment<sup>15</sup></b>	<b>\$1,302,224</b>	<b>\$1,808,972</b>	<b>(excluding Real Estate)</b>		

## **YOUR ESTIMATED INITIAL INVESTMENT: Conversion of Existing Freestanding Building**

A Conversion Restaurant is a free-standing restaurant with a drive-thru facility and that complies with our current brand standards including the “Blaze Image.” The estimated initial investment for a Conversion Restaurant between 1,000 and 1,800 square feet is described in the table below. The 1,000 square feet does not include an additional 205 square feet for the walk-in cooler and freezer and the utility room needed outside of the Franchised Restaurant. The low end of the estimates below reflects very limited site work plus “Tenant Improvements” (retrofit or renovation work required to convert existing space), as well as no dining furniture within the 1,000 square feet. The high end of the estimates reflects adding new building structure and site work to create the restaurant. The initial investment to convert an existing building to a Blaze Image restaurant will vary according to the circumstances.

<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method Of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made<sup>1</sup></b>
	<b>Low</b>	<b>High</b>			
Development Fee <sup>2</sup>	\$10,000	\$10,000	Lump sum	At signing of Development Agreement	Cajun
Initial Franchise Fee <sup>2</sup>	\$20,000	\$20,000	Lump sum	At signing of Franchise Agreement	Cajun
Grand Opening Marketing Funds <sup>3</sup>	\$15,500	\$25,000	Lump sum	At signing of Franchise Agreement	Cajun
Real Estate (purchase or lease) <sup>4</sup>	variable	variable	Lump sum or Monthly	As arranged	Lessors/ vendors
Site Work <sup>5</sup>	\$23,782	\$106,400	Lump sum	As ordered	Vendors
Building and Improvements <sup>6</sup>	\$304,932	\$578,000	Lump sum	As ordered	Vendors
Equipment and Signs <sup>7</sup>	\$280,174	\$390,000	Lump sum	As ordered	Vendors
Fees, Misc., Architectural and Engineering Services, Deposits <sup>8</sup>	\$50,000	\$100,000	Lump sum	As ordered	Vendors, consultants, municipalities
Initial Training <sup>9</sup>	\$0	\$23,000	As incurred	As incurred	Employees/ vendors
Opening Supplies <sup>10</sup>	\$6,350	\$12,700	As arranged	As incurred	Suppliers
Insurance <sup>11</sup>	\$7,500	\$10,000	As arranged	As ordered	Insurance company/ broker
Utility Deposits <sup>12</sup>	\$10,000	\$15,000	Lump sum	Per lease or utility company's requirements	Utility companies/ lessors
Business Licenses <sup>13</sup>	\$300	\$600	Lump sum	Before opening	Government agencies
Additional Funds – 3 Months <sup>14</sup>	\$10,000	\$20,000	As arranged	As needed	Employees/ suppliers
<b>Total Investment<sup>15</sup></b>	<b>\$738,538</b>	<b>\$1,310,700</b>	<b>(excluding Real Estate)</b>		

## **YOUR ESTIMATED INITIAL INVESTMENT: End Cap Restaurant**

An End Cap Restaurant is located at the end of a retail space in a shopping center or Travel Plaza, can have both dine-in and drive-thru facilities, and complies with our current brand standards, including the “Blaze Image.” The estimated initial investment for an End Cap Restaurant with about 1,500 square feet is described in the table below. The low end of the estimates below reflects very limited site work plus “Tenant Improvements” (retrofit or renovation work required to convert existing space). The high end of the estimates reflects adding new building structure and site work to create the restaurant. The initial investment to convert an existing building to a Blaze Image restaurant will vary according to the circumstances.

<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method Of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made<sup>1</sup></b>
	<b>Low</b>	<b>High</b>			
Development Fee <sup>2</sup>	\$10,000	\$10,000	Lump sum	At signing of Development Agreement	Cajun
Initial Franchise Fee <sup>2</sup>	\$20,000	\$20,000	Lump sum	At signing of Franchise Agreement	Cajun
Grand Opening Marketing Funds <sup>3</sup>	\$15,500	\$25,000	Lump sum	At signing of Franchise Agreement	Cajun
Real Estate (purchase or lease) <sup>4</sup>	variable	variable	Lump sum or Monthly	As arranged	Lessors/ vendors
Site Work <sup>5</sup>	\$30,075	\$152,000	Lump sum	As ordered	Vendors
Building and Improvements <sup>6</sup>	\$194,641	\$510,000	Lump sum	As ordered	Vendors
Equipment and Signs <sup>7</sup>	\$290,000	\$375,000	Lump sum	As ordered	Vendors
Fees, Misc., Architectural and Engineering Services, Deposits <sup>8</sup>	\$50,000	\$100,000	Lump sum	As ordered	Vendors, consultants, municipalities
Initial Training <sup>9</sup>	\$0	\$23,000	As incurred	As incurred	Employees/ vendors
Opening Supplies <sup>10</sup>	\$6,350	\$12,700	As arranged	As incurred	Suppliers
Insurance <sup>11</sup>	\$7,500	\$10,000	As arranged	As ordered	Insurance company/ broker
Utility Deposits <sup>12</sup>	\$10,000	\$15,000	Lump sum	Per lease or utility company's requirements	Utility companies/ lessors
Business Licenses <sup>13</sup>	\$300	\$600	Lump sum	Before opening	Government agencies
Additional Funds – 3 Months <sup>14</sup>	\$10,000	\$20,000	As arranged	As needed	Employees/ suppliers
<b>Total Investment<sup>15</sup></b>	<b>\$644,366</b>	<b>\$1,273,300</b>	<b>(excluding Real Estate)</b>		

**NOTES:**

Starting in early 2022 we began constructing free-standing “Blaze Image” restaurants that will include our new “Church’s Texas Chicken” trademark. *See Item 13* of this disclosure document for information regarding the “Church’s Texas Chicken” trademark.

1. All costs paid to us are non-refundable.

2. You can find additional details about these fees in Item 5 above.

3. When you sign the Franchise Agreement, you will pay \$15,500 to us for Grand Opening Funds, to be used for the purpose of conducting a Grand Opening Advertising Campaign (“GO Campaign”) beginning no earlier than the date the Restaurant opens and ending no later than 90 days after the opening of the Restaurant. We will use all of the Grand Opening Funds to cover the cost of design and placement of all creative materials for the GO Campaign. The Grand Opening Funds are fully earned by us when paid and are not refundable. After the completion of the GO Campaign, on your request, we will provide written proof that the Grand Opening Funds were spent in their entirety. We highly recommend that you invest an additional \$9,500 for an optional Grand Opening

4. We cannot estimate your initial investment for real estate. However, the following factors will bear on the amount of your investment. If you do not already own adequate Restaurant space, you will have to purchase or lease land and a building for the Restaurant. Typical locations for Restaurants are shopping centers, urban commercial areas and suburban shopping areas. These typical Restaurants range in size from 1,200 to 1,700 square feet. Free-Standing restaurants in suburban locations will require from 28,000 to 32,000 square feet of land for the Restaurant and adequate parking facilities. The cost of commercial land or restaurant space, whether you lease or buy, varies considerably depending on the location and conditions affecting the local market for commercial property. Based on rent paid for our Company Restaurants during fiscal year 2024, we estimate that the annual rent for leased space will range from \$12,000 to \$185,000, depending on factors such as the following: whether the Restaurant is located within an existing retail business (*e.g.*, shopping center), is a freestanding building or is an inline or corner unit in a strip center. Please note that, because we are a AAA-rated tenant, our rent may be less than yours. Security deposits should not exceed an average of two months’ rent on the property. The cost of converting land to use as a Restaurant may vary widely depending on the previous use and condition of the property.

5. The initial investment for site work can vary significantly depending on location and size of the Restaurant. The amount of site work needed will depend on the condition of the land when leased or purchased.

6. Free-Standing Restaurants are ordinarily of wood frame, EIFS (Exterior Insulation and Finish System) and/or masonry construction. The estimates provided assume new ground-up construction.

7. You must purchase certain items of furniture, fixtures, equipment, signage, digital menu boards, drive-thru timers, smallwares, and computer systems (including a POS System, back-office software and credit card processing as described in Item 8 and Item 11), and the estimates provided assume these items are purchased new. The Manual contains a complete list of the equipment needed. The cost of equipment and signage varies depending on the size and location of the Restaurant.

8. You must obtain, at your own expense, additional qualified architectural and engineering services to prepare surveys, site and foundation plans and to adapt the standard plans and specifications to applicable local or state laws, regulations or ordinances. You must bear the cost of preparing plans that deviate from and/or modify the standard plans. Certain governmental authorities may require impact fees, filings fees, and other costs of doing business, which vary from jurisdiction to jurisdiction.

9. In connection with the initial training, you will need to arrange and pay for transportation, lodging, food and incidental expenses for you and your designated management employees. You must also pay the salaries and benefits of your designated management employees. The expenses you will incur depend on factors such as the cost of travel, hotel accommodations, and meals, as well as employee salaries and associated costs. In addition, training expenses will vary depending on how many employees you send to training. We may require that you send a certain minimum number of employees that we determine to training.

10. We estimate that the range given will be sufficient to cover a supply of food and paper products for one to two weeks of Restaurant operations.

11. Required insurance includes general liability, auto liability, property insurance, employer's liability, workers' compensation, builder's all risk insurance, business interruption insurance, employment practices liability and cyber liability. See Section 8 of the Development Agreement and Section 12 of the Franchise Agreement for specific requirements and coverage amounts. Your costs will vary according to the risks associated with your business and your location. The cost of workers' compensation insurance will vary according to the number of employees of the Restaurant and the requirements of state law.

12. You may need to provide deposits for utilities. The amount of these deposits and utility costs will vary depending on the location of the Restaurant, the practices of the lessor, your creditworthiness and the utility companies.

13. Local, municipal, county and state regulations vary on what licenses and permits are required for you to operate a Restaurant. For example, you may need city and county occupational licenses and a city food-handlers' license. These fees are paid to governmental authorities, when incurred, before opening for business.

14. You will need capital to support on-going expenses, such as payroll, uniforms, supplies and miscellaneous expenses. We estimate that the amount given will be sufficient to cover on-going expenses for the initial phase of business, which we estimate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this initial phase or after.

15. The range given provides our best estimate of your total investment for one Restaurant to be developed under the Development Agreement. We relied on the many years of experience of our executives identified in Item 2, our construction department, and reports from our franchisees in preparing these figures.

As described in Item 10, we do not offer, either directly or indirectly, financing to you for your initial investment. The availability and terms of financing from third parties will depend on factors such as the availability of financing generally and your creditworthiness.

## **ITEM 8** **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### *Required Purchases or Leases*

To operate the Restaurant, you must use certain items that incorporate our trade secrets (“Trade Secret Products”). Trade Secret Products include ingredients, products, materials, supplies and other items. Trade Secret Products include our fried chicken batters and seasonings and certain other food products and recipes (including fried okra batter and breading; boneless wing seasonings, batters, and breading; marinated chicken strips, honey butter, biscuit topping and mix, macaroni and cheese, mashed potatoes, fried apple pies, jalapeno cheese bombers, and various other seasonings and sauces). You must buy Trade Secret Products only from suppliers that we designate.

Certain products bear our Proprietary Marks and are made to our specifications by approved manufacturers (“Proprietary Products”). You must buy Proprietary Products only from manufacturers we approve in writing. Examples of Proprietary Products include certain uniforms, signs, menu boards, paper goods and packaging.

We require you to obtain, install and use point-of-sale equipment, software, back-office computer systems and credit card processing (collectively, “POS System”) from our approved suppliers, which are currently SynergySuite and QuBeyond. The POS System must be installed by an approved vendor, which is currently HonorBuilt.

We also require you to obtain, install and use DT timers and associated hardware and software (collectively “DT Timers”) that we specify in writing. We currently have preferred vendors that limit your choice of DT Timers. Depending on the number of drive-thru lanes at your Restaurant, we may require you to have additional DT Timers.

You must construct the Restaurant in accordance with our standard plans and specifications, or according to plans and specifications we approve.

You must purchase, install, and use only fixtures, furnishings, equipment (including, without limitation, fryers, grills, ovens, warmers, refrigerators, freezers and drive-thru timers) and signs that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance.

You must purchase all items (except for Trade Secret Products, Proprietary Products, and items that you must purchase from designated suppliers) needed to operate the Restaurant (such as french fries, flour, food trays, paperwares, etc.) only from suppliers and distributors who demonstrate, to our continuing and reasonable satisfaction, the ability to meet our reasonable standards for those items; who possess adequate quality controls and capacity to supply your needs promptly and reliably; and as to whom we have given (and not revoked) our written approval.

Church’s Holding’s Supply Chain Department provides purchasing and logistical services to the System. You must participate in Church’s Holding’s Supply Chain Department (or any successor we designate) and sign a Participation Memorandum regarding your participation substantially in the form attached as Exhibit U. The Supply Chain Department negotiates with certain vendors and suppliers for the benefit of franchisees as well as company-owned stores. The Supply Chain Department passes its costs and overhead to the System through surcharges on certain products, as detailed in Item 6. Currently, these surcharges are: \$1.22 per case of flour (breading), \$3.57 per case of regular chicken boxes, \$3.57 per case of family chicken boxes, \$1.10 per case of frying oil, and \$4.71 per case of biscuit mix. The surcharges are

imposed by the suppliers of these products and then paid to the Supply Chain Department. The Supply Chain Department has a Board of Directors with 7 members. The Church's Independent Franchise Association appoints 3 members of the Board, the 2 largest franchisees (determined by annual revenue) appoint 2 members of the Board, and we appoint the remaining 2 members of the Board. The budget of the Supply Chain Department, including the surcharges on certain products, is subject to the approval of the Supply Chain Department's Board of Directors.

You must participate in a guest feedback/hotline program operated by ServiceCheck, Inc. You must also participate in an interactive voice response customer survey program, known as "Medallia / SMT," operated by Service Management Group, Inc. The costs associated with each of these programs are disclosed in Item 6. We have access to information regarding your participation in these programs, including the results of your participation in these programs.

You also must participate in food delivery and catering programs operated by us or third party delivery and catering programs operating in the Restaurant area (the "Delivery and Catering Program"), such as UberEats, DoorDash, Postmates and GrubHub, among others (the "Delivery and Catering Companies"). If you participate in the Delivery and Catering Program, you may need to sign a contract with the Delivery and Catering Companies that is substantially in the forms they provide. We do not currently charge you a fee for participating in the Delivery and Catering Program, however, fees are charged by the Delivery and Catering Companies. We reserve the right to charge you a fee for participating in the Delivery and Catering Program in the future. We have access to information regarding your participation in these programs, including sales data, however, we do not have access to any payment card information or private customer information. We also reserve the right to waive or reduce fees you pay to us that are listed in Item 6 based on your participation in the Delivery and Catering Program.

Additionally, you must participate in our order ahead, pay ahead program (the "Order Ahead Program"). This program, which operates through integrated ordering enterprise software from Olo, allows our customers to order our food via the churchs.com website, then pick up their food at a Restaurant at a later time that the customer chooses. We do not currently charge you a fee for participating in the Order Ahead Program, however, Olo charges fees for each order processed. We reserve the right to charge you a fee for participating in the Order Ahead Program in the future. We have access to information on your participation in the Order Ahead Program, including sales data, however, we do not have access to any payment card information or private customer information. We also reserve the right to waive or reduce fees you pay to us that are listed in Item 6 based on your participation in the Order Ahead Program.

Under the Franchise Agreement, we may designate an exclusive beverage supplier or suppliers for beverage products sold within the System ("Designated Beverage Supplier"). After 30 days' notice to you of our appointment of a Designated Beverage Supplier, you must purchase all designated beverage items only from the Designated Beverage Supplier.

None of our officers own an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the System. From time to time, our officers may own non-material interests in publicly-held companies that may be suppliers (or have subsidiaries that may be suppliers) to our System.

You cannot offer menu items that are not part of the System without our approval.

#### *Optional Purchases or Leases*

Under the Development Agreement, you must obtain the right to occupy the premises at which you will operate each Restaurant. We have the right to review and approve these premises. You will generally have the option to buy, lease, or sublease the premises, depending on market conditions. If you lease or

sublease the premises, we have the right to review and approve the lease or sublease. We may require the lease or sublease to contain the following terms, among others, before we will give our approval: (1) if you default under the lease/sublease, or stop operating the Restaurant for any reason, we have the right to assume your rights and obligations under the lease/sublease; (2) if you default under the lease/sublease, we must receive a copy of any notice of the default; and (3) if you default under your lease/sublease or stop operating the Restaurant, we may modify the premises as necessary to enforce the covenants against competition and the other post-termination obligations under the Franchise Agreement that are noted in Item 17 below. You must use our form of Addendum to Lease Agreement attached as Exhibit R.

#### *Approval of Alternate Suppliers or Vendors*

If you want to obtain items from a non-approved supplier or distributor, you (or the supplier or distributor) must make a written request to us seeking approval. As a condition of our approval, we may require that the supplier or distributor allow our representatives to inspect its facilities and that the supplier or distributor deliver samples, at our option, either to us or to an independent laboratory that we designate for testing before we will grant our approval. The approval process ranges from 30 days for simple items to 18 months for highly complex food formulas, which require more extensive testing. You or the supplier or distributor must pay a charge not to exceed our reasonable cost of inspection and the actual cost of testing. We do not currently charge an additional fee to approve suppliers and distributors, but we reserve the right to do so. We reserve the right, at our option, to periodically reinspect the facilities and products of any approved supplier or distributor. We have the right to revoke our approval if we find that a supplier or distributor no longer meets our standards. The process of reviewing possible suppliers and distributors includes many factors, such as inspecting and testing sample products to determine whether the products meet our standards, inspecting a proposed distributor's physical plant and similar steps to assure compliance with our standards for quality, food safety and sanitation. If we conclude that an approved supplier or distributor no longer meets our standards, we will revoke our approval of that supplier or distributor.

We do not currently require you to buy or lease goods or services from us, nor do we or our affiliates presently supply or offer to sell or lease goods or services to our franchisees. We do not derive income from sales made by designated or approved suppliers or distributors to our franchisees (however, the distributors collect a surcharge on certain products to fund Church's Holding's Supply Chain Department, as described above). There are currently no purchasing or distribution cooperatives.

We will provide our standards to you through our Manual. We will lend you a copy of our Manual when you sign the Franchise Agreement and pay us the initial Franchise Fee and any other amounts then due. We may update and revise these standards periodically, and we will notify you of these changes by written or electronic communication. See Item 11. We usually develop standards internally, but sometimes we develop standards with suppliers.

#### *Revenue from Franchisee Purchases*

We estimate that your purchases from approved suppliers or from suppliers that we designate, and otherwise under our standards, will be about 99% of the total purchases and leases of products and services needed to establish the Restaurant, and about 99% of the total purchases and leases of products and services needed to operate the Restaurant. We also estimate that your purchase of Trade Secret Products will be less than 1% of the total purchases and leases of products and services needed to establish the Restaurant, and about 25% of the total purchases and leases of products and services needed to operate the Restaurant.

We do not currently receive rebates from any suppliers based on purchases by franchisees. Our parent, Church's Holding, received \$2,333,000 from products and services our U.S. franchisees must purchase from our approved suppliers or suppliers that we designate or otherwise under our standards.

We do not require you to buy or lease any goods or services from us, or suppliers we designate, except as described above.

We do not confer special or other material benefits on franchisees that buy or lease from approved suppliers or sources.

## **ITEM 9** **FRANCHISEE'S OBLIGATIONS**

**The following table lists your principal obligations under the Franchise Agreement and the Development Agreement. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

OBLIGATION	SECTION(S) IN AGREEMENT(S)	DISCLOSURE DOCUMENT ITEM
a. Site Selection and Acquisition/Lease	§ 5 of Development Agreement	Item 11
b. Pre-Opening Purchases/Leases	§ 6 of Development Agreement	Items 5, 7 and 8
c. Site Development and Other Pre-Opening Requirements	§ 8 of Franchise Agreement §§ 5 and 7 of Development Agreement	Items 7, 8 and 11
d. Initial and On-Going Training	§§ 8 and 10 of Franchise Agreement	Item 11
e. Opening	§ 7 of Development Agreement	Item 11
f. Fees	§§ 3, 4, 8, 10, 15, 18 and 22 of Franchise Agreement §§ 3, 4, 12 and 18 of Development Agreement	Items 5 and 6
g. Compliance with Standards and Policies/Operating Manual	§ 6, 7 and 10 of Franchise Agreement § 9 of Development Agreement	Items 6, 8 and 11
h. Trademarks and Proprietary Information	§§ 5, 7, 11 and 17 of Franchise Agreement § 14 of Development Agreement § 3 of Guaranty Agreement	Items 13 and 14
i. Restrictions on Products/Services Offered	§ 10 of Franchise Agreement	Item 16
j. Warranty and Customer Service Requirements	§ 10 of Franchise Agreement	Item 11
k. Territorial Development and Sales Quotas	§§ 1 and 3 to Development Agreement	Item 12
l. On-Going Product/Service Purchases	§§ 10 and 12 of Franchise Agreement	Item 8
m. Maintenance, Appearance and Remodeling Requirements	§§ 3, 10 and 15 of Franchise Agreement	Item 11
n. Insurance	§ 12 of Franchise Agreement § 8 of Development Agreement	Items 6 and 7
o. Advertising	§ 5 of Franchise Agreement	Items 6 and 11
p. Indemnification	§ 22 of Franchise Agreement § 18 of Development Agreement	Item 6
q. Owner's Participation/Management/Staffing	§§ 8, 10 and 13 of Franchise Agreement § 5, 7 and 10 of Development Agreement	Item 15
r. Records and Reports	§ 4 of Franchise Agreement	Item 6
s. Inspections/Audits	§§ 4, 5, 9, 10 and 18 of Franchise Agreement § 6 and 7 of Development Agreement	Items 6 and 11
t. Transfer	§ 15 of Franchise Agreement § 12 of Development Agreement	Item 17
u. Renewal	§ 2 of Franchise Agreement	Item 17

OBLIGATION	SECTION(S) IN AGREEMENT(S)	DISCLOSURE DOCUMENT ITEM
v. Post-Termination Obligations	§ 19 of Franchise Agreement § 16 of Development Agreement § 4 of Guaranty Agreement	Item 17
w. Non-Competition Covenants	§ 17 of Franchise Agreement § 14 of Development Agreement § 4 of Guaranty Agreement	Item 17
x. Dispute Resolution	§ 27 of Franchise Agreement § 23 of Development Agreement	Item 17
y. Personal Guaranty	§ 13 of Franchise Agreement § 10 of Development Agreement Guaranty Agreement	Item 15

## **ITEM 10 FINANCING**

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.

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

**Except as provided below, we are not required to provide you with any assistance.**

Under the Management Agreement between us (and our wholly owned subsidiaries) and Cajun Operating, Cajun Operating will, at all times acting on our behalf, fulfill all of our obligations under Franchise Agreements and Development Agreements, including: fulfilling all of our obligations to franchisees; managing the System; marketing, offering and negotiating new and renewal Franchise Agreements and Development Agreements as our franchise broker; and assisting franchisees.

Cajun Operating employs all the persons who will provide services to you on our behalf under the terms of your Franchise or Development Agreement. If Cajun Operating fails to perform its obligations under the Management Agreement, then Cajun Operating may be replaced as the franchise service provider. However, as the franchisor, we are always ultimately responsible for fulfilling all of our obligations under your Franchise and Development Agreements.

### *Pre-Opening Obligations.*

Listed below are our pre-opening obligations under the Development Agreement and Franchise Agreement.

#### Development Agreement:

1. We will evaluate each site you propose for a Restaurant, and we will send you, within 60 days after receipt of your complete proposal, written notice of acceptance or non-acceptance of the proposed site. (*Development Agreement, Section 5.C*)

2. We will provide you with standard plans and specifications for use only in the preparation of construction/renovation drawings for your Restaurant, as we require. You cannot modify or deviate from the standard plans and specifications unless you have our prior written approval. You must obtain, at your own expense, additional qualified architectural and engineering services to prepare surveys, site and foundation plans, and to adapt the standard plans and specifications to applicable local or state laws, regulations or ordinances. You must bear the cost of preparing plans that deviate from and/or modify the standard plans. (*Development Agreement, Section 6.A*)

3. We will evaluate your final and complete plans for the construction/renovation and decoration of your Restaurant, and, if appropriate, we will approve these plans. (*Development Agreement, Section 6.A*)

4. For your first Restaurant opened under a Development Agreement, we will provide a representative to be present at the opening. (*Development Agreement, Section 7.A*)

**Franchise Agreement:**

Under the Franchise Agreement, we must provide certain assistance and services to you. Although the Franchise Agreement does not specify when we must perform these services, we intend to perform the following services before the opening of the Restaurant. Except as provided below, we are not required to provide you with any assistance.

1. We will make available our New Franchisee Orientation Program for you, and our Manager-in-Training Program for you and up to 4 designated management employees; see "The Orientation Program" below for more information. (*Franchise Agreement, Section 8.A and 8.B*)

2. We will provide our Pathways to Excellence Training Program materials for you to train your employees in connection with the opening of the Restaurant.

3. We will conduct a Grand Opening Advertising Campaign using the Grand Opening Advertising Funds beginning no earlier than the date the Restaurant opens and concluding no later than 90 days after the Restaurant opens. (*Franchise Agreement, Section 3.J*)

***Continuing Obligations.***

Listed below are our obligations under the Franchise Agreement during the on-going operation of the Restaurant. Unless listed below, we need not provide any assistance to you.

1. We will make available to you additional training programs as we, in our discretion, choose to conduct. (*Franchise Agreement, Section 8.C*)

2. We will advise and consult with you in connection with the operation of the Restaurant, as we deem appropriate. As we deem appropriate, we will provide to you our knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, food and beverage preparation, sales promotion, service concepts and other areas. We may provide these services through visits by our representatives, the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, electronic mail communications or other communications. (*Franchise Agreement, Section 9.B*)

3. We (or our designated affiliate) will maintain and administer an Advertising Fund, and in some areas, an Ad Co-Op (as defined in this Item), to increase the public's awareness of the Restaurants and the System. (*Franchise Agreement, Section 5*)

4. We will lend you one copy of the Manual. The Manual contains the System's standards, specifications, operating procedures and techniques. We may supplement or amend the Manual from time to time by letter, electronic mail, updates to our [www.TeamChurchs.com](http://www.TeamChurchs.com) website, bulletin, digital video disk, compact disk, USB flash drive, software or other communications. (*Franchise Agreement, Section 6; Development Agreement, Section 9*) You must abide by all revisions to the Manual.

5. We will lend you one copy of our Pathways to Excellence Training Program materials that are to be used in training restaurant employees on our System standards. The Pathways to Excellence Training Program materials are part of the Manual. (*Franchise Agreement, Section 8.D*)

6. We will establish uniform criteria for approving suppliers and will make reasonable efforts to share our standards and specifications with your prospective suppliers on your written request. We may choose not to make available to prospective suppliers the standards and specifications for any food formula or equipment design that we deem to be confidential. (*Franchise Agreement, Section 10.C*)

7. We will inspect the Restaurant and its operations to assist your operations and ensure compliance with the System, at times we determine. (*Franchise Agreement, Section 9.C*)

8. We will provide you access to any mandatory Order Ahead Program and provide training and operational support. (*Franchise Agreement, Section 10.N*)

#### *Site Selection and Length of Time before Opening.*

The Development Agreement grants you a specific Development Area in which to establish and operate Restaurants under the System at specific locations to be designated in separate Franchise Agreements. You select the site of your Restaurant subject to our acceptance of the site. You must submit for our acceptance a Site Acceptance Request, in the form that we require, for the proposed site of each Restaurant you develop. We will evaluate each proposed site, and within 60 days after receipt of your complete proposal, we will send you written notice of our acceptance or non-acceptance of the site. We consider the following factors, among others, in evaluating the proposed site: demographic characteristics (such as the number of households in the neighborhood, average income and family size); traffic patterns; proximity to existing restaurants, including existing Restaurants, and the size, asset type, and condition of the proposed premises. Our acceptance of a proposed site is good for 90 days, during which time you must provide us with satisfactory evidence (such as a deed or signed lease) that you have the right to occupy the site. Our acceptance of a site is not our representation or promise that a Restaurant at that site will achieve a certain sales volume or level of profitability. Similarly, our acceptance of one or more sites and our non-acceptance of other sites is not our representation or promise that a site we accept will have a higher sales volume or be more profitable than a site we do not accept. Our acceptance only indicates our willingness to be represented by you at that site. If you lease or sublease the premises, we have the right to review and approve the lease or sublease, and you must use our form of Addendum to Lease Agreement attached as Exhibit R.

The typical length of time between the signing of a Development Agreement and the opening of the first Restaurant is 3 to 12 months. The length of this period depends on many factors, such as your ability to buy or lease a site and obtain adequate financing, the local requirements you must meet to obtain permits and zoning approval, whether you use stick-built or modular construction, the amount of time required to train your intended management personnel, and other factors that affect construction in your

area, such as weather. Other factors may affect the length of this period, such as your ability to obtain insurance and to get your approval of the final and complete plans and specifications for the construction/renovation and decoration of the Restaurant.

If we cannot reach agreement on a site, you will be unable to sign a Franchise Agreement and operate a Restaurant, and you will be in default under the Development Schedule of your Development Agreement.

*The Orientation Program.*

You must complete, to our satisfaction, the New Franchisee Orientation Program (“NFOP”) before opening your first Restaurant. NFOP consists of 2 days of workshops and seminars conducted at a facility we designate (currently at our corporate offices in Atlanta, Georgia). We currently offer NFOP on an as-needed basis. We do not charge a fee for NFOP. You are, however, responsible for all expenses that you or your representatives incur while attending NFOP, such as travel, accommodations, meals, and employee wages and benefits.

Before opening your first Restaurant, your Operating Principal and up to 4 designated management employees (we decide the exact number, which must be at least 2 for your first Restaurant, and at least 2 for each additional Restaurant) must attend and complete, to our satisfaction, our initial Pathway to Excellence Advanced Operations and Leadership Training Program (the “Training Program”). We offer the Training Program on an as-needed basis. This training provides certification for Assistant Restaurant Managers and Restaurant General Managers. If your management employees complete the Training Program to our satisfaction, we will issue certificates of completion to these trainees who will become “Certified Managers.” You must maintain at least 2 Certified Managers in the employ of each Restaurant throughout the term of the Franchise Agreement; we may require that you maintain more than 2 Certified Managers. You must enroll a qualified replacement in the Training Program for any Certified Manager who ceases active employment at your Restaurant within 30 days after the former employee’s last day of employment. The replacement employee must join the next scheduled Training Program, at your expense, at a Certified Training Restaurant (“CTR”). If the CTR is operated by another franchisee, you may be instructed to pay the training fee directly to the other franchisee. The current fee for the Training Program for each employee, after the first 2 employees, is \$1,250.

We also may periodically make available to you and your employees additional training programs that we, in our discretion, choose to conduct. Attendance at these additional, training programs may be mandatory. Although we do not currently charge a fee for additional mandatory training programs and related materials, we reserve the right to charge fees in the future to cover the cost of presenting the additional mandatory training programs and producing the related materials. You will be responsible for all expenses that you and your management employees incur in connection with training, such as cost of travel, accommodations, meals, and employee wages and benefits. Optional training programs (instruction and required materials) may be offered to Franchisees for a fee.

We designed our Training Program to educate you and your managers in all phases of the quick-service restaurant industry as related to the operation of the Restaurant. The Training Program will be conducted at a CTR and will last 5 weeks. However, if you have prior quick-service restaurant operations experience, the length of the Training Program may be reduced to 3 weeks since the subjects can be taught more quickly. Before attending the Training Program you must successfully satisfy all the requirements of our Pathway to Excellence Team Training Program which is focused on the line level tasks performed in a Restaurant, including, but not limited to, product preparation procedures and recipes, customer service, food safety, and facility cleanliness and maintenance. The Pathway to Excellence Advanced Operations and Leadership Training Program builds on this knowledge base and addresses management responsibilities

related to these tasks such as scheduling, cash management, inventory control, ordering, sales generation and profitability.

All Training and Development Department personnel have extensive experience in operations with us and other food service companies. Our training staff has the responsibility of developing and delivering training programs and training support materials. We employ the following individuals on our training staff:

**Director, Global Operations Training: Bouran Qaddumi.** Ms. Qaddumi has been involved with our training program since 2016. She has more than 20 years of experience in restaurant operations training. Ms. Qaddumi is also a certified ServSafe® instructor and exam proctor.

**National Field Trainer: Lorna Lewis.** Ms. Lewis has been involved with our training program since 2022. She has more than 20 years of experience in restaurant operations training and is also a certified ServSafe® instructor and exam proctor.

**National Field Trainer: Cindy Morales.** Ms. Morales has been involved with our training program since 2023. She has more than 20 years of experience in restaurant operations training and is also a certified ServSafe® instructor and exam proctor.

*Training Detail.*

The subjects covered during the Training Program are as follows:

**TRAINING PROGRAM**

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON- THE-JOB TRAINING	LOCATION*
Orientation	3	8-10	Certified Training Restaurant
Reading Assignments and Exams	10-14	3-6	Certified Training Restaurant
Cleaning and Sanitation, Fryer Excellence	N/A	6-8	Certified Training Restaurant
Food Preparation	N/A	10-14	Certified Training Restaurant
Guest Service/ Drive-Thru/ POS	N/A	10-14	Certified Training Restaurant
Expediting	N/A	4-6	Certified Training Restaurant
Management (including safety, security, management systems and forms, established standard guidelines, shift management, open-to-close duties, inventory, preventative maintenance, labor scheduling, operations review)	N/A	75-96	Certified Training Restaurant
<b>Totals</b>	<b>13-17</b>	<b>116-154</b>	

\*You will attend the Training Program at a CTR near the location of your Restaurant. A list of the cities that contain CTRs as of February 1, 2025, is attached as Exhibit P.

We use the Pathways to Excellence Training Program materials including e-learning modules, job aids, videos, the Manual, a Proctor & Gamble Manual and other training aids as instructional materials for the Training Program. All training occurs at a Restaurant that we have approved as a CTR.

If you open and operate more than 5 Restaurants, we may require you to establish additional Restaurants as CTRs in order to support training in future development.

*Manual.*

For the duration of the Development Agreement and Franchise Agreement, we will provide you one copy of the Manual per Restaurant or make the Manual available to you electronically by electronic mail, the Internet, Operations 360 Tablet, or other electronic format. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for development, management and operation of the Restaurant. The Manual may also include requirements related to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Restaurant; training on System standards; marketing, advertising and sales promotions; maintenance and repair of the Restaurant building, grounds, equipment, graphics, signs, interior and exterior décor items, fixtures and furnishings; employee dress attire; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures and operations. The Manual is confidential, and it is and at all times remains our property. We may revise the contents of the Manual from time to time by electronic mail, bulletin, software, Operations 360 Tablet, or other communications. You must abide by all revisions of the Manual. Any revisions to the Manual, however, will not alter your status and rights under your Franchise Agreement and/or your Development Agreement. You can find the Table of Contents for the Operations Manual in Exhibit J to this Franchise Disclosure Document. As of the date of this Franchise Disclosure Document, the Operations Manual has 259 pages.

*Point-of-Sale and Computer Systems.*

We require you to have a POS System that includes a back-office system purchased from, and installed by, our approved vendors. Your computer system must permit high-speed internet communication between us and your POS System and back-office system at your Restaurant. We have the right to retrieve any data and information from your computer and POS System we deem appropriate, including access to real-time data via SaaS, electronically polling the daily sales, menu mix and other data of your Restaurant. The cost to purchase or subscribe to a POS System and Back Office system software and hardware will range between \$6,800 and \$7,500 annually based on the type and amount of POS software and equipment you purchase.

We may revise our specifications for the POS System from time to time. We may require you to upgrade, update, or replace your POS System. There is no contractual limitation on the frequency and cost of this obligation. The annual cost of upgrades or required maintenance and support for hardware, software, helpdesk, and menu maintenance are typically between \$4,500 and \$5,500, based on software and equipment purchased and the level of support desired. Our approved vendor, Qu POS, Inc. must provide software support for the POS System for 5 years from your installation date. Other than the software support for the POS System, we do not have any obligation to provide ongoing maintenance or upgrades of your POS system or computer system, nor does any affiliate of ours or a third party.

In addition, we require you to participate in our integrated digital and technology platforms that are part of our loyalty program, which connect various platforms to enhance customer experiences with ordering, product pick up, and store level engagement. You must pay the then current amounts for that

program. Beginning on July 15, 2024, the fees due will be about \$205 per period (\$2,665 annually) plus 5% of first party digital sales. These amounts may change over time.

*Sales Reporting.*

You must report sales and other information to us. Currently, you must enter your Restaurant information every week into the Church's Sales Information (CSI) web portal. The information includes sales, transactions, and any pertinent business information such as employee turnover or test product information into this system. To use CSI, you must access the Internet. There is no fee or expense to you to use CSI.

*Website.*

You may not operate an Internet website for your Restaurant without our prior written consent. Our consent to your creating, operating and/or maintaining such a website is subject to requirements we reasonably establish from time to time.

*Advertising and Promotion.*

Advertising Program:

Advertising and standardization of advertising and promotion is important to the goodwill and public image of the System. Our advertising program is conducted through a national fund (“Ad Fund”) which is described below. We control the Ad Fund and administer it to support each designated market area (“DMA”). Under the Franchise Agreement, we must use the Ad Fund for advertising, marketing, and public relations programs and related activities, and (except as stated in the Franchise Agreement) we cannot use the Ad Fund for our general operating expenses.

Under the Franchise Agreement, we may create Regional Advertising Cooperatives (“Ad Co-ops”) and require your participation in them.

1. We may use the Ad Fund for national, regional, and/or local media coverage.

2. We select the media and locale for media placement. Currently, we use television (where practical), radio (where practical), digital, social media, direct mail, outdoor media and restaurant point-of-purchase advertising.

3. We currently use several marketing agencies to produce our advertising materials, purchase media and manage promotions. We may change this at any time. We may require you to use the marketing agency or agencies that we select.

4. We are not obligated to spend any amount on advertising in the designated market area (“DMA”) or territory of any individual franchisee. It is our practice (although we are not required to do so) to allocate all Ad Fund contributions to our national system fund (which produces commercials, point-of-purchase materials, and certain other advertising, and also funds overhead, promotions, public relations, digital, mobile, social media, research, agency fees and miscellaneous expenses).

Use of Your Own Advertising Material:

All of your local advertising is subject to our approval and must be in such media and of a type and format as we approve; be conducted in a dignified manner; and conform to our standards and requirements. All advertising, marketing and promotional plans and materials must meet our standards, and you must obtain our prior written approval before using any local advertising, marketing or promotional plans or materials. To obtain our approval, you must submit samples of the proposed advertising copy and marketing or promotional plans to us, unless we previously prepared or approved the materials. If you do not obtain our written approval within 15 days after we receive the proposed samples or materials, it means that we disapproved the samples or materials. All press releases must be approved by us. We do not approve or disapprove the sales prices of products in proposed advertising, marketing or promotional plans.

Franchisee Marketing Committee:

We have an informal Marketing Excellence Advisory Council (“Marketing EAC”) composed of franchisees self-nominated and appointed by our CEO and including at least one member of the Church’s Independent Franchise Association (“CIFA”). We consult with the Marketing EAC concerning the implementation of our marketing and advertising policies and programs. The Marketing EAC operates in an advisory capacity only. We are not required to consult with the Marketing EAC.

The Ad Fund:

All franchisees must contribute to our Ad Fund. You must contribute to the Ad Fund each week 5% of your Restaurant’s Gross Sales. However, we may require you to contribute a minimum of \$25,000 per year to the Ad Fund. If we create an Ad Co-op and require your participation, you must still contribute 5% of your Restaurant’s weekly Gross Sales to the Ad Fund. All franchisees contribute to the Ad Fund on the same basis (except that some older Franchise Agreements may provide for different contribution rates and certain franchisees in captive locations (e.g., food courts) may have a negotiated lower Ad Fund contribution rate).

Restaurants that we and our affiliates own contribute to the Ad Fund on the same basis as you, except where our restaurants contribute a greater percentage of Gross Sales than you.

We administer the Ad Fund and have the right to direct all spending by the Ad Fund.

We do not audit the Ad Fund on an annual basis. We do prepare an annual statement of monies collected and costs incurred by the Ad Fund and can provide it to you on written request.

In fiscal year 2024, 16% of the Ad Fund was spent on production; 56% was spent on media placement; 6% was spent on point-of-purchase items; 2% was spent on research and development; 1% was spent on public relations and promotions; 4% was spent on digital technology; and 15% was spent on administration and one time strategic initiatives/research (e.g., core consumer research).

The Ad Fund currently uses all contributions made to it, and any earnings on those contributions exclusively to pay the costs of maintaining, administering, directing and preparing market research, advertising and/or promotional activities. We maintain all sums paid to the Ad Fund in an account separate from our other funds. We maintain separate bookkeeping accounts for the Ad Fund. We do not use the Ad Fund to defray our expenses except as permitted under the Franchise Agreement, and except for expenses we incur in administering the Ad Fund and in running advertising and marketing programs for the System. We may charge the Ad Fund for our reasonable costs for market research, production and distribution of advertising materials.

We anticipate that all contributions to, and earnings of, the Ad Fund will be spent during the year in which the contributions and earnings are received. If, however, there are excess amounts in the Ad Fund at the end of the year, the amounts are carried over to the following year. If a deficit exists in any year, we may use contributions in the next year to cover that deficit amount.

We do not use the Ad Fund to solicit the sale of franchises, except for some incidental uses such as promoting franchise sales on our [www.churchs.com](http://www.churchs.com) website.

**Advertising Cooperatives:**

We have the right to form, change, dissolve or merge Ad Co-Ops. An Ad Co-Op may also be established if the owners of 80% of the Restaurants (franchised and owned by us) within the same DMA vote to do so and obtain our approval.

In conducting regional advertising, it is normal and customary to engage the services of a marketing agency to plan and place media, as well as perform other tasks. We reserve the right to require or approve the marketing agencies the Ad Co-Op uses. We also reserve the right to set standards that marketing agencies must meet and to withdraw our approval of an agency that does not meet those standards.

**ITEM 12  
TERRITORY**

*Development Agreement.*

Under our standard Development Agreement, you have a specific Development Area in which to develop one or more Restaurants. 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 may offer an amendment to the Development Agreement that provides limited territorial exclusivity (“Exclusive Development Agreement”), as negotiated between us based on your capabilities and our market development objectives.

The Development Agreement grants you the right and obligation to develop an agreed-on number of Restaurants in your Development Area according to an agreed-on Development Schedule. The Development Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises inside or outside your Development Area. The size of the Development Area will vary considerably and is subject to our mutual agreement before the Development Agreement is signed. Factors that may affect the size of a Development Area include your wishes, the expansion capacity of the area contemplated, the competition in the area and your prior experience and financial capacity.

If you sign an Exclusive Development Agreement, you will be granted a geographic area within which we will not open a Restaurant, nor license anyone other than you to open a Restaurant, subject to the other terms of the Agreement. The exclusive development area does not include airports, train stations, bus stations, travel plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, food courts, enclosed shopping malls and retail centers, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location, even if these locations are located in the Development Area.

Territorial exclusivity under the Exclusive Development Agreement does not depend on the achievement of a certain sales volume, market penetration or any other contingency; however, you must comply with the terms of the Exclusive Development Agreement, including the obligation to open and keep open an agreed-on number of Restaurants in accordance with the Development Schedule.

If you fail to comply with your Development Schedule, we may terminate your Development Agreement. We will not refund your Development Fee if you fail to comply with the Development Schedule. We may, in our discretion, take action short of termination, including termination of some but not all of your development options, or, if you have an Exclusive Development Agreement, termination of your limited territorial exclusivity.

*Franchise Agreement.*

When you sign a Franchise Agreement, you will be granted a geographic area (the “Protected Area”) within which we will not open, nor license anyone other than you to open a Church’s Restaurant during the term of the Franchise Agreement. The Protected Area will be stated in Schedule 1 to your Franchise Agreement. It will typically (but not necessarily) consist of an area equal to the lesser of: (1) a 2-mile radius from the Restaurant; or (2) an area surrounding the Restaurant, encompassing a population (residential and/or daytime commercial) of 50,000 people. The Protected Area excludes: (A) existing Restaurants that are under construction or open for business and/or Restaurants for which a Franchise Agreement has been signed; and (B) alternative venue locations, including transportation facilities (including airports, train stations, bus stations, travel plazas, etc.), stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, food courts, enclosed shopping malls and retail centers, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location. We use demographic data compiled by a third party as the source of our population determinations.

At any time during the term of your Franchise Agreement, we may reduce or modify the Protected Area to encompass a geographic area immediately surrounding the Restaurant that has a population (residential, daytime business, or commercial, or any combination) of no less than 50,000 people. The reduction or modification will become effective on your receipt of our written notice.

You may only operate the Restaurant from the location we have accepted, and you may not relocate the Restaurant without our prior written consent, which we are not obligated to grant. In reviewing a relocation request, we will evaluate your proposed site in the same manner as we evaluate new sites for development of Restaurants (See Item 11). If you request our approval and relocate your Restaurant within 6 months of a Restaurant closure, we will not charge you a fee for evaluating and approving your relocation request. If you do not open the Restaurant within this 6-month period, we can charge you for all reasonable expenses that we incur in considering the relocation request, and we may condition our approval on the payment of an agreed minimum royalty to us during the period in which the Restaurant is not in operation. You are not restricted from soliciting or accepting orders from customers that may be located elsewhere. Similarly, other Restaurants will not be restricted from soliciting or accepting orders from customers located in the vicinity of your Restaurant.

You are not granted the right under the Franchise Agreement to acquire additional franchises.

With the exception of the Protected Area, you will not receive an exclusive territory under the Franchise Agreement, and we may establish other franchised or company-owned Restaurants outside of the Protected Area that may compete with your Restaurant. We reserve the right to use channels of distribution other than restaurants identified as “Church’s Chicken” or “Church’s Texas Chicken” restaurants in your

Protected Area. We may also grant these rights to third parties. In addition, we reserve the right, and may grant to third parties the right, to sell Church's Chicken and Church's Texas Chicken products in the Protected Area in restaurants primarily identified by another trademark and in temporary facilities in conjunction with any cultural, sporting, recreational, or other events. We also have the right to make wholesale sales of products identified by the Church's Texas Chicken trademark within your Protected Area.

Except for the use of *Texas Chicken* internationally, we have not established, nor do we presently intend to establish, other franchises or company-owned outlets selling or leasing similar products or services under a different trade name or trademark; however, we retain the right to do so.

\* \* \* \*

Except as described above, we and our affiliates may establish other franchised or company owned outlets under the Proprietary Marks and/or under other marks that may compete with your Restaurant and merchandise and distribute to any location (including within the Development Area or Protected Area) goods and services identified by the Proprietary Marks through other methods or channels of distribution (including the Internet). We do not compensate you for any orders that we solicit or accept from within the Development Area or Protected Area.

### **ITEM 13** **TRADEMARKS**

We grant you the right under the Franchise Agreement to operate the Restaurant under the System and the Proprietary Marks. You must use the Proprietary Marks only at the Restaurant and only in the way we specify in the Franchise Agreement, Manuals or otherwise in writing. If you use the Proprietary Marks in any other way, you may be in violation of the Franchise Agreement and you may also be infringing on our trademarks and service marks.

The Development Agreement does not grant any license to use the Proprietary Marks or System.

The Proprietary Marks are owned by our wholly-owned subsidiary Cajun Funding. Under a License Agreement with Cajun Funding, we have the right to use and license others to use the Proprietary Marks for a 99 year term. In addition to other registered trademarks, Cajun Funding has registered the following principal trademarks with the United States Patent and Trademark Office on the Principal Register, and all required affidavits of continued use have been filed and accepted:

<b>Mark</b>	<b>Registration Number</b>	<b>Date of Registration</b>
<b>CHURCH'S CHICKEN</b>	6007057 (Class 29) 6002461 (Class 43)	3/10/20 3/3/20

Mark	Registration Number	Date of Registration
	6252036 (Class 29) 6252037 (Class 43)	1/19/21 1/19/21
CHURCH'S TEXAS CHICKEN	6092301 (Class 29) 6092302 (Class 43)	6/30/20 6/30/20

There are no currently effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of any state, or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks that is relevant to their use by you.

Other than the License Agreement with Cajun Funding, there are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise. There are no infringing uses or superior prior rights actually known to us that can materially affect your use of the Proprietary Marks.

You must promptly notify us of any suspected infringement of, or challenge to, our Proprietary Marks. We will control any administrative proceeding or litigation involving our Proprietary Marks and will decide whether to pursue any suspected infringer. If we defend or begin litigation relating to the Proprietary Marks, you must sign all documents and do what our counsel believes is necessary to carry out the defense or prosecution. Unless the litigation arises as a result of your use of the Proprietary Marks in a manner inconsistent with the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these things (except that you will still bear the salary costs of your employees). Otherwise, we are not obligated by the Franchise Agreement, or otherwise, to defend the rights granted to you to use the Proprietary Marks or to defend you against claims of infringement or unfair competition. Nevertheless, it is ordinarily in our best interest to do so.

If we find it necessary to modify or discontinue the use of a particular trademark or service mark as a result of litigation, or otherwise substitute different Proprietary Marks for use in identifying the System and the Restaurants operating under the System, you must immediately use the new marks in place of the old marks on your receipt of our notice to do so.

Your right to use the Proprietary Marks applies only to their use in the operation of the Restaurant at the location designated in the Franchise Agreement, and includes only the Proprietary Marks we designate (or may later designate) in the Manual or otherwise in writing as part of the System, and does not include any other mark, name or indicia of origin of ours now in existence or that we may later adopt or acquire.

We have the right to use the federally registered mark "Church's Chicken" and the federally registered mark "Church's Texas Chicken" for restaurant services, fried chicken and other related products; the building configurations; and the other Proprietary Marks of the System. You may not represent in any

way that you own the Proprietary Marks or have the right to use the Proprietary Marks, except as permitted in the Franchise Agreement. Your use of the Proprietary Marks will not give you any right, title or interest in or to the Proprietary Marks. Your use of the Proprietary Marks will inure to our benefit.

Use of the Proprietary Marks outside the scope of the Franchise Agreement, without our prior written consent, is an infringement of our exclusive right to use the Proprietary Marks. During the term of the Franchise Agreement you may not infringe, contest, help others contest or take any other action to disparage the Proprietary Marks. The same applies after the Franchise Agreement terminates or expires.

Your right and license to use the Proprietary Marks is non-exclusive. We have the following rights under the Franchise Agreement:

1. We may grant other licenses for the Proprietary Marks in addition to those licenses already granted to existing franchisees;
2. We may develop and establish other franchise systems for the same, similar or different products or services using proprietary marks not now or later designated as part of the System, and to grant licenses to them, without providing you any right in them; and
3. We may develop and establish other systems for the sale, at wholesale or retail, of similar or different products using the same or similar Proprietary Marks, without providing you with any right in them.

All goodwill associated with the System and identified by the Proprietary Marks inures directly and exclusively to the benefit of us and our affiliates, and such goodwill is the property of us and our affiliates. On the expiration or termination of the Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with any of your activities, the operation of the Restaurant, or your use of the Proprietary Marks.

You may not use any of the Proprietary Marks as part of your corporate or other business name. Without our prior written consent, you may not use the Proprietary Marks to perform any activity or incur any obligation or debt in any way that might make us liable for your actions, debts, or obligations.

All of the details of the System are important to you, us and other franchisees in order to develop and maintain high and uniform standards of quality and service, and to protect the reputation and goodwill of the Restaurants. You must operate your Restaurant and advertise, at your expense, only under the name "Church's", "Church's Chicken" or "Church's Texas Chicken" without prefix or suffix. You must adopt and use the Proprietary Marks only in the way we permit you to do. You must observe all reasonable requirements concerning trademark registration notices that we periodically specify in the Manual or otherwise in writing.

## **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

As described in Item 1, in connection with the financing transaction, in February 2011, Cajun Operating contributed its 100% ownership interest in Cajun Funding, the holder of the intellectual property assets, to us. Under a License Agreement with Cajun Funding, we have the right to use and license others to use the intellectual property rights relating to the Church's Texas Chicken brand.

*Patents and Copyrights.*

There are no patents or patent applications that are material to the franchise system. The following copyright is owned by Cajun Funding and is used in some of our commercials:

Copyright	Copyright Number	Date of Registration
<b>Mas Dicha; Sound Recording and Music</b>	SRu001550476	08/14/2023

Cajun Funding intends to file all renewals for that copyright. There are no currently effective determinations of the U.S. Patent and Trademark Office, the United States Copyright Office, or any court involving the copyright. We are not aware of any infringement that will materially impact your use of the copyright.

You must promptly notify us of any suspected infringement of, or challenge to, the copyright. We will control any administrative proceeding or litigation involving the copyright and will decide whether to pursue any suspected infringer. If we defend or begin litigation relating to the copyright, you must sign all documents and do what our counsel believes is necessary to carry out the defense or prosecution. Unless the litigation arises as a result of your use of the copyright in a manner inconsistent with the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these things (except that you will still bear the salary costs of your employees). Otherwise, we are not obligated by the Franchise Agreement, or otherwise, to defend the rights granted to you to use the copyright or to defend you against claims of infringement or unfair competition. Nevertheless, it is ordinarily in our best interest to do so.

*Confidential and Proprietary Information.*

We will provide you with certain confidential and proprietary information while you are a franchisee, such as food formulas and recipes, food preparation methods, equipment standards, equipment layouts, product standards, operating procedures, training tools and programs, management programs and architectural standards for our Restaurants.

You may not, during or after the term of either the Franchise Agreement or the Development Agreement, disclose to any unauthorized person or entity any confidential information, knowledge or know-how concerning the System. You may disclose confidential information only to those of your employees who need access to it to operate your Restaurant. Any information, knowledge or know-how (including, for example, drawings, materials, equipment, recipes, prepared mixtures or blends of spices or other food products and other data) that we designate as confidential are confidential for purposes of the Franchise and Development Agreements.

You must have a system in place to ensure your employees keep confidential our trade secrets and confidential and proprietary information, and, if we request, you must obtain from those employees we designate a signed Confidentiality and Non-Disclosure Agreement in the form we approve.

*Trade Secrets.*

The Trade Secret Products used in preparing our unique fried chicken, biscuits, and other menu items are made in accordance with our trade secrets. The Trade Secret Products are supplied by our designated suppliers. See Item 8.

*Manual.*

To protect the reputation and goodwill of the System and to maintain uniform standards of operation under the Proprietary Marks, you must operate the Restaurant in accordance with our Manual. For the duration of the Franchise Agreement, we will lend you a copy of the Manual or make the Manual available to you electronically via the internet or other electronic format.

You must, at all times, treat the Manual and the information in the Manual as confidential. You must use all reasonable efforts to ensure that your employees maintain the Manual as secret and confidential. You may not, at any time, without our prior written consent, copy, duplicate, record or otherwise make the Manual available to any unauthorized person(s) or source(s).

We claim copyright protection in the Manual, which is our sole property.

**ITEM 15**  
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION**  
**OF THE FRANCHISE BUSINESS**

You must designate and retain an individual to serve as the “Operating Principal.” Unless waived in writing by us, the Operating Principal must:

- (1) have at least a 10% equity ownership interest in the franchise entity;
- (2) have full control over the day-to-day activities, including operations, of the Restaurant and other restaurants (franchised by us or our affiliates) you operate in the same geographic area as the Restaurant;
- (3) devote full-time and best efforts to supervising the operation of the Restaurant and those other restaurants (franchised by us or our affiliates) you operate in the same geographic area as the Restaurant, and not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility;
- (4) maintain his or her primary residence within a reasonable driving distance of at least one Restaurant;
- (5) complete the NFOP and the MIT Program and any additional training we require; and
- (6) be approved by us.

You must designate a group of individuals and/or entities to serve as your “Continuity Group”. The Continuity Group will at all times own at least 51% of the voting securities in you (or if you are a partnership, the Continuity Group will at all times have at least a 51% interest in the operating profits and losses and at least a 51% ownership interest in you). All members of the Continuity Group must jointly and severally guarantee your payment and performance under the Franchise Agreement and the Development Agreement and must sign a written guaranty agreement (“Guaranty”). Unless you are a publicly held entity, all holders of a legal or beneficial interest in you of 5% or more of your equity (“5% Owners”) also must sign a Guaranty agreeing to jointly and severally guarantee your payment and performance under the Franchise Agreement and the Development Agreement. Our standard Guaranty forms are attached as exhibits to the Franchise Agreement and Development Agreement. The Guaranty contains confidentiality and non-competition covenants that mirror the requirements in the Franchise Agreement and Development Agreement.

## **ITEM 16** **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may offer for sale at the Restaurant only products and menu items that meet our standards and have been approved in writing by us for sale. See Item 8 for details. You also must offer for sale all menu items that we specify in the Manual or otherwise in writing. You must refrain from selling any products and menu items that we have not approved or for which we have withdrawn approval. We may, at any time and in our sole discretion, disapprove the sale of certain items, and you must stop selling those items on written notice from us to do so.

You may offer products and menu items for sale at whatever price you want. You are not bound by any sales price that we recommend or suggest.

Except as described above, we do not impose any restrictions in the Development Agreement, Franchise Agreement, or otherwise, limiting the goods or services that you may offer for sale or limiting the customers to whom you may sell. However, you may only sell products and menu items from the Restaurant and nowhere else without our prior written approval.

## **ITEM 17** **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

**These tables list certain important provisions of the Development Agreement and Franchise Agreement. You should read these provisions in the agreements attached to this disclosure document.**

#### **DEVELOPMENT AGREEMENT**

<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
a. Length of the Development Term	§1	Until the last date of the Development Schedule.
b. Renewal or Extension of Term	Not applicable	
c. Requirements for You to Renew or Extend	Not applicable	
d. Termination by You	Not applicable	
e. Termination by Us Without Cause	Not applicable	
f. Termination by Us with Cause	§15	We can terminate only if you default under the agreement and for other stated grounds.
g. "Cause" Defined - Curable Defaults	§15	You have 30 days after notice to cure certain defaults susceptible of cure, but only 10 days to cure non-payment defaults.

<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
h. "Cause" Defined - Non-Curable Defaults	§15	Non-curable defaults include: failure to meet the Development Schedule; failure to obtain our approval of site/construction plans, provide a lease or sublease or procure insurance coverage before beginning construction; a material breach of covenants or certain representations and warranties; an unapproved transfer; a material misrepresentation or omission of material fact or falsification of report; conviction of or pleading no contest to certain crimes or offenses; violation of law, ordinance or regulation relating to terrorist activities; second breach within 12 months of notice of first breach; failure to comply with franchise agreements or other agreements with us; and general financial incapacity (e.g., insolvency, receivership, bankruptcy, which may not be enforceable).
i. Your Obligations on Termination	§16	You may not establish or operate any more Restaurants on termination; you must return the Manual and other materials; you must continue to abide by confidentiality, non-compete and other covenants, pay all sums due, and furnish evidence of compliance within 30 days of termination; you must not do business under any name that gives impression of a connection to us.
j. Assignment of Contract by Us	§11	There is no restriction on our right to transfer.
k. "Transfer" by You - defined	§12	"Transfer" by you includes the sale, assignment, transfers, conveyance, or gift of an interest in the developer entity, the Development Agreement, or other assets of the developer entity pertaining to the Development Agreement.
l. Our Approval of Transfer by You	§12	No transfers are permitted, except for transfer of minority percentages if Continuity Group remains same, transfer on death to certain family members or members of Continuity Group, or transfer for convenience of ownership from individual(s) to entity owned by same individual(s). No grant of a security interest in your assets without our approval.
m. Conditions of Our Approval of Transfer	Not applicable	
n. Our Right of First Refusal to Acquire Your Business	Not applicable	
o. Our Option to Purchase Your Business	Not applicable	
p. Your Death or Disability	§12	You may transfer the Development Agreement on your death or permanent incapacity, if the Transfer is to your parent, sibling, spouse or children or to a member of the Continuity Group. You must complete the Transfer within a reasonable time, not to exceed 6 months.

Provision	Section in Development Agreement	Summary
q. Non-Competition Covenants During the Term of the Development Agreement	§14	In-term, non-competition covenants include a ban on diverting any customer or potential customer; owning any restaurant business that specializes in selling fried chicken (which restriction does not apply to your existing Restaurants, if any, or to other restaurants you operate that are franchised by us or our affiliates). With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
r. Non-Competition Covenants After the Development Agreement is Terminated or Expires	§14	Post-term, non-competition covenants include a 2-year ban on owning any restaurant business that specializes in selling fried chicken within the Development Area or within a 5-mile radius of any Restaurant that is then in existence (which restriction does not apply to your existing Restaurants, if any, or to other restaurants you operate that are franchised by us or our affiliates). With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
s. Modification of the Agreement	§9, 21	All amendments must be mutually agreed on and in writing; however, we can modify the Manual.
t. Integration/Merger Clause	§21	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and the Development Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Not Applicable	
v. Choice of Forum	§23	Subject to state law, if you sue us, you must do so where our principal office is located (currently, Atlanta, Georgia). If we sue you, we may do so there as well.
w. Choice of Law	§23	Subject to state law, Georgia law applies.

## FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	§2	20 years from the opening of the Restaurant.
b. Renewal or Extension of Term	§2	One renewal term of 10 years, subject to contractual requirements.

Provision	Section in Franchise Agreement	Summary
c. Requirements for You to Renew or Extend	§2	Requirements include: notice; satisfaction of monetary obligations and compliance with Franchise Agreement and agreements with certain third parties relating to the Franchised Restaurant; signing of new Franchise Agreement that may contain terms materially different from your current Franchise Agreement, including higher royalty fees and advertising contributions; right to remain in possession of Franchised Location for renewal term; signing of general release of all claims against us; refurbishment and modernization of Restaurant; payment of renewal fee; compliance with all operational requirements for all Restaurants, including compliance with training requirements.
d. Termination by You	Not applicable	
e. Termination by Us Without Cause	Not applicable	
f. Termination by Us With Cause	§18	We can terminate only if you default under the Franchise Agreement and for other stated grounds.
g. "Cause" Defined - Curable Defaults)	§18	You have 30 days after notice to cure certain defaults susceptible of cure, but only 10 days to cure non-payment defaults.
h. "Cause" Defined - Non-Curable Defaults)	§18	Non-curable defaults include: general financial incapacity (e.g., insolvency, receivership, bankruptcy, which may not be enforceable); failure to begin construction or renovation on scheduled date; failure to open; failure to stay open; loss of possession of Franchised Location; violation of law or ordinance relating to terrorist activities; failure to meet training requirements; material misrepresentation or omission of material fact; material breach of representations and warranties; understatement of Gross Sales by more than 5% on one occasion or by 2% or more 3 times in 18 months; criminal convictions; threats to health and safety; causing serious harm or death to a person; failure to meet transfer requirements; failure to comply with covenants against competition; release of confidential information; making false reports to us; default under certain other agreements; repetition of earlier defaults; and knowingly serving food products or ingredients obtained from an unapproved supplier.
i. Your Obligations on Termination/Non-Renewal	§19	Obligations include: complete and permanent de-identification, including discontinuing use of Proprietary Marks and altering Franchised Location to distinguish from former appearance; return of manuals, records and files; payment of amounts due; compliance with confidentiality, non-compete and other post-term covenants; providing evidence of compliance within 30 days of termination; not doing business under any name that gives impression of connection to us or making use of any materials we disclosed.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		If we terminate the Franchise Agreement based on your default, you must pay us a lump sum equal to your average weekly royalty fees and advertising contributions during the 52-week period preceding the earlier of the closure of the Restaurant or the date of termination multiplied by the lesser of 208 or the number of weeks remaining in the franchise term.
j. Assignment of Contract by Us	§14	There is no restriction on our right to transfer. You must sign a release of claims against us if we transfer.
k. "Transfer" by You - Defined	§15	"Transfer" by you includes the sale, assignment, transfer, conveyance, or gift of an interest in the franchisee entity, the Franchise Agreement, the Restaurant, assets of the Restaurant, the Franchised Location, or other assets of pertaining to the Franchise Agreement.
l. Our Approval of Transfer by You	§15	No transfers by you are permitted without our prior written approval, except for transfer of minority percentages if Continuity Group remains same, transfer on death to certain family members or members of Continuity Group, or transfer for convenience of ownership from individual(s) to entity owned by same individual(s). No grant of a security interest in your assets without our approval.
m. Conditions for Our Approval of Transfer by You	§15	Conditions include: payment of money owed; signing of a release and guaranty continuing for one-year after transfer; a qualified transferee; signing of a written assignment of franchise agreement or new franchise agreement; signing of guaranty by certain individual owners of transferee; remodeling of the Restaurant; performance of all deferred repair and maintenance; training of the transferee's personnel; providing financial information about you or the Restaurant to us at our request; development of additional restaurants by transferee; no material defaults under any agreement with us or affiliates or agreements with certain third parties relating to the Restaurant and payment of transfer fee.
n. Our Right of First Refusal to Acquire Your Business	§15	We may match any offer of a transfer that would require our approval.
o. Our Option to Purchase Your Business	§20	This option applies only to certain items and only on expiration or termination of the Franchise Agreement.
p. Your Death or Disability	§15	You may transfer the Franchise Agreement on your death or permanent incapacity, provided that the Transfer is to your parent, sibling, spouse or children or to a member of the Continuity Group. You must complete the Transfer within a reasonable time, not to exceed 6 months.
q. Non-Competition Covenants During the Term of the Franchise	§17	In-term, non-competition covenants include a ban on diverting any customer or potential customer; owning any restaurant business that specializes in selling fried chicken (which restriction does not apply to your existing Restaurants, if any, or to other restaurants you operate that are franchised by us or our affiliates). With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
r. Non-Competition Covenants After the Franchise is Terminated or Expires	§17	Post-term, non-competition covenants include a 2-year ban on owning any restaurant business that specializes in selling fried chicken within a 5-mile radius of your Restaurant or any Restaurant then in existence (which restriction does not apply to your existing Restaurants, if any, or to other restaurants you operate that are franchised by us or our affiliates). With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
s. Modification of Agreement	§25	All amendments must be mutually agreed on and in writing; however, we can modify the Manual.
t. Integration/Merger Clause	§25	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Not Applicable	
v. Choice of Forum	§27	Subject to state law, if you sue us, you must do so where our principal office is located (currently, Atlanta, Georgia). If we sue you, we may do so there as well.
w. Choice of Law	§27	Subject to state law, Georgia law applies.

## **ITEM 18 PUBLIC FIGURES**

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

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The information included in Tables 1, 2, 4, 5, and 6 is based on Gross Sales during 2024 fiscal year. The tables exclude Restaurants that were open and operating for less than 26 weeks. Gross Sales were annualized for Restaurants that were not open the full fiscal year. We compiled the Franchised Restaurant sales data from our POS database and the information our franchisees submitted to us for purposes of sales reporting. We believe the information our franchisees submitted is accurate, however we have not audited the data to confirm the accuracy. The data for company operated restaurants is from our internal records.

## A. Tabular Information

**Table 1: Historical Gross Sales of Newly Built Franchised Blaze Image Restaurants**

Below are Gross Sales for the 11 newly built Franchised Restaurants with the Blaze Image that opened in 2023 and 2024. We require the Blaze Image for all newly built franchised restaurants; we no longer permit franchised restaurants to open using any other images. We have not excluded any newly built Franchised Restaurants that operate under the Blaze Image that were open more than 26 weeks. We did exclude 2 Franchised Restaurants that had not yet been open for at least 26 weeks. The below table also excludes existing Restaurants that reimaged to the Blaze Image. The Average Weekly Sales presented is an average of each week from the date each Franchised Restaurant opened for business through the first 13 weeks of 2025. The Annualized Gross Sales is based on data from the date each Franchised Restaurant opened for business through the first 13 weeks of 2025.

Freestanding with Drive Thru							
Restaurant #	Venue Type	City	State	Open Date	Number of Weeks Open	Restaurant's Average Weekly Gross Sales	Restaurant's Annualized Gross Sales
11625	Freestanding W/DT	Bethany	OK	1/24/2023	115	\$ 19,940	\$ 1,036,874
11515	Freestanding W/DT	Wichita	KS	4/19/2023	102	19,631	1,020,808
11505	Freestanding W/DT	Tallahassee	FL	8/14/2023	85	28,102	1,461,327
11705	Freestanding W/DT	Bremerton	Washington	9/1/2023	83	24,161	1,256,346
11749	Freestanding W/DT	Muncie	IN	1/1/2024	63	16,634	864,994
11764	Freestanding W/DT	Muskogee	OK	5/6/2024	47	28,770	1,496,021
11727	Freestanding W/DT	Modesto	CA	8/24/2024	32	41,397	2,152,654
						Average	\$ 1,327,004
						Median	\$ 1,256,346

  

Other Format Types							
Restaurant #	Venue Type	City	State	Open Date	Number of Weeks Open	Restaurant's Average Weekly Gross Sales	Restaurant's Annualized Gross Sales
11557	C-Store	Humble	TX	9/6/2023	81	15,366	799,039
11506	End Cap with Drive Thru	Fife	WA	12/12/2023	68	18,940	984,900
11631	C-Store	Bourbonnais	IL	2/8/2024	61	14,773	768,178
11596	C-Store	Amarillo	TX	5/15/2024	46	7,157	372,183
						Average	\$ 731,075
						Median	\$ 783,609

**Table 2: Historical Gross Sales by Venue Type**

As of December 31, 2024, there were 714 Franchised Restaurants and 159 Company Restaurants. The information included in the tables below is for 596 Franchised Restaurants and 153 Company and by venue type. The “Other” venue type includes End Cap, Food Court, Conversions and C-Store Snap & Attached Restaurants. We excluded data for 112 Franchised Restaurants in Puerto Rico and 6 Franchised Restaurants and 6 Company Restaurants that were not open for at least 26 weeks.

Franchised Restaurants by Venue Type							
Venue Type	Unit Count	Average Annualized Sales	# and % of Units that exceeded Weekly Avg Unit Volume		Median Annualized Sales	High Annualized Sales	Low Annualized Sales
Freestanding W/DT	442	1,115,708	202	46%	1,073,236	2,386,835	407,965
Freestanding	40	1,329,789	15	38%	1,271,543	2,278,672	651,091
End Cap with Drive Thru	24	969,359	11	46%	936,235	1,486,204	346,988
End Cap	2	805,839	1	50%	805,839	813,291	798,387
C-Store	83	913,178	33	40%	857,588	2,068,022	379,495
In-Line	2	988,132	1	50%	988,132	1,015,240	961,025
Other	3	649,475	1	33%	636,465	733,671	578,290
<b>Total</b>	<b>596</b>	<b>\$1,092,163</b>			<b>\$ 936,235</b>	<b>\$ 2,386,835</b>	<b>\$ 346,988</b>

Company Operated Restaurants by Venue Type							
Venue Type	Unit Count	Average Annualized Sales	# and % of Units that exceeded Weekly Avg Unit Volume by Quartile		Median Annualized Sales	High Annualized Sales	Low Annualized Sales
Freestanding W/DT	135	1,181,432	54	40%	1,117,597	2,432,382	665,624
Freestanding	15	1,132,922	8	53%	1,145,502	1,850,575	802,952
End Cap with Drive Thru	1	1,241,756	-	0%	1,241,756	1,241,756	1,241,756
In-Line	1	1,060,563	-	0%	1,060,563	1,060,563	1,060,563
C-Store	1	1,150,139	-	0%	1,150,139	1,150,139	1,150,139
<b>Total</b>	<b>153</b>	<b>\$1,176,076</b>			<b>\$ 1,145,502</b>	<b>\$ 2,432,382</b>	<b>\$ 665,624</b>

**Table 3: Historical Average Income Statement For Domestic Free-Standing Company and Franchised Restaurants**

As of December 31, 2024, there were 642 domestic free-standing Franchised and Company Restaurants, both with and without drive-thrus. The data excludes 6 Company Restaurants that were open and operating for less than 26 weeks. For the Franchised Restaurants, we excluded 229 Restaurants that did not provide P&L information and 112 Franchised Restaurants located in Puerto Rico. The data includes the following: (1) operating cost information based on Cajun Operating's unaudited income statement for fiscal year 2024; and (2) unaudited profit and loss statements submitted to us quarterly by franchisees during our fiscal year 2024, as required by Section 4.B of the Franchise Agreement. We have not audited or verified the data submitted by our franchisees and therefore cannot attest to its accuracy. Factors that may influence whether you achieve the same level of performance include economic or market conditions that are basic to your operation of your Restaurant, cost of goods sold and operating expenses. There are 229 Franchised Restaurants and Company Restaurants in the below chart.

Category	Franchise			
	Total	High	Median	Low
Food Cost	29.8%	28.7%	30.2%	31.7%
Labor Cost	27.4%	21.2%	23.8%	29.0%
<b>Gross Profit Margin</b>	<b>42.8%</b>	<b>50.1%</b>	<b>46.0%</b>	<b>39.3%</b>
Controllables	12.2%	9.8%	12.5%	17.0%
<b>Controllable Profit Margin</b>	<b>30.6%</b>	<b>40.3%</b>	<b>33.5%</b>	<b>22.4%</b>
Non-Controllables	1.9%	1.5%	2.0%	2.8%
Marketing	5.1%	5.0%	5.2%	5.0%
Royalty	5.0%	5.0%	5.0%	4.8%
<b>Restaurant Operating Profit (EBITDAR)</b>	<b>18.6%</b>	<b>28.7%</b>	<b>21.4%</b>	<b>9.7%</b>
Count of Restaurants	253	64	126	63
% of Restaurants		25.3%	49.8%	24.9%

Category	Company			
	Total	High	Median	Low
Food Cost	30.1%	29.4%	30.1%	31.3%
Labor Cost	27.2%	22.6%	28.1%	33.5%
<b>Gross Profit Margin</b>	<b>42.7%</b>	<b>48.0%</b>	<b>41.8%</b>	<b>35.2%</b>
Controllables	13.8%	11.6%	13.9%	18.0%
<b>Controllable Profit Margin</b>	<b>28.9%</b>	<b>36.3%</b>	<b>27.9%</b>	<b>17.2%</b>
Non-Controllables	2.6%	2.1%	2.6%	3.6%
Marketing	5.5%	5.5%	5.5%	5.5%
Royalty	5.0%	5.0%	5.0%	5.0%
<b>Restaurant Operating Profit (EBITDAR)</b>	<b>15.8%</b>	<b>23.7%</b>	<b>14.8%</b>	<b>3.1%</b>
Count of Restaurants	153	39	76	38
% of Restaurants		25.5%	49.7%	24.8%

**Table 4: Historical Gross Sales Growth of Free-Standing Reimaged Restaurants**

The 43 Restaurants reported below were reimaged to the Full Blaze image during 2023 or 2024. For the Annualized Gross Sales after the reimage, Restaurants had at least 26 weeks of actual Gross Sales data. The Table excludes 8 C-Store, Food Court and End Cap Restaurants that were open and operating for more than 26 weeks because this table only reports reimaged free-standing restaurants.

The Average Annual Sales before Reimage reflects only the 12 months before each Restaurant completed its reimage. The Average Annual Sales after Reimage is calculated using data for the time beginning on the completion of the reimaging and ending December 29, 2024. Seventeen of the Restaurants reflected in the below table had been operating for less than 52 weeks after the reimagining and for these 17 Restaurants, the sales numbers were annualized.

	Unit Count	Average Annual Sales before Reimage	Average Annual Sales after Reimage	Average Annual Sales Growth (\$)	Average Annual Sales Growth (%)
Corporate	6	1,015,651	1,284,991	269,340	26.5%
Franchise	37	1,209,868	1,286,454	76,586	6.3%
<b>System Wide</b>	<b>43</b>	<b>\$ 1,182,768</b>	<b>\$ 1,286,250</b>	<b>\$ 103,482</b>	<b>8.7%</b>

	Unit Count	Median Annual Sales before Reimage	Median Annual Sales after Reimage	Median Annual Sales Growth (\$)	Median Annual Sales Growth (%)
Corporate	6	1,005,400	1,241,625	236,225	23.5%
Franchise	37	1,095,074	1,228,069	132,995	12.1%
<b>System Wide</b>	<b>43</b>	<b>\$ 1,071,453</b>	<b>\$ 1,228,069</b>	<b>\$ 156,616</b>	<b>14.6%</b>

	Unit Count	High Annual Sales before Reimage	High Annual Sales after Reimage	High Annual Sales Growth (\$)	High Annual Sales Growth (%)
Corporate	6	1,323,073	1,813,766	490,693	37.1%
Franchise	37	2,135,083	2,252,296	117,214	5.5%
<b>System Wide</b>	<b>43</b>	<b>\$ 2,135,083</b>	<b>\$ 2,252,296</b>	<b>\$ 117,214</b>	<b>5.5%</b>

	Unit Count	Low Annual Sales before Reimage	Low Annual Sales after Reimage	Low Annual Sales Growth (\$)	Low Annual Sales Growth (%)
Corporate	6	623,962	638,606	14,644	2.3%
Franchise	37	582,905	695,060	112,155	19.2%
<b>System Wide</b>	<b>43</b>	<b>\$ 582,905</b>	<b>\$ 638,606</b>	<b>\$ 55,701</b>	<b>9.6%</b>

**Table 5: Historical Gross Sales of Domestic Free-Standing Company & Franchised Restaurants With Drive-Thrus by Quartile**

As of December 31, 2024, there were 588 domestic free-standing Restaurants that had drive-thrus. The information included in the Table below is for 576 domestic, free-standing Company and Franchised Restaurants with drive-thrus. The Table excludes 12 Free-Standing Restaurants with drive-thrus that were open and operating for less than 26 weeks or Restaurants classified as C-Store. Also excluded are 112 Franchised Restaurants located in Puerto Rico. The information is organized into four quartiles (“Quartiles”) which were determined based on the Weekly Average Gross Sales.

Unit Count	Average Annualized Gross Sales by Quartile	Weekly Average Gross Sales by Quartile	# and % of Units that exceeded Weekly Avg Gross Sales by Quartile	Median Gross Sales by Quartile	Weekly Median Gross Sales by Quartile	High Annualized Average Gross Sales by Quartile	Low Annualized Average Gross Sales by Quartile
144	\$ 1,604,687	\$ 30,859	52 36%	\$ 1,524,543	\$ 29,318	\$ 2,432,382	\$ 1,315,654
144	1,191,307	22,910	66 46%	1,184,162	22,772	1,313,741	1,094,589
144	982,820	18,900	72 50%	981,134	18,868	1,093,097	880,478
144	743,006	14,289	85 59%	772,375	14,853	879,649	407,965

**Table 6: Historical Gross Sales of Free-Standing Franchised Restaurants With Drive-Thrus by Quartile**

The information included in the Table below is 441 domestic, free-standing Franchised Restaurants with drive-thrus. The Table excludes 4 free-standing Franchised Restaurants that were open and operating for less than 26 weeks and 112 Franchised Restaurants located in Puerto Rico. The information is organized into four quartiles (“Quartiles”) which were determined based on the Weekly Average Gross Sales.

Unit Count	Average Annualized Gross Sales by Quartile	Weekly Average Gross Sales by Quartile	# and % of Units that exceeded Weekly Avg Gross Sales by Quartile	Median Gross Sales by Quartile	Weekly Median Gross Sales by Quartile	High Annualized Average Gross Sales by Quartile	Low Annualized Average Gross Sales by Quartile
111	\$ 1,589,335	\$ 30,564	41 37%	\$ 1,521,038	\$ 29,251	\$ 2,386,835	\$ 1,307,169
110	1,183,974	22,769	51 46%	1,176,611	22,627	1,306,867	1,071,260
110	961,596	18,492	48 44%	946,295	18,198	1,068,605	868,664
110	720,181	13,850	64 58%	746,283	14,352	865,657	407,965

**Notes For Tables**

- A. “Sales” include Gross Sales during the fiscal year as noted.
- B. “Gross Sales” includes, as stated in Section 3.D of the Franchise Agreement, all revenue from the sale of all services and products and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed but not when purchased) related to the Franchised Restaurant, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales includes, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Franchised Restaurant, including, but not limited to, off-premises services such as catering and delivery, regardless of the method of collection (including cash registers, vending machines, payments to third-party delivery providers or otherwise). Gross Sales do not include (1) the sale of food or merchandise for which refunds have been made in good faith to customers, (2) the sale of used equipment not in the ordinary course of business, or (3) taxes imposed by a governmental authority directly on sales and collected from customers, provided that the amount for the tax is added to or absorbed in the selling price and is actually paid by a franchisee to the governmental authority.
- C. “Food cost” includes the delivered cost of food, beverages, paper and promotional items (i.e., limited-time offerings) to the Restaurants. Delivered costs include distribution and freight costs. The calculation of food costs is primarily a function of the mix of products sold and the cost of commodities that comprise the products.
- D. “Labor - Total” includes unit hourly labor, which is comprised of the average hourly rate and the number of hours worked (a direct correlation to sales volume). The cost of labor will vary from location to location and will be dependent on factors beyond our control,

including, without limitation, local minimum wage laws and local labor market conditions. Labor costs also include the salaries of general and assistant managers. Most company Restaurants employ one salaried general manager and one salaried assistant manager. The other components of labor expense are: payroll taxes, health insurance, vacation, wages, sick pay, bonuses and workers' compensation insurance. Also, with respect to labor costs, because a certain number of employees will be necessary to open and operate a Restaurant irrespective of its Gross Sales, units that have lower than average Gross Sales probably will experience higher than average labor costs. Franchisees, however, often do not use a standard chart of accounts to prepare financial reports that are submitted to us and labor may be booked under different categories in the franchisees' reports.

- E. *"Controllables"* refers to miscellaneous restaurant-level costs that are affected by or decided by management, such as the cost of maintenance and repair. *"Non-controllables"* refers to miscellaneous restaurant-level costs where the owner has no decision-making ability regarding the expenditure, such as the cost of local operating permits. Non-controllables in this table excludes rent.
- F. *"Marketing"* is a fee of 5% of Gross Sales as defined in the Franchise Agreement. See Item 6 and Item 11 for more information regarding Marketing. The percentage of income from company Restaurants spent on marketing may be higher than 5.0%.
- G. *"Royalty"* is 5% of Gross Sales as defined in the Franchise Agreement. See Item 6 for more information regarding the Royalty.
- H. *"EBITDAR"* is Earnings before Interest, Taxes, Depreciation, Amortization, and Rent.
- I. Certain corporate overhead and other expenses are not incurred at the restaurant level and thus are not included in this table.
- J. Franchisees will incur other costs in connection with the operation of Restaurants including, without limitation, occupancy costs (such as rent or mortgage payments), utilities, office expenses, legal and accounting expenses, insurance expenses, and various other general administrative expenses. Expenses in the operation of Restaurants will vary from franchisee to franchisee and from location to location, and are dependent on seasonal, local and other factors beyond our control, such as the franchisee's efficiency in the use of products, the costs of transportation and the fluctuation in market prices for food and other products. Additionally, labor and costs of goods sold are expected to rise in the future.

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

## **B. General Statements**

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Your individual financial results are likely to differ from results described in this Item 19. You should conduct an independent investigation of the expenses you will incur in operating your Restaurant.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Restaurant, however, we may provide you with the actual records of that Restaurant. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Alisa Cleek, our Chief Legal Officer, at 980 Hammond Drive, Suite 1100, Atlanta, GA 30328, or 770-350-3800, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2022 to 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at Start of the Year</b>	<b>Outlets at End of the Year</b>	<b>Net Change</b>
Franchised	2022	839	767	-72
	2023	767	744	-23
	2024	744	714	-30
Company Owned	2022	161	158	-3
	2023	158	156	-2
	2024	156	159	+3
Total Outlets	2022	1,000	925	-75
	2023	925	900	-25
	2024	900	873	-27

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (Other than Cajun)**  
**For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Arizona	2022	0
	2023	2
	2024	2
California	2022	2
	2023	0
	2024	0
Florida	2022	0
	2023	0
	2024	3

State	Year	Number of Transfers
Georgia	2022	2
	2023	13
	2024	0
Michigan	2022	0
	2023	1
	2024	0
New Mexico	2022	0
	2023	0
	2024	4
Texas	2022	5
	2023	3
	2024	10
Total	<b>2022</b>	<b>9</b>
	<b>2023</b>	<b>19</b>
	<b>2024</b>	<b>19</b>

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

State	Year	Outlets At Start of Year	Outlets Opened	Termin -ations	Non-Renewals	Re -acquired by Cajun	Ceased Operations – Other Reason	Outlets at End of the Year
Alabama	2022	27	0	3	0	0	0	24
	2023	24	0	2	0	0	0	22
	2024	22	0	1	0	0	2	19
Arizona	2022	41	1	1	0	0	0	41
	2023	41	0	1	0	0	1	39
	2024	39	0	0	1	0	0	38
Arkansas	2022	10	1	2	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
California	2022	52	0	1	0	0	0	51
	2023	51	0	1	0	0	0	50
	2024	50	1	6	0	0	3	42
Colorado	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	1	7
Florida	2022	17	0	1	0	0	0	16
	2023	16	1	2	0	0	0	15
	2024	15	0	0	0	0	1	14

State	Year	Outlets At Start of Year	Outlets Opened	Termin -ations	Non- Renewals	Re -acquired by Cajun	Ceased Operations – Other Reason	Outlets at End of the Year
Georgia	2024	45	1	0	0	0	0	46
	2023	46	0	1	2	0	1	42
	2024	42	0	0	1	1	2	38
Illinois	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	1	13
	2024	13	1	0	0	0	0	14
Indiana	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	1	0	0	0	0	10
Kansas	2022	10	0	0	0	0	0	10
	2023	10	1	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Louisiana	2022	14	0	3	0	0	0	11
	2023	11	0	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Michigan	2022	14	1	1	0	0	0	14
	2023	14	0	1	1	0	0	12
	2024	12	0	0	1	0	0	11
Mississippi	2022	18	0	0	0	0	0	18
	2023	18	0	1	0	0	0	17
	2024	17	0	0	0	0	1	16
Missouri	2022	17	0	0	0	0	1	16
	2023	16	0	0	0	0	0	16
	2024	16	0	0	1	0	0	15
Nebraska	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
New Jersey	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Mexico	2022	22	0	1	0	0	0	21
	2023	21	0	0	0	0	0	21
	2024	21	0	0	0	0	0	21
North Carolina	2022	13	0	2	0	0	0	11
	2023	11	0	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Ohio	2022	10	0	2	0	0	0	8
	2023	8	0	0	0	0	1	7
	2024	7	0	0	2	0	0	5

State	Year	Outlets At Start of Year	Outlets Opened	Termin -ations	Non- Renewals	Re -acquired by Cajun	Ceased Operations – Other Reason	Outlets at End of the Year
Oklahoma	2022	21	2	0	0	0	0	23
	2023	23	1	0	0	0	0	24
	2024	24	1	0	1	0	2	22
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
Puerto Rico	2022	113	0	0	0	0	0	113
	2023	113	0	2	0	0	0	111
	2024	111	1	0	0	0	0	112
South Carolina	2022	3	1	1	0	0	0	3
	2023	3	0	1	0	0	0	2
	2024	2	0	0	0	0	0	2
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	342	2	57	0	4	0	283
	2023	283	1	3	1	0	5	275
	2024	275	2	0	2	0	8	267
Virginia	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Washington	2022	3	0	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Washington D.C.	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wyoming	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	839	10	76	0	4	2	767
	2023	767	6	16	4	0	9	744
	2024	744	7	7	9	1	20	714

Exhibit I includes a list of our franchisees as of December 29, 2024, and a list of the names, cities, states, and telephone numbers of franchisees who had a Franchise Agreement terminated, cancelled, not renewed, otherwise voluntarily or involuntarily ceased doing business, left the System during our last fiscal year, or have not communicated with Cajun Operating or us within 10 weeks before the date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

<b>State</b>	<b>Year</b>	<b>Outlets At Start of Year</b>	<b>Outlets Opened</b>	<b>Outlets Reacquired from Franchisees</b>	<b>Outlets Closed</b>	<b>Outlets Sold to Franchisees</b>	<b>Outlets at End of the Year</b>
Alabama	2022	18	0	0	1	0	17
	2023	17	0	0	0	0	17
	2024	17	0	0	0	0	17
Arkansas	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Florida	2022	12	0	0	0	0	12
	2023	12	0	0	0	0	12
	2024	12	0	0	0	0	12
Georgia	2022	8	0	0	0	0	8
	2023	8	0	0	0	0	8
	2024	8	0	1	0	0	9
Illinois	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Louisiana	2022	25	0	0	1	0	24
	2023	24	0	0	1	0	23
	2024	23	0	0	0	0	23
Mississippi	2022	8	0	0	0	0	8
	2023	8	0	0	0	0	8
	2024	8	0	0	0	0	8
Missouri	2022	12	0	0	1	0	11
	2023	11	0	0	1	0	10
	2024	10	0	0	1	0	9
South Carolina	2022	13	0	0	1	0	12
	2023	12	0	0	0	0	12
	2024	12	0	0	0	0	12
Tennessee	2022	18	0	0	1	0	17
	2023	17	0	0	0	0	17
	2024	17	0	0	0	0	17
Texas	2022	43	0	4	1	0	46
	2023	46	0	0	0	0	46
	2024	46	4	0	1	0	49
<b>Total</b>	<b>2022</b>	<b>161</b>	<b>0</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>158</b>
	<b>2023</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>156</b>
	<b>2024</b>	<b>156</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>159</b>

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

State	Franchise Agreements Signed but Outlets Not Yet Opened	Franchise Projected 2025 New Openings	Company Projected New Openings
Arizona	0	1	0
Arkansas	0	1	0
California	0	1	0
Georgia	0	0	1
Illinois	0	11	0
Indiana	0	7	0
Nebraska	0	1	0
New York	0	1	0
South Carolina	0	0	1
Texas	0	6	5
Wisconsin	0	5	0
<b>TOTAL</b>	<b>0</b>	<b>34</b>	<b>7</b>

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

Franchisee Association. The following independent franchisee association has requested that we include its contact information in this Franchise Disclosure Document: Church's Independent Franchisee Association, Noor Samji, President, 1704 W. Ajo Way, Tucson, AZ 85713, 520-979-1900, noorsamji@qsrnrgt.com.

**ITEM 21**  
**FINANCIAL STATEMENTS**

Attached to this Franchise Disclosure Document as Exhibit K are our audited financial statements as of and for the years ended December 29, 2024, December 31, 2023, and December 25, 2022.

**ITEM 22**  
**CONTRACTS**

Copies of the contracts we offer are attached to this FDD in the following order:

1. Exhibit C: Franchise Agreement;
2. Exhibit D: Amendment to Franchise Agreement for Convenience Stores and Travel Plazas;
3. Exhibit E: Amendment to Franchise Agreement for Co-Branded Restaurants

4. Exhibit F: Renewal Addendum
5. Exhibit G: Development Agreement (Non-Exclusive);
6. Exhibit H: Amendment to Development Agreement (Exclusive);
7. Exhibit Q: Sublease;
8. Exhibit R: Addendum to Lease Agreement
9. Exhibit S: Platinum Incentive Program Addendum to Development Agreement and Platinum Incentive Program Addendum to Franchise Agreement
10. Exhibit T: U.S. Military Veteran and First Responder Addendum to Franchise Agreement
11. Exhibit U: Participation Memorandum

When you sign your Development Agreement and your Franchise Agreement you will also complete our Compliance Questionnaire, which is attached as Exhibit L.

**ITEM 23**  
**RECEIPT**

Two copies of an Acknowledgment of your receipt of this Franchise Disclosure Document appear as Exhibit W. Please return one copy to us (*i.e.*, the one marked “Cajun’s Copy”) and retain the other one (*i.e.*, the one marked “Franchisee’s Copy”) for your records.

# **EXHIBIT A**

## **LIST OF STATE ADMINISTRATORS**

## LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b>            Commissioner of Financial Protection and Innovation            Department of Financial Protection and Innovation            320 West Fourth Street, Suite 750            Los Angeles, California 90013-2344            (213) 576-7500 / Toll Free: (866) 275-2677            Email: ASK.DFPI@dfpi.ca.gov            Website: <a href="http://www.dfpca.gov">http://www.dfpca.gov</a></p>	<p><b>NEW YORK</b>            NYS Department of Law            Investor Protection Bureau            28 Liberty St. 21st Fl            New York, NY 10005            (212) 416-8222</p>
<p><b>HAWAII</b>            Commissioner of Securities            Department of Commerce &amp; Consumer Affairs            Business Registration Division            Securities Compliance Branch            335 Merchant Street, Room 203            Honolulu, Hawaii 96813            (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>            North Dakota Securities Department            State Capitol            Department 414            600 East Boulevard Avenue, Fourteenth Floor            Bismarck, North Dakota 58505-0510            (701) 328-4712</p>
<p><b>ILLINOIS</b>            Illinois Office of the Attorney General            Franchise Bureau            500 South Second Street            Springfield, Illinois 62706            (217) 782-4465</p>	<p><b>RHODE ISLAND</b>            Department of Business Regulation            Securities Division, Building 69, First Floor            John O. Pastore Center            1511 Pontiac Avenue            Cranston, Rhode Island 02920            (401) 462-9527</p>
<p><b>INDIANA</b>            Secretary of State            Franchise Section            302 West Washington, Room E-111            Indianapolis, Indiana 46204            (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>            Division of Insurance            Securities Regulation            124 South Euclid Avenue, 2<sup>nd</sup> Floor            Pierre, South Dakota 57501            (605) 773-3563</p>
<p><b>MARYLAND</b>            Office of the Attorney General            Securities Division            200 St. Paul Place            Baltimore, Maryland 21202-2020            (410) 576-6360</p>	<p><b>VIRGINIA</b>            State Corporation Commission            Division of Securities and Retail Franchising            1300 East Main Street, 9th Floor            Richmond, Virginia 23219            (804) 371-9051</p>
<p><b>MICHIGAN</b>            Michigan Attorney General's Office            Corporate Oversight Division, Franchise Section            525 West Ottawa Street            G. Mennen Williams Building, 1<sup>st</sup> Floor            Lansing, Michigan 48913            (517) 335-7567</p>	<p><b>WASHINGTON</b>            Department of Financial Institutions            Securities Division            P.O. Box 41200            Olympia, Washington 98504-1200            (360) 902-8760</p>
<p><b>MINNESOTA</b>            Minnesota Department of Commerce            85 7<sup>th</sup> Place East, Suite 280            St. Paul, Minnesota 55101            (651) 539-1600</p>	<p><b>WISCONSIN</b>            Division of Securities            4822 Madison Yards Way, North Tower            Madison, Wisconsin 53705            (608) 266-2139</p>

## **EXHIBIT B**

# **LIST OF AGENTS FOR SERVICE OF PROCESS**

## AGENTS FOR SERVICE OF PROCESS

<p><b>CALIFORNIA</b>                      Commissioner of Financial Protection and Innovation                      Department of Financial Protection and Innovation                      320 West Fourth Street, Suite 750                      Los Angeles, California 90013-2344                      (213) 576-7500 / Toll Free: (866) 275-2677                      Email: ASK.DFPI@dfpi.ca.gov                      Website: <a href="http://www.dfpca.gov">http://www.dfpca.gov</a></p>	<p><b>NEW YORK</b>                      New York Secretary of State                      One Commerce Plaza                      99 Washington Avenue                      Albany, NY 12231                      (518) 473-2492</p>
<p><b>HAWAII</b>                      Commissioner of Securities                      Department of Commerce &amp; Consumer Affairs                      Business Registration Division                      Securities Compliance Branch                      335 Merchant Street, Room 203                      Honolulu, Hawaii 96813                      (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>                      North Dakota Securities Commissioner                      State Capitol                      Department 414                      600 East Boulevard Avenue, Fourteenth Floor                      Bismarck, North Dakota 58505-0510                      (701) 328-4712</p>
<p><b>ILLINOIS</b>                      Illinois Attorney General                      500 South Second Street                      Springfield, Illinois 62706                      (217) 782-4465</p>	<p><b>RHODE ISLAND</b>                      Director of Department of Business Regulation                      Department of Business Regulation                      Securities Division, Building 69, First Floor                      John O. Pastore Center                      1511 Pontiac Avenue                      Cranston, Rhode Island 02920                      (401) 462-9527</p>
<p><b>INDIANA</b>                      Secretary of State                      Franchise Section                      302 West Washington, Room E-111                      Indianapolis, Indiana 46204                      (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>                      Division of Insurance                      Director of the Securities Regulation                      124 South Euclid Avenue, 2<sup>nd</sup> Floor                      Pierre, South Dakota 57501                      (605) 773-3563</p>
<p><b>MARYLAND</b>                      Maryland Securities Commissioner                      200 St. Paul Place                      Baltimore, Maryland 21202-2020                      (410) 576-6360</p>	<p><b>VIRGINIA</b>                      Clerk of the State Corporation Commission                      1300 East Main Street, 1<sup>st</sup> Floor                      Richmond, Virginia 23219                      (804) 371-9733</p>
<p><b>MICHIGAN</b>                      Michigan Attorney General's Office                      Corporate Oversight Division, Franchise Section                      525 West Ottawa Street                      G. Mennen Williams Building, 1<sup>st</sup> Floor                      Lansing, Michigan 48913                      (517) 335-7567</p>	<p><b>WASHINGTON</b>                      Director of Department of Financial Institutions                      Securities Division – 3<sup>rd</sup> Floor                      150 Israel Road, Southwest                      Tumwater, Washington 98501                      (360) 902-8760</p>
<p><b>MINNESOTA</b>                      Commissioner of Commerce                      Minnesota Department of Commerce                      85 7<sup>th</sup> Place East, Suite 280                      St. Paul, Minnesota 55101                      (651) 539-1600</p>	<p><b>WISCONSIN</b>                      Division of Securities                      4822 Madison Yards Way, North Tower                      Madison, Wisconsin 53705                      (608) 266-2139</p>

# **EXHIBIT C**

# **FRANCHISE AGREEMENT**



**CHURCH'S TEXAS CHICKEN  
FRANCHISE AGREEMENT**

**Between**

**CAJUN GLOBAL LLC**

**and**

---

Restaurant No.: \_\_\_\_\_

Development Agreement No.: \_\_\_\_\_

## TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE</u>
1. GRANT OF FRANCHISE .....		2
2. TERM .....		3
3. FEES .....		5
4. RECORDKEEPING AND REPORTS .....		8
5. ADVERTISING.....		10
6. MANUAL.....		13
7. MODIFICATIONS OF THE SYSTEM .....		13
8. TRAINING .....		14
9. ADDITIONAL SERVICES BY CAJUN .....		16
10. PERFORMANCE STANDARDS AND UNIFORMITY OF OPERATION.....		16
11. PROPRIETARY MARKS .....		23
12. INSURANCE.....		24
13. ORGANIZATION OF FRANCHISEE .....		27
14. TRANSFERS BY CAJUN .....		30
15. TRANSFERS BY FRANCHISEE.....		30
16. GENERAL RELEASE .....		35
17. COVENANTS .....		35
18. TERMINATION.....		38
19. OBLIGATIONS ON TERMINATION OR EXPIRATION.....		40
20. OPTION TO PURCHASE.....		42
21. RELATIONSHIP OF THE PARTIES.....		44
22. INDEMNIFICATION.....		44
23. CONSENTS, APPROVALS AND WAIVERS .....		45
24. NOTICES.....		45
25. ENTIRE AGREEMENT.....		45
26. SEVERABILITY AND CONSTRUCTION .....		46
27. GOVERNING LAW, DISPUTE RESOLUTION, FORUM AND LIMITATIONS .....		46
28. CONTROL DURING CRISIS SITUATION .....		47
29. MISCELLANEOUS .....		48
30. REPRESENTATIONS .....		48
SCHEDULE 1: FRANCHISE INFORMATION		
SCHEDULE 2: OWNERSHIP INFORMATION		
FORM A: FORM OF FRANCHISE AGREEMENT EXPIRATION DATE		
EXHIBIT A: GUARANTY		

## CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT

**THIS AGREEMENT** (“Agreement”) is made as of the date signed by the last party hereto (the “Effective Date”) by and between **CAJUN GLOBAL LLC**, d/b/a Church’s Texas Chicken, a Delaware limited liability company (“Cajun”), and \_\_\_\_\_ a \_\_\_\_\_ formed under the laws of \_\_\_\_\_ (“Franchisee”).

### RECITALS:

1. As a result of the expenditure of time, skill, effort and money, Cajun has developed and owns a unique and distinctive system (“System”) relating to the development, establishment and operation of quick service restaurants featuring fried chicken and other menu items and commercial products (“Church’s Restaurants”).

2. The distinguishing characteristics of the System include, without limitation: specially designed buildings; distinctive interior and exterior layouts, décor, color schemes, and furnishings; confidential food formulas and recipes and, particularly, a unique seasoning and batter formula for preparing Church’s Texas Chicken fried chicken; specialized menus; and standards and specifications for equipment, equipment layouts, products, operating procedures, employee training, and management programs, all of which may be changed, improved, and further developed by Cajun from time to time.

3. Cajun Funding Corp. (“Cajun Funding”), an affiliate of Cajun, owns the “*Church’s*”, “*Church’s Chicken*” and “*Church’s Texas Chicken*” trade names and trademarks, along with such other trade names, service marks, trademarks, logos, emblems, and other indicia of origin, as are now, or may in the future, be designated by Cajun Funding for use in connection with the System (collectively, the “Proprietary Marks”). Pursuant to a license agreement, Cajun Funding has granted to Cajun the exclusive right to use and license others to use the Proprietary Marks.

4. Cajun Funding and Cajun continue to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of services and products marketed under the Proprietary Marks in the System and to represent the System’s high standards of quality, appearance, and service.

5. Under a management agreement (“Management Agreement”) between Cajun and Cajun Operating Company (“Cajun Operating”), Cajun Operating Company will, at all times acting on behalf of Cajun, fulfill all of Cajun’s duties and obligations under this Agreement. Cajun Operating employs all the persons who will provide services to Franchisee on Cajun’s behalf under the terms of this Agreement. If Cajun Operating fails to perform its obligations under the Management Agreement, then Cajun may replace Cajun Operating as the franchise service provider. However, as the franchisor, Cajun will always be responsible for fulfilling all of its duties and obligations under this Agreement.

6. Franchisee and Cajun are parties to a Church’s Texas Chicken Development Agreement (the “Development Agreement”), pursuant to which Franchisee has agreed to develop one or more franchised Church’s Restaurants.

7. Franchisee desires to obtain a license to use the System and the Proprietary Marks and to continuously operate a franchised Church’s Restaurant (the “Franchised Restaurant”) at a location determined in accordance with this Agreement and specified in Schedule 1 (the “Franchised Location”), subject to the terms and conditions of this Agreement and in strict compliance with the standards and specifications established by Cajun.

8. Franchisee understands and acknowledges the importance of Cajun's high and uniform standards of quality, operations and service and the necessity of developing and operating the Franchised Restaurant in strict conformity with this Agreement and Cajun's Manual (as defined in Section 6).

**NOW THEREFORE**, in consideration of Cajun's grant to Franchisee of the rights set forth in this Agreement, as well as the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **1. GRANT OF FRANCHISE**

### **A. Grant**

(1) Cajun hereby grants to Franchisee a license (the "Franchise") to continuously operate the Franchised Restaurant at the Franchised Location and to use the Proprietary Marks solely in the operation of the Franchised Restaurant. Franchisee shall not operate the Franchised Restaurant at any site other than the Franchised Location, and shall not relocate the Franchised Restaurant without Cajun's prior consent, which may be withheld by Cajun in its sole discretion and will be subject to the site acceptance process set forth in the Development Agreement. If Cajun approves a relocation of the Franchised Restaurant, it shall have the right to charge Franchisee for all reasonable expenses actually incurred in connection with consideration of the relocation request and Cajun may condition its approval upon the payment of a minimum royalty to Cajun during the period in which the Franchised Restaurant is not in operation. The minimum royalty will be calculated as the average weekly royalty that Franchisee owed to Cajun during the 52 weeks before the closure of the Restaurant (or any such lesser period if the Restaurant was not open 52 weeks) multiplied by the number of weeks or partial weeks that the Restaurant is not in operation.

(2) Franchisee shall at all times faithfully, honestly and diligently perform its obligations under this Agreement, continuously exert its best efforts to promote and enhance the business of the Franchised Restaurant, and not engage in any other business or activity that may conflict with its obligations under this Agreement, except the operation of other Church's Restaurants.

### **B. Limited Exclusivity**

(1) Subject to Section 1.B.(2) and the other terms and conditions of this Agreement and provided Franchisee is in compliance with the terms of this Agreement and any other agreements with Cajun or its affiliates and is current on all obligations due to Cajun and its affiliates, Cajun shall not, during the Initial Term or any Renewal Term of this Agreement, operate or license others to operate, a Church's Restaurant from a site located within the area specified on Schedule 1 (the "Protected Area") without Franchisee's prior consent. Notwithstanding the foregoing, Cajun may, from time to time, reduce or modify the Protected Area to encompass a geographic area immediately surrounding the Franchised Restaurant that includes a population (residential, daytime business or commercial, or any combination thereof) of no less than 50,000 people, which modification will become effective upon Franchisee's receipt of written notice from Cajun. Church's Restaurants located in the Protected Area **(a)** that are under construction or open for business as of the date of this Agreement or **(b)** for which a Church's Franchise Agreement has been executed are excluded from the limited exclusivity granted to Franchisee.

(2) Notwithstanding Section 1.B.(1) or any other provision to the contrary, Cajun reserves the rights to: **(a)** operate and license others to operate restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and/or "Church's Texas Chicken" in the Protected Area that are located in airports, train stations, bus stations, travel plazas, stadiums, arenas, convention

centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, food courts, enclosed shopping malls and retail centers, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location; **(b)** award national or regional licenses to third parties to sell products in the Protected Area under the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” in foodservice facilities primarily identified by the third party’s trademark; **(c)** develop and operate, and license others to develop and operate, restaurants other than restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” in the Protected Area; **(d)** acquire or be acquired by a restaurant chain or system that operates and/or franchises restaurants in the Protected Area that are the same as, similar to or compete with Church’s Restaurants in that they have a substantially similar menu or similar theme or concept; **(e)** merchandise and distribute products identified by some or all of the Proprietary Marks in the Protected Area through any method or channel of distribution other than restaurants; **(f)** sell and distribute products identified by some or all of the Proprietary Marks in the Protected Area to restaurants other than restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken”, provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales; **(g)** sell and license others to sell products identified by some or all of the Proprietary Marks in the Protected Area through temporary facilities in conjunction with any cultural, sporting, recreational, or other event; **(h)** operate and license others to operate restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” at any location outside of the Protected Area; **(i)** operate and license others to operate, after this Agreement terminates or expires, restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” within the Protected Area; and **(j)** operate and license others to operate at any location, during or after the Initial Term or any Renewal Term, any type of restaurant other than a restaurant identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken”, and “Church’s Texas Chicken”. Cajun reserves to itself all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement.

**C. Forms of Agreement.** Franchisee acknowledges that Cajun intends to enter into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Cajun and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

## **2. TERM**

**A. Initial Term.** The initial term of the Franchise granted by this Agreement (the “Initial Term”) shall begin on the Effective Date and expire at midnight on the day preceding the 20th anniversary of the date the Franchised Restaurant first opened for business as recorded by Cajun, unless a different date is listed on Form A and unless this Agreement is terminated at an earlier date pursuant to Section 18. Cajun shall complete and forward to Franchisee a notice, in a form substantially similar to attached Form A, to memorialize the date the Franchised Restaurant first opened for business.

## **B. Renewal Term**

**(1)** At the expiration of the Initial Term and provided Franchisee meets the eligibility requirements for renewal as stated in Section 2.B(2), Franchisee shall have an option to remain a franchisee at the Franchised Location and renew the Franchise for one 10-year renewal term (“Renewal Term”). In order to exercise such renewal option, Franchisee must give Cajun written notice not less than 6 months, nor more than 12 months, prior to the expiration of the Initial Term. If Franchisee fails to timely provide

such written notice, Franchisee shall be deemed to have waived the renewal option for the Franchised Location.

**(2)** In order for Franchisee to be eligible to renew the Franchise for the Renewal Term, Franchisee must meet all of the following conditions prior to and at the end of the Initial Term:

**(a)** Franchisee shall not be in default under this Agreement or any other agreements between Franchisee and Cajun or its affiliates and, for the 12 months prior to the date of Franchisee's notice and the 12 months prior to the expiration of the Initial Term, Franchisee shall not have been in default beyond the applicable cure period under this Agreement or any other agreements between Franchisee and Cajun or its affiliates throughout the Initial Term; Franchisee shall not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant; and Franchisee shall not be in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant.

**(b)** Franchisee shall, at its expense, make the capital expenditures required to renovate and modernize the Franchised Restaurant to conform to the interior and exterior designs, décor, color schemes, furnishings and equipment and presentation of the Proprietary Marks consistent with the image of the System for new Church's Restaurants at the time Franchisee provides Cajun the renewal notice, including such structural changes, remodeling, redecoration and modifications to existing improvements as may be necessary to do so.

**(c)** Franchisee and its employees at the Franchised Restaurant shall be in compliance with Cajun's then-current training requirements, including all continuing education certificate requirements.

**(d)** Franchisee must have the right to remain in possession of the Franchised Location, or other premises acceptable to Cajun, for the Renewal Term and all monetary obligations owed to Franchisee's landlord, if any, or mortgagor, if any, must be current.

**(e)** Franchisee, all individuals who executed this Agreement, and all guarantors of Franchisee's obligations shall have executed a general release and a covenant not to sue, in a form satisfactory to Cajun, of any and all Claims (as defined in Section 16) against Cajun and its affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, including, without limitation, Claims arising under any law or regulation, and Claims arising out of, or relating to, this Agreement, any other agreements between Franchisee and Cajun or its affiliates and Franchisee's operation of the Franchised Restaurant, other Church's Restaurants operated by Franchisee and all other restaurants operated by Franchisee that are franchised by Cajun or its affiliates.

**(f)** As determined by Cajun in its sole discretion, Franchisee has operated the Franchised Restaurant and all of its other franchised Church's Restaurants in accordance with the System (as set forth in the Manual or otherwise and as revised from time to time by Cajun).

**(3)** Within 4 months after Cajun's receipt of Franchisee's notice of its desire to renew, Cajun shall notify Franchisee whether or not Franchisee is eligible to renew the Franchise for the Renewal Term. If Cajun intends to permit Franchisee to renew the Franchise for the Renewal Term, Cajun's notice will contain preliminary information regarding actions Franchisee must take to satisfy Sections 2.B.(2)(b) and (c). If Cajun does not intend to renew, Cajun's notice shall specify the reasons for non-renewal.

(4) If Franchisee will be permitted to renew the Franchise for the Renewal Term, Cajun shall provide Franchisee a new franchise agreement or renewal agreement (as Cajun may determine in accordance with its then-existing renewal policies) for the Renewal Term for Franchisee's signature at least 1 month prior to the expiration of the Initial Term. The form of franchise agreement or renewal agreement shall be the form then in general use by Cajun for Church's Restaurants (or, if Cajun is not then granting franchises for Church's Restaurants, that form of agreement as specified by Cajun). Franchisee acknowledges that such agreement may differ materially from this Agreement, including, but not limited to, provisions relating to the Royalty Fee and advertising obligations. Notwithstanding anything to the contrary herein, Cajun may rescind a previously offered renewal franchise if Franchisee becomes ineligible for renewal prior to the expiration of the Initial Term.

(5) Franchisee shall execute the new franchise agreement or renewal agreement for the Renewal Term, as applicable, and return the signed agreement to Cajun, along with a renewal fee in the amount equal to 50% of Cajun's then-current initial franchise fee, prior to the expiration of the Initial Term. If Franchisee fails to do so, Cajun will deem such failure an election by Franchisee not to renew the Franchise and shall result in termination of the Franchise granted by this Agreement at the expiration of the Initial Term.

### **3. FEES**

**A. Initial Franchise Fee.** Simultaneously with Franchisee's execution of this Agreement, Franchisee shall pay to Cajun an initial franchise fee ("Initial Franchise Fee") in the amount specified in Schedule 1. The Initial Franchise Fee shall be in addition to any development fees paid by Franchisee to Cajun pursuant to a Church's Texas Chicken Development Agreement. Franchisee acknowledges and agrees that the Initial Franchise Fee is fully earned by Cajun when paid and is not refundable.

**B. Royalty Fee.** In addition to all other amounts to be paid by Franchisee to Cajun, Franchisee shall pay to Cajun a nonrefundable and continuing weekly royalty fee (the "Royalty Fee") in an amount equal to 5% of the Gross Sales (as defined below) of the Franchised Restaurant for the preceding week for the right to use the System and the Proprietary Marks at the Franchised Location. If any taxes, fees or assessments are imposed on Cajun by reason of its acting as franchisor or licensing the Proprietary Marks under this Agreement, Franchisee shall reimburse Cajun the amount of those taxes, fees or assessments within 30 days after receipt of an invoice from Cajun.

#### **C. Advertising Contributions.**

(1) Franchisee, recognizing the value of advertising and the importance of the standardization of advertising and promotion to the goodwill and public image of the System, shall contribute to the Cajun's Advertising Fund ("Advertising Fund") a weekly recurring, non-refundable Advertising Fund contribution equal to 5% of the Gross Sales of the Franchised Restaurant for the preceding week. Notwithstanding the foregoing, upon giving notice to Franchisee, Cajun may require Franchisee to contribute at least \$25,000 per year to the Advertising Fund with respect to the Franchised Restaurant.

(2) If the Franchised Restaurant participates in a Regional Advertising Cooperative pursuant to Section 5.B., then in lieu of contributing 5% of Gross Sales to the Advertising Fund as described above, (i) Franchisee shall contribute to the Advertising Fund a percentage of Gross Sales determined by Cajun not to exceed 1% of Gross Sales, and (ii) Franchisee shall contribute to the Regional Advertising Cooperative in an amount determined by the Cooperative, which when added to the Advertising Fund contribution must be at least 5% of the Gross Sales of the Franchised Restaurant. Church's Restaurants operated by Cajun and its affiliates shall contribute to the Advertising Fund and the Cooperatives on the same basis as comparable franchisees.

**D. Gross Sales.** “Gross Sales” means all revenue from the sale of all services and products and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed but not when purchased) related to the Franchised Restaurant, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall include, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Franchised Restaurant, including, but not limited to, off-premises services such as catering and delivery, regardless of the method of collection (including cash registers, vending machines, payments to third-party delivery providers or otherwise). Gross Sales shall not include (1) the sale of food or merchandise for which refunds have been made in good faith to customers, (2) the sale of used equipment not in the ordinary course of business, or (3) taxes imposed by a governmental authority directly on sales and collected from customers, provided that the amount for such tax is added to or absorbed in the selling price and is actually paid by Franchisee to such governmental authority.

**E. Remittance Reports.** Within 24 hours after the end of each fiscal week (as defined by Cajun from time to time), Franchisee shall submit to Cajun in writing by electronic mail, polling by computer or such other form or method as Cajun may designate, the amount of Gross Sales from the Franchised Restaurant during the preceding fiscal week and such other data or information as Cajun may require.

**F. Payment of Fees.**

(1) Within 5 business days after the end of each fiscal week (as defined by Cajun from time to time), Franchisee shall pay to Cajun (by electronic funds transfer or by such other form or method as Cajun may designate) the Royalty Fee and advertising contributions applicable to Gross Sales for the Franchised Restaurant for the preceding fiscal week and any other amounts owed under this Agreement.

(2) Franchisee shall participate in an electronic funds transfer program established by Cajun that authorizes Cajun to utilize a pre-authorized bank draft system. The Royalty Fee and advertising contributions calculated on the basis of Gross Sales and other amounts owed under this Agreement must be received by Cajun or credited to Cajun’s account by pre-authorized bank debit before 5:00 p.m. on the 5<sup>th</sup> business day after the end of each fiscal week (“Due Date”). On each Due Date, Cajun will transfer from the Franchised Restaurant’s commercial bank operating account (“Account”) the amount reported to Cajun in Franchisee’s remittance report or determined by Cajun by the records contained in the cash registers/computer terminals of the Franchised Restaurant. If Franchisee has not reported Gross Sales to Cajun for any fiscal period, Cajun may transfer from the Account an amount calculated in accordance with its estimate of the Gross Sales during the fiscal period. If, at any time, Cajun determines that Franchisee has underreported the Gross Sales of the Franchised Restaurant, or underpaid the Royalty Fee or other amounts due to Cajun under this Agreement or any other agreement, Cajun may initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure. Any overpayment will be credited to the Account effective as of the first reporting date after Cajun and Franchisee determine that such credit is due.

(3) In connection with payment of the Royalty Fee, advertising contributions and other amounts owed under this Agreement by electronic funds transfer, Franchisee shall: (a) comply with procedures specified by Cajun in the Manual or otherwise in writing; (b) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 3.F.; (c) give Cajun an authorization in the form designated by Cajun to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty Fee and other amounts payable under this Agreement; and (d) make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

(4) Notwithstanding the provisions of this Section 3.F., Cajun reserves the right to modify, by giving notice to Franchisee, the method by which Franchisee pays the Royalty Fee, advertising contributions and other amounts owed under this Agreement.

(5) Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Section 18.B.(2). Franchisee shall not be entitled to set off, deduct or otherwise withhold any Royalty Fees, advertising contributions, or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by Cajun or for any other reason. Notwithstanding any direction by Franchisee regarding application of funds paid by Franchisee to Cajun (or to the Advertising Fund), Cajun may apply any payment made by Franchisee to any outstanding obligation owed by Franchisee or any affiliate of Franchisee, in Cajun's sole discretion. For purposes of this Agreement, "affiliate" shall mean any entity controlled by, controlling or under common control with Franchisee.

**G. Additional Payment Upon Monetary Default; Default Royalty Rate.** If Franchisee fails to pay any amount to Cajun when due, regardless of any notice requirement or cure period, Franchisee shall, in addition to paying such amount in full, pay to Cajun a late payment fee equal to \$100.00 plus 1.5% of the overdue balance per month (or portion of a month). For any period when Franchisee is in breach of any obligation hereunder, Cajun, upon giving notice to Franchisee, shall raise the Royalty Fee described in Section 3.B. above by 1% of Gross Sales.

**H. Partial Payments.** No payment by Franchisee or acceptance by Cajun of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Franchisee's payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and Cajun may accept the partial payment without prejudice to any rights or remedies it may have against Franchisee. Acceptance of payments by Cajun other than as set forth in this Agreement shall not constitute a waiver of Cajun's right to demand payment in accordance with the requirements of this Agreement or a waiver by Cajun of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by Franchisee, Cajun shall have sole discretion to apply any payments by Franchisee to any of its past due indebtedness for Royalty Fees, advertising contributions, purchases from Cajun or its affiliates, or any other indebtedness. Cajun may accept payment from any other entity as payment by Franchisee. Acceptance of that payment by Cajun will not result in that other entity being substituted for Franchisee or assuming any rights of Franchisee.

**I. Collection Costs and Expenses.** Franchisee agrees to pay to Cajun on demand any and all costs and expenses incurred by Cajun in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Franchisee to Cajun. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees (including attorneys' fees for in-house counsel employed by Cajun or its affiliates and any attorneys' fees incurred by Cajun in bankruptcy proceedings), costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Restaurant, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal.

**J. Grand Opening Advertising.** Simultaneously with Franchisee's execution of this Agreement, Franchisee shall pay to Cajun \$15,500 (the "Grand Opening Funds") to be used for the purpose of conducting a Grand Opening Advertising Campaign ("GO Campaign") commencing no earlier than the date the Franchised Restaurant opens and concluding no later than ninety (90) days after the opening of the Franchised Restaurant. Cajun will use all of the Grand Opening Funds to cover the cost of design and placement of all creative materials for the GO Campaign. The Grand Opening Funds are fully earned by Cajun when paid and are not refundable. After the completion of the GO Campaign, upon the Franchisee's

request, Cajun will provide written proof that the Grand Opening Funds were spent in their entirety. Cajun highly recommends that Franchisee invest an additional \$9,500 for an optional Grand Opening Clock Party.

#### **4. RECORDKEEPING AND REPORTS**

**A. Recordkeeping.** Franchisee shall use computerized cash and data capture and retrieval systems that meet Cajun's specifications to record sales of the Franchised Restaurant electronically or on tape for all sales at or from the Franchised Location. Franchisee shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books, records and accounts pertaining to the Franchised Restaurant sufficient to fully report to Cajun. These records shall include, without limitation, cash register sales tape (including non-resettable readings), meals, sales and other tax returns, duplicate deposit slips and other evidence of Gross Sales and all other business transactions. Franchisee shall keep its books and records using United States generally accepted accounting principles. Franchisee shall preserve all of its books, records and state and federal tax returns for at least 3 years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Cajun within 5 days after Cajun's written request.

**B. Quarterly Reports.** Franchisee shall, at Franchisee's expense, submit to Cajun, in the form and format prescribed by Cajun, a quarterly unaudited profit and loss statement and balance sheet for the Franchised Restaurant ("Quarterly Statement") within 30 days after the end of each quarter. Each Quarterly Statement shall contain a certificate signed by Franchisee's president, treasurer or chief financial officer certifying that such Quarterly Statement is true, correct and complete, uses accounting principles applied on a consistent basis, and accurately and completely reflects the financial condition of Franchisee and the results of operations of the Franchised Restaurant during the period covered. Cajun may, in its sole discretion, require that Franchisee submit to Cajun profit and loss statements and balance sheets at other times requested by Cajun. Upon Cajun's request, Franchisee shall submit to Cajun, with each Quarterly Statement, copies of any state or local sales tax returns filed by Franchisee for the Franchised Restaurant for the period included in the Quarterly Statement. If required by Cajun in the Manual or otherwise, Franchisee shall prepare financial statements on the basis of 13 four-week periods, and Franchisee shall submit the Quarterly Statements to Cajun within 30 days following the end of the 4<sup>th</sup>, 7<sup>th</sup>, 10<sup>th</sup>, and 13<sup>th</sup> periods.

**C. Annual Financial Statements.** Within 90 days following the end of each calendar or fiscal year, Franchisee shall, at its expense, provide to Cajun an unaudited financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the preceding calendar or fiscal year for the Franchised Restaurant, and such other information in such form as Cajun may reasonably require ("Annual Financial Statement"), together with a certificate signed by Franchisee's president, treasurer or chief financial officer certifying that such Annual Financial Statement is true, correct and complete, uses accounting principles applied on a consistent basis, and accurately and completely reflects the financial condition of Franchisee and the results of operations of the Franchised Restaurant during the period covered. Upon request from Cajun, the Annual Financial Statement shall include both a profit and loss statement and a balance sheet, and shall be prepared in accordance with United States generally accepted accounting principles. Cajun may, in its reasonable discretion, require that Franchisee, at Franchisee's expense, submit audited financial statements prepared by a certified public accounting firm acceptable to Cajun for any fiscal year or any period or periods of a fiscal year.

**D. Other Reports and Information.** Franchisee shall submit to Cajun, for review or auditing, such other forms, financial statements, reports, records, operational data, metrics, copies of contracts and agreements, status reports and documents related to litigation and claims, information, and data as Cajun may reasonably designate, in the form and at the times and places reasonably required by Cajun, upon request and as specified from time-to-time in the Manual or otherwise in writing. If Franchisee has

combined or consolidated financial information relating to its franchised Church's Restaurants with that of any other business or businesses, including a business licensed by Cajun, Franchisee shall simultaneously submit to Cajun, for review or auditing, the forms, reports, records and financial statements (including, but not limited to, the Quarterly Statements and Annual Financial Statements) which contain the detailed financial information relating to its franchised Church's Restaurants, separate and apart from the financial information of such other businesses. Franchisee shall authorize all of its suppliers and distributors to release to Cajun, upon Cajun's request, any and all of their books, records, accounts or other information relating to goods, products and supplies sold to Franchisee and/or the Franchised Restaurant. Cajun may engage a third party to analyze any financial statements, reports, or other data from or about Franchisee.

**E. Public Filings.** If Franchisee is or becomes a publicly-held entity in accordance with other provisions of this Agreement, Franchisee shall send to Cajun copies of all reports (including responses to comment letters) or schedules Franchisee may file with the U.S. Securities and Exchange Commission (certified by Franchisee's chief executive officer to be true, correct, complete and accurate) and copies of any press releases it may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

**F. Audit Rights**

(1) Cajun or its designee shall have the right at all reasonable times, both during and after the Initial Term or any Renewal Term, to inspect, copy and audit Franchisee's books, records, and federal, state and local tax returns, and such other forms, reports, information and data as Cajun reasonably may designate, applicable to the operation of the Franchised Restaurant. If an inspection or audit discloses an understatement of Gross Sales, Franchisee shall pay to Cajun, within 10 days after receipt of the inspection or audit report, the deficiency in the Royalty Fees and advertising contributions, together with late payment fees applicable to late payments as specified in this Agreement. If an inspection or audit is made necessary by Franchisee's failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined by any audit or inspection to be greater than 2%, Franchisee also shall reimburse Cajun for the reasonable cost of the audit or inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room, board and compensation of Cajun's employees or designees involved in the audit or inspection. If Cajun's inspection or audit reveals an understatement of Gross Sales of the Franchised Restaurant for any period by 2% or more 3 or more times during any 18-month period, or by more than 5% on any 1 occasion, then in addition to Franchisee's obligations above, Cajun may immediately terminate this Agreement. The foregoing remedies shall be in addition to all other remedies and rights available to Cajun under this Agreement or applicable law.

(2) If Franchisee fails to provide Cajun on a timely basis with the records, reports and other information required by this Agreement, Cajun or its designee shall have access at all reasonable times (and as often as necessary) to Franchisee's books and records for the purpose, among other things, of preparing the required records, reports and other information. Franchisee promptly shall reimburse Cajun or its designee for all costs and expenses associated with Cajun's obtaining such records, reports or other information.

**G. Property Information.** The name and contact information for the landlord of the Franchised Location (if not owned by Franchisee) is stated on Schedule 1. Franchisee shall notify Cajun of any change in property ownership, together with updated contact information, within 10 days after the effective date of the change. Franchisee shall provide Cajun with a copy of the lease or deed for the Franchised Location prior to or upon execution of this Agreement.

## 5. ADVERTISING

### A. Advertising Fund

(1) Cajun or its designee shall direct all advertising, marketing, and public relations programs and activities financed by the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials, and with sole discretion over the allocation of funds to various programs and accounts. Franchisee agrees that the Advertising Fund may be used, among other things, to pay for: (a) preparing, producing and disseminating materials and programs for brand building, brand awareness, brand enhancement, promotional, marketing or advertising purposes as Cajun or its designee may determine, including video, audio, digital, written or any other materials; (b) designing, establishing, and maintaining websites, extranets, intranets, search rankings, social media profiles, mobile applications, and other digital or similar marketing; (c) creative development of signage, posters, and décor items including wall graphics and menu graphics / menu boards; (d) hiring and employing advertising agencies and public relations firms to assist with any activities undertaken; (e) sponsoring, sporting, charitable or similar events; (f) establishing, administering and conducting brand building, brand awareness, brand enhancement, promotional, marketing and advertising programs, including, without limitation, purchasing direct mail and other media advertising; (g) preparing, supporting and conducting public relations, community involvement and brand reputation management activities; (h) retention and payment of personalities engaged as spokespersons, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (i) review of locally produced marketing materials and development of third party facilities for the development of local advertising; (j) supporting market research and other advertising, promotional and marketing activities; (k) supporting development of logo'ed merchandise; (l) costs associated with trademark registrations, prosecution and enforcement, and advertising, including without limitation attorneys' fees and defense costs associated with trademarks, advertising and marketing; and (m) conducting and administering other activities that are directly or indirectly designed to promote or enhance the System, its franchisees, and/or increase System sales, including without limitation development of new products and limited-time menu offerings; franchisee incentive and/or promotional programs; customized materials; up-sell programs, guest response programs; mystery shop and shopper programs; market research; working with public relations firms, advertising agencies and advertising placement services; franchisee advisory council or similar meetings that include advertising and promotions related discussions; loyalty and affinity programs; ordering and delivery platforms; social media account administration and promotion; in-store equipment and technologies related to such marketing programs.

(2) Franchisee agrees to participate in all advertising, marketing, promotions, research, and public relations programs instituted by Cajun through the Advertising Fund. From time to time, Cajun or its designee may furnish Franchisee with marketing, advertising, and promotional materials at the cost of producing them, plus any related shipping, handling, and storage charges.

(3) Cajun shall not use funds from the Advertising Fund for its general operating expenses. Notwithstanding the foregoing, Cajun and its affiliates may be reimbursed by the Advertising Fund for the administrative costs and overhead incurred for programs and activities related to the administration and management of the Advertising Fund (including, without limitation, collecting and accounting for contributions to the Advertising Fund, pro-rata salaries for employees engaged in activities related to advertising, marketing, and public relations activities, and retainers or fees for outside agencies).

(4) Cajun shall separately account for payments to the Advertising Fund, but it shall not be required to segregate funds in the Advertising Fund from its other monies. Cajun anticipates that all monies in the Advertising Fund will be spent in the taxable year monies were collected. If, however, excess

amounts remain in the Advertising Fund at the end of a taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from current contributions. If a deficit exists in any year, Cajun may use contributions in the next year to cover that deficit amount. A statement of monies collected and costs incurred by the Advertising Fund shall be prepared annually and shall be furnished to Franchisee within a reasonable period of time following a written request. Cajun may incorporate or organize the Advertising Fund as a separate entity, or operate the Advertising Fund through a separate entity, and such entity shall have all rights and duties of Cajun pursuant to this Section.

**(5)** Franchisee agrees that Cajun is not liable to Franchisee, and Franchisee forever covenants not to sue and holds Cajun harmless of any liability or obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area (including the Franchised Location) are proportionate or equivalent to the contributions to the Advertising Fund by Church's Restaurants operating in that geographic area, or that any Church's Restaurant will benefit directly or in proportion to its contribution to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, neither Cajun nor its designee assumes any direct or indirect liability to Franchisee with respect to the maintenance, direction, or administration of the Advertising Fund.

**(6)** Cajun reserves the right, in its sole discretion, to: **(a)** suspend contributions to and operations of the Advertising Fund for one or more periods that it determines to be appropriate; **(b)** terminate the Advertising Fund upon 30 days' notice to Franchisee and establish, if Cajun so elects, a different advertising fund; and **(c)** upon the written request of any franchised or company restaurants, defer, waive or return, in whole or in part, any advertising contributions required by this Section if, in Cajun's sole judgment, there has been demonstrated unique, objective circumstances justifying any such deferral, waiver, or return. On termination, all monies in the Advertising Fund shall be spent for advertising and/or promotional purposes. Cajun has the right to reinstate the Advertising Fund upon the same terms and conditions set forth in this Agreement upon 30 days' prior notice to Franchisee.

**(7)** Under no circumstances shall Franchisee have any right to the return of any payment to the Advertising Fund, unless such payment was the result of manifest error.

## **B. Regional Advertising Cooperatives**

**(1)** Cajun, in its sole discretion, may establish a Regional Advertising Cooperative ("Cooperative") in the regional area in which the Franchised Restaurant is located ("Designated Market Area" or "DMA"). Franchisee, in addition to contributing to the Advertising Fund, must contribute to the Cooperative the percentage of Gross Sales determined by that Cooperative along with any statements or reports that Cajun or the Cooperative may require. A Cooperative may also be established for the DMA in which the Franchised Restaurant is located upon the favorable vote of 80% of the owners of all Church's Restaurants (including Church's Restaurants operated by Cajun and its affiliates) on the basis of one vote for each restaurant owned and operated by that owner within that DMA. If a Cooperative has been established for the DMA in which the Franchised Restaurant will be located, Franchisee shall become a member of that Cooperative by the date the Franchised Restaurant commences operations, or, if a Cooperative for that DMA is established after the Franchised Restaurant opens, Franchisee shall become a member of that Cooperative within 30 days after the date on which the Cooperative commences operations. Franchisee shall not be required to be a member of more than one Cooperative with respect to the Franchised Restaurant.

(2) Each Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Cajun's approval, standardized promotional materials for use by its members in local advertising. Cajun may require the Cooperative to adopt bylaws or regulations prepared by Cajun. Cajun may require the Cooperative to incorporate or organize. Unless otherwise consented to in writing by Cajun, the Cooperative shall only conduct advertising that conforms with those advertising and sales promotions specified by Cajun from time to time (including the media in which conducted). All advertising shall be submitted to Cajun prior to first use as provided in Section 5.C. and all advertising shall adhere to the standards set forth in Section 5.C. Cajun may (a) set standards that regional advertising agencies hired by the Cooperative are required to meet, (b) designate or approve regional advertising agencies used by each Cooperative, and (c) withdraw its approval of an agency that does not meet Cajun's standards.

(3) Each franchisee who is a member of the Cooperative shall be entitled to vote on Cooperative matters; however, a franchisee shall not be entitled to vote if it is in default under its franchise agreement or any other agreement with Cajun or its affiliates. Cajun always shall be a member of the Cooperative and be entitled to attend and fully participate in Cooperative meetings; provided, however, Cajun shall not have a vote unless it or its affiliates operates a Church's Restaurant in the area covered by the Cooperative. If the members of the Cooperative are unable or fail to determine the manner in which Cooperative monies should be spent, Cajun may assume this decision making authority following 10 days' advance notice to the members of the Cooperative. Cajun shall have the right to merge or terminate (and subsequently restart) any Cooperative. Upon termination, all monies in the Cooperative shall be spent for advertising and/or promotional purposes.

(4) Cajun may grant to any franchisee an exemption for any length of time from the requirement of membership in the Cooperative and/or from the obligation to contribute to the Cooperative (including a reduction, deferral or waiver of such contribution), upon written request of such a franchisee stating reasons supporting an exemption. Cajun's decision regarding a request for exemption shall be final. If an exemption is granted to a franchisee, such franchisee shall be required to expend on local advertising, on a monthly basis, the same amount as would otherwise be assessed by the Cooperative. Cajun may exempt Church's Restaurants operated by Cajun and its affiliates from membership in the Cooperative and/or from the obligation to contribute to the Cooperative.

(5) Cajun shall have the sole right to enforce the obligations of franchisees who are members of the Cooperative to contribute to the Cooperative, and neither Franchisee nor any other franchisees who contribute to the Cooperative shall be deemed a third party beneficiary with respect to the Cooperative obligations of other franchisees or have any right to enforce the obligation of any franchisee to contribute to the Cooperative.

**C. Local Advertising.** All local advertising by Franchisee and any Cooperative shall be subject to Cajun's approval; shall be in such media, and of such type and format as Cajun may require; shall be conducted in a dignified manner; and shall conform to such standards and requirements as Cajun may specify. Franchisee agrees not to promote, offer or sell any products or services, or to use any of the Proprietary Marks, relating to the Franchised Restaurant through any electronic media, including, but not limited to, any Internet website, web page, social media outlet or any future technological avenues without Franchisor's prior written consent. Franchisee or the Cooperative, where applicable, shall submit to Cajun for approval all proposed advertising, promotional plans and sweepstakes prior to any use, except such advertising materials and plans that have been previously approved by Cajun. Cajun shall use its best efforts to complete its review of Franchisee's proposed advertising and promotional plans within 15 days after Cajun receives such plans. If approval is not received by Franchisee or the Cooperative from Cajun within this 15-day period, Cajun shall be deemed to have rejected such proposal. In no event shall Franchisee's advertising contain any statement or material which, in the sole opinion of Cajun, is: (1) in bad taste or

offensive to the public or to any group of persons; (2) defamatory of any person or an attack on any competitor; (3) to infringe upon any other person or entity's trade name, trademark, service mark, or other intellectual property; or (4) inconsistent with the public image of Cajun or the System. Franchisee shall not issue any press releases without the prior approval of Cajun.

## 6. MANUAL

**A. Definition; Contents.** The term "Manual" means Cajun's Operations Manual and any other publications, materials, drawings, memoranda, audio or video recordings, and electronic media that Cajun from time to time may provide to Franchisee. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for development, management and operation of the Franchised Restaurant. The Manual may also set forth requirements related to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Franchised Restaurant; training on System standards; marketing, advertising and sales promotions; maintenance and repair of the Franchised Restaurant building, grounds, equipment, graphics, signs, interior and exterior décor items, fixtures and furnishings; employee dress attire; menu concept and graphics; accounting, bookkeeping, and records retention; and other business systems, procedures and operations. The Manual is hereby incorporated by reference in its entirety and made a part of this Agreement.

**B. Loan.** Franchisee acknowledges receipt on loan of Cajun's confidential and proprietary Manual which contains information and knowledge that is unique, necessary and material to the System. Cajun reserves the right to only issue an electronic form of the Manual that Cajun may post on a restricted website, intranet or extranet to which Franchisee will have access. Cajun may supplement or amend the Manual from time to time by letter, electronic mail, update to Cajun's franchise website, bulletin, digital video disk, compact disk, USB flash drive, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a Church's Restaurant. Franchisee shall keep its copy of the Manual current with all additions and deletions provided by or on behalf of Cajun and shall purchase whatever equipment and related services as may be necessary to receive these communications. If a dispute relating to the contents of the Manual occurs, the master copy maintained by Cajun at its principal offices shall control.

**C. Confidentiality of the Manual.** Franchisee acknowledges that the contents of the Manual are confidential and that the Manual contains Cajun's trade secrets and copyrighted material. Any passwords or other digital identifications necessary to access the Manual on any website, intranet or extranet also are deemed to be confidential and proprietary to Cajun. Accordingly, Franchisee agrees that Franchisee will not disclose the contents of the Manual, passwords or other digital identifications to any person other than employees of the Franchised Restaurant who need to know its contents. Franchisee may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

**D. Obligation.** Franchisee shall at all times operate the Franchised Restaurant in strict conformity with the Manual; maintain the Manual at the Franchised Restaurant; not reproduce the Manual or any part of it; treat the Manual as confidential and proprietary; and disclose the contents of the Manual only to those employees of Franchisee who have a need to know.

## 7. MODIFICATIONS OF THE SYSTEM

**A. Right To Modify.** Cajun, in its sole discretion, may from time to time change or modify the System, including modifications to the Manual, the menu and menu formats, the required equipment, the signage, the building and premises of a Church's Restaurant (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to Cajun (including electronic means of reporting and

payment) and the adoption and use of new or modified Proprietary Marks or copyrighted materials. Franchisee shall accept and use or display in the Franchised Restaurant any such changes or modifications in the System as if they were a part of the System at the time this Agreement was executed, and Franchisee will make such expenditures as the changes or modifications in the System may reasonably require.

**B. Menu Items; Prices.** Within 30 days after receipt of notice from Cajun, Franchisee shall begin selling any newly required menu items and cease selling any menu items that are no longer authorized. Franchisee shall offer all authorized food, beverage and merchandise items under the specific name designated by Cajun. Cajun, in its sole discretion, may restrict sales of menu items to certain time periods during the day. Franchisee may establish menu prices in its sole and absolute discretion. Franchisee shall not add or modify any menu item or participate in a test market program without having obtained Cajun's prior approval. Franchisee shall purchase any additional equipment and smallwares as Cajun deems reasonably necessary in connection with new menu items. If Cajun requires Franchisee to begin offering a new menu item that requires the purchase of additional equipment, a reasonable period of time, as determined in the sole discretion of Cajun, shall be provided for the financing, purchase and installation of any such equipment before such new menu items must be offered for sale at the Franchised Restaurant.

**C. Variations.** Cajun has the right, in its sole discretion, to waive, defer or permit variations from the standards of the System or the applicable agreement to any franchisee or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. Cajun shall have the right, in its sole discretion, to deny any request to waive, defer, or permit variations from the standards of the System. Cajun's approval of any waiver, deferral, or variation with respect to any Church's Restaurant or any other franchisee shall not be deemed approval thereof with respect to any other Church's Restaurant or franchisee.

**D. Improvements By Franchisee.** If Franchisee develops any new concepts, processes or improvements relating to the System, whether or not pursuant to a Cajun authorized test, Franchisee promptly shall notify Cajun and provide Cajun with all information regarding the new concept, process or improvement, all of which shall become the property of Cajun and which may be incorporated into the System without any payment to Franchisee. Franchisee, at its expense, promptly shall take all actions deemed necessary or desirable by Cajun to vest in Cajun ownership of such concepts, processes or improvements.

## **8. TRAINING**

**A. New Franchisee Orientation Program.** Before Franchisee opens its first franchised Church's Restaurant, Franchisee's Operating Principal (as defined in Section 13.G.) shall attend, and complete to Cajun's satisfaction, the Church's New Franchisee Orientation Program ("NFOP"). The NFOP shall last 2 days and will be conducted at a training facility designated by Cajun. Cajun may extend the length of the NFOP in its sole discretion. Cajun shall bear all administrative expenses for the NFOP, provided that Franchisee shall pay all travel, living and other expenses incurred by Franchisee's Operating Principal and Franchisee's employees while attending the NFOP.

### **B. Manager-in-Training Training Program**

**(1)** Before Franchisee opens the Franchised Restaurant, in addition to attending and completing the NFOP (if applicable), Franchisee's Operating Principal and up to four designated management employees of Franchisee, shall attend and complete, to Cajun's satisfaction, Cajun's Manager-in-Training ("MIT") Program. At the Franchised Restaurant, Franchisee must employ at least two managers that have completed the MIT Program. Cajun may dismiss from the MIT Program any person whom Cajun

does not believe will perform acceptably in the position for which he has been hired by Franchisee or who fails to comport himself/herself with the standards Cajun requires of its employees, and Franchisee shall provide a suitable replacement within 30 days of such dismissal. Cajun will authorize the Franchised Restaurant to open only after an adequate number of designated management employees of Franchisee, as determined by Cajun in its sole discretion, have attended and successfully completed the MIT Program.

(2) The MIT Program will take place at a Certified Training Restaurant (“CTR”) designated by Cajun. The MIT Program will be conducted by Cajun or by the Church’s franchisee which operates the relevant CTR. The MIT Program shall consist of up to four weeks of classroom and restaurant operations training as determined by Cajun, provided that if Franchisee is new to the restaurant industry, Cajun may require Franchisee to attend one additional week of training. Cajun shall certify a management employee of Franchisee who completes the MIT Program as an “MIT Certified Manager.”

(3) Cajun shall bear all tuition and expenses for the MIT Program attended by Franchisee’s management employees prior to opening the Franchised Restaurant. Following the opening of the Franchised Restaurant, Franchisee must pay a tuition fee as established by Cajun from time to time for each of Franchisee’s management employees who attend the MIT Program. Franchisee will be required to pay all travel, living and other expenses incurred by Franchisee’s employees while attending the MIT Program.

(4) Franchisee shall employ at the Franchised Restaurant the number of MIT Certified Managers required by Cajun, which in no event shall be less than two. If Franchisee or any MIT Certified Manager ceases active employment at the Franchised Restaurant, Franchisee must enroll a qualified replacement in the MIT Program within 30 days of cessation of such individual’s employment. The replacement employee shall attend and complete to Cajun’s satisfaction the next regularly scheduled MIT Program. Cajun may charge to Franchisee a tuition fee for any replacement employee.

**C. Additional Training.** Cajun may at any time require that the Operating Principal, Franchisee’s restaurant managers and any other employees designated by Cajun take and complete other training courses in addition to the MIT Program. Cajun reserves the right to require Franchisee to pay a tuition fee as established by Cajun from time to time for these additional training programs within 30 days of receipt of an invoice from Cajun. Franchisee shall pay all travel, living and other expenses incurred by Franchisee’s employees while attending the training.

**D. Training of Employees by Franchisee**

(1) **Training Program.** Cajun shall provide at its own expense a training kit (known as the “Pathway to Excellence Training Kit” or any replacement thereof) for Franchisee to train its employees in connection with the opening of the Franchised Restaurant. The training kit shall be deemed part of the Manual. Cajun may revise the contents of the training kit from time to time by letter, memorandum, bulletin, electronic mail, compact disk, digital video disk, USB flash drive, software or other written or electronic communication, including the Internet. Franchisee shall conduct such initial and continuing training programs for its employees as Cajun may require from time to time, including training and/or retraining in accordance with Cajun’s then-current training program.

(2) **Certified Training Restaurants.** Within 90 days after Franchisee opens its first Franchised Restaurant, Franchisee, at its own expense, must establish such Franchised Restaurant as a CTR at which a designated training manager shall conduct the MIT Program and other training programs for those designated employees of Franchisee and other Church’s franchisees whose franchised Church’s Restaurants are located in the same DMA as the CTR. Franchisee may offer the MIT Program at its training facility only after the facility and the designated training manager have been certified by Cajun. Cajun may

periodically visit and evaluate the CTR and the designated training manager to ensure that they continue to meet Cajun's standards, and Cajun may revoke its certification if the CTR or the designated training manager cease to meet those standards. Franchisee shall reimburse Cajun for all travel, living and other expenses incurred by Cajun in evaluating Franchisee's training facility.

## **9. ADDITIONAL SERVICES BY CAJUN**

**A. Pre-Opening Assistance.** Cajun may provide consultation and advice to Franchisee, in Cajun's sole discretion, with regard to the development and operation of the Franchised Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, training, purchasing and inventory control, and such other matters as Cajun deems appropriate.

**B. Post-Opening Assistance.** Cajun periodically, as it deems appropriate, shall advise and consult with Franchisee in connection with the operation of the Franchised Restaurant. Cajun, as it deems appropriate, shall provide to Franchisee its knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, food and beverage preparation, sales promotion, service concepts and other areas. Cajun may provide these services through visits by Cajun's representatives to the Franchised Restaurant or Franchisee's offices, the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, electronic mail communications, website, or other communications.

**C. Periodic Inspections.** Cajun shall be permitted to inspect the Franchised Restaurant and its operations to assist Franchisee's operations and ensure compliance with the System, at such times or on such schedule as Cajun may determine. Cajun shall not be required to give prior notice to Franchisee of an inspection. If Franchisee fails an inspection, Cajun may require Franchisee to reimburse Cajun for all costs (both out-of-pocket and internal overhead) incurred by Cajun to conduct a follow-up inspection.

## **10. PERFORMANCE STANDARDS AND UNIFORMITY OF OPERATION**

In recognition of the mutual benefits that come from maintaining the reputation enjoyed by the System, Franchisee shall comply with all of the requirements of the System as set forth in the Manual or otherwise, and without limiting the generality of the foregoing, Franchisee shall comply with the following:

### **A. Standards, Specifications and Procedures**

**(1)** Franchisee shall operate the Franchised Restaurant in conformity with those uniform standards, specifications and procedures as Cajun may from time to time prescribe in the Manual or otherwise in writing, to ensure that quality, service and cleanliness are uniformly maintained and to refrain from any deviation from these standards and from otherwise operating the Franchised Restaurant in any manner which reflects adversely on Cajun's name, goodwill or Proprietary Marks.

**(2)** Franchisee shall maintain in sufficient supply and use only those ingredients, products, materials, supplies, and paper goods as conform to Cajun's standards and specifications, and to refrain from using non-conforming items without Cajun's prior consent.

**(3)** Franchisee shall sell or offer for sale only those products and menu items that: **(a)** have been expressly approved for sale in writing by Cajun; **(b)** meet Cajun's uniform standards of quality and quantity; and **(c)** have been prepared in accordance with Cajun's methods and techniques for product preparation. Franchisee shall refrain from selling any products and menu items that are not approved by Cajun or for which Cajun has withdrawn approval.

## **B. Approved Products, Equipment, Distributors and Suppliers**

**(1)** Franchisee shall purchase all ingredients, products, materials, supplies, and other items required in the operation of the Franchised Restaurant which are, or incorporate, trade secrets of Cajun, as designated by Cajun (“Trade Secret Products”), only from Cajun or from suppliers and distributors designated by Cajun.

**(2)** Upon 30 days’ prior notice that Cajun has designated or changed an exclusive beverage supplier or suppliers for any or all beverage products and equipment within the System (“Designated Beverage Products”), Franchisee shall purchase all such Designated Beverage Products solely from Cajun’s designated beverage supplier or suppliers.

**(3)** Franchisee shall purchase all ingredients, products, materials, supplies, paper goods, and other items required for the operation of the Franchised Restaurant, except Trade Secret Products and Designated Beverage Products, solely from suppliers and distributors who demonstrate, to the continuing reasonable satisfaction of Cajun, the ability to meet Cajun’s reasonable standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee’s needs promptly and reliably; and who have been approved in writing by Cajun and such approval has not thereafter been revoked.

**(4)** Franchisee shall use only the fixtures, furnishings, equipment (including, without limitation, fryers, grills, ovens, warmers, refrigerators, freezers, waste disposal units, dishwashers, and display cases) and signs (including digital menuboards) that Cajun has approved for Church’s Restaurants as meeting its specifications and standards for quality, design, appearance, function and performance. Cajun may change such specifications and standards from time to time in its discretion.

**(5)** If Franchisee desires to purchase any items (that Franchisee is not required to purchase from Cajun or a supplier designated by Cajun) from a supplier or distributor that Cajun has not previously approved, Franchisee shall submit to Cajun a request for approval, or shall request the supplier to seek approval. Cajun may require, as a condition of its approval, that its representatives be permitted to inspect the supplier’s or distributor’s facilities and that samples from the supplier or distributor be delivered, at Cajun’s option, either to Cajun or to an independent laboratory designated by Cajun for testing prior to granting approval. Franchisee or the supplier or distributor must pay a charge to Cajun not to exceed Cajun’s reasonable cost of inspection and the actual cost of testing. Cajun may reinspect the facilities and products of any such approved supplier from time to time and revoke its approval upon failure of such supplier or distributor to continue to meet Cajun’s criteria.

**(6)** Cajun shall establish uniform criteria for approving suppliers and distributors and shall make reasonable efforts to disseminate its standards and specifications to prospective suppliers of Franchisee upon the request of Franchisee. Notwithstanding the foregoing, Cajun may elect not to make available to prospective suppliers the standards and specifications for Trade Secret Products or such food formulas or equipment designs otherwise deemed by Cajun, in its sole discretion, to be confidential.

**(7)** If Cajun requires, Franchisee shall become and remain a member of a purchasing cooperative. Franchisee shall pay all reasonable membership fees assessed by any such cooperative.

**(8)** If Franchisee orders supplies through a purchasing system operated by Cajun, Cajun may charge a reasonable fee or surcharge for such services.

(9) Cajun and its affiliates disclaim all express or implied warranties concerning any approved or required goods, materials, equipment, software (including the equipment and software described in Section 10.C.) or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability. Franchisee acknowledges that Cajun and its affiliates may receive fees, commissions, royalties, volume discounts, rebates, or other consideration from approved suppliers based on sales to franchisees.

### **C. Point-of-Sale Systems, Hardware and Software**

(1) Franchisee shall procure and install such point-of-sale systems and equipment, data processing equipment, computer hardware, tablets, dedicated telephone and power lines, high speed Internet connections, secure firewall, WiFi, modems, printers and other computer-related accessory or peripheral equipment, with such software and programs as Cajun specifies from time to time in the Manual or otherwise, at Franchisee's expense. Franchisee grants to Cajun the right to retrieve any data and information from Franchisee's computers as Cajun, in its sole discretion, deems appropriate, including electronically polling the daily sales, menu mix and other data of the Franchised Restaurant.

(2) Franchisee shall at its sole expense: (a) use any proprietary software programs, system documentation manuals and other proprietary materials provided to Franchisee by Cajun in connection with the operation of the Franchised Restaurant; (b) input and maintain in Franchisee's computer such data and information as Cajun prescribes in the Manual, software programs, documentation or otherwise; and (c) purchase new or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices whenever Cajun adopts such new or upgraded programs, manuals and materials system-wide.

(3) Cajun may, in its sole discretion, require Franchisee to: (a) add memory, ports and other accessories or peripheral equipment or additional, new or substitute software to the original point-of-sale and computer system purchased by Franchisee; and (b) replace or upgrade the entire point-of-sale and computer system with a larger system capable of discharging the tasks and functions specified by Cajun. Franchisee acknowledges that point-of-sale and computer designs and functions change periodically and that Cajun may make substantial modifications to its specifications or require installation of entirely different systems during the Initial Term or any Renewal Term or upon renewal of this Agreement.

(4) Franchisee, at its own expense, shall keep its point-of-sale and computer system in good maintenance and repair and make additions, changes, modifications, substitutions and replacements to its point-of-sale and computer hardware, software, internet, wifi, telephone and power lines and other computer-related facilities as directed by Cajun and on the dates and within the times specified by Cajun in its sole discretion.

**D. Non-Cash Payment Systems.** Within a reasonable period of time following Cajun's request, Franchisee shall accept debit cards, credit cards, stored value gift cards or other non-cash systems specified by Cajun to enable customers to purchase authorized products and shall obtain all necessary hardware and/or software used in connection with these non-cash systems. Franchisee shall be solely responsible for ensuring that all credit card, debit card and similar systems used by Franchisee comply with Payment Card Industry Data Security Standards (PCI-DSS) and any similar standards applicable to payment card systems. Franchisee must provide Cajun annual proof of PCI-DSS Compliance via SAQ and QSA certification or via a third party. Franchisee is required to procure a P2Pe encrypted payment terminal for credit and debit payment transaction processing.

## **E. Inspections**

**(1)** Cajun or its designees shall have the right at any reasonable time and without prior notice to Franchisee to: **(a)** inspect the Franchised Location; **(b)** observe, photograph and videotape the operations of the Franchised Restaurant for such consecutive or intermittent periods as Cajun deems necessary; **(c)** remove samples of any food and beverage product, supplies, paper goods, materials or other products for testing and analysis (without paying for the samples); **(d)** interview personnel of the Franchised Restaurant; **(e)** interview customers of the Franchised Restaurant; and **(f)** inspect and copy any books, records and documents relating to the operation of the Franchised Restaurant or upon the request of Cajun or its designee, require Franchisee to send copies thereof to Cajun or its designee. Franchisee shall present to its customers those evaluation forms as are periodically prescribed by Cajun and shall participate and/or request its customers to participate in any surveys performed by or on behalf of Cajun as Cajun may direct.

**(2)** Franchisee shall cooperate with Cajun or its designee in connection with any such inspections, observations, videotaping, product removal and interviews. Franchisee shall immediately correct any deficiencies detected during these inspections (regardless of Franchisee's inventory), including, without limitation, ceasing further sale of unauthorized menu items and ceasing further use of any equipment, advertising materials or supplies that do not conform with the standards and requirements promulgated by Cajun from time to time. If the Franchised Restaurant fails to achieve a passing score on any inspection, Cajun may require the Operating Principal and any number of managers or employees of the Franchised Restaurant to attend and complete the MIT Program or other training at a CTR designated by Cajun. Franchisee shall pay a tuition charge as established by Cajun from time to time for this additional MIT Program or other training and the travel, living and other expenses incurred by Franchisee's employees while attending the MIT Program. If, after the completion of this additional MIT Program, the Franchised Restaurant fails to achieve a passing score on the next inspection, Cajun may terminate this Agreement pursuant to Section 18.A.

## **F. Upkeep of the Franchised Restaurant**

**(1)** Franchisee shall constantly maintain the Franchised Restaurant, including, but not limited to, all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all appropriate remodeling, redecorating, refurbishing and repairs. In addition, Franchisee shall promptly and diligently perform all necessary maintenance, repairs and replacements to the Franchised Restaurant as Cajun may prescribe from time to time including, but not limited to, periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor.

**(2)** At its sole cost and expense, Franchisee shall complete a full reimaging, renovation and refurbishment of the Franchised Restaurant ("Franchised Restaurant Renovation") to modernize and conform the Franchised Restaurant to the image of the System for new Church's Restaurants within the time frame required by Cajun. Cajun shall not require the Franchised Restaurant Renovation if there is less than 5 years remaining on the Initial Term (unless Franchisee plans to exercise its renewal option) or any Renewal Term. Cajun shall not require the Franchised Restaurant Renovation more often than once every 7 years (provided that if Franchisee completed its previous Franchised Restaurant Renovation after a system-wide deadline imposed by Cajun, then the 7-year period shall run from such deadline). The Franchised Restaurant Renovation may include changes to the building design, parking lot, landscaping, equipment, signs, interior and exterior décor items, fixtures, furnishings, trade dress, color scheme, presentation of the Proprietary Marks, supplies and other products and materials, to meet Cajun's then-current standards, specifications and design criteria for Church's Restaurants, including, without limitation,

such structural changes, remodeling and redecoration and such modifications to existing improvements as may be necessary to do so. Within 60 days after receipt of Cajun's notice regarding the required Franchised Restaurant Renovation, Franchisee shall prepare and complete at its sole expense drawings and plans for the renovation. Franchisee must submit these drawings and plans to Cajun, and Cajun must approve their use, prior to the commencement of work. Franchisee shall complete the Franchised Restaurant Renovation within the time reasonably specified by Cajun in its notice.

(3) Franchisee shall not make any material alterations to the Franchised Restaurant without Cajun's prior approval.

(4) Franchisee acknowledges and agrees that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of Church's Restaurants, to assist the Franchised Restaurant to compete effectively in the marketplace and to avoid deterioration or obsolescence of the operation of the Franchised Restaurant.

## **G. Operation of the Franchised Restaurant**

(1) Franchisee shall use the Franchised Location solely for the operation of the Franchised Restaurant and shall maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Franchised Restaurant at its maximum capacity and efficiency 7 days per week, 10:30 A.M. to 9:00 P.M., or such other particular days and hours set forth in the Manual or as Cajun otherwise prescribes in writing (subject to the requirements of applicable laws and licensing requirements).

(2) Franchisee shall immediately resolve any customer complaints regarding the quality of food or beverages, service and/or cleanliness of the Franchised Restaurant or any similar complaints. When any customer complaints cannot be immediately resolved, Franchisee shall use best efforts to resolve the customer complaints as soon as practical. If Cajun, in its sole discretion, determines that its intervention is necessary or desirable to protect the System or the goodwill associated with the System or if Cajun, in its sole discretion, believes that Franchisee has failed adequately to address or resolve any customer complaints, Cajun may, without Franchisee's consent, resolve any complaints and charge Franchisee an amount sufficient to cover Cajun's reasonable costs and expenses in resolving the customer complaints, which amount Franchisee shall pay Cajun immediately on demand.

## **H. Franchised Restaurant Management and Personnel**

(1) The Franchised Restaurant shall at all times be under the on-site supervision of the Operating Principal or a restaurant manager or leader who has completed the MIT Program. The Operating Principal shall remain active in overseeing the operations of the Franchised Restaurant, including, without limitation, regular, periodic visits to the Franchised Restaurant and sufficient communications with Cajun to ensure that the Franchised Restaurant's operations comply with the operating standards as promulgated by Cajun from time to time in the Manual or otherwise in written or oral communications.

(2) If Franchisee operates more than one franchised Church's Restaurant, Franchisee shall have a supervisor, which may be the Operating Principal, supervise and coordinate the operation of Franchisee's franchised Church's Restaurants on a full-time basis ("Supervisor"). In addition to the foregoing, Franchisee shall employ an additional full-time Supervisor upon the opening of Franchisee's ninth franchised Church's Restaurant and upon the opening of each successive eight franchised Church's Restaurants thereafter. Each Supervisor shall attend and successfully complete the MIT Program prior to assuming any supervisory responsibilities and shall meet such other standards as Cajun may reasonably

impose. No Supervisor shall have supervisory responsibilities for more than eight franchised Church's Restaurants.

**(3)** Franchisee shall hire all employees of the Franchised Restaurant and be exclusively responsible for the terms of their employment and compensation and for the proper training of such employees in the operation of the Franchised Restaurant, in human resources and customer relations.

**(4)** Franchisee shall, at Cajun's request, require all of its supervisory employees, as a condition of their employment, to execute an agreement prohibiting them, during the term of their employment or thereafter, from disclosing or using for the benefit of any person or entity any confidential information, trade secrets, knowledge, or know how concerning the System or methods of operation of the Franchised Restaurant which may be acquired as a result of their employment with Franchisee or other franchisees. Franchisee shall provide a copy of each such agreement to Cajun upon execution.

**(5)** Franchisee shall be responsible for ensuring that its employees act in a manner that meets the System standards.

**I. Signs and Logos.** Subject to applicable law and regulation, Franchisee shall prominently display in and upon the land and buildings of the Franchised Restaurant interior and exterior signs and logos using the names "Church's", "Church's Chicken" and "Church's Texas Chicken" without any prefix or suffix, and those other names, marks, advertising signs and logos of such nature, form, color, number, location and size, and containing that material as Cajun may from time to time direct. Franchisee shall not display in or upon the Franchised Location any sign, logo or advertising media of any kind that Cajun has not approved.

**J. Non-Restaurant Equipment.** Franchisee shall not permit at the Franchised Restaurant any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, automated teller machine (ATM) or any music, film or video device not authorized by Cajun.

## **K. Compliance with Laws and Good Business Practices**

**(1)** Franchisee shall secure and maintain in force in its name all required licenses, permits, certificates and other governmental authorizations relating to the operation of the Franchised Restaurant. Franchisee shall operate the Franchised Restaurant in compliance with all applicable laws and regulations, including, without limitation, all laws or regulations relating to the handling of food products, immigration and discrimination, occupational hazards and health insurance, employment laws, workers' compensation insurance, unemployment insurance, withholding and payment of federal and state income, social security, Medicare, sales and other taxes, and payment of sales taxes. All advertising and promotion by Franchisee shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee shall, in all dealings, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee shall refrain from any business or advertising practice that may be injurious to the goodwill associated with the Proprietary Marks or the business of Cajun or its affiliates, the System or other restaurants operated or franchised by Cajun or its affiliates.

**(2)** Franchisee shall notify Cajun in writing within 5 days after the commencement of: **(a)** any legal or judicial action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental authority, which may adversely affect the operation or financial condition of Franchisee or the Franchised Restaurant; or **(b)** of any notice of violation of any law, ordinance or regulation relating to health or sanitation at the Franchised Restaurant.

**L. Customer Satisfaction and Franchise Compliance Programs.** Franchisee shall participate in programs required from time to time by Cajun regarding customer satisfaction or Franchisee's compliance with the System, which may include (but are not limited to) a guest feedback hotline, guest survey programs, mystery shopping, or other programs as Cajun may require. Cajun shall share the results of these programs, as they pertain to the Franchised Restaurant, with Franchisee. Cajun shall have the right to set minimum score requirements for these programs that the Franchised Restaurant must meet. Franchisee shall pay for all costs related to the Franchised Restaurant associated with any such programs.

**M. Delivery and Catering Programs.** Franchisee shall participate in delivery and catering programs required from time to time by Cajun if such programs are available in the area surrounding the Franchised Restaurant ("Delivery and Catering Programs"). Such Delivery and Catering Programs may be offered by Cajun or a 3<sup>rd</sup> party (the "Delivery and Catering Company/Companies").

(1) To effectuate Franchisee's participation, if required by the Delivery and Catering Company/Companies, Franchisee agrees to execute a delivery agreement with the Delivery and Catering Company/Companies no later than 30 days after execution of this Agreement. If Cajun does not provide that agreement to Franchisee, then Franchisee will provide a copy of that agreement to Cajun.

(2) Pursuant to Franchisee's participation in the Delivery and Catering Programs, Franchisee hereby grants, and Cajun hereby accepts, an unlimited, irrevocable, perpetual, transferable, worldwide and royalty-free license to use the data regarding or arising from Franchisee's participation in the Delivery and Catering Programs ("Data License"). Franchisee shall provide a copy of this Data License to the Delivery and Catering Company/Companies and shall ensure that the Delivery and Catering Company/Companies provide reporting to Cajun in the form and frequency as Cajun may require.

(3) Franchisee agrees to adhere to the 3rd Party Delivery Program standards and specifications as required by Cajun and communicated to Franchisee verbally or in writing (the "3rd Party Delivery Program Standards").

(4) Franchisee agree to indemnify and hold Cajun harmless for any claims, causes of action, complaints or demands arising from, in connection with or in consequence of the 3rd Party Delivery Program, the Franchisee's Delivery Program Agreement, the 3rd Party Delivery Program Standards or this Consent and Franchisee 3rd Party Delivery Agreement in accordance with the indemnification provision of the Franchise Agreement(s).

**N. Internet-Based Customer Ordering Programs.** Franchisee shall participate in any internet-based customer ordering program required from time to time by Cajun if such programs are available in the area surrounding the Franchised Restaurant ("Order Ahead, Pay Ahead Programs"). Such Order Ahead, Pay Ahead Programs may require orders to be fulfilled by the Delivery and Catering Company/Companies.

**O. Digital and Technology Platforms.** Franchisee is required to participate in Cajun's integrated digital and technology platforms that are part of Cajun's loyalty program, which connect various platforms to enhance customer experiences with ordering, product pick up, and store level management ("Digital Initiative"). Franchisee shall pay to Cajun the then-current costs ("Digital Fee") as and when required by Cajun for the Digital Initiative, which may adjust upward or downward if the costs of the Digital Initiative increase or decrease. Cajun can change the components of the Digital Initiative at any time and require Franchisee to participate in such modified components.

## 11. PROPRIETARY MARKS

**A.** The term “Proprietary Marks” means all words, symbols, insignia, devices, designs, trademarks, trade names, service marks or combinations thereof, designated by Cajun as identifying the System and the products sold and services provided in connection with the System. Cajun shall, from time to time, advise Franchisee as to any additions or deletions to the Proprietary Marks and Franchisee’s right to use the Proprietary Marks shall be deemed modified by those additions or deletions.

**B.** Franchisee’s right to use the Proprietary Marks under this Agreement is limited to its use of the Proprietary Marks in the operation of the Franchised Restaurant at the Franchised Location and as expressly provided in this Agreement and the Manual. Franchisee shall not use the Proprietary Marks on any vehicles without Cajun’s prior approval. Franchisee shall not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by Cajun or in any corporate, limited liability company or partnership name and shall not use any other trade names, service marks or trademarks in conjunction with the Franchised Restaurant. If local laws or ordinances require that Franchisee file an affidavit of doing business under an assumed name or otherwise make a filing indicating that the Proprietary Marks are being used as a fictitious or assumed name, Franchisee shall include in such filing or application an indication that the filing is made “as a franchisee of Cajun Global LLC”. Franchisee shall use the symbol <sup>®</sup> with all registered Proprietary Marks and the symbol <sup>™</sup> with all pending registrations or other marks.

**C.** Franchisee shall not use the Proprietary Marks or any variations of the Proprietary Marks as part of any Internet domain name, electronic mail address, social networking profile, directory listing, screen name, blog, vlog, email account or other electronic identifier or in the operation of any Internet web site without Cajun’s prior consent. Cajun may grant or withhold its consent in its sole discretion and may condition its consent on such requirements as Cajun deems appropriate, including, among other things, that Franchisee obtain Cajun’s prior approval of: **(1)** any and all Internet domain names and home page addresses related to the Franchised Restaurant; **(2)** the proposed form and content (including any visible and non-visible content such as meta-tags) of any web site related to the Franchised Restaurant; **(3)** Franchisee’s use of any hyperlinks or other links; **(4)** Franchisee’s use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and **(5)** any proposed modification of Franchisee’s web site. Cajun may designate the form and content of Franchisee’s web site and/or require that Cajun, or a third party designated by Cajun, host any such web site, using one or more web sites that Cajun owns and/or controls. In addition, Cajun may require Franchisee to establish hyperlinks to Cajun’s web site or another web site designated by Cajun. Cajun may charge Franchisee a fee for developing, reviewing and approving Franchisee’s web site and/or for hosting the web site.

**D.** If Cajun should elect to use a principal name other than “Church’s”, “Church’s Chicken” or “Church’s Texas Chicken” to identify the System, Cajun may select another name and notify Franchisee to change all or some items bearing the Proprietary Marks to the new name within a reasonable period of time as determined by Cajun without any liability to Franchisee, and Franchisee promptly shall adopt that name. Franchisee agrees that: **(1)** nothing in this Agreement gives it any right, title or interest in the Proprietary Marks (except the right to use the Proprietary Marks in accordance with the terms of this Agreement); **(2)** the Proprietary Marks are the sole property of Cajun’s affiliate, Cajun Funding; **(3)** Franchisee shall not directly or indirectly contest the validity or ownership of the Proprietary Marks or the right of Cajun Funding and Cajun to license the Proprietary Marks; and **(4)** any and all uses by Franchisee of the Proprietary Marks and the goodwill arising therefrom shall inure exclusively to the benefit of Cajun Funding, Cajun and their affiliates. Franchisee will not seek to register, reregister, assert claim to ownership of, license or allow others to use, or otherwise appropriate to itself any of the Proprietary Marks or any mark or name confusingly similar thereto, or the goodwill symbolized by any of the foregoing except to the

extent this action inures to the benefit of, and has the prior approval of, Cajun. Any unauthorized use of the Proprietary Marks by Franchisee or attempt by Franchisee, directly or indirectly, to register the Proprietary Marks in any jurisdiction shall constitute a breach of this Agreement and an infringement of the rights of Cajun Funding and Cajun in and to the Proprietary Marks.

**E.** Franchisee promptly shall inform Cajun in writing as to any infringement of the Proprietary Marks of which Franchisee has knowledge. Franchisee shall not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement without Cajun's approval. Cajun shall have the right, but not the obligation, to bring such action or take such steps as it may deem advisable to prevent any such infringement and to join Franchisee as a party to any action in which Cajun is or may be a party and as to which Franchisee is or would be a necessary or proper party. Franchisee also shall promptly notify Cajun of any litigation or proceeding of which Franchisee is aware instituted against Cajun Funding, Cajun, their affiliates or Franchisee relating to the Proprietary Marks. Franchisee shall execute any and all instruments and documents, render such other assistance and do any acts and things as may, in Cajun's opinion, be necessary or advisable to protect and maintain the interests of Cajun Funding and Cajun in the Proprietary Marks, including, without limitation, their interests in litigation or proceedings before the U.S. Patent and Trademark Office, any court, tribunal or other regulatory agency relating to the Proprietary Marks.

**F.** Franchisee shall post, in a conspicuous location in or upon the Franchised Restaurant, a sign containing the following notice (or similar language specified by Cajun):

"This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark "**CHURCH'S**", which trademark is owned by Cajun Funding Corp."

In addition, Franchisee shall include such notice (or similar language specified by Cajun) in all written materials related to the Franchised Restaurant which are not solely for internal use (including, without limitation, on advertising, promotional materials, invoices, order forms, receipts, letterhead, and business cards).

## **12. INSURANCE**

Insurance Program. Franchisee, and not Cajun, shall be responsible for all loss or damage arising from or related to Franchisee's development and operation of the Franchised Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Restaurant. Franchisee shall maintain in full force and effect that insurance which Franchisee determines is necessary or appropriate for liabilities caused by or occurring in connection with the development and operation of the Franchised Restaurant, which shall include, at a minimum, insurance policies of the kinds, and in the amounts required by Section 12.B. Franchisee shall cause Cajun, Cajun Operating Company, Cajun Holdco LLC, Church's Holding Corp., Cajun Restaurants LLC, Cajun Realty LLC, Cajun Funding Corp., and any additional entity with an insurable interest designated by Cajun to be named as additional insureds on all policies except workers compensation.

**A.** any entity with an insurable interest designated by Cajun to be named as an additional insured on all policies except workers compensation to the extent each has an insurable interest.

**B. Minimum Insurance Requirements.** Franchisee shall obtain all insurance policies from an insurance company or companies satisfactory to Cajun in compliance with the standards, specifications, coverages and limits set forth in the Manual or otherwise provided to Franchisee in writing. Cajun may

reasonably increase the minimum coverage required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances. Franchisee shall receive notice of such modifications and shall take prompt action to secure the additional coverage or higher policy limits. These policies shall include, at a minimum, the following:

(1) Comprehensive or Commercial General Liability Insurance including coverage for bodily injury, personal injury, contractual liability, advertising injury, fire damage, medical expenses, death and property damage, including Premises and Operations, independent contractors, blanket contractual liability, broad form property damage, products and completed operations and property damage on an occurrence basis with policy limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate (except for fire damage and medical expense coverages, which may have limits of not less than \$50,000 for one fire and \$5,000 for one person, respectively) or split liability limits of \$1,000,000 for bodily injury per person; \$1,000,000 for bodily injury per occurrence; and \$500,000 for property damage.

(2) Comprehensive Automobile Liability Insurance, if applicable, covering owned, non-owned and hired vehicles with limits as follows: combined single limit of \$500,000 for bodily injury, death and property damage per occurrence; or split liability limits of \$500,000 for bodily injury per person; \$500,000 for bodily injury per occurrence; and \$250,000 for property damage.

(3) All Risk Property Insurance, written on an "All Risks" policy for fire and related peril (including floods and earthquakes where applicable) with limits of insurance of not less than the full replacement value of the Franchised Restaurant, and its furniture, fixtures, equipment, inventory and other tangible property on Special Form with no co-insurance. If the Franchised Location is in an area prone to geological phenomena, including, but not limited to, wind, sinkholes, mine subsidence, earthquakes, hurricanes, tornadoes, or floods, the all-risk property insurance shall cover such risks.

(4) Workers' Compensation and such other insurance as may be required by statute or rule of the state or locality in which the Franchised Restaurant is located, including unemployment compensation insurance, disability insurance and other mandatory insurance, in such coverages as the Law may now or later require. Employers Liability in an amount not less than \$1,000,000 per accident for bodily injury, \$1,000,000 policy limit by disease and \$1,000,000 per employee for bodily injury by disease, or as may be legally required, whichever is greater. The policy cannot include an exclusion for any employee, owner, sole proprietor, member or officer. This coverage shall also be in effect for all of Franchisee's employees who participate in any of Church's training programs.

(5) Builder's All Risk Insurance in connection with any construction, renovation, refurbishment or remodeling of the Franchised Restaurant. In connection with new construction or substantial renovation, refurbishment or remodeling of the Franchised Restaurant, Franchisee shall maintain performance and completion bonds in forms and amounts, and written by carrier(s), reasonably satisfactory to Cajun.

(6) Business Interruption Insurance of not less than \$25,000 per month and must cover at least Franchisee's obligations with respect to leases, royalties, advertising fund obligations, fixed costs, and other recurring expenses with a limit of not less than six (6) months of business interruption loss.

(7) Employment Practice Liability Insurance containing third party endorsement of not less than \$1,000,000 per occurrence and aggregate.

(8) Cyber Liability Insurance with an insuring agreement for multimedia liability coverage of not less than \$1,000,000 per occurrence and aggregate.

**C. General Insurance Requirements.** The following general requirements shall apply to each insurance policy that Franchisee is required to maintain under this Agreement:

(1) Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory. The applicable limits of each insurance policy shall be exhausted before any benefits (defense or indemnity) may be obtained under any other insurance (including self-insurance) providing coverage to Cajun. In the event payments are required to be made under Cajun's own insurance policies or self-insurance (whether for defense or indemnity) before the applicable coverage limits for the insurance policies obtained by Franchisee are exhausted, Franchisee agrees to reimburse, hold harmless and indemnify Cajun and its insurers for such payments. Franchisee shall notify its insurers of this Agreement and shall use best efforts to obtain an endorsement on each policy it obtains pursuant to Section 12.B., stating as follows:

The applicable limits of this policy shall be applied and exhausted before any benefits may be obtained (whether for defense or indemnity) under any other insurance (including self-insurance) that may provide coverage to Cajun. All insurance coverage obtained by Cajun shall be considered excess insurance with respect to this policy, the benefits of which excess insurance shall not be available until the applicable limits of this policy are exhausted.

(2) No insurance policy shall contain a provision that in any way limits or reduces coverage for Franchisee in the event of a claim by Cajun or its affiliates.

(3) Each insurance policy shall extend to, and provide indemnity for, all obligations and liabilities of Franchisee to third parties and all other items for which Franchisee is required to indemnify Cajun under this Agreement.

(4) Each insurance policy shall be written by an insurance company that has received and maintains an "A" or better rating by the latest edition of Best's Insurance Rating Service.

(5) No insurance policy shall provide for a deductible amount that exceeds \$5,000, unless otherwise approved in writing by Cajun, and Franchisee's co-insurance under any insurance policy shall be 80% or greater.

(6) All liability insurance policies shall be written on an "occurrence" policy form. Franchisee shall be responsible for payment of any and all deductibles from insured claims under its insurance policies. Franchisee shall not self-insure any of the insurance coverages required by this Agreement or non-subscribe to any state's applicable workmen's compensation laws without the prior written consent of Cajun.

**D. No Limitation on Coverage.** Franchisee's obligation to obtain and maintain the insurance policies in the minimum amounts specified by Cajun shall not be limited in any way by reason of any insurance which may be maintained by Cajun, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 22 of this Agreement.

**E. Issuance of Insurance.** Franchisee shall obtain the insurance required by this Agreement no later than 15 days before the date on which the construction of the Franchised Restaurant is commenced. Franchisee shall not open the Franchised Restaurant for business prior to Cajun's receipt of satisfactory evidence that all insurance required by this Agreement is in effect. Upon obtaining such insurance and on each policy renewal date thereafter, Franchisee shall submit evidence of satisfactory insurance and proof

of payment for such insurance to Cajun. At least once per year, Franchisee shall submit to Cajun a copy of its current year insurance certificate. Franchisee shall use its best efforts to coordinate the policy effective dates for the required coverage for all franchised Church's Restaurants operated by Franchisee to have one similar policy period. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior notice to Cajun. Upon request, Franchisee also shall provide to Cajun copies of all policies, policy amendments and riders. No failure of Cajun to request such evidence of satisfactory insurance and proof of payment or copies of any policies shall constitute a waiver of Cajun's right to demand exact compliance by Franchisee to comply with, or Franchisee's obligations under, this Section.

**F. No Representations.** Franchisee acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by Cajun that only such policies, in such amounts, are necessary or adequate to protect Franchisee from losses in connection with its business under this Agreement. Franchisee further acknowledges that the insurance requirements contained in this Agreement shall not be construed as a limitation of Franchisee's liability to Cajun or any third party arising from Franchisee's development and operation of the Franchised Restaurant. Maintenance of this insurance and the performance by Franchisee of its obligations under this Section shall not relieve Franchisee of liability under the indemnification provisions of this Agreement.

**G. Procurement of Insurance by Cajun.** Should Franchisee, for any reason, fail to procure or maintain at least the insurance required by this Section, as revised from time to time pursuant to the Manual or otherwise in writing, Cajun shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Franchisee. Franchisee shall reimburse Cajun for all out-of-pocket costs incurred by Cajun in obtaining such insurance on behalf of Franchisee immediately upon Franchisee's receipt of an invoice therefor.

## **13. ORGANIZATION OF FRANCHISEE**

### **A. Representations.**

(1) If Franchisee is a legal entity such as a corporation, limited liability company or a partnership, Franchisee represents and warrants to Cajun that: (a) Franchisee is duly organized or incorporated and validly existing under the laws of the state of its formation; (b) it is qualified to do business in the state in which the Franchised Restaurant is located; (c) execution of this Agreement and the development and operation of the Franchised Restaurant is permitted by its governing documents; and (d) unless waived in writing by Cajun, Franchisee's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that the activities of Franchisee are limited exclusively to the development and operation of Church's Restaurants and other restaurants operated by Franchisee that are franchised by Cajun or its affiliates.

(2) If Franchisee is an individual, or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally liable for, the timely and complete performance and any breach of each and every provision of this Agreement; and (c) notwithstanding any Transfer for convenience of ownership pursuant to Section 15.F., each individual shall continue to be jointly and severally bound by, and personally liable for, the timely and complete performance and any breach of each and every provision of this Agreement.

**B. Governing Documents.** If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder

agreements, including buy/sell agreements, have been furnished to Cajun. If Franchisee is a limited liability company, copies of Franchisee's Articles of Organization, Operating Agreement, other governing documents and any amendments, including the resolution of the members or managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to Cajun. If Franchisee is a partnership, copies of Franchisee's written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners have been furnished to Cajun, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by Franchisee's written partnership agreement. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to Cajun.

**C. Ownership Interests.** If Franchisee is a corporation, a limited liability company or a partnership, all interests in Franchisee are owned as set forth in attached Schedule 2. In addition, if Franchisee is a corporation, Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Franchisee is a limited liability company, Franchisee shall maintain a current list of all members (and the percentage membership interest of each member). If Franchisee is a partnership, Franchisee shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Franchisee shall comply with Section 15 prior to any change in ownership interests and shall execute addenda to Schedule 2 as changes occur in order to ensure the information contained in Schedule 2 is true, accurate and complete at all times.

**D. Restrictive Legend.** If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Church's Texas Chicken Franchise Agreement(s) to which the corporation is a party." If Franchisee is a publicly-held corporation, these requirements shall apply only to the stock owned by Franchisee's Continuity Group (as defined in Section 13.E.). If Franchisee is a limited liability company, each membership or management certificate or other evidence of interest in Franchisee shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Church's Texas Chicken Franchise Agreement(s) to which the limited liability company is a party." If Franchisee is a partnership, its written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

**E. Continuity Group.** Schedule 2 lists those persons and/or entities that Cajun and Franchisee have designated as Franchisee's "Continuity Group." In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, Franchisee shall execute addenda to Schedule 2 to reflect the change. The Continuity Group shall at all times own at least 51% of the voting securities of Franchisee (or if Franchisee is a partnership, the Continuity Group shall at all times have at least a 51% interest in the operating profits and losses and at least a 51% ownership interest in Franchisee).

**F. Guarantees.**

**(1)** All members of the Continuity Group shall jointly and severally guarantee Franchisee's payment and performance under this Agreement and shall bind themselves to the terms of this Agreement pursuant to a Guaranty in the form prescribed by Cajun ("Guaranty"). Unless Franchisee is a publicly-held entity, all holders of a legal or beneficial interest in Franchisee of 5% or more of the equity of Franchisee ("5% Owners") also shall jointly and severally guarantee Franchisee's payment and

performance under this Agreement and also shall bind themselves to the terms of this Agreement pursuant to the Guaranty. Notwithstanding the foregoing, Cajun reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals execute the Guaranty. Cajun reserves the right to require any guarantor to provide personal financial statements to Cajun from time to time.

(2) With respect to 5% Owners, Franchisee acknowledges that, unless otherwise agreed to in writing by Cajun, it is Cajun's intent to have individuals (and not corporations, limited liability companies or other entities) execute the Guaranty. Accordingly, if any 5% Owner is not an individual, Cajun shall have the right to have the Guaranty executed by individuals who have only an indirect ownership interest in Franchisee.

(3) If Franchisee, any guarantor or any parent, subsidiary or affiliate of Franchisee holds any interest in other restaurants that are franchised by Cajun or its affiliates, the party who owns that interest shall execute, concurrently with this Agreement, a form of cross-guarantee to Cajun and its affiliates for the payment of all obligations for such restaurants, unless waived in writing by Cajun in its sole discretion.

**G. Operating Principal.** Franchisee shall designate and retain an individual to serve as the “Operating Principal.” The Operating Principal as of the date of this Agreement is identified in Schedule 2. Unless waived in writing by Cajun, the Operating Principal shall meet all of the following qualifications:

(1) The Operating Principal, at all times, shall have at least a 10% equity ownership interest in Franchisee (unless Franchisee is a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity).

(2) The Operating Principal, at all times, shall be a member of the Continuity Group and, at a minimum, have full control over the day-to-day activities, including operations, of the Franchised Restaurant and those other restaurants (that are franchised by Cajun or its affiliates) operated by Franchisee in the same geographic area as the Franchised Restaurant, including control over the standards of operation and financial performance.

(3) The Operating Principal shall devote full-time and best efforts to supervising the operation of the Franchised Restaurant and those other restaurants (that are franchised by Cajun or its affiliates) operated by Franchisee in the same geographic area as the Franchised Restaurant and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(4) The Operating Principal shall maintain his or her primary residence within a reasonable driving distance of at least one of Franchisee's franchised Church's Restaurants.

(5) The Operating Principal shall successfully complete the NFOP (if it has not previously done so) and the MIT Program and any additional training required by Cajun.

(6) Cajun shall have approved the Operating Principal and not have later withdrawn that approval.

(7) If the Operating Principal no longer qualifies as such, Franchisee shall designate another qualified person to serve as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. Franchisee's designee to become the Operating Principal must successfully complete the MIT Program and the NFOP. Following Cajun's approval of a new Operating Principal, that person shall execute the attached form of Guaranty unless waived by Cajun in its sole discretion.

## **14. TRANSFERS BY CAJUN**

Cajun shall have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of its rights and obligations under this Agreement to any person or entity and to undergo a change in ownership and control, without the consent of Franchisee.

## **15. TRANSFERS BY FRANCHISEE**

### **A. Cajun's Prior Approval Required**

(1) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Cajun has entered into this Agreement in reliance on Franchisee's (and Operating Principal's) business skill, financial capacity, personal character, experience and demonstrated or purported ability in developing and operating high quality foodservice operations. Accordingly, neither Franchisee nor any person or entity which directly or indirectly controls Franchisee shall sell, assign, transfer, convey, or give away any interest in Franchisee, this Agreement, the Franchised Restaurant, the assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to Franchisee's operations under this Agreement (collectively "Transfer") without the prior consent of Cajun.

(2) Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having the prior consent of Cajun shall be null and void.

(3) If Franchisee engages in a Transfer without the prior written consent of Cajun, and Cajun nonetheless accepts the purported transferee as a franchisee, then Franchisee shall pay Cajun for an unauthorized Transfer fee equal to \$25,000.

**B. Conditions to Approval of Transfer and Transferee.** Franchisee shall advise Cajun in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, and submit a copy of all contracts, agreements or proposals, and all other information requested by Cajun relating to the proposed Transfer. If Cajun does not exercise its right of first refusal as described in Section 15.I., the decision as to whether or not to approve a proposed Transfer shall be made by Cajun in its sole discretion and may include numerous factors deemed relevant by Cajun. These factors may include, but will not be limited to, the following:

(1) The proposed transferee (and if the proposed transferee is other than an individual, such owners of an interest in the transferee as Cajun may request) must demonstrate that it has extensive experience in high quality restaurant operations of a character and complexity similar to the restaurants franchised by Cajun or its affiliates; meets the managerial, operational, experience, quality, character and business standards for a franchisee promulgated by Cajun from time to time; possesses a good character, business reputation and credit rating; has an organization whose management culture is compatible with Cajun's management culture; and has adequate financial resources and working capital to meet Franchisee's obligations under this Agreement.

(2) All of Franchisee's accrued monetary obligations to Cajun and its affiliates (whether arising under this Agreement or otherwise) have been satisfied, and all of Franchisee's outstanding obligations related to the Franchised Restaurant (including, but not limited to, bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in the reasonable judgment of Cajun, adequately provided for. Cajun reserves the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied.

(3) Franchisee is not then in material default of any provision of this Agreement or any other agreement between Franchisee and Cajun or its affiliates and is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant.

(4) Unless waived by Cajun in its sole discretion, the transferee and those employees of the transferee designated by Cajun shall complete the NFOP (if it has not previously done so), the MIT Program, and any additional training programs required by Cajun.

(5) If the Franchised Restaurant has not been remodeled in accordance with Section 10.F.(2) within 7 years before the date of Transfer, the transferee shall make, or make arrangements to make, the capital expenditures required to renovate and modernize the Franchised Restaurant to conform to the interior and exterior designs, décor, color schemes, furnishings and equipment and presentation of the Proprietary Marks consistent with the image of the System for new Church's Restaurants at the time of the Transfer, including such structural changes, remodeling, redecoration and modifications to existing improvements as may be necessary to do so. Cajun may require that the transferee place funds into escrow and execute a separate agreement with Cajun setting forth a timeline to complete such remodeling.

(6) Franchisee shall perform all deferred repair and maintenance work ("R&M") on the Franchised Restaurant prior to the Transfer or transferee shall agree to perform all R&M within a period of time after closing specified by Cajun.

(7) Unless waived by Cajun in its sole discretion, Franchisee shall provide such financial and other information as Cajun may request regarding Franchisee and the Franchised Restaurant, and if requested by Cajun, Franchisee at its own expense shall engage a contractor designated by Cajun to conduct a valuation of Franchisee and the Franchised Restaurant.

**C. Conditions to Obtaining Cajun's Consent to Complete Transfer.** If Cajun approves a proposed Transfer, prior to the Transfer becoming effective:

(1) Franchisee shall pay Cajun a nonrefundable Transfer fee in the amount of \$10,000 in connection with Cajun's review of the Transfer application.

(2) At Cajun's election, either (a) Franchisee and the proposed transferee shall execute an assignment of this Agreement; or (b) the proposed transferee shall execute Cajun's then-current standard form of franchise agreement (which may contain new or different terms than this Agreement) for an initial term corresponding to the number of years remaining under this Agreement at the time of the Transfer. In either event, a guaranty of the type required by Section 13.F. shall be executed by those individuals identified in Section 13.F. If transferee wishes to extend the term beyond the number of years remaining under this Agreement at the time of the Transfer, transferee shall pay the *pro rata* portion of the then-current Initial Franchise Fee corresponding to the number of additional years purchased.

(3) Cajun may, in its sole discretion, require the proposed transferee to agree to develop at least two additional franchised Church's Restaurants pursuant to Cajun's then-current form of Development Agreement and pay Cajun's then-current development fees.

(4) Franchisee, all individuals who executed this Agreement and all guarantors of Franchisee's obligations must execute a general release and a covenant not to sue, in a form satisfactory to Cajun, of any and all Claims (as defined in Section 16) against Cajun and its affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, including, without limitation, Claims arising under federal, state and local laws, rules and

ordinances, and including, without limitation, Claims arising out of, or relating to, this Agreement or any other agreements between Franchisee and Cajun.

**(5)** Franchisee and all guarantors of Franchisee's obligations shall, at Cajun's request, execute a guaranty pursuant to which Franchisee and such guarantors shall remain liable for all obligations to Cajun incurred before the date of the Transfer and for all obligations of the transferee to Cajun and its affiliates for a period of 1 year following such Transfer.

**(6)** Franchisee and all guarantors of Franchisee's obligations shall acknowledge and agree that they remain obligated under the applicable covenants contained in Section 17 of this Agreement as if this Agreement had been terminated on the date of the Transfer.

**D. Issuance or Exercise of Stock Options.** Notwithstanding the provisions of Section 15.B., the issuance of options or the exercise of options pursuant to a qualified stock option plan or a qualified employee stock ownership plan shall not be considered a Transfer and shall not require the prior approval of Cajun, provided that no more than a total of 49% of Franchisee's outstanding voting securities are subject to the qualified stock option plan or qualified employee stock ownership plan.

**E. Transfers of Minority Interest.** Notwithstanding the provisions of Section 15.A. and 15.B., a Minority Interest Transfer shall also require Cajun's advance written consent. A "Minority Interest Transfer" is a Transfer in which:

**(a)** A minority percentage of ownership interests in Franchisee is transferred such that after the transfer, the Continuity Group still owns at least 51% of Franchisee's voting securities (or if Franchisee is a partnership, the Continuity Group owns at least a 51% interest in the operating profits and losses of a partnership Franchisee as well as at least a 51% ownership interest in a partnership Franchisee); or

**(b)** Ownership interests in Franchisee are transferred following the death or permanent disability of a person with an ownership interest in Franchisee, provided that the transfer is to the parent, sibling, spouse or children of that person or to a member of the Continuity Group. Such Minority Interest Transfer shall be completed within a reasonable time, not to exceed 6 months from the date of death or permanent disability. Failure to complete the Minority Interest Transfer within this period of time will constitute a breach and default of this Agreement. A person shall be deemed to have a "permanent disability" if his or her personal, active participation in the development and operation of the Franchised Restaurant is for any reason curtailed for a continuous period of 6 months.

The decision as to whether or not to approve a proposed Minority Interest Transfer shall be made by Cajun in its sole discretion and may include numerous factors deemed relevant by Cajun. These factors may include, but will not be limited to, the following:

**(1)** The Minority Interest Transfer is not undertaken to circumvent a Transfer request that Cajun rejected under this Section 15.

**(2)** Franchisee must give Cajun advance notice and submit a copy of all proposed contracts and other information concerning the Minority Interest Transfer Cajun requests.

**(3)** The proposed transferee (and if the proposed transferee is other than an individual, such owners of an interest in the transferee as Cajun may request) must demonstrate that it possesses a good character, business reputation and credit rating.

(4) All of Franchisee's accrued monetary obligations to Cajun and its affiliates (whether arising under this Agreement or otherwise) have been satisfied, and all of Franchisee's outstanding obligations related to the Franchised Restaurant (including, but not limited to, bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in the reasonable judgment of Cajun, adequately provided for. Cajun reserves the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied.

(5) Franchisee is not then in material default of any provision of this Agreement or any other agreement between Franchisee and Cajun or its affiliates and is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant.

(6) Franchisee, all individuals who executed this Agreement and all guarantors of Franchisee's obligations must execute a general release and a covenant not to sue, in a form satisfactory to Cajun, of any and all Claims (as defined in Section 16) against Cajun and its affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, including, without limitation, Claims arising under federal, state and local laws, rules and ordinances, and including, without limitation, Claims arising out of, or relating to, this Agreement or any other agreements between Franchisee and Cajun.

(7) Franchisee and all guarantors of Franchisee's obligations shall, at Cajun's request, execute a guaranty pursuant to which Franchisee and such guarantors shall remain liable for all obligations to Cajun incurred before the date of the Minority Transfer and for all obligations of the transferee to Cajun and its affiliates for a period of 1 year following such Minority Transfer.

(8) Franchisee and all guarantors of Franchisee's obligations shall acknowledge and agree that they remain obligated under the applicable covenants contained in Section 17 of this Agreement as if this Agreement had been terminated on the date of the Transfer.

**F. Transfers for Convenience of Ownership.** If Franchisee is an individual or a partnership and desires to Transfer this Agreement to a corporation (or limited liability company) formed for the convenience of ownership, the requirements of this Section 15 shall apply to such a Transfer; however, Franchisee will not be required to pay a Transfer fee. Cajun's approval also will be conditioned on the following: (1) the corporation (or limited liability company) must be newly organized; (2) prior to the Transfer, Cajun must receive a copy of the documents specified in Section 13.B. and the transferee shall comply with the remaining provisions of Section 13; and (3) Franchisee must own all voting securities of the corporation (or membership interests of the limited liability company) or if Franchisee is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as they had in this Agreement prior to the Transfer.

**G. Grant of Security Interest.** Franchisee shall not grant any security interest in the Franchised Restaurant, the Franchised Location, or the assets of Franchisee without Cajun's prior approval, which will not be unreasonably withheld.

**H. Offerings by Franchisee.** Securities in Franchisee may be sold, by private or public offering, only with Cajun's prior consent (whether or not Cajun's consent is required under any other provision of this Section), which consent shall not be unreasonably withheld. In addition to the requirements of Section 15.B., prior to the time that any public offering or private placement of securities in Franchisee is made available to potential investors, Franchisee, at its expense, shall deliver to Cajun a copy of the offering documents. Franchisee, at its expense, also shall deliver to Cajun an opinion of Franchisee's legal counsel (addressed to Cajun and in a form acceptable to Cajun) that the offering documents properly use

the Proprietary Marks and accurately describe Franchisee's relationship with Cajun and/or its affiliates. For each proposed offering, Franchisee shall pay Cajun a non-refundable fee in the amount of \$10,000 or such greater amount as is necessary to reimburse Cajun for its reasonable costs and expenses associated with reviewing the proposed offering, including, but not limited to, legal and accounting fees. The indemnification provisions of Section 22 shall also include any losses or expenses incurred by Cajun and/or its affiliates in connection with any statements made by or on behalf of Franchisee in any public offering or private placement of Franchisee's securities.

## **I. Right of First Refusal**

**(1)** If any party holding any interest in Franchisee or in this Agreement receives a bona fide offer (as determined by Cajun in its reasonable discretion) from a third party or otherwise desires to undertake any Transfer that would require Cajun's approval (other than a sale of ownership interests in Franchisee to a spouse, parent, child or sibling), within 10 days after receipt of such offer or decision to undertake such proposed Transfer, the party shall notify Cajun in writing of the terms of the proposed Transfer, and shall provide such information and documentation relating to the proposed Transfer as Cajun may reasonably require. Cajun or its designee may elect to purchase the interest that the seller proposes to Transfer any time within 30 days after receipt of notification and all documents and other information required by Section 15.B., by sending written notice to the seller that Cajun or its designee intends to purchase the seller's interest on the same financial terms and conditions offered by the third party. If the Transfer involves more than one franchised Church's Restaurant, Cajun may elect to purchase all or less than all of the franchised Church's Restaurants so transferred. If Cajun elects to purchase the interest, closing on the sale of such interest shall occur within 60 days from the date of Cajun's notice to the seller of the interest. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Cajun as in the case of an initial offer. In purchasing the interest, Cajun or its designee shall be entitled to set off any monies owed to Cajun or its affiliates by Franchisee and Cajun or its designee shall be entitled to all customary representations and warranties as to: **(a)** ownership, condition and title; **(b)** liens and encumbrances; **(c)** compliance with environmental laws; and **(d)** validity of contracts inuring to the purchaser or affecting the assets, whether contingent or otherwise.

**(2)** If the offer to Franchisee involves assets in addition to this Agreement, the Franchised Location and the Franchised Restaurant, Franchisee's notice to Cajun shall state the cash value of that portion of the offer received by Franchisee relating to this Agreement, the Franchised Location, and the Franchised Restaurant. If the proposed Transfer provides for payment of consideration other than cash or it involves intangible benefits, Cajun or its designee may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties are unable to agree within 30 days on the reasonable equivalent in cash of the non-cash part of the offer received by Franchisee or the cash value of that portion of the offer received by Franchisee relating to this Agreement, the Franchised Location, and the Franchised Restaurant, the amount shall be determined by two professionally certified appraisers, Franchisee selecting one and Cajun or its designee selecting one. If the amounts set by the two appraisers differ by more than 10%, the two appraisers shall select a third professionally certified appraiser who also shall determine the amount. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and Cajun or its designee may exercise its right of first refusal within 30 days after being advised in writing of the decision of the appraisers. The parties shall share the cost of the appraisers equally.

**(3)** Cajun's failure to exercise its right of first refusal shall not constitute approval of the proposed Transfer nor a waiver of any other provision of this Section 15 with respect to a proposed Transfer. Cajun shall again be given a right of first refusal if a transaction does not close within 6 months after Cajun elected not to exercise its right of first refusal.

(4) In no event shall Franchisee offer the interest for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer or assign, through any advertisement, either in the newspapers or otherwise, without first having obtained the approval of Cajun to the auction or advertisement.

**J. No Waiver.** Cajun's consent to any Transfer shall not constitute a waiver of any claims Cajun may have against the transferring party, nor shall it be deemed a waiver of Cajun's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor will it be deemed a waiver of Cajun's right to give or withhold approval to future Transfers.

## 16. GENERAL RELEASE

Effective upon Franchisee's execution of this Agreement, Franchisee (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, or if Franchisee is an individual, on behalf of himself/herself and his/her heirs, representatives, successors and assigns), all individuals who execute this Agreement (on behalf of themselves and their heirs, representatives, successors and assigns) and all guarantors of Franchisee's obligations under this Agreement (on behalf of themselves and their heirs, representatives, successors and assigns) (collectively "Franchisee Releasors") freely and without any influence forever release and covenant not to sue Cajun, its parent, subsidiaries and affiliates and their respective past and present officers, directors, members, managers, shareholders, agents and employees, in their corporate and individual capacities (collectively "Cajun Releasees") from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Claims"), which any Franchisee Releasor now owns or holds or may at any time have owned or held, including, without limitation, Claims arising under federal, state and local laws, rules and ordinances, Claims for contribution, indemnity and/or subrogation and Claims arising out of or relating to this Agreement and all other agreements between any Franchisee Releasor and any Cajun Releasee, the sale of a franchise to Franchisee, the development and operation of the Franchised Restaurant and the development and operation of all other restaurants operated by Franchisee or any guarantor that are franchised by Cajun or its parent, subsidiaries or affiliates. This General Release does not release any Claims arising from representations made in Church's Franchise Disclosure Document and its exhibits. FRANCHISEE, ON BEHALF OF ITSELF AND THE FRANCHISEE RELEASORS, WAIVES ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS THAT THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. FRANCHISEE (ON BEHALF OF ITSELF AND THE FRANCHISEE RELEASORS) EXPRESSLY AGREES THAT, WITH RESPECT TO THIS RELEASE, ANY AND ALL RIGHTS GRANTED UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE ARE EXPRESSLY WAIVED, TO THE EXTENT APPLICABLE. THAT SECTION READS AS FOLLOWS: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

## 17. COVENANTS

**A. Continuous Operation.** Franchisee acknowledges that it does not have the unilateral right to cease operating the Franchised Restaurant during the Initial Term or any Renewal Term of this Agreement. Franchisee shall not cease to continuously operate the Franchised Restaurant for more than 5

consecutive days, unless the closing is due to an act of God, fire or other natural disaster or is approved in writing in advance by Cajun. If such closing is due to an act of God, fire or other natural disaster, Franchisee shall repair, reconstruct, and reopen the Franchised Restaurant as soon as reasonably possible. If Cajun or Franchisee reasonably believes such repairs or reconstruction cannot be completed within 180 days after the event, Franchisee shall have 30 days after the event in which to apply for Cajun's approval to relocate and/or reconstruct the premises, which approval shall not be unreasonably withheld, but may be conditioned upon the payment of a minimum royalty fee to Cajun during the period in which the Franchised Restaurant is not in operation. The minimum royalty will be calculated as the average weekly royalty that Franchisee owed to Cajun during the 52 weeks before the closure of the Restaurant (or any such lesser period if the Restaurant was not open 52 weeks) multiplied by the number of weeks or partial weeks that the Restaurant is not in operation.

**B. Best Efforts.** Franchisee and the Operating Principal shall devote their best efforts to the development, management and operation of the Franchised Restaurant.

**C. Confidentiality**

(1) Franchisee acknowledges and agrees that: (a) Cajun owns all right, title and interest in and to the System; (b) the System consists of trade secrets and confidential and proprietary information and know-how (including, but not limited to, drawings, materials, equipment, recipes, prepared mixtures or blends of spices or other food products and other data which Cajun deems confidential) that gives Cajun and its affiliates a competitive advantage; (c) Cajun and its affiliates have taken all measures necessary to protect the trade secrets and the confidentiality of the proprietary information and know-how comprising the System; (d) all material or other information now or hereafter provided or disclosed to Franchisee regarding the System is disclosed in confidence; (e) Franchisee has no right to disclose any part of the System to anyone who is not an employee of Franchisee; (f) Franchisee will disclose to its employees only those parts of the System that an employee needs to know; (g) Franchisee will have a system in place to ensure its employees keep confidential Cajun's trade secrets and confidential and proprietary information, and if requested by Cajun, Franchisee shall obtain from those of its employees designated by Cajun an executed Confidentiality and Non-Disclosure Agreement in the form approved by Cajun; (h) Franchisee will not acquire any interest in the System; and (i) Franchisee's use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition for which Cajun would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

(2) Franchisee shall not, during the Initial Term, any Renewal Term or for a period of two years thereafter (or with respect to trade secrets, during the Initial Term, any Renewal Term, or any time thereafter), communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person or entity, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that Cajun or its affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

**D. Restrictions**

(1) Franchisee acknowledges and agrees that: (a) pursuant to this Agreement, Franchisee will have access to valuable trade secrets, specialized training and confidential information from Cajun and its affiliates regarding the development, operation, purchasing, sales and marketing methods and techniques of Cajun and its affiliates and the System; (b) the System and the opportunities, associations and experience established and acquired by Franchisee under this Agreement are of substantial and material

value; **(c)** in developing the System, Cajun and its affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** Cajun would be unable to adequately protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Church's Restaurants if franchisees were permitted to hold interests in competitive businesses; and **(e)** restrictions on Franchisee's right to hold interests in, or perform services for, competitive businesses will not hinder Franchisee's activities.

**(2)** Accordingly, Franchisee covenants and agrees that during the Initial Term and any Renewal Term, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any person or entity:

**(a)** divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by Cajun or its affiliates to any competitor by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System or;

**(b)** have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken.

**(3)** Franchisee further covenants that following the transfer, expiration or earlier termination of this Agreement, regardless of the cause for termination, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any person or entity:

**(a)** for a period of 2 years, have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken and that is **(i)** located at or within a 5-mile radius of the Franchised Location, or **(ii)** located within a 5-mile radius of any Church's Restaurant that is then in existence or under development.

Franchisee further covenants that following the transfer, expiration or earlier termination of this Agreement, regardless of the cause for termination, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any person or entity, for a period of 1 year, sell, assign, lease or transfer the Franchised Location to any person or entity which Franchisee knows, or has reason to know, intends to operate a restaurant business at the Franchised Location that specializes in the sale of chicken or has a method of operation or trade dress similar to that employed in the System. Franchisee, by the terms of any conveyance selling, assigning, leasing or transferring its interest in the Franchised Location, shall include these restrictive covenants as are necessary to ensure that a restaurant business that would violate this Section 17.D.(3) is not operated at the Franchised Location for this 1-year period, and Franchisee shall take all steps necessary to ensure that these restrictive covenants become a matter of public record.

**(4)** The restrictions in Sections 17.D.(2)(b) and 17.D.(3)(a) shall not apply to Franchisee's existing restaurant or foodservice operations, if any, which are identified in Schedule 1, nor shall they apply to other restaurants operated by Franchisee that are franchised by Cajun or its affiliates. If a court finds that any restriction in Section 17.D. is not enforceable, it is the intent of the parties that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Cajun. If, at any time during the restrictive period following the transfer, expiration or earlier termination of this Agreement, Franchisee fails to comply with its obligations under this Section, that period of noncompliance will not be credited toward Franchisee's completion of the restrictive period provided that Cajun takes action to enforce the obligations under this Section within the restrictive period.

**E. Modification.** Cajun shall have the right, in its sole discretion, to reduce the extent of any covenant in this Section effective immediately upon Franchisee's receipt of notice, and Franchisee shall be bound by the covenant as so reduced, which shall be fully enforceable notwithstanding the provisions of Section 25.

## **18. TERMINATION**

**A. Termination without Cure Period.** Cajun may terminate this Agreement upon notice to Franchisee without an opportunity to cure upon the occurrence of any of the following events:

- (1) Franchisee fails to open the Franchised Restaurant for business.
- (2) Franchisee ceases operation of the Franchised Restaurant in breach of Section 17.A.
- (3) Execution is levied against Franchisee's business or property at the Franchised Location; suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Restaurant is instituted against Franchisee and is not dismissed within 60 days; or the real or personal property of the Franchised Restaurant is sold after levy by any sheriff, marshal or other governmental authority.
- (4) Any Transfer applicable to the Franchised Location that requires Cajun's prior approval occurs without Franchisee having obtained that prior approval.
- (5) Cajun determines in its sole discretion that continued operation of the Franchised Restaurant by Franchisee will result in an imminent threat to public health or safety, or that operation of the Franchised Restaurant resulted in serious harm or death to a person.
- (6) Franchisee loses possession of the Franchised Location or receives a notice from Franchisee's landlord terminating the lease or Franchisee's right to possess the Franchised Location.
- (7) Franchisee fails or refuses to have its employees attend the training programs described in Section 8 or the Franchised Restaurant fails to achieve a passing score on the next Cajun inspection after Franchisee's employees have completed the additional training program described in Section 10.E.
- (8) Franchisee **(a)** remains in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Restaurant; **(b)** remains in default beyond the applicable cure period under any contract with any vendor or supplier to the Franchised Restaurant; or **(c)** fails to pay when due any taxes or assessments relating to the Franchised Restaurant or its employees, unless Franchisee is actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.
- (9) Franchisee (or a majority owner of Franchisee) is insolvent or is unable to pay its creditors (including Cajun); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against Franchisee (or a majority owner of Franchisee) a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing; Franchisee (or a majority owner of Franchisee) makes an assignment for the benefit of creditors; or a receiver or trustee is appointed for Franchisee (or a majority owner of Franchisee) and not dismissed within 60 days of the appointment.

**(10)** There is a material breach by Franchisee of any obligation under Section 17.

**(11)** Cajun discovers that Franchisee made a material misrepresentation or omitted a material fact in the information that was furnished to Cajun in connection with its decision to enter into this Agreement.

**(12)** Franchisee knowingly falsifies any report required to be furnished Cajun or makes any material misrepresentation in its dealings with Cajun or fails to disclose any material facts to Cajun which Franchisee is required to disclose.

**(13)** Franchisee, the Operating Principal, any stockholder, member, partner, director or officer of Franchisee, any member of the Continuity Group or any 5% Owner is convicted of, or pleads no contest to, a felony charge, a crime involving moral turpitude, or any other crime or engages in any other act or omission that is reasonably likely, in the sole opinion of Cajun, to adversely affect Cajun, its affiliates or the System.

**(14)** There is a material breach by Franchisee of any representation or warranty set forth in Section 30.G or Section 30.H.

**(15)** Franchisee, any affiliate of Franchisee, the Operating Principal, any member of the Continuity Group or any 5% Owner remains in default beyond the applicable cure period under any other agreement (including, without limitation, the Development Agreement, any other Franchise Agreement, any Promissory Note or any Guaranty) with Cajun or its affiliates (provided that, if the default is not by Franchisee, Cajun provides to Franchisee a notice of the default and a 30-day period to cure the default).

**(16)** Cajun inspection or audit reveals an understatement of Gross Sales of the Franchised Restaurant for any period by 2% or more 3 or more times during any 18-month period, or by more than 5% on any 1 occasion.

**(17)** The assets, property, or interests of Franchisee, any Continuity Group member or any guarantor are blocked under any law, ordinance, or regulation relating to terrorist activities, or Franchisee, any Continuity Group member or any guarantor otherwise violate any such law, ordinance, or regulation.

**(18)** Franchisee knowingly serves one or more food products obtained from an unapproved supplier or one or more food products containing an ingredient obtained from an unapproved supplier.

## **B. Termination Following Expiration of Cure Period**

**(1)** Except for those items listed in Section 18.A., Franchisee shall have 30 days after notice of default from Cajun within which to remedy the default and provide evidence of that remedy to Cajun. If any such default is not cured within that time, Cajun may terminate this Agreement upon notice of termination by Cajun. Franchisee will be in default under this Agreement for any failure to comply with any of the requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith.

**(2)** Notwithstanding the provisions of preceding Section 18.B.(1), if Franchisee defaults in the payment of any monies owed to Cajun when such monies become due and payable and Franchisee fails to pay such monies within 10 days after receiving notice of default, then Cajun may terminate this Agreement upon notice of termination by Cajun.

(3) Notwithstanding anything to the contrary set forth in this Agreement, Franchisee acknowledges that any agreement between Franchisee and Cajun relating to past due amounts accruing under this Agreement (“Arrearage Agreement”), including, but not limited to any promissory note, payment plan or amendment to this Agreement shall be deemed to be a material part of this Agreement and shall be incorporated in this Agreement by reference. A default under any Arrearage Agreement shall be deemed a material default of this Agreement, regardless of the reason Franchisee fails to pay the amount that is the subject of the Arrearage Agreement.

(4) Notwithstanding Section 18.B.(1), if Franchisee has received a notice of default within the previous 12 months, Cajun shall be entitled to send Franchisee a notice of termination upon Franchisee’s next default within that 12-month period, without providing Franchisee an opportunity to remedy the default.

(5) In addition to the other provisions of this Section 18.B., if Cajun reasonably determines that Franchisee becomes or will become unable to meet its obligations to Cajun or its affiliates under this Agreement, Cajun may provide Franchisee notice to that effect and demand that Franchisee provide those assurances reasonably designated by Cajun, which may include security or letters of credit for the payment of Franchisee’s obligations to Cajun and its affiliates. If Franchisee fails to provide the assurances demanded by Cajun within 30 days after its receipt of notice from Cajun, Cajun may terminate this Agreement upon notice of termination from Cajun.

**C. Termination Following Inspection.** Without limiting any of the foregoing grounds for termination, Cajun may terminate this Agreement, without opportunity to cure, if the Franchised Restaurant fails three inspections (according to Cajun’s inspection system in effect at the time of each inspection) conducted by Cajun or its agents within any rolling 12-month period.

**D. Cajun’s Right To Cure.** If Franchisee breaches or defaults under any provision of this Agreement or fails to comply with the Manual, Cajun may (but shall have no obligation to) take any action to cure such breach, default, or failure on Franchisee’s behalf. Franchisee shall reimburse Cajun for all reasonable costs and expenses incurred by Cajun in taking such action. Cajun shall have no liability to Franchisee for any loss or damage to Franchisee related to Cajun’s actions under this Section 18.D., except to the extent caused by Cajun’s gross negligence or willful misconduct. By way of example, should Franchisee, for any reason, fail to procure or maintain at least the insurance required by Section 12, as revised from time to time pursuant to the Manual or otherwise in writing, Cajun shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Franchisee.

**E. Additional Remedies.** If Cajun has the right terminate this Agreement, Cajun may prior to or in lieu of termination, exercise any of the following additional remedies: (a) charge the Default Royalty Rate set forth in Section 3.G; (b) suspend any marketing or support services that Cajun is otherwise required to provide; (c) rescind any waivers or accommodations that Cajun previously agreed to; (d) remove Franchisee from Cajun’s website, loyalty apps, and other digital media; (e) eliminate Franchisee’s renewal option under Section 2.B; or (f) reduce the Initial Term.

## **19. OBLIGATIONS ON TERMINATION OR EXPIRATION**

**A. Franchisee’s Obligations.** Upon termination or expiration of this Agreement:

(1) Franchisee immediately shall pay Cajun and its affiliates all sums due and owing Cajun or its affiliates pursuant to this Agreement. Franchisee also immediately shall pay all sums owed to key suppliers and to any lender that has provided financing to Franchisee under an arrangement with Cajun.

(2) Franchisee promptly shall return to Cajun the Manual, any copies of the Manual, the training kit (if applicable), all computer software, disks, and other electronic storage media, and all other materials and information furnished by Cajun pertaining to the Franchised Restaurant in good condition and repair.

(3) Franchisee and all persons and entities subject to the covenants contained in Section 17 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants.

(4) Franchisee immediately shall: discontinue all use of the Proprietary Marks in connection with the Franchised Restaurant and of any and all items bearing the Proprietary Marks; remove the Proprietary Marks from the Franchised Restaurant and from clothing, signs, materials, motor vehicles and other items owned or used by Franchisee in the operation of the Franchised Restaurant; cancel all advertising for the Franchised Restaurant that contains the Proprietary Marks (including telephone directory listings); and take such action as may be necessary to cancel any filings or registrations for the Franchised Restaurant that contain any Proprietary Marks.

(5) Franchisee promptly shall make such alterations and modifications to the Franchised Location as may be necessary to clearly distinguish to the public the Franchised Location from its former appearance and also make those specific additional changes as Cajun may request for that purpose, at Franchisee's expense. If Franchisee fails to promptly make these alterations and modifications, Cajun shall have the right (at Franchisee's expense, to be paid upon Franchisee's receipt of an invoice from Cajun) to do so without being guilty of trespass or other tort.

(6) Franchisee shall furnish to Cajun, within 30 days after the effective date of termination or expiration of this Agreement, evidence (certified to be true and complete by the Operating Principal) satisfactory to Cajun of Franchisee's compliance with Section 22.A.

**B. Prohibition from Certain Conduct.** Franchisee shall not, except with respect to a restaurant franchised by Cajun or its affiliates which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that Franchisee is connected in any way with Cajun or its affiliates or has any right to use the System or the Proprietary Marks; or (2) make, use or avail itself of any of the materials or information furnished or disclosed by Cajun or its affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else.

**C. Liquidated Damages.** If Cajun terminates this Agreement, Franchisee shall pay to Cajun a lump sum (as liquidated damages and not as a penalty) as compensation for the early closure of the Restaurant calculated as follows: (x) the average weekly Royalty Fees and advertising contributions that Franchisee owed to Cajun under this Agreement for the 52-week period preceding the earlier of the closure of the Restaurant or the effective date of termination; multiplied by (y) the lesser of (1) 208 or (2) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the Franchised Restaurant for at least 52 weeks, (x) shall equal the average weekly Royalty Fees and advertising contributions that Franchisee owed to Cajun during the period that Franchisee operated the Franchised Restaurant. Franchisee acknowledges that a precise calculation of the full extent of Cajun's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is a reasonable estimate. Franchisee's payment to Cajun under this Section shall be in addition to all other amounts owed by Franchisee as set forth in Section 19.A.(1) or as permitted by law, and in addition to any attorneys' fees and other costs and expenses to which Cajun is entitled pursuant to Sections 3.I. or 27.E. Except as provided in this Section, Franchisee's payment of liquidated damages shall be in addition to any other right or remedy that Cajun may have under this Agreement.

## 20. OPTION TO PURCHASE

**A.** Upon the expiration or termination of this Agreement, for any reason, Cajun shall have the option to purchase from Franchisee some or all of the assets used in the Franchised Restaurant (“Assets”), including, without limitation, leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Franchised Restaurant, the real estate fee simple or the lease or sublease for the Franchised Location, as applicable, and any governmental approvals necessary to operate the Franchised Restaurant. If Cajun intends to exercise its option, Cajun must give notice to Franchisee within 30 days after the effective date of termination or expiration. Cajun may assign this option to purchase the Assets to another person or entity. Cajun or its assignee shall be entitled to all customary representations and warranties as to: (1) ownership, condition and title of the Assets; (2) liens and encumbrances on the Assets; (3) compliance with environmental laws at, in or upon the Franchised Location; and (4) validity of contracts and liabilities inuring to Cajun or affecting the Assets, whether contingent or otherwise.

**B.** The purchase price for the Assets (“Purchase Price”) shall be their fair market value (or for leased assets, the fair market value of Franchisee’s lease) determined as of the effective date of purchase in a manner that accounts for reasonable depreciation and condition of the Assets; provided, however, that the Purchase Price shall take into account the termination of this Agreement. Further, the Purchase Price for the Assets shall not contain any value, factor or increment for any trademark, service mark or other commercial symbol used in connection with the operation of the Franchised Restaurant nor any goodwill or “going concern” value for the Franchised Restaurant. Cajun may exclude from the Assets purchased in accordance with this Section any equipment, vehicles, furnishings, fixtures, signs, and inventory that are not approved as meeting then-current standards for a Church’s Restaurant or for which Franchisee cannot deliver a bill of sale in a form satisfactory to Cajun. Cajun may set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Cajun, and the amount of any encumbrances or liens against the Assets or any obligations assumed by Cajun.

**C.** If Cajun and Franchisee are unable to agree on the fair market value of the Assets within 30 days after Franchisee’s receipt of Cajun’s notice of its intent to exercise its option to purchase the Assets, the fair market value shall be determined by two professionally certified appraisers, Franchisee selecting one and Cajun selecting one. If the valuations set by the two appraisers differ by more than 10%, the two appraisers shall select a third professionally certified appraiser who also shall appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and shall be the Purchase Price.

**D.** The appraisers shall be given full access to the Franchised Restaurant, the Franchised Location and Franchisee’s books and records during customary business hours to conduct the appraisal and shall value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section. The appraisers’ fees and costs shall be borne equally by Cajun and Franchisee.

**E.** Within 10 days after the Purchase Price has been determined, Cajun may exercise its option to purchase the Assets by so notifying Franchisee in writing (“Cajun’s Purchase Notice”). The Purchase Price shall be paid in cash or cash equivalents at the closing of the purchase (“Closing”), which shall take place no later than 60 days after the date of Cajun’s Purchase Notice. Cajun may require Franchisee to close the Franchised Restaurant after the date of the Cajun’s Purchase Notice without removing any Assets from the Franchised Restaurant. If Cajun does not require such closing, then Franchisee shall operate the Franchised Restaurant and maintain the Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Agreement, and Cajun shall have the right to appoint

a manager, at Cajun's expense, to control the day-to-day operations of the Franchised Restaurant. Franchisee shall cooperate, and instruct its employees to cooperate, with such manager appointed by Cajun.

**F.** For a period of 30 days after the date of Cajun's Purchase Notice ("Due Diligence Period"), Cajun shall have the right to conduct such investigations as it deems necessary and appropriate to determine: (1) the ownership, condition and title of the Assets; (2) liens and encumbrances on the Assets; (3) compliance with environmental laws at, in or upon the Franchised Location; (4) the validity of contracts and liabilities inuring to Cajun or affecting the Assets, whether contingent or otherwise, and (5) such other matters of due diligence as Cajun may determine. Franchisee will afford Cajun and its representatives access to the Franchised Restaurant and the Franchised Location at all reasonable times for the purpose of conducting inspections of the Assets; provided that such access does not unreasonably interfere with Franchisee's operations of the Franchised Restaurant.

**G.** During the Due Diligence Period, at its sole option and expense, Cajun may: (1) cause the title to the Assets that consist of real estate interests ("Real Estate Assets") to be examined by legal counsel or a title company of its selection and conduct lien searches as to the other Assets; (2) procure "as built" surveys of the Real Estate Assets; (3) procure environmental assessments and testing with respect to the Real Estate Assets; and/or (4) inspect the Assets other than Real Estate Assets (including leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory) to determine if such other Assets are in satisfactory working condition. Prior to the end of the Due Diligence Period, Cajun shall notify Franchisee in writing of any objections that Cajun has to any finding disclosed in any title to lien search, survey, environmental assessment or inspection. If Franchisee cannot or elects not to correct any such title defect, environmental objection or defect in the working condition of the Assets, Cajun may either accept the condition of the Assets as they exist or rescind its option to purchase on or before the Closing.

**H.** Prior to the Closing, Franchisee and Cajun shall comply with all applicable legal requirements, including any applicable bulk sales provisions of the Uniform Commercial Code of the state in which the Franchised Restaurant is located and the bulk sales provisions of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the Closing, pay all tax liabilities incurred in connection with the operation of the Franchised Restaurant prior to Closing.

**I.** If the Franchised Location is leased, Cajun agrees to use reasonable efforts to effect a termination of the existing lease for the Franchised Location. If the lease for the Franchised Location is assigned to Cajun or Cajun subleases the Franchised Location from Franchisee, Cajun will indemnify and hold Franchisee harmless from any ongoing liability under the lease from the date Cajun assumes possession of the Franchised Location, and Franchisee will indemnify and hold Cajun harmless from any liability under the lease prior to and including that date.

**J.** If Franchisee owns the Franchised Location, Cajun, at its option, will either purchase the fee simple interest or upon purchase of the other Assets, enter into a lease with Franchisee on Cajun's then-standard form. The initial term of this lease with Franchisee shall be at least 10 years with two options to renew of 5 years each and the annual rent shall be equal to 6% of the Gross Sales of the Franchised Restaurant in the 52 weeks prior to termination.

**K.** At the Closing, Franchisee shall deliver instruments transferring to Cajun or its assignee: (1) good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Cajun or its assignee), with all sales and other transfer taxes paid by Franchisee; (2) all licenses, permits, and other governmental authorizations for the Franchised Restaurant that may be assigned or transferred, with appropriate consents, if required; and (3) the lease or sublease for the Franchised Location, with appropriate consents, if required. If Franchisee cannot deliver

clear title to all of the purchased Assets as indicated in this Section, or if there are other unresolved issues, the Closing shall be accomplished through an escrow.

## **21. RELATIONSHIP OF THE PARTIES**

**A.** This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of Cajun or its affiliates. Franchisee shall have no right or power to, and shall not, bind or obligate Cajun or its affiliates in any way or manner, nor represent that Franchisee has any right to do so.

**B.** Franchisee is an independent contractor and is solely responsible for all aspects of the development and operation of the Franchised Restaurant, subject only to the conditions and covenants established by this Agreement. Without limiting the generality of the foregoing, Franchisee acknowledges that Cajun has no responsibility to ensure that the Franchised Restaurant is developed and operated in compliance with all applicable laws, ordinances and regulations and that Cajun shall have no liability in the event the development or operation of the Franchised Restaurant violates any law, ordinance or regulation.

**C.** The sole relationship between Franchisee and Cajun is a commercial, arms' length business relationship and, except as provided in Section 22, there are no third party beneficiaries to this Agreement. Franchisee's business is, and shall be kept, totally separate and apart from any that may be operated by Cajun.

## **22. INDEMNIFICATION**

**A.** Franchisee and all guarantors of Franchisee's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to Cajun), and hold harmless (to the fullest extent permitted by law) Cajun and its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives (collectively "Indemnitees") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with **(1)** any training provided by Cajun or its affiliates or another Church's franchisee, **(2)** any breach or default under this Agreement by Franchisee, **(3)** the operations of the Franchised Restaurant, or **(4)** any other action or omission by Franchisee or its employees or agents, except to the extent caused by the gross negligence or willful misconduct of Cajun. Franchisee promptly shall give Cajun notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Franchisee and shall furnish Cajun with copies of any documents from such matters as Cajun may request.

**B.** At Franchisee's expense and risk, Cajun may elect to assume (but under no circumstances will Cajun be obligated to undertake) the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Franchisee's obligation to indemnify and hold harmless Cajun and Indemnitees. Cajun shall not be obligated to seek recoveries from third parties or otherwise mitigate losses.

**C.** As used in this Section, the phrase "losses and expenses" includes, but is not limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; judgments; compensation

for damages to Cajun's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

## **23. CONSENTS, APPROVALS AND WAIVERS**

**A.** Whenever this Agreement requires the prior approval or consent of Cajun, Franchisee shall make a timely written request to Cajun therefore, and any approval or consent received, in order to be effective and binding upon Cajun, must be obtained in writing and be signed by an authorized officer of Cajun.

**B.** Cajun makes no warranties or guarantees upon which Franchisee may rely by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, and assumes no liability or obligation to Franchisee therefor, or by reason of any neglect, delay, or denial of any request therefor. Cajun shall not, by virtue of any approvals, advice or services provided to Franchisee, assume responsibility or liability to Franchisee or to any third parties to which Cajun would not otherwise be subject.

**C.** No failure of Cajun to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of Cajun's right to demand exact compliance with any of the terms of this Agreement. A waiver by Cajun of any particular default by Franchisee shall not affect or impair Cajun's rights with respect to any subsequent default of the same, similar or different nature; nor shall any delay, forbearance or omission of Cajun to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions or covenants of this Agreement affect or impair Cajun's right to exercise the same; nor shall such constitute a waiver by Cajun of any right hereunder or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Cajun of any payments due to it hereunder shall not be deemed to be a waiver by Cajun of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

## **24. NOTICES**

Unless otherwise specified in this Agreement, no notice, demand, request or other communication to the parties shall be binding upon the parties or effective hereunder unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(A)** if to Franchisee, addressed to Franchisee at the notice address set forth in Schedule 1; and **(B)** if to Cajun, addressed to Cajun Global LLC, 980 Hammond Drive, N.E., Suite 100, Atlanta, Georgia 30328-6161 (Attn: Office of General Counsel) (ogclegal@churchs.com). Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(1)** delivered personally; **(2)** transmitted by electronic mail to the address set forth above (or in Schedule 1); **(3)** mailed in the United States mail, with postage prepaid, by certified mail with return receipt requested; or **(4)** sent via overnight courier. Cajun may amend the Manual, give binding notice of changes to the System, and deliver notices of default by electronic mail to the address set forth in Schedule 1.

## **25. ENTIRE AGREEMENT**

This Agreement and the attachments hereto constitute the entire, full and complete agreement between the parties and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements,

arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments to this Agreement. Nothing in this Agreement requires Franchisee to waive reliance on any representations made by Cajun in its Franchise Disclosure Document that Cajun furnished to Franchisee. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

## **26. SEVERABILITY AND CONSTRUCTION**

**A.** Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which Cajun is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

**B.** Except as otherwise provided in Section 22, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or entity other than Franchisee and Cajun and its affiliates and their permitted heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

**C.** Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Cajun is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

**D.** No provision of this Agreement shall be interpreted in favor of, or against, any party because of the party that drafted this Agreement.

## **27. GOVERNING LAW, FORUM AND LIMITATIONS**

**A.** This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflicts of laws principles; provided, however, that if the covenants contained in Section 17 would not be enforceable under the laws of Georgia, and the Franchised Restaurant is located outside of Georgia, then such covenants shall be interpreted and construed under the laws of the state where the Franchised Restaurant is located. Nothing in this Section is intended, or shall be deemed, to make any Georgia law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

**B.** The parties agree that Franchisee shall file any suit against Cajun only in the federal or state court having jurisdiction where Cajun's principal offices are located at the time suit is filed. Cajun may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Franchisee resides or does business or where the Franchised Restaurant is or was located or where the claim arose. Franchisee consents to the personal jurisdiction of those courts over Franchisee and to venue in those courts and hereby waives all objections to the same.

**C.** Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to Franchisee) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

**D.** FRANCHISEE AND CAJUN WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST EACH OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT, AND FRANCHISEE AGREES THAT MONETARY DAMAGES PAYABLE BY CAJUN TO FRANCHISEE WITH RESPECT TO ANY LEGAL ACTION BETWEEN THEM (WHETHER THERE BE A SINGLE CLAIM OR MULTIPLE CLAIMS BY FRANCHISEE) SHALL NOT EXCEED THE AMOUNT OF ROYALTIES PAID BY FRANCHISEE TO CAJUN IN THE TWO YEARS PRIOR TO THE DATE THE PARTIES COMMENCED LEGAL ACTION. FRANCHISEE AND CAJUN WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS AND THE RIGHT TO TRIAL BY JURY.

**E.** If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, the proceeding. If Cajun utilizes legal counsel (including in-house counsel employed by Cajun) in connection with any failure by Franchisee to comply with this Agreement, Franchisee shall reimburse Cajun for any of the above-listed costs and expenses incurred by Cajun. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

**F.** Franchisee recognizes that its failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to Cajun, its affiliates and the System. Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Cajun shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by Cajun shall be in addition to, and not in lieu of, all remedies and rights that Cajun otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

**G.** No right or remedy conferred upon or reserved to Cajun or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 27 shall survive the expiration or earlier termination of this Agreement.

## **28. CONTROL DURING CRISIS SITUATION**

**A.** If an event occurs at the Franchised Restaurant that has, or may reasonably be expected to, cause harm or injury to customers, guests or employees (*i.e.*, food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, etc.) or may damage the Proprietary Marks, the System or the reputation of Cajun (collectively "Crisis Situation"), Franchisee shall: (1) immediately contact appropriate emergency care providers to assist it in curing the harm or injury; and (2) immediately inform Cajun by telephone of the Crisis Situation. Franchisee shall refrain from making

any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by Cajun or public health officials).

**B.** To the extent Cajun deems appropriate, in its sole and absolute discretion, Cajun or its designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation, conducting all communication with the news media, providing care for injured persons and/or temporarily closing the Franchised Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, Cajun or its designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as it deems appropriate. Franchisee and its employees shall cooperate fully with Cajun or its designee in its efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by Cajun from time to time hereafter. The indemnification under Section 22 shall include all losses and expenses that may result from the exercise by Cajun or its designee of the management rights granted in this Section 28.

## **29. MISCELLANEOUS**

**A. Gender and Number.** All references to gender and number shall be construed to include such other gender and number as the context may require.

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

**C. Counterparts.** This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

**D. Time.** Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days.

**E. Delegation.** Cajun may delegate the performance of any portion or all of its rights, obligations and duties under this Agreement to designees, whether affiliates or agents of Cajun or independent contractors with which Cajun has contracted to provide this service. Such obligations and duties may include, but are not limited to, fulfilling all of Cajun's obligations to Franchisee, offering and negotiating renewal franchise agreements and otherwise furnishing assistance to Franchisee.

## **30. REPRESENTATIONS**

Franchisee represents, acknowledges and warrants to Cajun (and Franchisee agrees that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

**A.** This Agreement involves significant legal and business rights and risks. Cajun does not guarantee Franchisee's success. Franchisee has read this Agreement in its entirety, conducted an independent investigation of the business contemplated by this Agreement, has been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of Franchisee's choosing, recognizes that the nature of the business conducted by Church's Restaurants may change over time, has had ample opportunity to investigate all representations made by or on behalf of Cajun, and has had ample opportunity to consult with current and former franchisees of Cajun. The prospect for success of the business undertaken by Franchisee is speculative and depends to a material extent upon Franchisee's personal commitment, capability and direct involvement in the day-to-day management of the business.

**B.** Cajun assumes no liability or responsibility for: (1) evaluation of the Franchised Location's soil for hazardous substances; (2) inspection of any structure on the Franchised Location for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act or similar state laws ("ADA"); or (4) compliance with any other law. It is Franchisee's sole responsibility to obtain satisfactory evidence and/or assurances that each Franchised Location (and any structures thereon) is free from environmental contamination and in compliance with the requirements of ADA.

**C.** Franchisee shall not rely upon any opinions expressed by Cajun or any of its officers, directors, stockholders, employees or agents regarding structural integrity, safety or construction procedures, building codes or ordinances or other matters properly within the responsibility of Franchisee and its architect. The duties of Cajun's construction representatives are limited solely to ensuring that development plans and other requirements under this Agreement are met. Cajun and its employees do not act as an architect or agent of Franchisee. Cajun assumes no liability or responsibility for architectural or engineering plans or judgments outside the scope of the duties stated above. Cajun's final inspection and authorization to open the Franchised Restaurant is not a representation or a warranty that the Franchised Restaurant has been constructed in accordance with any architectural, engineering or legal standards for design or workmanship. It merely means that Cajun is satisfied that the minimum requirements which Cajun has established for consistency of design and layout have been met. Franchisee agrees that Cajun's final inspection and authorization to open the Franchised Restaurant shall not impose any liability or responsibility on Cajun.

**D.** Cajun makes no express or implied warranties or representations that Franchisee will achieve any degree of success in the development or operation of the Franchised Restaurant and that success in the development and operation of the Franchised Restaurant depends ultimately on Franchisee's efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, Franchisee's financial condition and competition.

**E.** Cajun has entered, and will continue to enter, into agreements with other franchisees. The manner in which Cajun enforces its rights and the franchisees' obligations under any of those other agreements shall not affect the ability of Cajun to enforce its rights or Franchisee's obligations under this Agreement.

**F.** Cajun may change or modify the System, from time to time, including the Manual, and Franchisee will be required to make such expenditures as such changes or modifications in the System may require. As part of the System, Franchisee is required to purchase supplies only from vendors approved by Cajun.

**G.** All information Franchisee provided to Cajun in connection with Franchisee's franchise application and Cajun's grant of this Franchise is truthful, complete and accurate.

**H.** The persons signing this Agreement on behalf of Franchisee have full authority to enter into this Agreement and the other agreements contemplated by the parties. Execution of this Agreement or such other agreements by Franchisee does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Franchisee or any person with an ownership interest in Franchisee is a party.

**I.** Franchisee has not received from Cajun or its affiliates, or anyone acting on their behalf, any representation of Franchisee's potential sales, expenses, income, profit or loss.

**J.** Franchisee has not received from Cajun or its affiliates, or anyone acting on their behalf, any representations other than those contained in Church's Franchise Disclosure Document as inducements to enter this Agreement.

**K.** Even though this Agreement contains provisions requiring Franchisee to operate the Franchised Restaurant in compliance with the System: (1) Cajun and its affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of Franchisee's business or employment decisions; and (2) Franchisee and Cajun do not intend for Cajun or its affiliates to incur any liability in connection with or arising from any aspect of the System or Franchisee's use of the System, whether or not in accordance with the requirements of the Manual.

**L.** In the event of a dispute between Cajun and Franchisee, the parties have waived their right to a jury trial.

**M.** Neither Franchisee nor any member of the Continuity Group or any guarantor (1) have been designated as suspected terrorists under U.S. Executive Order 13244 or any similar law; (2) are identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control; or (3) have violated (and Franchisee and its Continuity Group members and guarantors commit to not violate in the future) any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by U.S. Executive Order 13244, the Foreign Corrupt Practices Act, or any similar law.

**N. Business Judgment.** Franchisee understands and agrees that Cajun may operate and change the System and its business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Cajun has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Cajun may make such decision or exercise its right and/or discretion on the basis of Cajun's judgment of what is in Cajun's best interests, including, without limitation, Cajun's judgment of what is in the best interests of the franchise network at the time Cajun's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Cajun; (2) Cajun's decision or the action taken promotes Cajun's financial or other individual interest; (3) Cajun's decision or the action taken applies differently to Franchisee and one or more other franchisees or Cajun's company-owned or affiliate-owned operations; or (4) Cajun's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Cajun will have no liability to Franchisee for any such decision or action. Cajun and Franchisee intend that the exercise of Cajun's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Cajun and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Cajun the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SCHEDULE 1**  
**FRANCHISE INFORMATION**

1. **Franchised Location (Section 1.A.(1)):**
2. **Protected Area (Section 1.B.(1) of Franchise Agreement):** Two-mile radius, as measured by Cajun, around the Franchised Location.
3. **Initial Franchise Fee (Section 3.A.):**
4. **Landlord Contact Information (Section 4.G.):**

Name of Company:

Contact Person:

Address:

Telephone:

Fax:

Email:

Franchised Location is owned by Franchisee.

5. **Interests in Other Restaurants that Specialize in the Sale of Fried Chicken (Section 17.D.(5)):**  

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6. **Franchisee's Physical Address (no P.O. Box) (Section 24):**

7. **Franchisee's E-mail Address (Section 24):**

## **SCHEDULE 2**

## LISTING OF OWNERSHIP INTERESTS IN FRANCHISEE

Name of Franchisee:«Restaurant\_Franchisee\_Name»

Effective Date: This Schedule 2 is current and complete as of \_\_\_\_\_ (date franchisee completes form).

## 1. Form of Ownership.

If Franchisee is an entity, please fill out the below information.

Corporation, Limited Liability Company, or Partnership. Franchisee is a \_\_\_\_\_ (type of entity) incorporated or formed on \_\_\_\_\_ (date of incorporation/formation), under the laws of \_\_\_\_\_ (state of incorporation/formation). The following is a list, as applicable, of the Franchisee's directors and/or officers as of the effective date shown above:

Name of Each Director or Officer Position(s) Held

2. Owners. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Franchisee (a shareholder, member or partner), and the percentage of ownership each holds (attach additional pages if necessary).

Name/Address (no P.O. Box)

### Percentage Interest

3. Operating Principal. Franchisee's Operating Principal as of the Effective Date is \_\_\_\_\_ (Name of individual designated per Section 13.G above).
4. Continuity Group. Franchisee's Continuity Group (owners of at least 51% of Franchisee) is comprised of the following persons or entities:

(name of person or persons holding at least 51% of stock, membership interest or limited partnership interest in Franchisee, per Section 13.E above).

**IN WITNESS WHEREOF**, the undersigned has duly executed and delivered this Schedule 2 as of the day and year set forth below.

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(Name of Franchisee)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FORM A**  
**FRANCHISE AGREEMENT EXPIRATION DATE**

TO: \_\_\_\_\_

The Franchised Restaurant located at \_\_\_\_\_ (Restaurant No. \_\_\_\_\_) first opened for business on \_\_\_\_\_. The Initial Term of the Franchise Agreement for the Franchised Restaurant commenced on \_\_\_\_\_ and expires on \_\_\_\_\_. If Franchisee desires to renew the Franchise Agreement, Franchisee must give Cajun notice no earlier than \_\_\_\_\_ (12 months before the expiration date of the Franchise Agreement) and no later than \_\_\_\_\_ (6 months before the expiration date).

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**  
**GUARANTY AGREEMENT**  
**(Franchise Agreement)**

This Guaranty Agreement (this “Guaranty”) is executed by \_\_\_\_\_, a resident of \_\_\_\_\_ (“Guarantor”) in favor of Cajun Global LLC, a Delaware limited liability company, d/b/a Church’s Texas Chicken (“Cajun”).

**Recitals**

A. \_\_\_\_\_ (“Franchisee”) has entered into a Franchise Agreement dated \_\_\_\_\_ with Cajun (the “Agreement”; capitalized terms used in this Guaranty but not defined herein have the meanings given in the Agreement).

B. Guarantor owns an equity interest in Franchisee, and as such is a direct beneficiary of the Agreement.

C. In order to induce Cajun to execute the Agreement, Guarantor desires to guarantee the obligations of Franchisee to Cajun as set forth herein.

**NOW THEREFORE**, in consideration of Cajun’s execution of the Agreement, as well as the agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Cajun and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Agreement and further guarantees every other liability and obligation of Franchisee to Cajun, whether or not contained in the Agreement. Guarantor shall render any payment or performance required under the Agreement or any other agreement between Franchisee and Cajun upon demand from Cajun.

2. Waiver. Guarantor waives (a) acceptance and notice of acceptance by Cajun of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law or statute which requires that Cajun make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

3. Confidentiality.

(a) Guarantor acknowledges and agrees that: (i) Cajun owns all right, title and interest in and to the System; (ii) the System consists of trade secrets and confidential and proprietary information and know-how (including, but not limited to, drawings, materials, equipment, recipes, prepared mixtures or blends of spices or other food products and other data which Cajun deems confidential) that gives Cajun and its affiliates a competitive advantage; (iii) Cajun and its affiliates have taken all measures necessary to

protect the trade secrets and the confidentiality of the proprietary information and know-how comprising the System; (iv) all material or other information now or hereafter provided or disclosed to Guarantor regarding the System is disclosed in confidence; (v) Guarantor will not acquire any interest in the System; and (vi) Guarantor's use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition, for which Cajun would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

(b) Guarantor shall not, during the Initial Term, any Renewal Term, or for a period of two years after the expiration or termination of the Franchise Agreement (or with respect to trade secrets, during the Initial Term, any Renewal Term, or any time thereafter), communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person or entity, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that Cajun or its affiliates designate as confidential shall be deemed confidential for purposes of this Guaranty.

#### 4. Covenants.

(a) During the Initial Term and any Renewal Term, Guarantor shall not, either directly or indirectly, for Guarantor, or through, on behalf of, or in conjunction with any person or entity:

(i) divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by Cajun or its affiliates to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System; or

(ii) have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken.

(b) Following the expiration or earlier termination of the Agreement, regardless of the cause for termination, Guarantor shall not, either directly or indirectly, for Guarantor, or through, on behalf of, or in conjunction with any person or entity: for a period of two years, have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken and that is located or within a 5-mile radius of the Franchised Location or located within a 5-mile radius of the location of any Church's Restaurant that is then in existence.

(c) The restrictions in Sections 4(a)(ii) and 4(b) shall not apply to Franchisee's existing restaurant or foodservice operations, if any, which are identified in Schedule 1 to the Agreement, nor shall such restrictions apply to other restaurants operated by Franchisee that are franchised by Cajun or its affiliates. If a court finds that any restriction in Section 4(a) or 4(b) does not comply with O.C.G.A § 13-8-53, then pursuant to O.C.G.A. § 13-8-54, it is the intent of the parties that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Cajun. If, at any time during the restrictive period following the expiration or earlier termination of the Agreement, Guarantor fails to comply with Guarantor's obligations under this Section, that period of noncompliance will not be credited toward Guarantor's completion of the restrictive period.

(d) Following the expiration or earlier termination of the Agreement, regardless of the cause for termination, Guarantor shall not, either directly or indirectly, for Guarantor, or through, on behalf of, or in conjunction with any person or entity, for a period of 1 year, sell, assign, lease or transfer the Franchised Location to any person or entity which Guarantor knows, or has reason to know, intends to operate a restaurant business at the Franchised Location that specializes in the sale of chicken or has a method of

operation or trade dress similar to that employed in the System. Guarantor, by the terms of any conveyance selling, assigning, leasing or transferring its interest in the Franchised Location, shall include these restrictive covenants as are necessary to ensure that a restaurant business that would violate this Section is not operated at the Franchised Location for this 1-year period, and Franchisee shall take all steps necessary to ensure that these restrictive covenants become a matter of public record.

(e) Cajun shall have the right, in its sole discretion, to reduce the extent of any covenant in this Section effective immediately upon Guarantor's receipt of notice, and Guarantor shall be bound by the covenant as so reduced.

5. **Modification of Agreement.** Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Agreement, (b) any extension of time, credit or other indulgence which Cajun may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. **Governing Law and Jurisdiction.**

(a) This Guaranty and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Guaranty and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Georgia law regulating the offer or sale of franchises or the franchise relationship applicable to this Guaranty if such law would not otherwise be applicable.

(b) Cajun may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Guarantor resides or does business or where the Franchised Restaurant is or was located or where the claim arose. Guarantor consents to the personal jurisdiction of those courts over Guarantor and to venue in those courts.

7. **Miscellaneous.** This Guaranty shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Cajun may assign this Guaranty, in whole or in part. Any assignment shall not release the undersigned from this Guaranty. If more than one person signs this Guaranty as guarantor, then the liability of each such guarantor shall be joint and several, and the covenants in Sections 3 and 4 shall apply to each guarantor individually. This Guaranty shall continue in full force and effect until expressly released by Cajun.

**IN WITNESS WHEREOF**, the undersigned has/have executed and delivered this Agreement as of the dates set forth below.

**WITNESS:**

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

**GUARANTOR:**

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

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

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT D**

# **AMENDMENT TO FRANCHISE AGREEMENT FOR CONVENIENCE STORES AND TRAVEL PLAZAS**

**AMENDMENT TO CHURCH'S TEXAS CHICKEN  
FRANCHISE AGREEMENT  
FOR CONVENIENCE STORES AND TRAVEL PLAZAS**

This Amendment to the Church's Texas Chicken Franchise Agreement dated as of the date signed by the last party hereto (the "Effective Date"), between Cajun Global LLC, d/b/a Church's Texas Chicken, a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee"), is entered into simultaneously with the execution of the Franchise Agreement.

**RECITALS:**

A. Cajun and Franchisee have entered into the Franchise Agreement, pursuant to which Franchisee is authorized to operate the Franchised Restaurant at the Franchised Location. Since the Franchised Restaurant will be operated in connection with the operation of a gasoline station, truck stop and/or convenience store, certain provisions of the Franchise Agreement will not be applicable to the Franchised Restaurant and its operation, and certain other provisions need to be added to the Franchise Agreement to govern the Franchised Restaurant and its operation.

B. In light of the other business(es) operated in proximity to the Franchised Restaurant, Cajun and Franchisee are entering into this Amendment to modify the Franchise Agreement as set forth in this Amendment.

**NOW THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Franchise Agreement as follows:

1. The following new Subsection 1.A.(3) is added to the end of Section 1.A.:

(3) The Franchised Restaurant is part of a larger site ("Facility") at the street address specified in attached Appendix A. In addition to the Franchised Restaurant, Franchisee and/or its affiliates operate those other businesses at the Facility identified in Appendix A.
2. If Franchisee operates a gasoline station at the Facility pursuant to a contract with a third party, as identified in Appendix A ("Supplier"), for the supply and subsequent sale of petroleum products ("Supply Contract"), the following is added immediately prior to the period at end of the first sentence of Section 2.A. of the Franchise Agreement:

, or upon the expiration or earlier termination of the Supply Contract if Franchisee fails to enter into a new contract for the supply and subsequent sale of petroleum products with Supplier or another third party.
3. The following sentence is added to the end of Section 3.D.:

Gross Sales shall also not include: (1) any revenue derived from any business operated by Franchisee at the Facility other than the Franchised Restaurant, or (2) beverages sold at the Facility in containers not bearing the Proprietary Marks (beverages sold in containers bearing the Proprietary Marks shall be included in Gross Sales).

4. The following sentence is added to the end of Section 3.F.(2):

Franchisee must maintain a separate bank account for the Restaurant from that of any gasoline station, truck stop and/or convenience store that Franchisee owns or operates on or about the Franchised Location. All Gross Sales from the Restaurant must be deposited into this bank account. The revenues from the gasoline station, truck stop and/or convenience store shall not be co-mingled with the Gross Revenues from the Restaurant.

5. The following sentence is added to the end of Sections 4.B., 4.C., and 4.D.:

The financial information that Franchisee is required to submit under this Section shall be limited to the operation of the Franchised Restaurant.

6. The following is added to the end of Section 10.C.(1):

Franchisee must use computer hardware and software that is capable of providing to Cajun information, in such format and medium as Cajun reasonably may specify from time to time, that segregates the sales at the Franchised Restaurant from the sales of any other business operated by Franchisee at the Facility.

7. Section 10.E.(1)(a) is deleted and replaced with the following:

(a) inspect the Franchised Restaurant;

8. The following sentence is added to the end of Section 10.F.(1):

Franchisee shall maintain the other businesses operated at the Facility in first class condition and repair.

9. The following sentence is added to the end of Section 10.G.(1):

Notwithstanding the foregoing and subject to Section 17.A, if all other businesses at the Facility are temporarily not operating, then Franchisee will not be required to operate the Franchised Restaurant during such temporary period.

10. The last sentence of Section 10.I. is deleted and replaced with the following:

Cajun has the right to approve (to be granted or withheld in Cajun's sole discretion) all Church's Texas Chicken signage at the Facility. Unless otherwise approved by Cajun (in its sole discretion) all Church's Texas Chicken signage shall be of a size at least equal to that of the signage for any other business at the Facility. Franchisee shall not display any sign, logo or advertising media to which Cajun objects as being inconsistent with the image of Church's Texas Chicken or the System.

11. The following new Subsection (8) is added to Section 12.B.:

(8) If alcoholic beverages are sold at the Facility, Franchisee shall maintain Dram Shop coverage and Liquor Liability coverage for bodily injury and property damage with policy limits of not less than \$1,000,000.

12. Section 13.A.1.(d) is deleted.

13. The following sentence is added after the second sentence of the first paragraph of Section 15.B.:

Cajun may refuse to approve a proposed Transfer if Franchisee and its affiliates do not propose to simultaneously transfer (to the same transferee) the same interest in the other business(es) at the Facility that Franchisee proposes to Transfer with respect to this Agreement, the Franchise, the Franchised Restaurant or the Franchised Location.

14. Section 15.H. is deleted.

15. The following sentence is added to the end of Section 17.D.(2)(a):

Notwithstanding the foregoing, the operation by Franchisee of other restaurants at or from the Facility that do not specialize in the sale of chicken shall not, in and of itself, be deemed to constitute a diversion of business or customers from the Franchised Restaurant to a competitor.

16. The following new Subsection (19) is added to Section 18.A.:

(19) Franchisee fails to record separately the sales of Church's Texas Chicken menu items and promotional items approved for sale in Church's Texas Chicken Restaurants at the Franchised Restaurant from the sales of any other business operated by Franchisee at the Facility as set forth in Section 10.C.(1).

17. The first sentence of Section 22.A. is amended by inserting, immediately after the phrase "the operations of the Franchised Restaurant," the phrase "or any other activity or business any at the Facility."

18. If Franchisee operates a gasoline station at the Facility, Franchisee shall provide Cajun upon request a complete and accurate copy of its Supply Contract, and a copy of all amendments to, and assignments of, the Supply Contract and all notices of default sent to Franchisee pertaining to the Supply Contract.

19. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

20. Except as modified by the Amendment, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## APPENDIX A

1. Address of the Facility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Other Businesses Operated by Franchisee and/or its Affiliates at the Facility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Supplier: \_\_\_\_\_

## **EXHIBIT E**

# **AMENDMENT TO FRANCHISE AGREEMENT FOR CO-BRANDED RESTAURANTS**

**AMENDMENT TO CHURCH'S TEXAS CHICKEN  
FRANCHISE AGREEMENT  
FOR CO-BRANDED RESTAURANTS**

This Amendment to the Church's Texas Chicken Franchise Agreement dated as of the date signed by the last party hereto (the "Effective Date"), between Cajun Global LLC, d/b/a Church's Texas Chicken, a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee"), is entered into simultaneously with the execution of the Franchise Agreement.

**RECITALS:**

A. Cajun and Franchisee have entered into the Franchise Agreement, pursuant to which Franchisee is authorized to operate the Franchised Restaurant at the Franchised Location. Since the Franchised Restaurant will be operated in connection with the operation of a co-branded restaurant (the "Co-Branded Business"), certain provisions of the Franchise Agreement will not be applicable to the Franchised Restaurant and its operation, and certain other provisions need to be added to the Franchise Agreement to govern the Franchised Restaurant and its operation.

B. In light of the proximity of the Co-Branded Business to the Franchised Restaurant, Cajun and Franchisee are entering into this Amendment to modify the Franchise Agreement as set forth in this Amendment.

**NOW THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Franchise Agreement as follows:

1. The following new Subsection 1.A.(3) is added to the end of Section 1.A.:

(3) The Franchised Restaurant is part of a larger site ("Facility") at the street address specified in attached Appendix A.

In addition to the Franchised Restaurant, Franchisee and/or its affiliates operate the Co-Branded Businesses at the Facility identified in Appendix A.

2. The following sentence is added to the end of Section 3.D.:

Gross Sales shall also not include: (1) any revenue derived from any business operated by Franchisee at the Facility other than the Franchised Restaurant, or (2) beverages sold at the Facility in containers not bearing the Proprietary Marks (beverages sold in containers bearing the Proprietary Marks shall be included in Gross Sales).

4. The following sentence is added to the end of Section 3.F.(2):

Franchisee must maintain a separate bank account for the Restaurant from that of any Co-Branded Business that Franchisee owns or operates on or about the Franchised Location. All Gross Sales from the Restaurant must be deposited into this bank account. The revenues from the Co-Branded Business shall not be co-mingled with the Gross Revenues from the Restaurant.

3. The following sentence is added to the end of Sections 4.B., 4.C., and 4.D.:

The financial information that Franchisee is required to submit under this Section shall include the operation of the Co-Branded Restaurant.

4. The following is added to the end of Section 9.C.:

Cajun shall be permitted to inspect the Co-Branded Business for the sole purpose of insuring that the Co-Branded Business is in first class condition and repair and that the Co-Branded Business is not using any of Cajun's Proprietary Marks or products or selling any of Cajun's proprietary products or menu items. Such inspections of the Co-Branded Business shall take place with prior notice from Cajun.

5. The following is added to the end of Section 10.C.(1):

Franchisee must use computer hardware and software that is capable of providing to Cajun information, in such format and medium as Cajun reasonably may specify from time to time, that segregates the sales at the Franchised Restaurant from the sales of the Co-Branded Restaurant operated by Franchisee at the Facility.

6. Section 10.E.(1)(a) is deleted and replaced with the following:

(a) inspect the Franchised Restaurant;

7. The following sentence is added to the end of Section 10.F.(1):

Franchisee shall maintain the Co-Branded Business in first class condition and repair.

8. The following new Subsection 10.G.(3) is added to the end of Section 10.G.:

(3) If the Facility has two drive-thru windows, one will be dedicated to the Franchised Restaurant and one will be dedicated to service of products related to the Co-Branded Business. If the Facility has only one drive thru then it will be dedicated to the Franchised Restaurant. No products of the Co-Branded Business may be delivered to customers through the drive-thru window dedicated to the Franchised Business.

9. The last sentence of Section 10.I. is deleted and replaced with the following:

Cajun has the right to approve (to be granted or withheld in Cajun's sole discretion) all Church's Texas Chicken signage at the Facility. Unless otherwise approved by Cajun (in its sole discretion) all Church's Texas Chicken signage shall be of a size at least equal to that of the signage for any other business at the Facility. Franchisee shall not display any sign, logo or advertising media to which Cajun objects as being inconsistent with the image of the Church's Texas Chicken brand or the System.

10. The following new Subsection (8) is added to Section 12.B.:

(8) If alcoholic beverages are sold at the Facility, Franchisee shall maintain Dram Shop coverage and Liquor Liability coverage for bodily injury and property damage with policy limits of not less than \$1,000,000.

11. The following sentence is added after the second sentence of the first paragraph of Section 15.B.:

Cajun may refuse to approve a proposed Transfer if Franchisee and its affiliates do not propose to simultaneously transfer (to the same transferee) the same interest in the Co-Branded Business at the Facility that Franchisee proposes to Transfer with respect to this Agreement, the Franchise, the Franchised Restaurant or the Franchised Location.

12. Section 15.H. is deleted.

13. The following sentence is added to the end of Section 17.D.(2)(a):

Notwithstanding the foregoing, the operation by Franchisee of other restaurants at or from the Facility that do not specialize in the sale of chicken shall not, in and of itself, be deemed to constitute a diversion of business or customers from the Franchised Restaurant to a competitor.

14. The following new Subsection (20) is added to Section 18.A.:

(20) Franchisee fails to record separately the sales of Church's Texas Chicken menu items and promotional items approved for sale in Church's Texas Chicken Restaurants at the Franchised Restaurant from the sales of the Co-Branded Business operated by Franchisee at the Facility as set forth in Section 10.C.(1).

15. The first sentence of Section 22.A. is amended by inserting, immediately after the phrase "the operations of the Franchised Restaurant," the phrase "or any other activity or business any at the Facility."

16. Franchisee shall provide Cajun a copy of any franchise agreement it is a party to with regard to the Co-Branded Business and all amendments to, and assignments of such franchise agreement and all notices of default sent to Franchisee pertaining to Co-Branded Business.

17. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

18. Except as modified by the Amendment, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## APPENDIX A

1. Address of the Facility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Other Businesses Operated by Franchisee and/or Its Affiliates at the Facility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# **EXHIBIT F**

# **RENEWAL ADDENDUM**

**ADDENDUM TO CHURCH'S TEXAS CHICKEN  
FRANCHISE AGREEMENT  
(FOR RENEWAL TERM)**

This Addendum to the Church's Texas Chicken Franchise Agreement dated as of the date signed by the last party hereto (the "Effective Date"), between Cajun Global LLC, d/b/a Church's Texas Chicken, a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee"), is entered into simultaneously with the execution of a new Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") for a renewal term.

**RECITALS:**

- A. Cajun and Franchisee entered into a franchise agreement dated \_\_\_\_\_ (the "Prior Franchise Agreement") which is set to expire on \_\_\_\_\_.
- B. Contemporaneously herewith, Franchisee is executing the Franchise Agreement, representing Franchisee's exercise of its renewal option under the Prior Franchise Agreement.
- C. The parties wish to enter into this Addendum to modify the terms of the Franchise Agreement for the renewal term.

**NOW THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to modify the Franchise Agreement as follows:

1. Section 6 of the Recitals is deleted.
2. Section 2.A of the Agreement is deleted and replaced with the following:
  - A. **Renewal Term.** The renewal term of the Franchise granted by this Agreement (the "Renewal Term") shall commence and expire on the dates listed on Form A unless this Agreement is terminated at an earlier date pursuant to Section 18. Franchisee shall not have a renewal option.
3. References to "Initial Term". All references to "Initial Term" are hereby replaced with "Renewal Term".
4. Section 2.B of the Agreement is deleted.
5. Section 3.A of the Agreement is deleted and replaced with the following:
  - A. **Renewal Fee.** Simultaneously with Franchisee's execution of this Agreement, Franchisee shall pay to Cajun a renewal fee ("Renewal Fee") in the amount specified in Schedule 1. Franchisee acknowledges and agrees that the Renewal Fee is fully earned by Cajun when paid and is not refundable.
6. Section 3.J of the Agreement is hereby deleted.
7. Section 8.A of the Agreement is deleted.

8. The first sentence of Section 8.B of the Agreement is deleted. The second sentence of Section 8.B of the Agreement is deleted and replaced with the following sentence:

At the Franchised Restaurant, Franchisee must employ at least two managers that have completed the Manager-in-Training (“MIT”) Program.

9. Section 9.A of the Agreement is deleted.
10. The heading of Section 9.B of the Agreement is changes to Assistance.
11. Section 18.A.1 of the Agreement is deleted.
12. Section 3 of Schedule 1 to the Agreement is deleted and replace with the following:

3. **Renewal Franchise Fee (Section 3.A.):** \_\_\_\_\_

13. The body of Form A to the Franchise Agreement is deleted and replaced with the following:

The Renewal Term for the Franchised Restaurant located at  
\_\_\_\_\_ (Restaurant No. \_\_\_\_\_) commenced on  
\_\_\_\_\_ and expires on \_\_\_\_\_.

14. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

15. Except as modified by the Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Addendum as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

## **EXHIBIT G**

# **DEVELOPMENT AGREEMENT (NON-EXCLUSIVE)**



**CHURCH'S TEXAS CHICKEN**

**DEVELOPMENT AGREEMENT**

**Between**

**CAJUN GLOBAL LLC**

**and**

---

Development Agreement No.: \_\_\_\_\_

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
<u>1. GRANT OF DEVELOPMENT RIGHTS</u> .....	3
<u>2. NON-EXCLUSIVE RIGHTS</u> .....	3
<u>3. DEVELOPMENT SCHEDULE</u> .....	4
<u>4. DEVELOPMENT FEE</u> .....	5
<u>5. DEVELOPMENT PROCEDURES</u> .....	5
<u>6. CONSTRUCTION OF THE FRANCHISED RESTAURANTS</u> .....	7
<u>7. OPENING OF THE FRANCHISED RESTAURANT</u> .....	10
<u>8. INSURANCE</u> .....	11
<u>9. MANUAL</u> .....	14
<u>10. ORGANIZATION OF DEVELOPER</u> .....	14
<u>11. TRANSFERS BY CAJUN</u> .....	17
<u>12. TRANSFERS BY DEVELOPER</u> .....	17
<u>13. GENERAL RELEASE</u> .....	19
<u>14. COVENANTS</u> .....	20
<u>15. TERMINATION</u> .....	22
<u>16. OBLIGATIONS ON TERMINATION OR EXPIRATION</u> .....	23
<u>17. RELATIONSHIP OF THE PARTIES</u> .....	24
<u>18. INDEMNIFICATION</u> .....	25
<u>19. CONSENTS, APPROVALS AND WAIVERS</u> .....	25
<u>20. NOTICES</u> .....	26
<u>21. ENTIRE AGREEMENT</u> .....	26
<u>22. SEVERABILITY AND CONSTRUCTION</u> .....	26
<u>23. GOVERNING LAW, FORUM AND LIMITATIONS</u> .....	27
<u>24. MISCELLANEOUS</u> .....	28
<u>25. REPRESENTATIONS</u> .....	29

SCHEDULE 1: DEVELOPMENT AREA

SCHEDULE 2: DEVELOPMENT INFORMATION

SCHEDULE 3: OWNERSHIP INFORMATION

EXHIBIT A: GUARANTY

## CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT

**THIS AGREEMENT** ("Agreement") is made as of the date signed by the last party hereto (the "Effective Date"), by and between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken, a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed under the laws of \_\_\_\_\_ ("Developer").

### RECITALS:

1. As a result of the expenditure of time, skill, effort and money, Cajun has developed and owns a unique and distinctive system ("System") relating to the development, establishment and operation of quick service restaurants featuring fried chicken and other menu items and commercial products ("Church's Restaurants").

2. The distinguishing characteristics of the System include, without limitation, specially designed buildings; distinctive interior and exterior layouts, décor, color schemes, and furnishings; confidential food formulas and recipes used in the preparation of food products and, particularly, a unique seasoning and batter formula for preparing Church's fried chicken; specialized menus; and standards and specifications for equipment, equipment layouts, products, operating procedures, employee training, and management programs; all of which may be changed, improved, and further developed by Cajun from time to time.

3. Cajun Funding Corp. ("Cajun Funding"), an affiliate of Cajun, owns the "Church's", "Church's Chicken" and "Church's Texas Chicken" trade names and trademarks, along with such other trade names, service marks, trademarks, logos, emblems, and other indicia of origin, as are now, or may in the future, be designated by Cajun Funding for use in connection with the System (collectively, the "Proprietary Marks"). Pursuant to a license agreement, Cajun Funding has granted to Cajun the exclusive right to use and license others to use the Proprietary Marks.

4. Cajun Funding and Cajun continue to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of services and products marketed under the Proprietary Marks in the System and to represent the System's high standards of quality, appearance, and service.

5. Under a management agreement ("Management Agreement") between Cajun and Cajun Operating Company ("Cajun Operating"), Cajun Operating Company will, at all times acting on behalf of Cajun, fulfill all of Cajun's duties and obligations under this Agreement. Cajun Operating employs all the persons who will provide services to Developer on Cajun's behalf under the terms of this Agreement. If Cajun Operating fails to perform its obligations under the Management Agreement, then Cajun may replace Cajun Operating as the franchise service provider. However, as the franchisor, Cajun will always be responsible for fulfilling all of its duties and obligations under this Agreement.

6. Developer desires, subject to the terms and conditions of this Agreement, to develop franchised Church's Restaurants (collectively "Franchised Restaurant(s)") within a certain geographic territory.

7. Developer understands and acknowledges the importance of Cajun high and uniform standards of quality, operations and service and the necessity of developing the Franchised Restaurants in strict conformity with this Agreement and Cajun's Manual (as defined in Section 9).

8. Cajun is willing to grant to Developer the opportunity to develop Franchised Restaurants in a limited geographic territory, subject to the terms and conditions of this Agreement.

**NOW THEREFORE**, in consideration of Cajun's grant to Developer of the right to develop Franchised Restaurants in a limited geographic territory during the term of this Agreement, as well as the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **1. GRANT OF DEVELOPMENT RIGHTS**

**A. Grant; Development Area.** Cajun hereby grants to Developer, subject to the terms, conditions, provisions and limitations of this Agreement, the right to develop Franchised Restaurant(s) within the geographic area described in attached Schedule 1 ("Development Area") during the term of this Agreement ("Development Term"). The Development Term begins on the Effective Date and terminates on the date that the last Franchised Restaurant is required to be opened pursuant to the Development Schedule in attached Schedule 2. Developer has no right to renew or extend the Development Term. Developer shall locate each Franchised Restaurant in the Development Area at a specific location accepted by Cajun.

**B. Development Rights Only.** This Agreement is not a license or a franchise agreement. This Agreement does not give Developer the right to open or operate Church's Restaurants or use the System. This Agreement does not give Developer any right to license others to open or operate Church's Restaurants or use the System. This Agreement only gives Developer the opportunity to enter into Church's Texas Chicken franchise agreements ("Franchise Agreements") for the operation of Franchised Restaurants at locations in the Development Area accepted by Cajun. Each Franchised Restaurant developed pursuant to this Agreement shall be established and operated only in strict accordance with a Franchise Agreement.

**C. Forms of Agreement.** Developer acknowledges that Cajun intends to enter into agreements with other developers and franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Cajun and other developers and franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

## **2. NON-EXCLUSIVE RIGHTS**

**A.** The development and other rights granted to Developer hereunder are non-exclusive.

**B.** Without limiting the general nature of Section 2.A.:

**(1)** Cajun reserves the rights to: **(a)** operate and license others to operate restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and/or "Church's Texas Chicken" in the Development Area that are located in airports, train stations, bus stations, travel plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, food courts, enclosed shopping malls and retail centers, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location; **(b)** award national or regional licenses to third parties to sell products under the names and marks "Church's", "Church's Chicken", and "Church's Texas Chicken" in foodservice facilities primarily identified by the third party's trademark; **(c)** develop and operate, and license others to develop and operate, restaurants other than restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and "Church's Texas Chicken" in the Development Area; **(d)** acquire or be acquired by a restaurant chain or

system that operates and/or franchises restaurants in the Development Area that are the same as, similar to or compete with Church's Restaurants in that they have a substantially similar menu or similar theme or concept; (e) merchandise and distribute products identified by some or all of the Proprietary Marks in the Development Area through any method or channel of distribution other than restaurants; (f) sell and distribute products identified by some or all of the Proprietary Marks in the Development Area to restaurants other than restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and "Church's Texas Chicken" provided those restaurants are not licensed to use the Proprietary Marks or the System in connection with their retail sales, and (g) sell and license others to sell products identified by some or all of the Proprietary Marks in the Development Area through temporary facilities in connection with any cultural, sporting, recreational, or other temporary event. Cajun reserves to itself all rights to use and license the System and Proprietary Marks other than those expressly granted under this Agreement.

(2) Cajun may operate or license others to operate restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and "Church's Texas Chicken" in the Development Area.

(3) Nothing in this Agreement shall prohibit Cajun or its affiliates from operating or licensing a restaurant at any location in or outside the Development Area.

### **3. DEVELOPMENT SCHEDULE**

**A.** During the Development Term, Developer shall develop and open in the Development Area the number of Franchised Restaurants specified in the Development Schedule in Schedule 2. For each Franchised Restaurant to be developed during the Development Term, Developer must first obtain Cajun's acceptance of the site by the site acceptance date listed in the Development Schedule in Schedule 2. Developer's strict compliance with the Development Schedule is essential to this Agreement. If Developer fails to fulfill its obligations to develop and open any Franchised Restaurant when required by the Development Schedule or to obtain site acceptance by the date specified in the Development Schedule, such failure shall constitute a non-curable breach of this Agreement permitting Cajun immediately to terminate this Agreement by giving notice of termination to Developer. Time is of the essence.

**B.** In addition to the Development Fee required by Section 4, Developer shall pay Cajun an initial franchise fee ("Initial Franchise Fee") for each Franchised Restaurant to be developed under this Agreement in the amount set forth in Schedule 2. The Initial Franchise Fee is payable upon execution of the Franchise Agreement for each Franchised Restaurant. Developer acknowledges and agrees that the Initial Franchise Fee is fully earned by Cajun when paid, and it is not refundable.

**C.** If, during the Development Term, Developer sells a Franchised Restaurant that was developed pursuant to this Agreement, that Franchised Restaurant will continue to be counted as a Franchised Restaurant for the purpose of meeting Developer's obligations under the Development Schedule, provided that the sale has been approved by Cajun and the restaurant will continue to be operated as a Church's Texas Chicken Restaurant pursuant to a franchise agreement with Cajun or its affiliates.

**D.** Cajun may, in its sole discretion, grant Developer one or more extensions to the Development Schedule ("Development Schedule Extension"), provided that Developer shall pay Cajun a fee ("Development Schedule Extension Fee") in an amount not to exceed \$5,000 for each Development Schedule Extension of five months duration or less. Cajun reserves the right to deny the granting of any Development Schedule Extension for any reason. If the Development Schedule Extension is an extension to the Opening Date and Developer opens the Franchised Restaurant during that extension period, then the Development Schedule Extension Fee will be credited toward the Initial Franchise Fee for the Franchised

Restaurant. If the Development Schedule Extension is an extension to the Site Acceptance Date, no credit shall be given.

**E.** At Developer's request, Cajun will permit the Franchise Agreement for any Franchised Restaurant in the Development Area to be executed by an entity formed by Developer to operate the Franchised Restaurant (an "Affiliated Entity"), provided all of the following conditions are met: **(1)** Developer, the Operating Principal (as defined in Section 10.G.) or Developer's Continuity Group (as defined in Section 10.E.) own at least 51% of the voting equity of a corporate or limited liability company Affiliated Entity, or all of the general partnership interests of a partnership Affiliated Entity; **(2)** the Affiliated Entity conducts no business other than the operation of the Franchised Restaurant; **(3)** Developer, the Operating Principal, the members of Developer's Continuity Group and all holders of a legal or beneficial interest in Developer of 5% or more ("5% Owner(s)") agree to guarantee and assume full and unconditional liability for, and agree to perform all obligations, covenants and agreements contained in the Franchise Agreement; and **(4)** all owners of voting equity possess a good moral character, as determined by Cajun in its sole discretion, and Developer provides Cajun all reasonably requested information and documentation to permit Cajun to make such a determination.

#### **4. DEVELOPMENT FEE**

Developer shall pay Cajun, at the time this Agreement is signed, a development fee in the amount set forth in Schedule 2 ("Development Fee"). Developer acknowledges and agrees that the Development Fee is fully earned by Cajun when paid, and it is not refundable.

#### **5. DEVELOPMENT PROCEDURES**

**A. Developer's Responsibility.** Developer assumes all cost, liability and expense for locating, obtaining and developing sites for the Franchised Restaurants and constructing and equipping the Franchised Restaurants in accordance with Cajun's requirements. Developer shall not make any binding commitment to purchase or lease a site unless and until Cajun has accepted the site in writing.

**B. Site Acceptance Request.** Developer shall submit a site acceptance request (on Cajun's form), containing such information as Cajun may reasonably require, for each proposed site which Developer reasonably believes to conform to site selection criteria that Cajun may establish from time to time for demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses (including restaurants operated or franchised by Cajun or its affiliates), the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises.

#### **C. Site Acceptance.**

**(1)** Within 60 days after receipt of a complete Site Acceptance Request and any additional information that Cajun may reasonably require, Cajun shall advise Developer in writing whether it has accepted a particular site. If Cajun does not respond within that time period, Cajun shall be deemed to have denied acceptance of the site. Cajun's acceptance or rejection of a site may be subject to reasonable conditions as determined in its sole discretion. A site which Cajun has accepted shall be referred to as an "Authorized Site."

**(2)** Developer acknowledges that, in order to preserve and enhance the reputation and goodwill of all restaurants franchised by Cajun and the goodwill of the Proprietary Marks, all Franchised Restaurants must be properly developed, operated and maintained. Accordingly, Developer agrees that

Cajun may refuse to accept a site for a proposed Franchised Restaurant unless Developer demonstrates sufficient financial and operational capabilities, in Cajun's sole judgment to properly develop, operate and maintain the proposed Franchised Restaurant. To this end, Developer shall furnish Cajun with such financial statements and other information and documentation regarding Developer (or its Affiliated Entity) and the development and operation of the proposed Franchised Restaurant, including, without limitation, investment and financing plans for the proposed Franchised Restaurant, as Cajun reasonably may require.

**(3)** Cajun's acceptance of one or more sites is not a representation, a warranty or a promise by Cajun that a Church's Restaurant at the Authorized Site will achieve a certain sales volume or a certain level of profitability. Similarly, Cajun's acceptance of one or more sites and its rejection of other sites is not a representation, warranty or a promise that an Authorized Site will have a higher sales volume or be more profitable than a site which Cajun did not accept. Cajun assumes no liability or responsibility for: **(a)** evaluation of an Authorized Site's soil for hazardous substances; **(b)** inspection of any structure on the Authorized Site for asbestos or other toxic or hazardous materials; **(c)** compliance with the Americans With Disabilities Act ("ADA"); or **(d)** compliance with any other applicable law. It is Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the Authorized Site (and any structures thereon) is free from environmental contamination and complies with the ADA and other applicable laws.

**D. Execution of Franchise Agreement.** Within 30 days after Cajun accepts a proposed site for the first Franchised Restaurant developed hereunder (but, if applicable, after expiry of the applicable waiting period following delivery of a franchise disclosure document), Developer shall execute a Franchise Agreement in Cajun's then-current standard form, and pay the Initial Franchise Fee for the Authorized Site. For all subsequent Franchised Restaurants, Developer shall, at Cajun's option, execute Cajun's then-current standard form of Franchise Agreement in general use at the time of Cajun's notice to Developer of Cajun's acceptance of the proposed site for the Franchised Restaurant, within 30 days after acceptance (but, if applicable, after expiry of the applicable waiting period following delivery of a franchise disclosure document). For the purpose of entering into Franchise Agreements, Cajun agrees that Developer may organize one or more wholly-owned subsidiaries or one or more affiliates with ownership structures identical to that of Developer, and such entity may be the franchisee entity. Cajun acknowledges that if Developer opens a Franchised Restaurant using such an entity as the franchisee entity, Cajun shall consider Developer's development obligation for that Franchised Restaurant to be satisfied.

**E. Proof of Ownership, Lease or Sublease.** Within 90 days after Cajun accepts the Authorized Site, Developer shall submit to Cajun's satisfactory proof that Developer: **(1)** owns the Authorized Site; or **(2)** has leased or subleased the Authorized Site for a term, including renewal terms, for at least the initial term of the Franchise Agreement; or **(3)** has entered into a written agreement to purchase or to lease or sublease the Authorized Site on terms provided in Section 5.F., subject only to obtaining necessary governmental permits.

**F. Lease Provisions.** If Developer proposes to lease or sublease the Authorized Site, then within 90 days after Cajun accepts the Authorized Site, Developer shall provide Cajun with a copy of the fully-executed lease or sublease (for a term, including renewal terms, for at least the initial term of the Franchise Agreement) for the Authorized Site. The lease or sublease shall not contain any covenants or other obligations that would prevent Developer from performing its obligations under the Franchise Agreement. Developer (and the landlord) must execute the then-current form addendum to the lease agreement. Unless waived in writing by Cajun, any lease, sublease, letter of intent or lease memorandum for the Authorized Site shall contain provisions that satisfy the following requirements during the entire term of the lease, including any renewal terms:

**(1)** The landlord consents to Developer's use of the proprietary signs, distinctive exterior and interior designs and layouts, and the Proprietary Marks prescribed by Cajun, and upon

expiration or the earlier termination of the lease, consents to permit Developer, at Developer's expense, to remove all such items and other trade fixtures, so long as Developer makes repairs to the building caused by such removal.

(2) The landlord agrees to provide Cajun (at the same time sent to Developer) a copy of all amendments and assignments and notices of default pertaining to the lease and the leased premises.

(3) Cajun shall have the right to enter the leased premises to make any modifications or alterations necessary to protect the System and the Proprietary Marks and to cure, within the time periods provided by the lease, any default under the lease, all without being guilty of trespass or other tort and to charge Developer for these costs.

(4) The landlord agrees that Cajun shall not be responsible for any obligations, debts or payments under the lease.

(5) The landlord agrees that, following the expiration or earlier termination of the Franchise Agreement, Developer shall have the right to make those alterations and modifications to the premises as may be necessary to clearly distinguish to the public the premises from a Church's Restaurant and also make those specific additional changes as Cajun reasonably may request for that purpose. The landlord also agrees that, if Developer fails to promptly make these alterations and modifications, Cajun shall have the right to do so without being guilty of trespass or other tort so long as Cajun makes repairs to the building caused by such removal.

(6) The landlord agrees not to amend or otherwise modify the lease in any manner that would affect any of the foregoing requirements without Cajun's prior consent, which consent shall not be unreasonably withheld.

(7) Developer may assign the lease to Cajun or its designee with landlord's consent (which consent shall not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rentals payable to the landlord.

(8) The landlord agrees to consent to Developer's collaterally assigning the lease to Cajun or its designee, granting Cajun the option, but not the obligation, to assume the lease from the date Cajun takes possession of the leased premises, without payment of any assignment fee or similar charge or increase in any rentals payable to the landlord.

**G. New Franchisee Orientation Program.** Before Developer opens its first Franchised Restaurant to be developed under this Agreement, the Operating Principal shall complete, to Cajun's satisfaction, Cajun's New Franchisee Orientation Program ("NFOP"). The NFOP shall last two days and will be conducted at a training facility designated by Cajun. Cajun shall bear all expenses for the NFOP, provided that Developer shall pay all travel, living and other expenses incurred by Developer's Operating Principal and Developer's employees while attending the NFOP.

## **6. CONSTRUCTION OF THE FRANCHISED RESTAURANTS**

### **A. Submission of Construction Plans.**

(1) Developer assumes all cost, liability and expense for developing, constructing and equipping each Franchised Restaurant. Cajun will make available to Developer standard plans and specifications to be utilized only in the construction of a Franchised Restaurant. No modification to, or deviations from, the standard plans and specifications may be made without the prior written consent of

Cajun. Developer shall obtain, at its expense, further qualified architectural and engineering services to prepare surveys, site and foundation plans and to adapt the standard plans and specifications to applicable local or state laws, regulations or ordinances. Developer shall bear the cost of preparing plans containing deviations or modifications from the standard plans. Developer shall use only registered architects, registered engineers, and professional and licensed contractors.

(2) Within 90 days after Developer receives notice of Cajun's site acceptance for each Franchised Restaurant, Developer shall submit to Cajun, and obtain Cajun's acceptance of, the final and complete plans and specifications for the construction (or renovation) and decoration of the Franchised Restaurant, which must be in conformity with Cajun's standards and specifications for Franchised Restaurants, as set out in the current Manual or otherwise in writing ("Construction Plans"). The Construction Plans shall include, but are not limited to, floor plans, equipment layouts, décor, and interior and exterior elevations.

## **B. Commencement and Completion of Construction.**

(1) Developer shall not begin site preparation or construction of a Franchised Restaurant until (a) Cajun has accepted the site for the Franchised Restaurant; (b) Developer has received notification from Cajun that it has accepted the Construction Plans for the Franchised Restaurant; (c) Developer has provided Cajun a copy of the fully-executed lease or sublease for the Franchised Restaurant premises or, if Developer owns the premises, proof of Developer's ownership interest; (d) Developer has procured the insurance coverage required by Section 8; and (e) if the Franchised Restaurant is the second Franchised Restaurant to be developed by Developer, Developer has established its first Franchised Restaurant as a Certified Training Restaurant as described in Section 7.D.

(2) No later than 30 days after Cajun accepts Developer's Construction Plans, Developer shall commence construction or renovation of each Franchised Restaurant. Developer shall at all times, use its best efforts to obtain all necessary construction permits in order to avoid delays in the commencement of construction or renovation of each Franchised Restaurant. Prior to the commencement of construction, Developer shall notify Cajun of the date construction or renovation will commence.

(3) In connection with the construction or renovation, Developer shall only use general contractors and architects duly licensed by the jurisdiction in which each Franchised Restaurant is located. Cajun shall have the right to reject Developer's general contractors and architects in its sole discretion.

(4) Developer shall complete construction or renovation and each Franchised Restaurant shall be furnished, equipped and shall otherwise be ready to open for business in accordance with this Agreement no later than the opening date specified in Schedule 2 ("Opening Date"). Cajun may, in its sole discretion, accept a later Opening Date to address unforeseen construction delays, not within the control of Developer, provided that Cajun reserves the right to require Developer to pay a Development Extension Fee as set forth in Section 3.D. On or before the applicable Opening Date, Developer, at its sole expense, shall, without limitation:

(a) obtain and maintain all required building, utility, sign, health, sanitation, business and other permits and licenses applicable to the Franchised Restaurant;

(b) construct all required improvements to the premises and decorate the exterior and interior of the Franchised Restaurant in compliance with the Construction Plans accepted by Cajun;

(c) purchase or lease and install all specified and required fixtures, equipment, furnishings and interior and exterior signs required for the Franchised Restaurant; and

(d) purchase an opening inventory for the Franchised Restaurant of only authorized and approved products and other materials and supplies.

**C. Acquisition of Necessary Furnishings, Fixtures and Equipment.**

(1) In the development and operation of a Franchised Restaurant, Developer shall use only the fixtures, furnishings, equipment and signs that Cajun has approved for Church's Restaurants as meeting its specifications and standards for quality, design, appearance, function and performance. Developer shall procure and install such cash registers, point-of-sale systems and equipment, data processing equipment, computer hardware, dedicated telephone and power lines, high speed Internet connections, modems, printers and other computer-related accessory or peripheral equipment, with such software and programs, as Cajun specifies from time to time in the Manual or otherwise, at Developer's expense. Developer shall place or display at the Franchised Restaurant (interior and exterior) only those signs, emblems, lettering, logos and display materials that Cajun approves in writing from time to time.

(2) Developer shall purchase or lease approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers designated or approved by Cajun, which may include Cajun. If Developer proposes to purchase, lease or otherwise use any fixtures, furnishings, equipment or signs which have not been approved by Cajun, Developer shall first notify Cajun in writing and shall, at its sole expense, submit to Cajun sufficient specifications, photographs, drawings and/or other information or samples for a determination as to whether those fixtures, furnishings, equipment and/or signs comply with Cajun's specifications and standards. If the request is approved in Cajun sole discretion, Cajun will notify Developer within 30 days after Cajun receives the request. If Cajun does not respond to the request within 30 days, the request is not approved.

(3) If Developer builds any portion of a Franchised Restaurant outside of Cajun's specifications without receiving Cajun's prior written consent, Cajun shall have the right, in addition to all other rights provided in this Agreement, to delay the opening of the Franchised Restaurant until Developer, at its sole expense, brings the Franchised Restaurant's development within full compliance of Cajun's specifications.

**D. Inspection and Cooperation.** During the course of construction and/or renovation of each Franchised Restaurant, Developer shall (and shall cause Developer's architect, engineer, contractors, and subcontractors to) cooperate fully with Cajun and its designees for the purpose of permitting Cajun and its designees to inspect the restaurant premises and the course of construction of the Franchised Restaurant in order to determine whether construction is proceeding according to the Construction Plans. Without limiting the generality of the foregoing, Developer and Developer's architect, engineer, contractors and subcontractors shall afford Cajun's representatives and its designees access to the restaurant premises and to the construction work in order to permit Cajun and its designees to carry out their inspections.

**E. Reports.** If requested by Cajun, Developer shall submit to Cajun, on or before the first day of each month (or more or less frequently if Cajun requests), a report with photographs and any other evidence as required by Cajun showing progress made in connection with the construction and equipping of the Franchised Restaurants.

**F. Limitation of Cajun's Liability.** Notwithstanding the right of Cajun to reject the Construction Plans and to inspect the construction work at the Franchised Restaurant, Cajun and its designees shall have no liability or obligation with respect to the restaurant premises, the design or

construction of the Franchised Restaurant or the furnishings, fixtures and equipment to be acquired. Cajun's rights shall be exercised solely for the purpose of ensuring compliance with the terms and conditions of this Agreement.

## **7. OPENING OF THE FRANCHISED RESTAURANT**

**A. Final Inspection and Opening Date.** Developer shall notify Cajun in writing at least 15 days prior to the date Developer plans to commence operating each Franchised Restaurant. If requested by Cajun, Developer shall submit a copy of the certificate of occupancy to Cajun. Cajun reserves the right, after receiving Developer's notice, to conduct a final inspection of the Franchised Restaurant and its premises to determine if Developer has complied with this Agreement. Cajun shall not be liable for delays or losses occasioned by its inability to complete its investigation and to make a determination within this period. Developer shall not open the Franchised Restaurant for business unless Developer has satisfied the conditions contained in this Agreement and has received Cajun's express written authorization.

**B. First Franchised Restaurant.** If the Franchised Restaurant is Developer's first franchised Church's Restaurant, Cajun shall provide a representative to be present at the opening of the Franchised Restaurant. Developer shall not open the first Franchised Restaurant unless a Cajun representative is present and Developer has satisfied the pre-opening conditions identified below in Section 7.C.

**C. Conditions to Opening.** Developer shall not open a Franchised Restaurant unless all of the following conditions have been met:

**(1)** Developer and its affiliates are not in default under this Agreement or any other agreements with Cajun or its affiliates; Developer and its affiliates are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant; Developer and its affiliates are not in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant; and for the previous six months prior to the proposed opening of the Franchised Restaurant, Developer and its affiliates have not been in default beyond the applicable cure period under any agreement with Cajun or its affiliates.

**(2)** Developer and its affiliates is current on all financial and other obligations due to Cajun, its affiliates, its suppliers, and all other financial obligations due to any party in connection with the development and/or operation of the Franchised Restaurant.

**(3)** If the Authorized Site is leased or subleased, Cajun has received a copy of the fully-executed lease or sublease.

**(4)** Developer has obtained a certificate of occupancy and any other required health, safety or fire department certificates.

**(5)** Developer has certified to Cajun in writing that the installation of all items of furnishings, fixtures, equipment, signs, computer terminals and related equipment, supplies and other items has been accomplished.

**(6)** The Operating Principal and those other designated management employees of Developer have attended and completed, to Cajun's satisfaction, the Manager-in-Training Program and, if applicable, the New Franchisee Orientation Program (as described in the Franchise Agreement).

(7) Cajun has determined that the Franchised Restaurant has been constructed and/or renovated and equipped substantially in accordance with the requirements of this Agreement and that Developer has trained a staff in accordance with the requirements of this Agreement.

(8) Cajun has been furnished with copies of all insurance policies required by Section 8 or such other evidence of insurance coverage and payment of premiums as Cajun reasonably may request.

(9) Developer has become a member of any purchasing cooperative required by Cajun.

(10) Developer has implemented those customer satisfaction programs required by the Franchise Agreement.

(11) If applicable, Developer has become a member of the Regional Advertising Cooperative (as described in the Franchise Agreement) for the DMA in which the Franchised Restaurant is located.

**D. Certified Training Restaurants.** Within 90 days after Developer opens its first Franchised Restaurant and before Developer may begin construction on its second Franchised Restaurant as provided in Section 6.B., Developer, at its own expense, must establish its first Franchised Restaurant as a Certified Training Restaurant ("CTR") at which a designated training manager can conduct the MIT Program and other training programs for those designated employees of Franchisee and other Cajun franchisees whose franchised Church's Restaurants are located in the same DMA as the CTR.

## 8. INSURANCE

**A. Insurance Program.** Developer, and not Cajun, shall be responsible for all loss or damage arising from or related to Developer's development and operation of each Franchised Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, each Franchised Restaurant. Developer shall maintain in full force and effect throughout the Development Term that insurance which Developer determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of each Franchised Restaurant which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 8.B. Developer shall cause Cajun and any entity with an insurable interest designated by Cajun be named as an additional insured for General Liability and loss payee for property policy to the extent each has an insurable interest.

**B. Minimum Insurance Requirements.** Developer shall obtain all insurance policies from an insurance company or companies satisfactory to Cajun, in compliance with the standards, specifications, coverages and limits set forth in the Manual or otherwise provided to Developer in writing. Cajun may reasonably increase the minimum coverage required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances. Developer shall receive written notice of such modifications and shall take prompt action to secure the additional coverage or higher policy limits. These policies shall include, at a minimum, the following for each Franchised Restaurant:

(1) Comprehensive or Commercial General Liability Insurance, including coverage for bodily injury, personal injury, death and property damage, including Premises and Operations, independent contractors, blanket contractual liability, broad form property damage, products and completed operations and property damage on an occurrence basis with policy limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate or split liability limits of \$1,000,000 for bodily injury per person; \$1,000,000 for bodily injury per occurrence; and \$500,000 for property damage.

(2) Comprehensive Automobile Liability Insurance, if applicable, covering owned, non-owned and hired vehicles with limits as follows: combined single limit of \$500,000 for bodily injury, death and property damage per occurrence; or split liability limits of \$500,000 for bodily injury per person; \$500,000 for bodily injury per occurrence; and \$250,000 for property damage.

(3) All Risk Property Insurance, written on an "All Risks" policy for fire and related peril (including floods and earthquakes where applicable) with limits of insurance of not less than the full replacement value of each Franchised Restaurant, and its furniture, fixtures, equipment, inventory and other tangible property on Special Form. If the Franchised Location is in an area prone to geological phenomena, including, but not limited to, wind, sinkholes, mine subsidence, earthquakes, hurricanes, tornadoes, or floods, the all-risk property insurance shall cover such risks.

(4) Employer's Liability Insurance for employee bodily injury and deaths, with a limit of \$500,000 per incident.

(5) Workers' Compensation and such other insurance as may be required by statute or rule of the state or locality in which each Franchised Restaurant will be located. This coverage shall also be in effect for all of Developer's employees who participate in any of Cajun's training programs.

(6) Builders All Risk Insurance in connection with any construction, renovation, refurbishment or remodeling of a Franchised Restaurant and in connection with new construction or substantial renovation, refurbishment or remodeling of a Franchised Restaurant, Developer shall maintain performance and completion bonds in forms and amounts, and written by carrier(s), reasonably satisfactory to Cajun.

(7) Employment Practice Liability Insurance containing third party endorsement is highly recommended.

**C. General Insurance Requirements.** The following general requirements shall apply to each insurance policy that Developer is required to maintain under this Agreement:

(1) Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory. The applicable limits of each insurance policy shall be exhausted before any benefits (defense or indemnity) may be obtained under any other insurance (including self-insurance) providing coverage to Cajun. In the event payments are required to be made under Cajun's own insurance policies or self-insurance (whether for defense or indemnity) before the applicable coverage limits for the insurance policies obtained by Developer are exhausted, Developer agrees to reimburse, hold harmless and indemnify Cajun and its insurers for such payments. Developer shall notify its insurers of this Agreement and shall use best efforts to obtain an endorsement on each policy it obtains pursuant to Section 8.B. stating as follows:

The applicable limits of this policy shall be applied and exhausted before any benefits may be obtained (whether for defense or indemnity) under any other insurance (including self-insurance) that may provide coverage to Cajun. All insurance coverage obtained by Cajun shall be considered excess insurance with respect to this policy, the benefits of which excess insurance shall not be available until the applicable limits of this policy are exhausted.

(2) No insurance policy shall contain a provision that in any way limits or reduces coverage for Developer in the event of a claim by Cajun or its affiliates.

(3) Each insurance policy shall extend to, and provide indemnity for, all obligations and liabilities of Developer to third parties and all other items for which Developer is required to indemnify Cajun under this Agreement.

(4) Each insurance policy shall be written by an insurance company that has received and maintains an "A" or better rating by the latest edition of Best's Insurance Rating Service.

(5) No insurance policy shall provide for a deductible amount that exceeds \$5,000, unless otherwise approved in writing by Cajun, and Developer's co-insurance under any insurance policy shall be 80% or greater.

(6) All liability insurance policies shall be written on an "occurrence" policy form. Developer shall be responsible for payment of any and all deductibles from insured claims under its insurance policies. Developer shall not self-insure any of the insurance coverages required by this Agreement or non-subscribe to any state's applicable workmen's compensation laws without the prior written consent of Cajun.

**D. No Limitation on Coverage.** Developer's obligation to obtain and maintain the insurance policies in the minimum amounts specified by Cajun shall not be limited in any way by reason of any insurance which may be maintained by Cajun, nor shall Developer's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18 of this Agreement.

**E. Issuance of Insurance.** Developer shall obtain the insurance required by this Agreement no later than 15 days before the date on which the construction of Developer's first Franchised Restaurant developed pursuant to this Agreement is commenced. Developer shall not open any Franchised Restaurant for business prior to Cajun's receipt of satisfactory evidence that all insurance required by this Agreement is in effect. Upon obtaining such insurance, and on each policy renewal date thereafter, Developer shall submit evidence of satisfactory insurance and proof of payment for such insurance to Cajun. At least once per year, Developer shall submit to Cajun a copy of its current year insurance certificate. Developer shall use its best efforts to coordinate the policy effective dates for all of Developer's required coverages for all of the Franchised Restaurants to have one similar policy period. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior written notice to Cajun. Upon request, Developer also shall provide to Cajun copies of all policies, and policy amendments and riders. No failure of Cajun to request such evidence of satisfactory insurance and proof of payment or copies of any policies shall constitute a waiver of Cajun's right to demand exact compliance by Developer to comply with, or Developer's obligations under, this Section.

**F. No Representations.** Developer acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by Cajun that only such policies, in such amounts, are necessary or adequate to protect Developer from losses in connection with its business under this Agreement. Developer further acknowledges that the insurance requirements contained in this Agreement shall not be construed as a limitation of Developer's liability to Cajun or any third party arising from Developer's development and operation of the Franchised Restaurants. Maintenance of this insurance, and the performance by Developer of its obligations under this Section, shall not relieve Developer of liability under the indemnification provisions of this Agreement.

**G. Procurement of Insurance by Cajun.** Should Developer, for any reason, fail to procure or maintain at least the insurance required by this Section, as revised from time to time pursuant to the Manual or otherwise in writing, Cajun shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Developer. Developer shall reimburse Cajun for all out-of-

pocket costs incurred by Cajun in obtaining such insurance on behalf of Developer immediately upon Developer's receipt of an invoice therefor.

## **9. MANUAL**

**A. Definition; Contents.** The term "Manual" means Cajun's Operations Manual and any other publications, materials, drawings, memoranda, audio or video recordings, and electronic media that Cajun from time to time may provide to Developer. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for development, management and operation of the Franchised Restaurant. The Manual may also set forth requirements related to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Franchised Restaurant; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Franchised Restaurant building, grounds, equipment, graphics, signs, interior and exterior décor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures and operations. The Manual is hereby incorporated by reference in its entirety and made a part of this Agreement.

**B. Loan.** Developer acknowledges receipt on loan of Cajun's confidential and proprietary Manual which contains information and knowledge that is unique, necessary and material to the System. Cajun reserves the right to only issue an electronic form of the Manual that Cajun may post on a restricted website, intranet or extranet to which Developer will have access. Cajun may supplement or amend the Manual from time to time by letter, electronic mail, update to our franchise website, bulletin, videotapes, audio tapes, digital video disks, compact disks, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a Church's Restaurant. Developer shall keep its copy of the Manual current with all additions and deletions provided by or on behalf of Cajun and shall purchase whatever equipment and related services (including, without limitation, a video cassette recorder, DVD player, computer system, Internet service, dedicated phone line, facsimile machine, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the Manual occurs, the master copy maintained by Cajun at its principal offices shall control.

**C. Confidentiality of the Manual.** Developer acknowledges that the contents of the Manual are confidential and that the Manual contains Cajun's trade secrets and copyrighted material. Any passwords or other digital identifications necessary to access the Manual on any website, intranet or extranet also are deemed to be confidential and proprietary to Cajun. Accordingly, Developer agrees that Developer will not disclose the contents of the Manual, passwords or other digital identifications to any person other than employees of the Franchised Restaurants who need to know its contents. Developer may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

**D. Obligation.** Developer shall at all times develop each Franchised Restaurant in strict conformity with the Manual; maintain the Manual at each Franchised Restaurant; not reproduce the Manual or any part of it; and treat the Manual as confidential and proprietary; and disclose the contents of the Manual only to those employees of Developer who have a need to know.

## **10. ORGANIZATION OF DEVELOPER**

### **A. Representations.**

**(1)** If Developer is a legal entity such as a corporation, limited liability company or a partnership, Developer represents and warrants to Cajun that: **(a)** Developer is duly organized or

incorporated and validly existing under the laws of the state of its formation; **(b)** it is qualified to do business in the state in which each Franchised Restaurant is located; **(c)** execution of this Agreement and the development and operation of the Franchised Restaurants is permitted by its governing documents; and **(d)** unless waived in writing by Cajun, Developer's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that the activities of Developer are limited exclusively to the development and operation of Church's Restaurants and other restaurants operated by Developer that are franchised by Cajun or its affiliates.

**(2)** If Developer is an individual, or a partnership comprised solely of individuals, Developer makes the following additional representations and warranties: **(a)** each individual has executed this Agreement; **(b)** each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and **(c)** notwithstanding any Transfer for convenience of ownership, pursuant to Section 12.F., each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

**B. Governing Documents.** If Developer is a corporation, copies of Developer's Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to Cajun. If Developer is a limited liability company, copies of Developer's Articles of Organization, Management Agreement, other governing documents and any amendments, including the resolution of the Managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to Cajun. If Developer is a partnership, copies of Developer's written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners have been furnished to Cajun, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by Developer's written partnership agreement. When any of these governing documents are modified or changed, Developer promptly shall provide copies to Cajun.

**C. Ownership Interests.** If Developer is a corporation, a limited liability company or a partnership, all interests in Developer are owned as set forth in attached Schedule 3. In addition, if Developer is a corporation, Developer shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Developer is a limited liability company, Developer shall maintain a current list of all members (and the percentage membership interest of each member). If Developer is a partnership, Developer shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Developer shall comply with Section 12 prior to any change in ownership interests and shall execute addenda to Schedule 3 as changes occur in order to ensure the information contained in Schedule 3 is true, accurate and complete at all times.

**D. Restrictive Legend.** If Developer is a corporation, Developer shall maintain stop-transfer instructions against the transfer on its records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Church's Texas Chicken Development Agreement and Franchise Agreement(s) to which the corporation is a party." If Developer is a publicly-held corporation these requirements shall apply only to the stock owned by Developer's Continuity Group (as defined in Section 10.E.). If Developer is a limited liability company, each membership certificate or other evidence of interest in Developer shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Church's Texas Chicken Development

Agreement and Franchise Agreement(s) to which the limited liability company is a party.” If Developer is a partnership, its written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

**E. Continuity Group.** Schedule 3 lists those persons and/or entities that Cajun and Developer have designated as Developer’s “Continuity Group.” In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, Developer shall execute addenda to Schedule 3 to reflect the change. The Continuity Group shall at all times own at least 51% of the voting securities of Developer (or, if Developer is a partnership, the Continuity Group shall at all times have at least a 51% interest in the operating profits and losses and at least a 51% ownership interest in Developer).

**F. Guarantees.**

(1) All members of the Continuity Group shall jointly and severally guarantee Developer’s payment and performance under this Agreement and shall bind themselves to the terms of this Agreement pursuant to a Guaranty in the form prescribed by Cajun (“Guaranty”). Unless Developer is a publicly-held entity, all holders of a legal or beneficial interest in Developer of 5% or more of the equity of Developer (“5% Owners”) also shall jointly and severally guarantee Developer’s payment and performance under this Agreement and also shall bind themselves to the terms of this Agreement pursuant to the Guaranty. Notwithstanding the foregoing, Cajun reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals execute the Guaranty. Cajun reserves the right to require any guarantor to provide personal financial statements to Cajun from time to time.

(2) With respect to 5% Owners, Developer acknowledges that, unless otherwise agreed to in writing by Cajun, it is Cajun’s intent to have individuals (and not corporations, limited liability companies or other entities) execute the Guaranty. Accordingly, if any 5% Owner is not an individual, Cajun shall have the right to have the Guaranty executed by individuals who have only an indirect ownership interest in Developer.

(3) If Developer, any guarantor or any parent, subsidiary or affiliate of Developer holds any interest in other restaurants that are franchised by Cajun or its affiliates, the party who owns that interest shall execute, concurrently with this Agreement, a form of cross-guarantee to Cajun and its affiliates for the payment of all obligations for such restaurants, unless waived in writing by Cajun in its sole discretion. For purposes of this Agreement, an affiliate of Developer is any company controlled, directly or indirectly, by Developer or Developer’s parent or subsidiary.

**G. Operating Principal.** Developer shall designate and retain an individual to serve as the “Operating Principal.” The Operating Principal as of the date of this Agreement is identified in Schedule 3. Unless waived in writing by Cajun, the Operating Principal shall meet all of the following qualifications:

(1) The Operating Principal, at all times, shall have at least a 10% equity ownership interest in Developer (unless Developer is a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity).

(2) The Operating Principal, at all times, shall be a member of the Continuity Group and, at a minimum, have full control over the day-to-day activities, including operations, of Developer, including control over the standards of operation and financial performance.

(3) The Operating Principal shall devote full-time and best efforts to supervising the operation of Developer and Franchised Restaurants operated by Developer or its affiliates and shall not

engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(4) The Operating Principal shall maintain his or her primary residence within a reasonable driving distance of at least one Franchised Restaurant.

(5) The Operating Principal shall successfully complete the NFOP.

(6) Cajun shall have approved the Operating Principal, and not have later withdrawn that approval.

(7) If the Operating Principal no longer qualifies as such, Developer shall designate another qualified person to serve as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. Developer's designee to become the Operating Principal must successfully complete the MIT Program. Following Cajun's approval of a new Operating Principal, that person shall execute the attached form of Guaranty unless waived by Cajun in its sole discretion.

## **11. TRANSFERS BY CAJUN**

Cajun shall have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of its rights and obligations under this Agreement to any person or legal entity, and to undergo a change in ownership or control without the consent of Developer.

## **12. TRANSFERS BY DEVELOPER**

**A. No Assignment.** Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, that Cajun has entered into this Agreement in reliance on Developer's (and Operating Principal's) business skill, financial capacity, personal character, experience and demonstrated or purported ability in developing and operating high quality foodservice operations. Accordingly, neither Developer nor any person or entity which directly or indirectly controls Developer shall sell, assign, transfer, convey, or give away any interest in Developer, this Agreement or any other assets pertaining to Developer's operations under this Agreement (collectively, "Transfer"), except as described in Section 12.B. or Section 12.C. Any purported Transfer, by operation of law or otherwise, shall be null and void.

**B. Transfers of Minority Interest.** Notwithstanding the provisions of Section 12.A., a Minority Interest Transfer may be permitted and shall require Cajun's advance written consent. A "Minority Interest Transfer" is a transfer in which:

(a) A minority percentage of ownership interests in Developer is transferred such that after the Transfer, the Continuity Group still owns at least 51% of Developer's voting securities (or if Developer is a partnership, the Continuity Group owns at least a 51% interest in the operating profits and losses of a partnership Developer as well as at least a 51% ownership interest in a partnership Developer); or

(b) Ownership interests in Developer are transferred following the death or permanent disability of a person with an ownership interest in Developer, provided that the Transfer is to the parent, sibling, spouse or children of that person or to a member of the Continuity Group. Such Minority Interest Transfer shall be completed within a reasonable time, not to exceed 6 months from the date of death or permanent disability. Failure to complete the Minority Interest Transfer within this period of time will constitute a breach and default of this Agreement. A person shall be deemed to have a "permanent

disability" if his or her personal, active participation in the development and operation of the Franchised Restaurant is for any reason curtailed for a continuous period of 6 months.

The decision as to whether or not to approve a proposed Minority Interest Transfer shall be made by Cajun in its sole discretion and may include numerous factors deemed relevant by Cajun. These factors may include, but will not be limited to, the following:

(1) The Minority Interest Transfer is not undertaken to circumvent a Transfer request that is prohibited under this Section 12.

(2) Developer must give Cajun advance notice and submit a copy of all proposed contracts and other information concerning the Minority Interest Transfer Cajun requests.

(3) The proposed transferee (and if the proposed transferee is other than an individual, such owners of an interest in the transferee as Cajun may request) must demonstrate that it possesses a good character, business reputation and credit rating.

(4) All of Developer's accrued monetary obligations to Cajun and its affiliates (whether arising under this Agreement or otherwise) have been satisfied, and all of Developer's outstanding obligations related to each Franchised Restaurant (including, but not limited to, bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in the reasonable judgment of Cajun, adequately provided for. Cajun reserves the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied.

(5) Developer is not then in material default of any provision of this Agreement or any other agreement between Developer and Cajun or its affiliates and is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to any Franchised Restaurant.

(6) Developer, all individuals who executed this Agreement and all guarantors of Developer's obligations must execute a general release and a covenant not to sue, in a form satisfactory to Cajun, of any and all Claims (as defined in Section 16) against Cajun and its affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, including, without limitation, Claims arising under federal, state and local laws, rules and ordinances, and including, without limitation, Claims arising out of, or relating to, this Agreement or any other agreements between Developer and Cajun.

(7) Developer and all guarantors of Developer's obligations shall, at Cajun's request, execute a guaranty pursuant to which Developer and such guarantors shall remain liable for all obligations to Cajun incurred before the date of the Minority Transfer and for all obligations of the transferee to Cajun and its affiliates for a period of 1 year following such Minority Transfer.

(8) Developer and all guarantors of Developer's obligations shall acknowledge and agree that they remain obligated under the applicable covenants contained in Section 14 of this Agreement as if this Agreement had been terminated on the date of the Transfer.

**C. Transfers for Convenience of Ownership.** If Developer is an individual or a partnership and desires to Transfer this Agreement to a corporation (or limited liability company) formed for the convenience of ownership, Developer must notify Cajun and obtain Cajun's prior written approval. Cajun approval will be conditioned on the following: (1) the corporation (or limited liability company) must be newly organized; (2) prior to the Transfer, Cajun must receive a copy of the documents specified in Section

10.B. and the transferee shall comply with the remaining provisions of Section 10; and (3) Developer must own all voting securities of the corporation (or membership interests of the limited liability company) or if Developer is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as they had in this Agreement prior to the Transfer.

**D. Grant of Security Interest.** Developer shall not grant any security interest in its business or in this Agreement without Cajun's prior approval, which will not be unreasonably withheld.

**E. Offerings by Developer.** Securities in Developer may be sold, by private or public offering, only with Cajun's prior consent (whether or not Cajun consent is required under any other provision of this Section). In addition to the requirements of Section 12.B., prior to the time that any public offering or private placement of securities in Developer is made available to potential investors, Developer, at its expense, shall deliver to Cajun a copy of the offering documents. Developer, at its expense, also shall deliver to Cajun an opinion of Developer's legal counsel (addressed to Cajun and in a form acceptable to Cajun) that the offering documents properly use the Proprietary Marks and accurately describe Developer's relationship with Cajun and/or its affiliates. For each proposed offering, Developer shall pay Cajun a non-refundable fee in the amount of \$10,000 or such greater amount as is necessary to reimburse Cajun for its reasonable costs and expenses associated with reviewing the proposed offering, including, but not limited to, legal and accounting fees. The indemnification provisions of Section 18 shall also include any losses or expenses incurred by Cajun and its affiliates in connection with any statements made by or on behalf of Developer in any public offering or private placement of Developer's securities.

### **13. GENERAL RELEASE**

Effective upon Developer's execution of this Agreement, Developer (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities or, if Developer is an individual on behalf of himself/herself and his/her heirs, representatives, successors and assigns), all individuals who execute this Agreement (on behalf of themselves and their heirs, representatives, successors and assigns) and all guarantors of Developer's obligations under this Agreement (on behalf of themselves and their heirs, representatives, successors and assigns) (collectively "Developer Releasors") freely and without any influence forever release and covenant not to sue Cajun, its parent, subsidiaries and affiliates and their respective past and present officers, directors, members, managers, shareholders, agents and employees, in their corporate and individual capacities (collectively "Cajun Releasees"), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Claims"), which any Developer Releasor now owns or holds or may at any time have owned or held, including, without limitation, Claims arising under federal, state and local laws, rules and ordinances, Claims for contribution, indemnity and/or subrogation and Claims arising out of, or relating to this Agreement and all other agreements between any Developer Releasor and any Cajun Releasee, the sale of a franchise to Developer, the development and operation of the Franchised Restaurants and the development and operation of all other restaurants operated by Developer or any guarantor that are franchised by Cajun or its parent, subsidiaries or affiliates. This General Release does not release any Claims arising from representations made in Church's Texas Chicken Franchise Disclosure Document and its exhibits. DEVELOPER, ON BEHALF OF ITSELF AND THE DEVELOPER RELEASORS, WAIVES ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS THAT THE DEVELOPER RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. DEVELOPER (ON BEHALF OF ITSELF AND

THE DEVELOPER RELEASORS) EXPRESSLY AGREES THAT, WITH RESPECT TO THIS RELEASE, ANY AND ALL RIGHTS GRANTED UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE ARE EXPRESSLY WAIVED, TO THE EXTENT APPLICABLE. THAT SECTION READS AS FOLLOWS: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

## **14. COVENANTS**

**A. Best Efforts.** Developer and the Operating Principal shall devote their best efforts to the development, management and operation of the Franchised Restaurants in the Development Area.

### **B. Confidentiality.**

(1) Developer acknowledges and agrees that: (a) Cajun owns all right, title and interest in and to the System; (b) the System consists of trade secrets and confidential and proprietary information and know-how (including, but not limited to, drawings, materials, equipment, recipes, prepared mixtures or blends of spices or other food products, and other data which Cajun deems confidential) that gives Cajun and its affiliates a competitive advantage; (c) Cajun and its affiliates have taken all measures necessary to protect the trade secrets and the confidentiality of the proprietary information and know-how comprising the System; (d) all material or other information now or hereafter provided or disclosed to Developer regarding the System is disclosed in confidence; (e) Developer has no right to disclose any part of the System to anyone who is not an employee of Developer; (f) Developer will disclose to its employees only those parts of the System that an employee needs to know; (g) Developer will have a system in place to ensure its employees keep confidential Cajun's trade secrets and confidential and proprietary information, and, if requested by Cajun, Developer shall obtain from those of its employees designated by Cajun an executed Confidential Disclosure Agreement in the form prescribed by Cajun; (h) Developer will not acquire any interest in the System; and (i) Developer's use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition, for which Church's would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

(2) Developer shall not, during the Development Term or for a period of two years thereafter (or, with respect to trade secrets, during the Development Term or any time thereafter), communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person or entity, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that Cajun or its affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

(3) If Developer develops any new concepts, processes or improvements relating to the System, Developer promptly shall notify Cajun and provide Cajun with all information regarding the new concept, process or improvement, all of which shall become the property of Cajun and its affiliates and which may be incorporated into the System without any payment to Developer. Developer promptly shall take all actions deemed necessary and desirable by Cajun to vest in Cajun's ownership of such concepts, processes or improvements.

### **C. Restrictions.**

**(1)** Developer acknowledges and agrees that: **(a)** pursuant to this Agreement, Developer will have access to valuable trade secrets, specialized training and confidential information from Cajun and its affiliates regarding the development, operation, purchasing, sales and marketing methods and techniques of Cajun and its affiliates and the System; **(b)** the System and the opportunities, associations and experience established and acquired by Developer under this Agreement are of substantial and material value; **(c)** in developing the System, Cajun and its affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** Cajun would be unable to adequately protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Church's Restaurants if franchisees or developers were permitted to hold interests in competitive businesses; and **(e)** restrictions on Developer's right to hold interests in, or perform services for, competitive businesses will not hinder Developer's activities.

**(2)** Accordingly, Developer covenants and agrees that during the Development Term, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person or entity:

**(a)** divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by Cajun or its affiliates to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System; or

**(b)** have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken.

**(3)** Developer further covenants that following the expiration or earlier termination of this Agreement, regardless of the cause for termination, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity, for a period of two years, have an ownership interest in any restaurant business that specializes in the sale of fried chicken (other than a Church's Restaurant) and that is located **(i)** in the Development Area or **(ii)** within a 5-mile radius of the location of any other Church's Restaurant that is then in existence or under development; or

**(4)** The restrictions in Sections 14.C.(2)(d) and 14.C.(3)(a) shall not apply to Developer's existing restaurant or foodservice operations, if any, which are identified in Schedule 2, nor shall they apply to other restaurants operated by Developer that are franchised by Cajun or its affiliates. If a court finds that any restriction in Section 14.C. is not enforceable, it is the intent of the parties that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Cajun. If, at any time during the restrictive period following expiration or earlier termination of this Agreement, Developer fails to comply with its obligations under this Section, that period of noncompliance will not be credited toward Developer's completion of the restrictive period provided that Cajun takes action to enforce the obligations under this Section within the restrictive period.

**D. Modification.** Cajun shall have the right, in its sole discretion, to reduce the extent of any covenant in this Section effective immediately upon Developer's receipt of notice, and Developer shall be bound by the covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 21.

## 15. TERMINATION

**A. Grounds for Termination.** Cajun may terminate this Agreement, and the rights granted by this Agreement, upon notice to Developer without an opportunity to cure upon the occurrence of any of the following events:

(1) Developer fails to comply with the Development Schedule for any reason, including failing to: **(a)** obtain Cajun's acceptance of a site by the applicable site acceptance date listed in Schedule 2; or **(b)** have open and operating the number of Franchised Restaurants required by the Development Schedule. A default under this Section 15.A.(1) shall not constitute a default under any existing Franchise Agreement between Developer and Cajun or its affiliates.

(2) Developer begins construction of a Franchised Restaurant before: **(a)** Cajun has accepted the site for that Franchised Restaurant; **(b)** Developer has received notification from Cajun that it has accepted the Construction Plans for that Franchised Restaurant; **(c)** Developer has provided Cajun a copy of the fully-executed lease or sublease for the Franchised Restaurant premises, or if Developer owns the premises, proof of Developer's ownership interest; and **(d)** Developer has procured the insurance coverages required by Section 8.

(3) Developer is insolvent or is unable to pay its creditors (including Cajun); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against Developer a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing; Developer makes an assignment for the benefit of creditors; or a receiver or trustee is appointed for Developer and not dismissed within 60 days of the appointment.

(4) Execution is levied against Developer's business or property; suit to foreclose any lien or mortgage against the premises or equipment of any Franchised Restaurant developed hereunder is instituted against Developer and is not dismissed within 60 days; or the real or personal property of any Franchised Restaurant developed under this Agreement shall be sold after levy thereupon by any governmental authority.

(5) There is a breach by Developer of any obligation under Section 14.

(6) Any Transfer that requires Cajun's prior approval occurs or purports to occur (or is attempted) without Developer having obtained that prior approval.

(7) Cajun discovers that Developer made a misrepresentation or omitted a material fact in the information that was furnished to Cajun in connection with its decision to enter into this Agreement.

(8) Developer knowingly falsifies any report required to be furnished Cajun or makes any misrepresentation in its dealings with Cajun or fails to disclose any material facts to Cajun.

(9) Developer, the Operating Principal, any stockholder, member, partner, director or officer of Developer, any member of the Continuity Group or any 5% Owner is convicted of, or pleads no contest to, a felony charge, a crime involving moral turpitude, or any other crime or engages in any other act or omission that is reasonably likely, in the sole opinion of Cajun, to adversely affect Cajun, its affiliates or the System.

(10) Developer, any affiliate of Developer, the Operating Principal, any member of the Continuity Group or any 5% Owner remains in default beyond the applicable cure period: (a) under any other agreement (including, without limitation, any Development Agreement, Franchise Agreement, Promissory Note or Guaranty) with Cajun or its affiliates (provided that, if the default is not by Developer, Cajun provides to Developer a notice of the default and a 30-day period to cure the default); (b) under any real estate lease, equipment lease, or financing instrument relating to a Franchised Restaurant; or (c) under any contract with any vendor or supplier to a Franchised Restaurant; provided that if the default is not by Developer, Developer is given notice of the default and 30 days to cure said default.

(11) There is a breach by Developer of any representation or warranty set forth in Section 25.G-H.

(12) The assets, property, or interests of Developer, any Continuity Group member or any guarantor are blocked under any law, ordinance, or regulation relating to terrorist activities, or Developer, any Continuity Group member or any guarantor otherwise violate any such law, ordinance, or regulation.

(13) Developer fails or refuses to comply with any other provision of this Agreement or any requirement of the System and does not correct the failure or refusal within 30 days (10 days for monetary defaults) after receiving notice of default. If Developer has received a notice of default pursuant to this Section 15.A.(13) within the previous 12 months, Cajun shall be entitled to send Developer a notice of termination upon Developer's next default under this Section 15.A.(13) within that 12-month period without providing Developer an opportunity to remedy that default.

**B. Action Other Than Termination.** If Cajun has the right to terminate this Agreement under Section 15.A., then Cajun may take any one or more of the following actions prior to or in lieu of termination:

(1) reduce the number of Franchised Restaurants which Developer is required to establish pursuant to Section 3.A. of this Agreement;

(2) reduce the size of the Development Area;

(3) withhold evaluation or acceptance of site proposal packages and refuse to permit the opening of any Franchised Restaurant then under construction or not otherwise not ready to commence operations, pending satisfactory cure of any such default;

(4) accelerate the Development Schedule; and

(5) pursue any other remedies available under this Agreement (including termination) or at law or in equity.

## **16. OBLIGATIONS ON TERMINATION OR EXPIRATION**

**A.** Upon termination or expiration of this Agreement:

**(1)** Developer shall have no further right to develop or open Franchised Restaurants in the Development Area. Termination or expiration of this Agreement shall not affect Developer's right to continue to operate Franchised Restaurants that were open and operating pursuant to a Franchise Agreement as of the date this Agreement terminated or expired.

**(2)** The rights granted Developer in the Development Area shall terminate and Cajun shall have the right to operate or license others to operate restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and "Church's Texas Chicken" anywhere in the Development Area.

**(3)** Developer promptly shall return to Cajun the Manual, any copies of the Manual and all other materials and information furnished by Cajun or its affiliates, except materials and information furnished with respect to a Franchised Restaurant which is open and operating pursuant to an effective franchise agreement.

**(4)** Developer and all persons and entities subject to the covenants contained in Section 14 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants.

**(5)** Developer immediately shall pay to Cajun and its affiliates all sums due and owing to Cajun or its affiliates pursuant to this Agreement. Developer also immediately shall pay all sums owed to key suppliers and to any lender that has provided financing to Developer under an arrangement with Cajun.

**(6)** Cajun shall retain the Development Fee.

**(7)** Developer shall furnish to Cajun, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by the chief executive officer of Developer, if Developer is a corporation; by a manager of Developer, if Developer is a limited liability company; or by a general partner of Developer, if Developer is a partnership) satisfactory to Cajun of Developer's compliance with Sections 16.A.(1) - (6).

**(8)** Developer shall not, except with respect to a restaurant franchised by Cajun or its affiliates which is then open and operating pursuant to an effective franchise agreement: **(a)** operate or do business under any name or in any manner that might tend to give the public the impression that Developer is connected in any way with Cajun or its affiliates or has any right to use the System or the Proprietary Marks; **(b)** make, use or avail itself of any of the materials or information furnished or disclosed by Cajun or its affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or **(c)** assist anyone not licensed by Cajun or its affiliates to construct or equip a foodservice outlet substantially similar to a Church's Restaurant.

## **17. RELATIONSHIP OF THE PARTIES**

**A.** This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Developer is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of Cajun or its affiliates. Developer shall have no right or power to, and shall not, bind or obligate Cajun or its affiliates in any way or manner, nor represent that Developer has any right to do so.

**B.** Developer is an independent contractor and is solely responsible for all aspects of the development and operation of the Franchised Restaurants, subject only to the conditions and covenants

established by this Agreement and the Franchise Agreements. Without limiting the generality of the foregoing, Developer acknowledges that Cajun has no responsibility to ensure that the Franchised Restaurants are developed in compliance with all applicable laws, ordinances and regulations and that Cajun shall have no liability in the event the development or operation of the Franchised Restaurants violates any law ordinance or regulation.

**C.** The sole relationship between Developer and Cajun is a commercial, arms' length business relationship and, except as provided in Section 18, there are no third party beneficiaries to this Agreement. Developer's business is, and shall be kept, totally separate and apart from any that may be operated by Cajun. In all public records, in relationships with other persons, and on letterheads and business forms, Developer shall indicate its independent ownership of the Franchised Restaurants and that Developer is solely a franchisee of Cajun.

## **18. INDEMNIFICATION**

**A.** Developer and all guarantors of Developer's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to Cajun), and hold harmless (to the fullest extent permitted by law) Cajun and its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives (collectively "Indemnitees") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with Developer's activities under this Agreement, excluding the gross negligence or willful misconduct of Cajun. Developer promptly shall give Cajun written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Developer and shall furnish Cajun with copies of any documents from such matters as Cajun may request.

**B.** At Developer's expense and risk, Cajun may elect to assume (but under no circumstances will Cajun be obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Developer's obligation to indemnify and hold harmless Cajun and Indemnitees. Cajun shall not be obligated to seek recoveries from third parties or otherwise mitigate losses.

**C.** As used in this Section, the phrase "losses and expenses" includes, but is not limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; judgments; compensation for damages to Cajun's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

## **19. CONSENTS, APPROVALS AND WAIVERS**

**A.** Whenever this Agreement requires the prior approval or consent of Cajun, Developer shall make a timely written request to Cajun therefor; and any approval or consent received, in order to be effective and binding upon Cajun, must be obtained in writing and be signed by an authorized officer of Cajun.

**B.** Cajun makes no warranties or guarantees upon which Developer may rely by providing any waiver, approval, consent or suggestion to Developer in connection with this Agreement, and assumes

no liability or obligation to Developer therefor, or by reason of any neglect, delay, or denial of any request therefor. Cajun shall not, by virtue of any approvals, advice or services provided to Developer, assume responsibility or liability to Developer or to any third parties to which Cajun would not otherwise be subject.

**C.** No failure of Cajun to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of Cajun's right to demand exact compliance with any of the terms of this Agreement. A waiver by Cajun of any particular default by Developer shall not affect or impair Cajun's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of Cajun to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement affect or impair Cajun's right to exercise the same, nor shall such constitute a waiver by Cajun of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of the Development Term. Subsequent acceptance by Cajun of any payments due to it hereunder shall not be deemed to be a waiver by Cajun of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

## **20. NOTICES**

Unless otherwise specified in this Agreement, no notice, demand, request or other communication to the parties shall be binding upon the parties or effective hereunder unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(A)** if to Developer, addressed to Developer at the notice address set forth in Schedule 2; and **(B)** if to Cajun, addressed to Cajun Global LLC, 980 Hammond Drive, N.E., Suite 100, Atlanta, Georgia 30328-6161 (Attn: Office of General Counsel) (ogclegal@churchs.com). Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(1)** delivered personally; **(2)** transmitted by electronic mail to the address set forth above (or in Schedule 2); **(3)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(4)** mailed via overnight courier. Notwithstanding the foregoing, Cajun may amend the Manual, give binding notice of changes to the System, and deliver notices of default by electronic mail to the address set forth in Schedule 2.

## **21. ENTIRE AGREEMENT**

This Agreement, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Developer's rights in the Development Area and Cajun's acceptance of sites for Franchised Restaurants, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments to this Agreement. Nothing in this agreement requires Developer to waive reliance on any representations made by Cajun in its Franchise Disclosure Document that Cajun furnished to Developer. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

## **22. SEVERABILITY AND CONSTRUCTION**

**A.** Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in

a proceeding to which Cajun is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

**B.** Except as otherwise provided in Section 18, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or entity other than Developer and Cajun and its affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

**C.** Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Cajun is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

**D.** No provision of this Agreement shall be interpreted in favor of, or against, any party because of the party that drafted this Agreement.

## **23. GOVERNING LAW, FORUM AND LIMITATIONS**

**A.** This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflicts of laws principles; provided, however, that if the covenants contained in Section 14 of this Agreement would not be enforceable under the laws of Georgia, and the Development Area is located outside of Georgia, then such covenants shall be interpreted and construed under the laws of the state where Developer operates the Franchised Restaurants developed under this Agreement, or, the laws of the state in which Developer is domiciled if Developer is not operating any Franchised Restaurants. Nothing in this Section is intended, or shall be deemed, to make any Georgia law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

**B.** The parties agree that Developer shall file any suit against Cajun only in the federal or state court having jurisdiction where Cajun's principal offices are located at the time suit is filed. Cajun may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Developer resides or does business or where the Development Area or any Franchised Restaurant is or was located or where the claim arose. Developer consents to the personal jurisdiction of those courts over Developer and to venue in those courts and hereby waives all objections to the same.

**C.** Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to Developer) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

**D. DEVELOPER AND CAJUN WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST EACH OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT. DEVELOPER AND CAJUN WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS AND THE RIGHT TO TRIAL BY JURY.**

**E.** If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, the proceeding. If Cajun utilizes legal counsel (including in-house counsel employed by Cajun) in connection with any failure by Developer to comply with this Agreement, Developer shall reimburse Cajun for any of the above-listed costs and expenses incurred by Cajun. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

**F.** Developer recognizes that its failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to Cajun, its affiliates and the System. Therefore, Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, Cajun shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by Cajun shall be in addition to, and not in lieu of, all remedies and rights that Cajun otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

**G.** No right or remedy conferred upon or reserved to Cajun or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 24 shall survive the expiration or earlier termination of this Agreement.

## **24. MISCELLANEOUS**

**A. Gender and Number.** All references to gender and number shall be construed to include such other gender and number as the context may require.

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

**C. Counterparts.** This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

**D. Time.** Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days.

**E. Publicity.** Developer shall not issue any press releases without the prior approval of Cajun.

**F. Variations.** Cajun has the right, in its sole discretion, to waive, defer, or permit variations from the standards of the System or any applicable agreement to any developer, franchisee, prospective developer, or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. Cajun has the right, in its sole discretion, to deny any such request Cajun believes would not be in the best interests of the System.

**G. Delegation.** Cajun has the right, from time to time, to delegate the performance of any portion or all of its rights, obligations and duties under this Agreement to designees, whether affiliates or agents of Cajun or independent contractors with which Cajun has contracted to provide this service. Such

obligations and duties may include, but are not limited to, fulfilling all of Cajun's obligations to Developer, offering and negotiating renewal development agreements and otherwise furnishing assistance to Developer.

## **25. REPRESENTATIONS**

Developer represents, acknowledges and warrants to Cajun (and Developer agrees that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

**A.** This Agreement involves significant legal and business rights and risks. Cajun does not guarantee Developer's success. Developer has read this Agreement in its entirety, conducted an independent investigation of the business contemplated by this Agreement, has been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of Developer's choosing, recognizes that the nature of the business conducted by Church's Restaurants may change over time, has had ample opportunity to investigate all representations made by or on behalf of Cajun, and has had ample opportunity to consult with current and former franchisees of Cajun. The prospect for success of the business undertaken by Developer is speculative and depends to a material extent upon Developer's personal commitment, capability and direct involvement in the day-to-day management of the business.

**B.** The acceptance of one or more sites by Cajun and its refusal to accept other sites is not a representation or warranty of any kind that the Authorized Site(s), will achieve a certain sales volume or a certain level of profitability, or that the Authorized Site(s), will have a higher sales volume or be more profitable than a site which Cajun did not accept. Acceptance by Cajun merely means that the minimum criteria that Cajun has established for identifying suitable sites for proposed Church's Restaurants have been met. Developer agrees that Cajun's acceptance or rejection of a proposed site, whether or not a site acceptance request is completed and/or submitted to Cajun shall not impose any liability or obligation on Cajun. The decision to accept or reject a particular site is Developer's, subject to Cajun's acceptance. Preliminary acceptance of a proposed site by any representative of Cajun is not conclusive or binding, because his or her recommendation may be rejected by Cajun.

**C.** Cajun assumes no liability or responsibility for: (1) evaluation of an Authorized Site's soil for hazardous substances; (2) inspection of any structure on the Authorized Site for asbestos or other toxic or hazardous materials; (3) compliance with the ADA; or (4) compliance with any other applicable law. It is Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the Authorized Site (and any structures thereon) is free from environmental contamination and complies with the ADA and all other applicable laws.

**D.** Developer shall not rely upon any opinions expressed by Cajun or any of its officers, directors, stockholders, employees or agents regarding structural integrity, safety or construction procedures, building codes or ordinances or other matters properly within the responsibility of Developer and its architect. The duties of Cajun's construction representatives are limited solely to ensuring that development plans and other requirements under this Agreement and the Franchise Agreement are met. Cajun and its employees do not act as an architect or agent of Developer. Cajun assumes no liability or responsibility for architectural or engineering plans or judgments outside the scope of the duties stated above. Cajun's final inspection and authorization to open a Franchised Restaurant is not a representation or a warranty that a Franchised Restaurant has been constructed in accordance with any architectural, engineering or legal standards for design or workmanship. It merely means that Cajun is satisfied that the minimum requirements which Cajun has established for consistency of design and layout have been met. Developer agrees that Cajun's final inspection and authorization to open a Franchised Restaurant shall not impose any liability or responsibility on Cajun.

**E.** Cajun makes no express or implied warranties or representations that Developer will achieve any degree of success in the development or operation of Franchised Restaurants and that success in the development and operation of Franchised Restaurants depends ultimately on Developer's efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, Developer's financial condition and competition.

**F.** Cajun has entered, and will continue to enter, into agreements with other developers and franchisees. The manner in which Cajun enforces its rights, and the developers' or franchisees' obligations, under any of those other agreements shall not affect the ability of Cajun to enforce its rights or Developer's obligations under this Agreement.

**G.** All information Developer provided to Cajun in connection with Developer's franchise application and Cajun's grant to Developer of the opportunity to develop Church's Restaurants is truthful, complete and accurate.

**H.** The persons signing this Agreement on behalf of Developer have full authority to enter into this Agreement and the other agreements contemplated by the parties, including the Franchise Agreement. Execution of this Agreement or such other agreements by Developer does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Developer or any person with an ownership interest in Developer is a party.

**I.** Developer acknowledges receipt of the Church's Texas Chicken Franchise Disclosure Document at least 14 days prior to execution of this Agreement or payment of any monies to Cajun

**J.** Developer has not received from Cajun or its affiliates, or anyone acting on their behalf, any representation of Developer's potential sales, expenses, income, profit or loss.

**K.** Developer has not received from Cajun or its affiliates, or anyone acting on their behalf, any representations other than those contained in the Church's Texas Chicken Franchise Disclosure Document as inducements to enter this Agreement.

**L.** Even though this Agreement contains provisions requiring Developer to develop the Franchised Restaurants in compliance with the System: **(1)** Cajun and its affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of Developer's business or employment decisions; and **(2)** Developer and Cajun do not intend for Cajun or its affiliates to incur any liability in connection with or arising from any aspect of the System or Developer's use of the System whether or not in accordance with the requirements of the Manual.

**M.** In the event of a dispute between Cajun and Developer, the parties have waived their right to a jury trial.

**N.** Neither Developer nor any member of the Continuity Group or any guarantor **(1)** have been designated as suspected terrorists under U.S. Executive Order 13244 or any similar law; **(2)** are identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control; or **(3)** have violated (and Developer and its Continuity Group members and guarantors commit to not violate in the future) any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by U.S. Executive Order 13244, the Foreign Corrupt Practices Act, or any similar law.

**O.** Developer understands and agrees that Cajun may operate and change the System and its business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Cajun has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Developer a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Cajun may make such decision or exercise its right and/or discretion on the basis of Cajun's judgment of what is in Cajun's best interests, including without limitation Cajun's judgment of what is in the best interests of the franchise network, at the time Cajun's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Cajun; (2) Cajun's decision or the action taken promotes Cajun's financial or other individual interest; (3) Cajun's decision or the action it takes applies differently to Developer and one or more other Developers or Cajun's company-owned or affiliate-owned operations; or (4) Cajun's decision or the exercise of its right or discretion is adverse to Developer's interests. In the absence of an applicable statute, Cajun will have no liability to Developer for any such decision or action. Cajun and Developer intend that the exercise of Cajun's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Cajun and Developer agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Cajun the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Developer's rights and obligations hereunder.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**DEVELOPER:**

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

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**SCHEDULE 1**  
**DEVELOPMENT AREA**

**The Development Area shall be the**

Developer's rights in the Development Area shall be subject to the limitations described in Section 2. Any political boundaries contained in the description of the Development Area shall be considered fixed as of the date of this Agreement and shall not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street boundaries shall be deemed to include both sides of the street.

**SCHEDULE 2**  
**DEVELOPMENT INFORMATION**

1. **Development Fee (Section 4).** The Development Fee paid by Developer is \$10,000 per Franchised Restaurant required to be opened.
2. **Initial Franchise Fee (Section 3.B.).** The Initial Franchise Fee to be paid by Developer is \$20,000 per Franchised Restaurant.
3. **Development Schedule (Section 3).** Developer shall develop and continue to operate a minimum of \_\_\_\_\_ Franchised Restaurants in the Development Area, in accordance with the following schedule:

<b>Site Acceptance Date</b>	<b>Opening Date</b>	<b>Cumulative Number of Franchised Restaurants To Be Open And Operating Pursuant to this Development Agreement On The Opening Date</b>

4. **Interests in Other Restaurants Specializing in the Sale of Fried Chicken (Section 14.C.4).** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. **Developer's Physical Address (no P.O. Box) (Section 20).**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. **Developer's E-mail Address (Section 20):** \_\_\_\_\_

## SCHEDULE 3

### LISTING OF OWNERSHIP INTERESTS IN DEVELOPER

Name of Developer: \_\_\_\_\_

Effective Date: This Schedule 3 is current and complete as of \_\_\_\_\_  
(date developer completes form).

1. Form of Ownership.

If Developer is an entity, please fill out the below information.

Corporation, Limited Liability Company, or Partnership. Developer is a \_\_\_\_\_ (type of entity) incorporated or formed on \_\_\_\_\_ (date of incorporation/formation), under the laws of \_\_\_\_\_ (state of incorporation/formation). The following is a list, as applicable, of Developer's directors and/or officers as of the effective date shown above:

Name of Each Director or Officer

Position(s) Held

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2. Owners. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Developer (a shareholder, member or partner), and the percentage of ownership each holds (attach additional pages if necessary).

Name/Address (no P.O. Box)

Percentage Interest

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\_\_\_\_\_ %

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\_\_\_\_\_ %

\_\_\_\_\_ %  
\_\_\_\_\_  
\_\_\_\_\_

3. Operating Principal. Developer's Operating Principal as of the Effective Date is \_\_\_\_\_ (Name of individual designated per Section 10.G above).
4. Continuity Group. Developer's Continuity Group (owners of at least 51% of Developer) is comprised of the following persons or entities:

(name of person or persons holding at least 51% of stock, membership interest or limited partnership interest in Developer, per Section 10.E above).

**IN WITNESS WHEREOF**, the undersigned has duly executed and delivered this Schedule 2 as of the day and year set forth below.

\_\_\_\_\_  
(Name of Developer)

By: \_\_\_\_\_  
(Name of person signing on behalf of Developer, if an entity)

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

**Exhibit A**  
**GUARANTY AGREEMENT**  
**(Development Agreement)**

This Guaranty Agreement (this “Guaranty”) is executed by \_\_\_\_\_, a resident of \_\_\_\_\_ (“Guarantor”) in favor of Cajun Global LLC, a Delaware limited liability company, d/b/a Church’s Texas Chicken (“Cajun”).

**Recitals**

A. \_\_\_\_\_ (“Developer”) has entered into a Development Agreement with Cajun (the “Agreement”; capitalized terms used in this Guaranty but not defined herein have the meanings given in the Agreement).

B. Guarantor owns an equity interest in Developer, and as such is a direct beneficiary of the Agreement.

C. In order to induce Cajun to execute the Agreement, Guarantor desires to guarantee the obligations of Developer to Cajun as set forth herein.

**NOW THEREFORE**, in consideration of Cajun’s execution of the Agreement, as well as the agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Cajun and its successors and assigns that Developer shall pay and perform every undertaking, agreement and covenant set forth in the Agreement and further guarantees every other liability and obligation of Developer to Cajun, whether or not contained in the Agreement. Guarantor shall render any payment or performance required under the Agreement or any other agreement between Developer and Cajun upon demand from Cajun.

2. Waiver. Guarantor waives (a) acceptance and notice of acceptance by Cajun of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Developer; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Developer or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law or statute which requires that Cajun make demand upon, assert claims against or collect from Developer or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

3. Confidentiality.

(a) Guarantor acknowledges and agrees that: (i) Cajun owns all right, title and interest in and to the System; (ii) the System consists of trade secrets and confidential and proprietary information and know-how (including, but not limited to, drawings, materials, equipment, recipes, prepared mixtures or blends of spices or other food products and other data which Cajun deems confidential) that gives Cajun and its affiliates a competitive advantage; (iii) Cajun and its affiliates have taken all measures necessary to

protect the trade secrets and the confidentiality of the proprietary information and know-how comprising the System; (iv) all material or other information now or hereafter provided or disclosed to Guarantor regarding the System is disclosed in confidence; (v) Guarantor will not acquire any interest in the System; and (vi) Guarantor's use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition, for which Cajun would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

(b) Guarantor shall not, during the Development Term or for a period of two years thereafter (or, with respect to trade secrets, at any time during or after the Development Term), communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person or entity, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that Cajun or its affiliates designate as confidential shall be deemed confidential for purposes of this Guaranty.

4. Covenants.

(a) During the Development Term, Guarantor shall not, either directly or indirectly, for Guarantor, or through, on behalf of, or in conjunction with, any person or entity:

(i) divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by Cajun or its affiliates to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System; or

(ii) have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken.

(b) Following the expiration or earlier termination of the Agreement, regardless of the cause for termination, Guarantor shall not, either directly or indirectly, for Guarantor, or through, on behalf of, or in conjunction with any person or entity: for a period of two years, have an ownership interest in any restaurant business (other than a Church's Restaurant) that specializes in the sale of fried chicken and that is located in the Development Area or located within a 5-mile radius of any location of a Church's Restaurant that is then in existence or under development.

(c) The restrictions in Sections 4(a)(ii) and 4(b) shall not apply to Developer's existing restaurant or foodservice operations, if any, which are identified in Schedule 1 to the Agreement, nor shall such restrictions apply to other restaurants operated by Developer that are franchised by Cajun or its affiliates. If a court finds that any restriction in Section 4(a) or 4(b) is not enforceable, it is the intent of the parties that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Cajun. If, at any time during the restrictive period following the expiration or earlier termination of the Agreement, Guarantor fails to comply with Guarantor's obligations under this Section, that period of noncompliance will not be credited toward Guarantor's completion of the restrictive period provided that Cajun takes action to enforce the obligations under this Section within the restrictive period.

(d) Cajun shall have the right, in its sole discretion, to reduce the extent of any covenant in this Section effective immediately upon Guarantor's receipt of notice, and Guarantor shall be bound by the covenant as so reduced.

5. **Modification of Agreement.** Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Agreement, (b) any extension of time, credit or other indulgence which Cajun may from time to time grant to Developer or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. **Governing Law and Jurisdiction.**

(a) This Guaranty and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Guaranty and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Georgia law regulating the offer or sale of franchises or the franchise relationship applicable to this Guaranty if such law would not otherwise be applicable.

(b) Cajun may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Guarantor resides or does business or where the Franchised Restaurant is or was located or where the claim arose. Guarantor consents to the personal jurisdiction of those courts over Guarantor and to venue in those courts and waives all objections to the same.

7. **Miscellaneous.** This Guaranty shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Cajun may assign this Guaranty, in whole or in part. Any assignment shall not release the undersigned from this Guaranty. If more than one person signs this Guaranty as guarantor, then the liability of each such guarantor shall be joint and several, and the covenants in Sections 3 and 4 shall apply to each guarantor individually. This Guaranty shall continue in full force and effect until expressly released by Cajun.

**IN WITNESS WHEREOF**, the undersigned has/have executed and delivered this Agreement as of the dates set forth below.

**WITNESS:**

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

**GUARANTOR:**

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

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

Date: \_\_\_\_\_

# **EXHIBIT H**

## **AMENDMENT TO DEVELOPMENT AGREEMENT (EXCLUSIVE)**

## **AMENDMENT TO CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT**

This Amendment to the Church's Texas Chicken Development Agreement made as of the date signed by the last party hereto (the "Effective Date"), between Cajun Global LLC, d/b/a Church's Texas Chicken, a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ ("Developer"), is entered into simultaneously with the execution of the Development Agreement.

### **RECITALS:**

A. Cajun and Developer have entered into the Development Agreement, pursuant to which Developer is authorized to develop Franchised Restaurants in the Development Area.

B. The parties desire to amend the Development Agreement to provide for limited exclusivity rights to Developer.

**NOW THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Development Agreement as follows:

1. Section 2 of the Development Agreement is hereby deleted and replaced with the following:

2. **LIMITED EXCLUSIVE RIGHTS**

A. Cajun reserves the rights to: **(a)** operate and license others to operate restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and/or "Church's Texas Chicken" in the Development Area that are located in airports, train stations, bus stations, travel plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, food courts, enclosed shopping malls and retail centers, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location; **(b)** award national or regional licenses to third parties to sell products under the names and marks "Church's", "Church's Chicken" and "Church's Texas Chicken" in foodservice facilities primarily identified by the third party's trademark; **(c)** develop and operate, and license others to develop and operate, restaurants other than restaurants identified in whole or in part by the names and marks "Church's", "Church's Chicken" and "Church's Texas Chicken" in the Development Area; **(d)** acquire or be acquired by a restaurant chain or system that operates and/or franchises restaurants in the Development Area that are the same as, similar to or compete with Church's Texas Chicken Restaurants in that they have a substantially similar menu or similar theme

or concept; **(e)** merchandise and distribute products identified by some or all of the Proprietary Marks in the Development Area through any method or channel of distribution other than restaurants; **(f)** sell and distribute products identified by some or all of the Proprietary Marks in the Development Area to restaurants other than restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Texas Chicken” and “Church’s Chicken,” provided those restaurants are not licensed to use the Proprietary Marks or the System in connection with their retail sales, **(g)** sell and license others to sell products identified by some or all of the Proprietary Marks in the Development Area through temporary facilities in connection with any cultural, sporting, recreational, or other event; and **(h)** license others to operate restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and/or “Church’s Texas Chicken” in the Development Area pursuant to any development agreement executed prior to the date hereof.

B. Except as reserved in the preceding paragraph, Cajun will not, during the Development Term, operate or license others to operate restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” in the Development Area, provided Developer is in compliance with the terms of this Agreement and any other agreements with Cajun or its affiliates and is current on all obligations due Cajun and its affiliates. This Section 2 does not prohibit Cajun or its affiliates from: **(a)** operating and licensing others to operate, during the Development Term, restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” at any location outside of the Development Area; **(b)** operating and licensing others to operate, after this Agreement terminates or expires, restaurants identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken” at any location; and **(c)** operating and licensing others to operate at any location, during or after the Development Term, any type of restaurant other than a restaurant identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken.”

C. Nothing in this Agreement shall prohibit Cajun or its affiliates from operating or licensing a restaurant at any location in or outside the Development Area, other than a restaurant in the Development Area that is identified in whole or in part by the names and marks “Church’s”, “Church’s Chicken” and “Church’s Texas Chicken.”

2. Section 15.B. of the Development Agreement is hereby amended by inserting the following new subsection:

(6) terminate the territorial exclusivity granted Developer in Section 2.B. hereof or reduce the area of territorial exclusivity granted Developer hereunder;

3. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

4. Except as modified by the Amendment, the Development Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

## **EXHIBIT I**

# **LIST OF FRANCHISED LOCATIONS; LIST OF FRANCHISE AGREEMENTS SIGNED, BUT RESTAURANT NOT OPEN; LIST OF DEVELOPERS; AND LIST OF FORMER FRANCHISEES**

## LIST OF FRANCHISED LOCATIONS

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
10255	Wyatt Restaurant Group, LLC	1518 E 3 Notch Street	Andalusia	AL	36420	(334) 222-9161
9923	Haya, Inc.	1428 Forestdale Blvd.	Birmingham	AL	35214	(205) 798-1221
1603	Wyatt Restaurant Group, LLC	90 South Blvd.	Brewton	AL	36426	(251) 867-3222
1284	Terry & Karen White Enterprises, Inc.	507 North Oates	Dothan	AL	36303	(334) 793-3556
4964	Wyatt Restaurant Group, LLC	1316 Hwy 80	E. Demopolis	AL	36732	(334) 289-7010
7311	Wyatt Restaurant Group, LLC	1106 Boll Weevil Circle	Enterprise	AL	36330	(334) 348-9098
3977	Wyatt Restaurant Group, LLC	312 East Front Street	Evergreen	AL	36401	(251) 578-1993
458	QSR Southern Group, LLC	3171 Moffatt Road	Mobile	AL	36607	(251) 450-2373
1592	QSR Southern Group, LLC	5017 Cottage Hill Road	Mobile	AL	36609	(251) 661-2884
5667	Clark Oil Company, Inc.	670 N. Schillinger Road	Mobile	AL	36608	(251) 776-7366
10886	TW JRS Enterprises, Inc.	465 South Broad Street	Mobile	AL	36603	(205) 307-5412
3782	Wyatt Restaurant Group, LLC	2948 South Alabama Ave.	Monroeville	AL	36461	(251) 575-9695
10971	Circle K Stores, Inc.	1200 Columbus Parkway	Opelika	AL	36804	(334) 737-0111
1620	QSR Southern Group, LLC	7370 Old Pascagoula	Theodore	AL	36582	(251) 653-6073
5878	TW JRS Enterprises, Inc.	1290 W. Front Street North	Thomasville	AL	36784	(334) 636-8182
11333	Wyatt Restaurant Group, LLC	1108 US 231 South	Troy	AL	36081	(334) 770-0609
146	Terry & Karen White Enterprises, Inc.	1801 Greensboro Ave	Tuscaloosa	AL	35401	(205) 758-0052
756	Terry & Karen White Enterprises, Inc.	2501 University Blvd. E.	Tuscaloosa	AL	35404	(205) 553-4660
10533	PPBB, LLC	608 Fob James Drive # A	Valley	AL	36854	(334) 756-2020
11597	Ampler Chicken LLC	1901 N Reynolds Road	Bryant	AR	72022	(539) 233-3953
5587	Maximus QSR, LLC	1318 Highway 71 South	Ft. Smith	AR	72901	(479) 648-9306
10272	D & S Chicken Corporation	1902 East Johnson Ave.	Jonesboro	AR	72404	(870) 934-9695
4523	Refuel Operating Company, LLC	315 Hwy 65 & 82	Lake Village	AR	71653	(870) 265-4476

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
254	Ampler Chicken LLC	1401 Dr Martin Luther King Dr.	Little Rock	AR	72202	(501) 375-4107
655	Ampler Chicken LLC	7621 Geyer Springs Road	Little Rock	AR	72209	(501) 568-4287
2002	Ampler Chicken LLC	1500 John Barrow Rd	Little Rock	AR	72204	(501) 224-0505
286	Ampler Chicken LLC	1601 S. Cherry Street	Pine Bluff	AR	71601	(870) 536-2964
91	Best Chicken of Shreveport, LLC	1700 N. State Line Ave	Texarkana	AR	71854	(870) 773-3951
848	Border Chicken AZ, LLC	1233 East Florence Blvd.	Casa Grande	AZ	85122	(520) 836-7292
5337	Bhatti, Inc.	817 N. Arizona Avenue	Chandler	AZ	85225	(480) 786-9554
3544	Michael Nelson Enterprises Inc.	Indian Route 7	Chinle	AZ	86503	(928) 674-3450
3263	Border Chicken AZ, LLC	94 5th Street	Douglas	AZ	85607	(520) 364-1449
684	Bhatti, Inc.	5505 West Glendale Ave	Glendale	AZ	85301	(623) 939-7117
8763	Bhatti, Inc.	13554 W. Van Buren Street	Goodyear	AZ	85395	(623) 594-9600
10461	KB Foods Inc.	13144 W. Camelback Road	Litchfield Park	AZ	85340	(623) 935-6282
373	Mar-Lu Arizona, LLC	1151 S. Country Club	Mesa	AZ	85210	(480) 833-6069
955	JOT Foods, Inc.	2080 US Hwy 60	Miami	AZ	85539	(928) 425-8711
688	Border Chicken AZ, LLC	546 N. Grand Ave.	Nogales	AZ	85621	(520) 287-3151
10613	KB Foods Inc.	7410 W. Cactus Road	Peoria	AZ	85381	(623) 486-6652
670	Mar-Lu Arizona, LLC	4296 W. Thomas	Phoenix	AZ	85019	(602) 272-9127
679	Mar-Lu Arizona, LLC	12040 N. 35Th Avenue	Phoenix	AZ	85029	(602) 938-8070
681	Mar-Lu Arizona, LLC	1546 E. Roosevelt	Phoenix	AZ	85006	(602) 258-0874
683	Mar-Lu Arizona, LLC	3350 W. Van Buren	Phoenix	AZ	85009	(602) 278-8929
686	Mar-Lu Arizona, LLC	3150 E. Thomas Rd	Phoenix	AZ	85016	(602) 955-4402
690	Mar-Lu Arizona, LLC	7451 W. Indian School	Phoenix	AZ	85033	(623) 846-2069
840	Mar-Lu Arizona, LLC	1906 W. Camelback	Phoenix	AZ	85015	(602) 242-4386
841	Mar-Lu Arizona, LLC	7444 S. Central Ave	Phoenix	AZ	85040	(602) 276-3365
862	Mar-Lu Arizona, LLC	12045 N. 32nd Street	Phoenix	AZ	85028	(602) 996-5240
950	Bhatti, Inc.	5901 W. Camelback Road	Phoenix	AZ	85033	(623) 846-6001

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
5662	Bhatti, Inc.	6730 W. McDowell Rd	Phoenix	AZ	85035	(623) 845-0121
7235	Border Chicken AZ, LLC	1840 W. Peoria Ave.	Phoenix	AZ	85029	(602) 944-1568
7383	KB Foods Inc.	9024 W.Thomas Road-Ste101	Phoenix	AZ	85037	(623) 872-1005
10332	Bhatti, Inc.	2242 East Broadway	Phoenix	AZ	85040	(602) 243-7412
10462	Bhatti, Inc.	6260 S. 35th Ave Suite #170	Phoenix	AZ	85040	(602) 232-5737
685	Mar-Lu Arizona, LLC	7538 E. McDowell	Scottsdale	AZ	85257	(480) 946-5663
10339	KB Foods Inc.	15697 N. Reems Rd.	Surprise	AZ	85375	(623) 584-1447
145	Border Chicken AZ, LLC	402 W. Valencia	Tucson	AZ	85706	(520) 889-6519
778	Border Chicken AZ, LLC	7090 E. Golf Links	Tucson	AZ	85730	(520) 790-4801
4544	Border Chicken AZ, LLC	7980 East Broadway Blvd.	Tucson	AZ	85710	(520) 298-1851
4576	Border Chicken AZ, LLC	3970 East 22nd. Street	Tucson	AZ	85711	(520) 745-1460
4672	Border Chicken AZ, LLC	1704 W. Ajo Way	Tucson	AZ	85713	(520) 434-9659
4758	Border Chicken AZ, LLC	3602 South 6th Avenue	Tucson	AZ	85714	(520) 628-9001
11508	Border Chicken AZ, LLC	565 East Wetmore Road	Tucson	AZ	85919	(520) 293-1128
3072	Michael Nelson Enterprises Inc.	Junction State Route 264 and Route 12	Window Rock	AZ	86515	(928) 871-5780
1745	JOT Foods, Inc.	300 East Second Street	Winslow	AZ	86047	(928) 289-2515
691	Global Restaurant Hospitality Group, LLC	2420 South 4th Avenue	Yuma	AZ	85364	(928) 726-0434
5605	Global Restaurant Hospitality Group, LLC	1300 Brundage Lane	Bakersfield	CA	93304	(661) 859-0595
787	Global Restaurant Hospitality Group, LLC	14155 Ramona Blvd.	Baldwin Park	CA	91706	(626) 337-5433
10181	GSNA Shai, Inc.	832 E. Ramsey St.	Banning	CA	92220	(951) 849-8410
739	Global Restaurant Hospitality Group, LLC	344 Imperial Avenue	Calexico	CA	92231	(760) 357-6630
1321	Global Restaurant Hospitality Group, LLC	1005 Third Avenue	Chula Vista	CA	91911	(619) 426-0411

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
114	Global Restaurant Hospitality Group, LLC	217 North Central	Compton	CA	90220	(310) 637-6689
945	Global Restaurant Hospitality Group, LLC	1415 East Rosecrans	Compton	CA	90222	(310) 635-1733
698	Global Restaurant Hospitality Group, LLC	480 North Imperial Avenue	El Centro	CA	92243	(760) 353-3810
185	Global Restaurant Hospitality Group, LLC	11575 San Pablo Avenue	El Cerrito	CA	94530	(510) 215-0141
781	Global Restaurant Hospitality Group, LLC	10967 Garvey Avenue	El Monte	CA	91733	(626) 444-9714
1944	Global Restaurant Hospitality Group, LLC	8909 Sierra Avenue	Fontana	CA	92334	(909) 357-2751
949	Global Restaurant Hospitality Group, LLC	2206 W. Rosecrans Avenue	Gardena	CA	90249	(310) 515-1057
1073	Global Restaurant Hospitality Group, LLC	1203 W. Redondo Beach	Gardena	CA	90247	(310) 532-0117
786	Global Restaurant Hospitality Group, LLC	1180 North Hacienda Blvd.	La Puente	CA	91744	(626) 917-1553
623	KMS Foods, Inc.	5610 Woodruff Ave.	Lakewood	CA	90713	(562) 920-0838
171	Global Restaurant Hospitality Group, LLC	1199 East Anaheim	Long Beach	CA	90813	(562) 591-0254
1618	Global Restaurant Hospitality Group, LLC	2533 Long Beach Blvd	Long Beach	CA	90806	(562) 427-2045
147	Global Restaurant Hospitality Group, LLC	1811 W. Jefferson Blvd.	Los Angeles	CA	90018	(323) 733-2728
779	Global Restaurant Hospitality Group, LLC	1030 East Manchester	Los Angeles	CA	90001	(323) 582-8408
959	Global Restaurant Hospitality Group, LLC	5325 S. Figueroa St.	Los Angeles	CA	90037	(323) 232-5374
1021	Global Restaurant Hospitality Group, LLC	4720 Crenshaw Blvd.	Los Angeles	CA	90043	(323) 294-5443
11727	H & R Foods, Inc.	2020 Standiford Ave.	Modesto	CA	95350	(253) 517-8783

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
958	Global Restaurant Hospitality Group, LLC	701 East Huntington	Monrovia	CA	91016	(626) 303-4317
5734	Global Restaurant Hospitality Group, LLC	24440-A Allessandro Blvd.	Moreno Valley	CA	92553	(951) 413-6615
1164	Global Restaurant Hospitality Group, LLC	3040 East 8th Street	National City	CA	91950	(619) 479-7555
621	KMS Foods, Inc.	15816 Pioneer Blvd.	Norwalk	CA	90650	(562) 929-4015
181	Global Restaurant Hospitality Group, LLC	4155 Telegraph Avenue	Oakland	CA	94609	(510) 653-2277
182	Legacy Chicken LLC	7301 Bancroft Avenue	Oakland	CA	94605	(510) 568-5152
1260	Global Restaurant Hospitality Group, LLC	700 East Holt Blvd.	Ontario	CA	91761	(909) 986-4664
1069	Global Restaurant Hospitality Group, LLC	500 East Holt	Pomona	CA	91767	(909) 620-4008
850	Global Restaurant Hospitality Group, LLC	912 East Foothill Blvd.	Rialto	CA	92376	(909) 421-1981
902	Global Restaurant Hospitality Group, LLC	1886 University Avenue	Riverside	CA	92507	(951) 276-4802
1072	H & R Foods, Inc.	3801 Stockton Boulevard	Sacramento	CA	95820	(916) 452-4682
7190	H & R Foods, Inc.	2980 Florin Road	Sacramento	CA	95822	(916) 392-1380
853	FPK Foods, Inc.	299 East Baseline	San Bernadino	CA	92410	(909) 888-0887
1159	Global Restaurant Hospitality Group, LLC	3726 Del Sol Blvd.	San Diego	CA	92154	(619) 690-3191
1212	Global Restaurant Hospitality Group, LLC	3495 El Cajon Blvd.	San Diego	CA	92104	(619) 584-4665
780	Global Restaurant Hospitality Group, LLC	423 E. San Ysidro Blvd.	San Ysidro	CA	92173	(619) 428-2411
947	H & R Foods, Inc.	110 E Charter Way	Stockton	CA	95206	(209) 948-6351
5773	H & R Foods, Inc.	8023 West Lane	Stockton	CA	95210	(209) 475-1547
1876	Global Restaurant Hospitality Group, LLC	1920 Solano Avenue	Vallejo	CA	94590	(707) 642-8118
10753	FSPS Group, Inc.	14507 Palmdale Road	Victorville	CA	92392	(760) 245-1141

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
999	Pollos Del Centro, Inc.	11900 E. Colfax Avenue	Aurora	CO	80010	(303) 344-8896
10361	Pollos Del Centro, Inc.	2181 S. Havana	Aurora	CO	80014	(303) 368-8514
10431	Pollos Del Centro, Inc.	7295 E. 64th Avenue	Commerce City	CO	80022	(303) 853-0074
790	Pollos Del Centro, Inc.	3401 Colorado Boulevard	Denver	CO	80205	(303) 333-2649
7082	Pollos Del Centro, Inc.	4820 Chambers Road	Denver	CO	80239	(303) 375-7664
10453	Pollos Del Centro, Inc.	1445 S. Federal Blvd	Denver	CO	80219	(303) 934-1500
10893	Pollos Del Centro, Inc.	8661 N. Washington Street	Thornton	CO	80229	(303) 288-9337
11204	AR Foods LLC	3780 Minnesota Ave NE	Washington	DC	20019	(202) 866-6000
10465	Florida Chicken IV, Inc.	3007 Edgewood Ave. W	Jacksonville	FL	32209	(904) 924-8299
10513	HDW Partners I, Inc.	5870 Normandy Blvd.	Jacksonville	FL	32205	(904) 693-1801
10892	HDW Partners II, Inc	1855 Dunn Ave	Jacksonville	FL	32218	(904) 374-9153
10894	Circle K Stores, Inc.	8820 W. 103rd Street	Jacksonville	FL	32210	(904) 771-9769
1828	Wyatt Restaurant Group, LLC	6584 Hwy. 90	Milton	FL	32570	(850) 626-8185
459	CTC Church Street LLC	1234 W Church Street	Orlando	FL	32805	(407) 425-4333
10182	CTC Colonial LLC	6234 West Colonial Drive	Orlando	FL	32808	(407) 293-2511
11305	Victory Fast Food Inc.	2414 W. Oak Ridge Road	Orlando	FL	32809	(407) 730-2616
759	QSR Southern Group, LLC	4502 Mobile Hwy.	Pensacola	FL	32506	(850) 458-3661
10558	CTC Sanford LLC	2561 French Avenue	Sanford	FL	32773	(407) 323-1933
11505	Tallahassee Chicken Inc.	817 Lake Bradford	Tallahassee	FL	32304	(850) 320-6146
857	DL Quick Service Restaurants, Inc.	2301 North 50th Street N.	Tampa	FL	33619	(813) 248-1445
1025	DL Quick Service Restaurants, Inc.	7502 West Waters Ave.	Tampa	FL	33615	(813) 888-7200
8804	DL Quick Service Restaurants, Inc.	2219 East Fletcher Ave.	Tampa	FL	33612	(813) 975-9451
87	87 Chicken LLC	200 Cleveland Ave SW	Atlanta	GA	30315	(404) 763-8673
168	Premier Restaurants Group Inc	1405 Moreland Ave SE	Atlanta	GA	30316	(404) 622-7207
725	Premier Restaurants Group Inc	3561 Martin Luther King Jr Dr SW	Atlanta	GA	30331	(404) 696-8674

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
727	Premier Restaurants Group Inc	3667 Campbellton Rd SW	Atlanta	GA	30331	(404) 344-8012
747	747 Chicken, LLC	1796 Delowe Drive	Atlanta	GA	30311	(404) 755-4614
760	760 Chicken, LLC	538 Lee Street, S.W.	Atlanta	GA	30310	(404) 753-8450
3932	Six Flags Church's Chicken, LLC	351 Six Flags Drive	Austell	GA	30168	(770) 745-9955
3878	Premier Restaurants Group Inc	4995 Buford Highway	Chamblee	GA	30341	(770) 454-9404
626	INF United, LLC	5148 Old National Hwy.	College Park	GA	30349	(404) 763-4221
922	922 Chicken, LLC	3275 Hwy. 278 at Hwy. 36	Covington	GA	30014	(770) 787-2238
424	Premier Restaurants Group Inc	2473 Wesley Chapel Rd	Decatur	GA	30035	(770) 981-4779
599	Premier Restaurants Group Inc	2700 Candler Rd	Decatur	GA	30034	(404) 241-2116
625	625 Chicken, LLC	4680 Memorial Drive	Decatur	GA	30032	(404) 292-8431
4205	4205 Chicken, LLC	6102 Covington Highway	Decatur	GA	30035	(770) 987-4395
920	920 Fried Chicken, LLC	6135 Fairburn Road	Douglasville	GA	30134	(770) 942-6009
818	Premier Restaurants Group Inc	911 Cleveland Ave	East Point	GA	30344	(404) 767-1011
733	Premier Restaurants Group Inc	4498 Jonesboro Rd	Forest Park	GA	30297	(404) 366-4944
1427	QSR Southern Group, LLC	100 Vineville St	Fort Valley	GA	31030	(478) 825-5230
1754	1754 Fried Chicken, LLC	600 EE Butler Pkwy.	Gainesville	GA	30501	(770) 534-1059
5794	QSR Southern Group, LLC	447 E. G. Miles Parkway	Hinesville	GA	31313	(912) 877-3313
916	QSR Southern Group, LLC	213 Northeast Franklin Rd	Lagrange	GA	30240	(706) 884-3677
10528	Sarah Foods LLC	970 New Hope Road	Lawrenceville	GA	30045	(678) 242-8282
1182	QSR Southern Group, LLC	2138 Pio Nono Ave	Macon	GA	31206	(478) 788-2345
3997	Superb QSR, Inc	5394 Thomaston Road	Macon	GA	31220	(478) 475-5405
732	Premier Restaurants Group Inc	75 S. Marietta Pkwy.	Marietta	GA	30060	(770) 424-1193
754	Premier Restaurants Group Inc	3720 Austell Rd. SW	Marietta	GA	30008	(770) 436-9126
1821	Mar Food Service, LLC	503 N. Broad Street	Monroe	GA	30655	(770) 267-1226
731	INF United, LLC	2347 Lake Harbin Road	Morrow	GA	30260	(770) 968-3999
4543	INF United, LLC	20 Hospital Rd.	Newnan	GA	30263	(770) 254-0909

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4680	Premier Restaurants Group Inc	6111 S. Norcross Tucker Rd.	Norcross	GA	30093	(770) 723-6216
11514	Olalekan & AJ, LLC	101 Tanger Outlets Blvd	Pooler	GA	31322	(912) 450-0097
10997	Circle K Stores, Inc.	456 Bourne Avenue	Port Wentworth	GA	31408	(912) 946-0666
5335	INF United, LLC	5630 Riverdale Rd.	Riverdale	GA	30349	(770) 991-1030
7309	Premier Restaurants Group Inc	765 Hwy 138 S.W.	Riverdale	GA	30296	(770) 909-7752
10464	Thomasville Chicken, LLC	448 East Jackson Street	Thomasville	GA	31792	(229) 227-0610
10313	Shiv Shradha, LLC	306 E. 5th Street	Tifton	GA	31794	(229) 388-9572
914	Lewis Siplin Enterprises, Inc.	320 East Hill Avenue	Valdosta	GA	31601	(229) 244-5920
749	QSR Southern Group, LLC	1801 Watson Blvd	Warner Robins	GA	31093	(478) 929-0139
11631	Road Ranger, LLC	5210 Quebec Drive	Bourbonnais	IL	60914	(779) 260-4410
259	Legacy Chicken LLC	200 East 103rd Street	Chicago	IL	60628	(773) 821-0875
483	Legacy Chicken LLC	1755 W. Jackson	Chicago	IL	60612	(312) 243-3822
577	Legacy Chicken LLC	431 N. Austin	Chicago	IL	60644	(773) 261-0419
584	Legacy Chicken LLC	7102 S. Stoney Island	Chicago	IL	60649	(773) 684-0993
982	Legacy Chicken LLC	58 West 79th Street	Chicago	IL	60620	(773) 651-9830
1054	Legacy Chicken LLC	1808 W. 47th Street	Chicago	IL	60609	(773) 523-1562
1068	Legacy Chicken LLC	2806 W. Cermak	Chicago	IL	60623	(773) 523-0494
1142	Legacy Chicken LLC	6 West 59th Street	Chicago	IL	60621	(773) 667-1055
1315	Legacy Chicken LLC	6849 S. Western Avenue	Chicago	IL	60636	(872) 207-5277
1414	Legacy Chicken LLC	4812 W. North Avenue	Chicago	IL	60639	(773) 622-6281
983	Legacy Chicken LLC	333 East 159th Street	Harvey	IL	60426	(708) 331-2157
10932	Road Ranger, LLC	2003 Illinois Hwy 1	Marshall	IL	62441	(217) 340-0199
859	Maywood CC, Inc.	600 S. 5th Avenue	Maywood	IL	60153	(708) 938-5167
532	Legacy Chicken LLC	1409 South Broadway	Gary	IN	46407	(219) 886-3055
238	Legacy Chicken LLC	2501 N. Keystone Ave	Indianapolis	IN	46218	(317) 923-9987
265	Legacy Chicken LLC	3863 North Post Road	Indianapolis	IN	46226	(317) 897-4275
274	Legacy Chicken LLC	2964 S. Shelby	Indianapolis	IN	46203	(317) 786-6159
298	Legacy Chicken LLC	5044 East 38th Street	Indianapolis	IN	46218	(317) 547-4054
633	Legacy Chicken LLC	2910 Westlane Road	Indianapolis	IN	46268	(317) 297-4064
7392	Legacy Chicken LLC	3970 Lafayette Road	Indianapolis	IN	46255	(317) 387-0196
8817	Legacy Chicken LLC	8975 E. Washington Street	Indianapolis	IN	46219	(317) 897-1004
10944	Legacy Chicken LLC	7224 W. 10th Street	Indianapolis	IN	46214	(317) 644-0574
11749	Legacy Chicken LLC	227 E McGalliard Rd.	Muncie	IN	47303	(765) 212-2887
236	SNSA, Inc.	1222 Central Avenue	Kansas City	KS	66102	(913) 342-9273

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4784	Kansas Food Corp.	5501 Leavenworth	Kansas City	KS	66104	(913) 287-5282
10579	SNSA, Inc.	8234 Parallel Parkway	Kansas City	KS	66112	(913) 499-6771
10489	ARKAM, Inc.	124 North Clairborne	Olathe	KS	66062	(913) 393-2441
10449	ARKAM, Inc.	7404 Neiman Road	Shawnee	KS	66203	(913) 962-1950
657	M B & R, Inc.	201 S.E. 29th Street	Topeka	KS	66605	(785) 267-2888
4524	MB&R II, Inc.	3001 SW 10th Avenue	Topeka	KS	66604	(785) 232-3396
11059	Wichita Restaurants LLC	4780 E. 13th St N	Wichita	KS	67208	(316) 866-6500
11307	Wichita Restaurants LLC	3824 E. Harry Street	Wichita	KS	67218	(316) 440-1321
11314	M&M Restaurants LLC	593 E. Pawnee Street	Wichita	KS	67211	(316) 440-0653
11515	West Restaurants LLC	601 N. West Street	Wichita	KS	67203	(316) 866-6502
721	Osaya, Incorporated	5728 Government Street	Baton Rouge	LA	70806	(225) 925-5118
5251	Circle K Stores, Inc.	18149 Highland Road	Baton Rouge	LA	70810	(225) 751-6878
3521	Best Chicken of Shreveport, LLC	1868 Airline Drive	Bossier City	LA	71112	(318) 741-3302
1833	Manjyot Enterprises, LLC	1310 Highway 80 East	Haughton	LA	71037	(318) 949-3959
3811	Robwell Management, Inc.	750 Grand Caillou Road	Houma	LA	70363	(985) 857-8913
3642	Circle K Stores, Inc.	105 W. Gloria Switch Rd.	Lafayette	LA	70507	(337) 235-4003
10754	Nobas, LLC	1602 N. University Ave.	Lafayette	LA	70506	(337) 534-8354
11057	Nobas, LLC	4154 W. Congress St	Lafayette	LA	70506	(337) 534-8847
4004	Circle K Stores, Inc.	1701 St. Mary Street	Scott	LA	70583	(337) 261-9743
703	Best Chicken of Shreveport, LLC	9190 Mansfield Road	Shreveport	LA	71118	(318) 686-0659
704	Best Chicken of Shreveport, LLC	1046 Shreveport Barksdale Hwy	Shreveport	LA	71105	(318) 868-0646
11397	QSR Midwest Group, LLC	41554 Garfield Road	Clinton Township	MI	48038	(586) 207-9539
302	QSR Michigan-Ohio Group, LLC	7060 Michigan Ave.	Detroit	MI	48210	(313) 843-3788
785	QSR Midwest Group, LLC	16100 Livernois	Detroit	MI	48221	(313) 863-9413
868	QSR Midwest Group, LLC	15525 W. Chicago Street	Detroit	MI	48228	(313) 272-6444
974	QSR Midwest Group, LLC	14260 Gratiot Avenue	Detroit	MI	48205	(313) 839-1288
975	QSR Midwest Group, LLC	11965 E. Warren	Detroit	MI	48214	(313) 571-6408

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976	QSR Midwest Group, LLC	13611 W. 8 Mile Road	Detroit	MI	48235	(313) 345-6879
991	QSR Michigan-Ohio Group, LLC	18138 W. 7 Mile Road	Detroit	MI	48219	(313) 538-1440
10685	E I, Inc.	3410 Corunna Road	Flint	MI	48503	(810) 422-9436
452	QSR Midwest Group, LLC	15101 Woodward Avenue	Highland Park	MI	48203	(313) 869-6996
981	QSR Midwest Group, LLC	24990 DeQuindre	Warren	MI	48091	(586) 754-8908
10643	Sam Belton, Inc.	7925 E. 171st Street	Belton	MO	64012	(816) 322-8600
10299	SNSA, Inc.	6416 North Oak Trafficway	Gladstone	MO	64118	(816) 468-4966
212	Sam & Mike, Ltd.	701 N. Noland	Independence	MO	64050	(816) 836-3256
4341	Prince Rose, Inc.	10610 E. 23rd Street S	Independence	MO	64052	(816) 836-0012
10233	Sam & Mike, Ltd.	12003 E US Hwy 40	Independence	MO	64055	(816) 358-0604
57	SNSA, Inc.	11500 Blue Ridge Blvd.	Kansas City	MO	64134	(816) 763-7132
129	SNSA, Inc.	2515 East 12th Street	Kansas City	MO	64127	(816) 483-9257
131	SNSA, Inc.	3900 Indiana Street	Kansas City	MO	64130	(816) 923-9882
136	SNSA, Inc.	5500 Prospect Avenue	Kansas City	MO	64130	(816) 523-7225
225	SNSA, Inc.	4601 Ne Vivion Rd.	Kansas City	MO	64119	(816) 454-7644
1231	SNSA, Inc.	2600 East Gregory Blvd	Kansas City	MO	64132	(816) 444-1310
4916	Sam & Faruque, Inc.	9325 Blue Ridge Blvd.	Kansas City	MO	64138	(816) 761-5153
5988	Sam Linwood, Inc.	3145 Gillham Plaza	Kansas City	MO	64109	(816) 931-0035
5699	M & C Enterprises, Inc.	9310 E. Highway 350	Raytown	MO	64133	(816) 358-7516
837	Sam & Dulal Corporation	502 South Belt Hwy.	St. Joseph	MO	64506	(816) 676-0899
1058	Refuel Operating Company, LLC	611 N. State Street	Clarksdale	MS	38614	(662) 627-1535
4014	Refuel Operating Company, LLC	1000 S. Davis Avenue	Cleveland	MS	38732	(662) 846-0222
130	Terry & Karen White Enterprises, Inc.	1406 Main Street	Columbus	MS	39701	(601) 327-4090
3614	Refuel Operating Company, LLC	509 Hwy. 82 East	Greenville	MS	38701	(662) 335-1062
3824	Refuel Operating Company, LLC	349 Hwy. 82 West	Greenwood	MS	38930	(662) 455-2777
3938	Refuel Operating Company, LLC	103 Hwy. 82 East	Indianola	MS	38751	(662) 887-4566
10492	Refuel Operating Company, LLC	5673 Mississippi Hwy 18	Jackson	MS	39209	(601) 923-3535
404	Pine Belt Foods, Inc.	325 Beacon St.	Laurel	MS	39440	(601) 425-3953

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4854	Refuel Operating Company, LLC	308 Depot Street	Lexington	MS	39095	(662) 834-0696
3618	What A Combo, Inc.	100 E. Presley Blvd.	McComb	MS	39648	(601) 249-0205
361	Terry & Karen White Enterprises, Inc.	3325 8th Street	Meridian	MS	39301	(601) 485-5811
726	J West Inc.	3056 US Hwy. 80	Pearl	MS	39288	(601) 932-2735
4548	Refuel Operating Company, LLC	102 Race Street	Rolling Fork	MS	39159	(662) 873-2875
4486	Refuel Operating Company, LLC	301 N. Oak Avenue	Ruleville	MS	38771	(662) 756-2094
3994	Gidden and Johnson Corporation	1124 U.S. 61	Tunica	MS	38676	(662) 363-6744
3771	Refuel Operating Company, LLC	258 N. Jerry Clower Blvd.	Yazoo City	MS	39194	(662) 746-7843
598	Trident DD-NC LLC	3443 Wilkinson Blvd.	Charlotte	NC	28208	(704) 399-4035
624	Trident DD-NC LLC	1735 W Trade Street	Charlotte	NC	28216	(704) 332-2438
4884	Trident DD-NC LLC	3217 Eastway Drive	Charlotte	NC	28205	(704) 535-9601
143	Trident DD-NC LLC	3400 Roxboro Street	Durham	NC	27704	(919) 220-6679
912	Trident DD-NC LLC	942 N. Miami Boulevard	Durham	NC	27703	(919) 682-6332
482	Trident DD-NC LLC	611 MLK Drive	Greensboro	NC	27406	(336) 274-0456
5456	Moore's Mini Marts, Inc.	244 South Marine Blvd	Jacksonville	NC	28540	(910) 455-5949
549	Trident DD-NC LLC	1401 New Bern Avenue	Raleigh	NC	27610	(919) 821-2220
10153	Moore's Mini Marts, Inc.	4205 Market Street	Wilmington	NC	28403	(910) 763-7497
500	Trident DD-NC LLC	1301 Patterson Avenue	Winston-Salem	NC	27105	(336) 723-3310
627	Trident DD-NC LLC	907 Waughtown Street	Winston-Salem	NC	27107	(336) 784-5157
11509	SMS FOOD, INC.	4042 N 168th Street	Omaha	NE	68116	(402) 934-3291
457	Ampler Chicken LLC	2100 Broadway S.E.	Albuquerque	NM	87102	(505) 247-4268
574	Ampler Chicken LLC	3335 Isleta Blvd. SW	Albuquerque	NM	87105	(505) 873-2721
694	Ampler Chicken LLC	5112 Fourth St. N.W.	Albuquerque	NM	87107	(505) 344-2403
695	Ampler Chicken LLC	5407 Central N.W.	Albuquerque	NM	87105	(505) 831-6905
701	Ampler Chicken LLC	2937 San Mateo N.E.	Albuquerque	NM	87110	(505) 881-1024
707	Ampler Chicken LLC	2307 Juan Tabo Boulevard, N.E.	Albuquerque	NM	87112	(505) 294-2794
2020	Ampler Chicken LLC	10230 Central Ave. NE	Albuquerque	NM	87123	(505) 299-0492
2109	Ampler Chicken LLC	140 98th Street	Albuquerque	NM	87121	(505) 831-0053
5341	Nitu CTC NM, LLC	401 Louisiana Blvd. S. E.	Albuquerque	NM	87108	(505) 268-7427
10386	Emily Development, Inc.	9250 Golf Course Road	Albuquerque	NM	87114	(505) 898-9778

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2115	Ampler Chicken LLC	404 Highway 550	Bernalillo	NM	87004	(505) 867-7291
1040	Nitu CTC NM, LLC	2711 East 20th Street	Farmington	NM	87402	(505) 327-9040
4645	Emily Development, Inc.	745 W. Main Street	Farmington	NM	87401	(505) 324-8500
4978	Emily Development, Inc.	5455 E. Main Street	Farmington	NM	87402	(505) 324-1575
3201	Nitu CTC NM, LLC	1015 North Highway 491	Gallup	NM	87301	(505) 722-0928
590	Ampler Chicken LLC	702 North Dal Paso	Hobbs	NM	88240	(575) 397-1825
11257	Ampler Chicken LLC	1005 W. Joe Harvey Blvd	Hobbs	NM	88240	(575) 318-2712
10875	Best Chicken of El Paso, LLC	5021 Bataan Memorial W	Las Cruces	NM	88012	(575) 373-0797
2121	Ampler Chicken LLC	703 Main St SE	Los Lunas	NM	87031	(505) 865-0900
11028	Border Chicken NM LLC	3801 Southern Blvd, SE	Rio Rancho	NM	87124	(505) 994-9506
7300	Nitu CTC NM, LLC	2778 Sawmill Road	Santa Fe	NM	87505	(505) 471-7165
284	Mar-Lu Nevada, Inc.	4880 Spring Mountain Road	Las Vegas	NV	89102	(702) 365-5055
371	Mar-Lu Nevada, Inc.	601 N. Rancho Drive	Las Vegas	NV	89106	(702) 648-1115
8616	Mar-Lu Nevada, Inc.	4800 East Flamingo Road	Las Vegas	NV	89121	(702) 642-6900
10570	Mar-Lu Nevada, Inc.	868 N. Nellis Blvd.	Las Vegas	NV	89110	(702) 453-6903
10739	SRAR, LLC	7925 S. Rainbow Boulevard	Las Vegas	NV	89139	(702) 207-1734
10760	Mar-Lu Nevada, Inc.	4851 West Charleston Boulevard	Las Vegas	NV	89146	(702) 822-6259
331	Mar-Lu Nevada, Inc.	2839 N. Las Vegas Blvd.	North Las Vegas	NV	89030	(702) 642-9100
636	QSR Midwest Group, LLC	1391 Wooster Avenue	Akron	OH	44320	(330) 864-5138
174	QSR Michigan-Ohio Group, LLC	1113 N. Gettysburg	Dayton	OH	45417	(937) 268-5752
412	QSR Michigan-Ohio Group, LLC	5711 N. Dixie Road	Dayton	OH	45414	(937) 387-9269
10230	QSR Michigan-Ohio Group, LLC	5 South Reynolds Road	Toledo	OH	43616	(419) 531-7996
8816	QSR Michigan-Ohio Group, LLC	4488 E. Main Street	Whitehall	OH	43213	(614) 235-2790
11625	Ampler Chicken LLC	7960 NW 23rd street	Bethany	OK	73008	(405) 981-1598
10292	Ampler Chicken LLC	415 South Elm Place	Broken Arrow	OK	74012	(918) 286-1072
341	Choice Chicken, Inc.	3920 SE 15th Street	Del City	OK	73115	(405) 677-8552
396	KAM Investment, Inc.	1925 N.W. Sheridan	Lawton	OK	73505	(580) 248-4336
1435	Ampler Chicken LLC	9010 N.E. 23rd	Midwest City	OK	73141	(405) 769-7380
444	Ampler Chicken LLC	1235 N. Santa Fe	Moore	OK	73160	(405) 799-2250

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11764	Yummy Chicken LLC	415 E. Okmulgee Ave.	Muskogee	OK	74403	(918) 683-3981
318	Yummy Chicken LLC	3610 N.W. 23rd Street	Oklahoma City	OK	73107	(405) 947-3433
323	Yummy Chicken LLC	3839 N. Lincoln	Oklahoma City	OK	73105	(405) 528-1386
334	Ampler Chicken LLC	543 S.W. 29th	Oklahoma City	OK	73109	(405) 632-0882
931	Yummy Chicken LLC	9253 N. Pennsylvania Avenue	Oklahoma City	OK	73120	(405) 842-6475
4314	Ampler Chicken LLC	1012 S.W. 59th Street	Oklahoma City	OK	73139	(405) 632-8040
11503	Yummy Chicken LLC	4438 NW 10th Street	Oklahoma City	OK	73107	(405) 768-5351
10592	Ampler Chicken LLC	11618 E. 86th Street	Owasso	OK	74055	(918) 376-4222
10329	Ampler Chicken LLC	301 West Second Street	Sand Springs	OK	74063	(918) 419-2170
10440	Ampler Chicken LLC	2 North Mission Street	Supulpa	OK	74066	(918) 512-8188
376	Ampler Chicken LLC	2555 E. Pine	Tulsa	OK	74110	(918) 584-5015
619	Ampler Chicken LLC	3036 S. Garnett	Tulsa	OK	74129	(918) 628-1497
775	Ampler Chicken LLC	5034 N. Peoria	Tulsa	OK	74126	(918) 425-0678
7104	ARU, Inc.	6307 East Admiral Place	Tulsa	OK	74115	(918) 831-2233
11598	Ampler Chicken LLC	6919 S. Lewis Ave	Tulsa	OK	74105	(539) 233-3953
10310	Yummy Chicken LLC	5590 NW Expressway	Warr Acres	OK	73132	(405) 728-8500
4087	South American Restaurants Corporation	State Road #115, Km 24.5 Barrio Asomante	Aguada	PR	00602	(787) 252-1344
1840	South American Restaurants Corporation	Aguadilla Shopping Center, Carr. 2 esq. Carr. 459	Aguadilla	PR	00603	(787) 891-6060
4966	South American Restaurants Corporation	Carr. No. 107, Barrio Borinquen	Aguadilla	PR	00605	(787) 882-4685
10517	South American Restaurants Corporation	PR - 2, Km. 129.6, Sector Monte Brujo Bo. Victoria	Aguadilla	PR	00603	(787) 882-1551
7052	South American Restaurants Corporation	Plaza Las Flores Shopping Center, Road PR 14	Aibonito	PR	00705	(787) 991-3111
10617	South American Restaurants Corporation	Bo. Quebrada Larga, Carretera #2K 141.5 Interseccion #110	Anasco	PR	00610	(787) 826-8171
1726	South American Restaurants Corporation	Plaza del Atlantico	Arecibo	PR	00612	(787) 879-2030

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1756	South American Restaurants Corporation	Arecibo Shopping Center, Carr. 2 esq. Ave.	Arecibo	PR	00612	(787) 878-3688
7005	South American Restaurants Corporation	Road #129 KM 1.2	Arecibo	PR	00612	(787) 815-5871
7099	South American Restaurants Corporation	Road #2, KM 57.5	Barceloneta	PR	00617	(787) 846-1161
11613	South American Restaurants Corporation	Ave. Ana G. Mendez PR- 176 Km 1.2	Barrio Cupey	PR	00926	
1842	South American Restaurants Corporation	Carr. 167 esq. Calle 24, Urbanizacion Sierra	Bayamon	PR	00961	(787) 740-6360
1869	South American Restaurants Corporation	Bayamon Sur Food Court, Avenida Los Millones	Bayamon	PR	00959	(787) 785-7180
3210	South American Restaurants Corporation	Rexville Plaza Shopping Center, Carr. 167 Km. 18.8	Bayamon	PR	00957	(787) 730-7744
4653	South American Restaurants Corporation	Plaza del Sol, Calle #44, Lote 56 #3	Bayamon	PR	00961	(787) 786-1366
5496	South American Restaurants Corporation	Rio Hondo, Rio Hondo Shopping Center	Bayamon	PR	00956	(787) 261-0550
9179	South American Restaurants Corporation	Pajaros Ward, State Road RP - 862 Corner with State Road PR - 86	Bayamon	PR	00959	(787) 449-9824
10820	South American Restaurants Corporation	Plaza Tropical, Inc. Lot B Carretera 167 KM 22.2	Bayamon	PR	00957	(939) 225-2792
11181	South American Restaurants Corporation	Santa Rosa Mall PR Road #2 & Inte. Main Ave. BO.	Bayamon	PR	00968	(787) 797-8500
11258	South American Restaurants Corporation	Carr. PR 177 Km 4.5 Los Filtro, Bo. Juan Sanchez	Bayamon	PR	00957	
8794	South American Restaurants Corporation	State Road PR #830	BAYAMON IX - INTERAMERICANA	PR	00958	(787) 797-2040
4611	South American Restaurants Corporation	State Road #101, Km. 17.2	Cabo Rojo	PR	00613	(787) 851-0107

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4936	South American Restaurants Corporation	P.R. Rd. # 100	Cabo Rojo	PR	00623	(787) 255-4785
1781	South American Restaurants Corporation	Caguitas Mall, Carr. 1 Km. 34.5	Caguas	PR	00725	(787) 746-6878
4343	South American Restaurants Corporation	Calle Luis Muniz Marin Solar #3	Caguas	PR	00726	(787) 744-6960
5495	South American Restaurants Corporation	Las Catalinas, Las Catalinas Mall, Road #156-Corner Hwy #52	Caguas	PR	00725	(787) 744-1825
10264	South American Restaurants Corporation	State Road PR #1, Caguas	Caguas	PR	00725	(787) 704-2015
11070	South American Restaurants Corporation	Marginal PR-2 KM.HM 93.7 BO Menbrillo	Camuy	PR	00627	(787) 544-0092
4826	South American Restaurants Corporation	Road No. 185, Corner P.R. Road #3	Canovanas	PR	00729	(787) 635-2414
1750	South American Restaurants Corporation	Plazoleta de Isla Verde, Ave.	Carolina	PR	00979	(787) 791-4630
1761	South American Restaurants Corporation	Ave. 65 Infanteria Km. 10	Carolina	PR	00982	(787) 757-6555
4342	South American Restaurants Corporation	Orient Food Court, State Road #3	Carolina	PR	00987	(787) 647-1960
4593	South American Restaurants Corporation	Plaza Escorial Sur, Km. 6.3 Carr Estatal #3	Carolina	PR	00982	(787) 762-0750
4686	South American Restaurants Corporation	Ave. Campo Rico & Calle 246	Carolina	PR	00979	(787) 635-2424
10837	South American Restaurants Corporation	Carr#3 Esq. Espresso Loiza, Local VC-13, Carolina, PR 00982	Carolina	PR	00983	(787) 710-2015
4592	South American Restaurants Corporation	State Road #101, Km. 55.2, Plaza Cayey	Cayey	PR	00736	(787) 263-4770
4612	South American Restaurants Corporation	State Road #172, Km. 13.6	Cidra	PR	00739	(787) 714-0565

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5494	South American Restaurants Corporation	Coamo Plz Shpg. Cntr. Rd 153 KM Bo. S. Ildefonso	Coamo	PR	00769	(787) 803-2449
4825	South American Restaurants Corporation	Carr No. 159, Km. 15.2	Corozal	PR	00783	(787) 802-1124
4106	South American Restaurants Corporation	State Road #693 South Blvd. Ave.	Dorado	PR	00646	(787) 278-2591
10641	South American Restaurants Corporation	PR - 659 Interseccion #693	Dorado	PR	00646	(787) 921-2987
3110	South American Restaurants Corporation	Monte Brisas Shopping Center, Carr. 194 esq. Calle A	Fajardo	PR	00738	(787) 863-6310
1729	South American Restaurants Corporation	Ave. Los Veteranos, Carr. 3 Km. 135.8	Guayama	PR	00784	(787) 864-3240
5588	South American Restaurants Corporation	Guayama III, Road #54, Km. 3.1	Guayama	PR	00609	(787) 866-0609
1705	South American Restaurants Corporation	100 Avenida Gonzalez Giusti	Guayano	PR	00968	(787) 792-2124
1740	South American Restaurants Corporation	Plaza Puerto Rico, Carr. 1, Frente Univ.	Guaynabo	PR	00927	(787) 758-8385
4935	South American Restaurants Corporation	State Rd. #24, Lot #4, Bo. Pueblo Viejo	Guaynabo	PR	00968	(787) 706-4315
7053	South American Restaurants Corporation	Plazoleta Las Cumbres, Avenue Las Cumbres	Guaynabo	PR	00965	(787) 440-9824
7098	South American Restaurants Corporation	Plaza Guaynabo 4, Urb. Ind. Los Frailes, Calle Dye	Guaynabo	PR	00754	(787) 636-9244
10741	South American Restaurants Corporation	Ave. Las Cumbres, Carretera 199 Sanchez Food Court, Lote B	Guaynabo	PR	00969	(939) 205-2710
4086	South American Restaurants Corporation	State Road No. 189	Gurabo	PR	00778	(787) 745-4620
8519	South American Restaurants Corporation	State Road, #30 Int. State Road #171	Gurabo	PR	00778	(787) 745-4620

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4613	South American Restaurants Corporation	State Road #2, Km. 87.1, Barrio Pueblo	Hatillo	PR	00659	(787) 820-7992
10750	South American Restaurants Corporation	Carretera 129 KM. 8.2 Interior, Barrio Campo Alegre	Hatillo	PR	00659	(787) 680-2030
11049	South American Restaurants Corporation	Plaza del Mar Shopping Center Caretera #2 KM 81.9	Hatillo	PR	00659	(787) 544-3459
4934	South American Restaurants Corporation	State Rd. #2, Km. 167.2	Hormigueros	PR	00660	(787) 892-1368
1739	South American Restaurants Corporation	Calle Antonio Lopez esq., Avenida Font	Humacao	PR	00791	(787) 852-4726
1856	South American Restaurants Corporation	State Road #908 - Oriental Plaza	Humacao	PR	00908	(787) 850-6140
8796	South American Restaurants Corporation	Humacao IV, Centro Comercial Plaza Mall, Carr. #3 Esquina Expreso #52	Humacao	PR	00791	(787) 285-4296
3741	South American Restaurants Corporation	Plaza Isabela - 494 Isabela Shopping Center	Isabela	PR	00662	(787) 830-3169
4105	South American Restaurants Corporation	State Road #31, Km. 24 Bo Ceiba Norte	Juncos	PR	00777	(787) 649-4100
4104	South American Restaurants Corporation	State Road #183, Int. P.R. 30, Las Piedras Food Park	Las Piedras	PR	00771	(787) 733-2255
10426	South American Restaurants Corporation	State Road PR 30 KM 20.2 (Olympic Plaza Shopping Ctr.)	Las Piedras	PR	00771	(787) 716-0555
3023	South American Restaurants Corporation	Plaza Puerta Del Sol, Carr. 2 Km. 49.7	Manati	PR	00674	(787) 884-4677
3025	South American Restaurants Corporation	Trigal Plaza Shopping Center, Carr. 2 y Carr. 149	Manati	PR	00674	(787) 884-5216
3031	South American Restaurants Corporation	Mayaguez Mall Shopping Center, Carr. 2 Km. 158.6 y Carr. 343	Mayaguez	PR	00680	(787) 265-6555
4089	South American Restaurants Corporation	Mayaguez Mall Shopping Ctr. Guanajibo Ward	Mayaguez	PR	00680	(787) 831-5265

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4090	South American Restaurants Corporation	State Road #2, KM 149.2	Mayaguez	PR	00680	(787) 834-0034
4779	South American Restaurants Corporation	Calle Post Y Basora	Mayaguez	PR	00680	(787) 635-2412
9177	South American Restaurants Corporation	Esquina Llorens Torres Calle Nelson Ramirez	Mayaguez	PR	00680	(787) 832-4604
10989	South American Restaurants Corporation	Plaza Sultana Shopping Center	Mayaguez	PR	00680	(787) 652-0000
3212	South American Restaurants Corporation	San Francisco Food Court, Carr. #111 Km. 4.6	Moca	PR	00676	(787) 877-1380
5308	South American Restaurants Corporation	Road PR 155, KM 30.8 Int. P 12 157, Barrio Gato	Orocovis	PR	00720	(787) 867-1333
4932	South American Restaurants Corporation	State Rd. #3, Corner Rd. No. 53	Patillas	PR	00723	(787) 839-5051
10509	South American Restaurants Corporation	Penuelas Shopping Plaza	Penuelas	PR	00624	(787) 836-3831
10571	South American Restaurants Corporation	Bo El Cajon	Penuelas	PR	00624	(787) 973-2985
1733	South American Restaurants Corporation	Carr. 2 Ponce By-Pass	Ponce	PR	00731	(787) 843-0880
1737	South American Restaurants Corporation	La Rambla Shopping Center	Ponce	PR	00731	(787) 843-5800
1865	South American Restaurants Corporation	San Jorge Mall, Carr. 2 Ponce By-Pass	Ponce	PR	00731	(787) 842-2508
3211	South American Restaurants Corporation	Plaza Del Caribe	Ponce	PR	00731	(787) 848-5582
8600	South American Restaurants Corporation	Coto Laurel Plaza, 506 Int Carr, PR-52	Ponce	PR	00716	(787) 812-0374
10354	South American Restaurants Corporation	State Road P.R. 14 ( El Monte Town Center)	Ponce	PR	00731	(787) 840-1731
1765	South American Restaurants Corporation	Ave. De Diego esq., Calle S. O. #48	Puerto Nuevo	PR	00921	(787) 792-7611

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11218	South American Restaurants Corporation	PR-2 km 100.4 esq. calle Socorro	Quebradillas	PR	00727	(787) 830-1605
4931	South American Restaurants Corporation	State Road No. 115, Km 1.1	Rincon	PR	00677	(787) 823-0270
3773	South American Restaurants Corporation	Rio Grande Food Ct., Urb. Ind., Las Flores	Rio Grande	PR	00745	(787) 888-8890
10615	South American Restaurants Corporation	Carretera #1 Km 89.5 Bo. Lapa	Salinas	PR	00751	(787) 271-7012
3012	South American Restaurants Corporation	La Quinta Shopping Court, Calle Luna 175 esq.	San German	PR	00683	(787) 264-3120
1720	South American Restaurants Corporation	Plaza Las Americas	San Juan	PR	00918	(787) 754-7595
1748	South American Restaurants Corporation	Calle Domenech #501	San Juan	PR	00928	(787) 763-8912
1749	South American Restaurants Corporation	Centro Medico	San Juan	PR	00925	(787) 763-0585
10236	South American Restaurants Corporation	Coliseo de Puerto Rico, Ave. Arterial B, Bo. Hato Rey	San Juan	PR	00919	
10607	South American Restaurants Corporation	Carretera PR-26, Ave. Baldorioty de Castro Esq. Calle Tapia #242	San Juan	PR	00915	(787) 919-3953
10689	South American Restaurants Corporation	Avenue 65 De Infanteria Simon	San Juan	PR	00962	(787) 200-3985
10842	South American Restaurants Corporation	Las Cumbres Neighborhood Commercial Area, Satate #199, Galeria Pacifico Cupey	San Juan	PR	00924	(787) 200-3370
11282	South American Restaurants Corporation	The Market Place Montheidera, Outparcel #6 Ave. Los Romeros BO. Caimito	San Juan	PR	00926	(787) 270-1609
11285	South American Restaurants Corporation	575 Av. Franklin Delano Roosevelt	San Juan	PR	00918	(787) 641-5017

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11388	South American Restaurants Corporation	Plaza Olmedo, 1790 AVE. LOMAS VERDES, PLAZA OLMEDO	San Juan	PR	00926	(787) 641-2052
7075	South American Restaurants Corporation	Jardines de San Lorenzo Shopping Center, Carr. 181, Int. Carr. 183	San Lorenzo	PR	00754	(787) 267-0866
10688	South American Restaurants Corporation	Barrio Bahomamey Carretera # 111 Km 18.9	San Sebastian	PR	00685	(787) 931-2110
3774	South American Restaurants Corporation	State Road #153 & #52	Santa Isabel	PR	00757	(787) 845-6982
1850	South American Restaurants Corporation	Plazoleta del Condado, Ave. Roberto H. Todd	Santurce	PR	00907	(787) 724-5680
7051	South American Restaurants Corporation	Plaza Aquarium Shopping Mall, State Road PR #159	Toa Alta	PR	00953	(787) 870-7825
10807	South American Restaurants Corporation	Plaza Los Palacios, Carretera 167 KM 14.6 Interseccion PR 148	Toa Alta	PR	00957	(939) 225-2821
3796	South American Restaurants Corporation	Av. Los Dominicanos Intersec. Road Jose de Diego	Toa Baja	PR	00949	(787) 795-5625
1711	South American Restaurants Corporation	Trujillo Alto Plaza, Expreso	Trujillo Alto	PR	00976	(787) 755-8365
1822	South American Restaurants Corporation	Plaza Caribe Mall, Carr. 2 esq. Carr. 678	Vega Alta	PR	00692	(787) 883-6487
1862	South American Restaurants Corporation	Las Vegas Mall, State Road #2	Vega Baja	PR	00693	(787) 855-3275
10550	South American Restaurants Corporation	Expreso Luis A. Ferre, Salida 35	Vega Baja	PR	00693	(787) 965-2011
4344	South American Restaurants Corporation	State Road #901, Km 1.6 Barrio Juan Martin	Yabucoa	PR	00767	(787) 893-7892
1735	South American Restaurants Corporation	Prolongacion 25 de julio #18	Yauco	PR	00698	(787) 856-0090
8520	South American Restaurants Corporation	Yauco Plaza II	Yauco	PR	00866	(787) 267-0866

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11363	Refuel Operating Company, LLC	1270 Redbank Rd	Goose Creek	SC	29445	(843) 718-1399
10773	Circle K Stores, Inc.	2800 Highway 52	Moncks Corner	SC	29461	(843) 761-4702
150	R.L.T. Enterprises, Inc.	3077 Thomas Street	Memphis	TN	38127	(901) 358-9728
69	Abilene Enterprises, Ltd	4026 North First	Abilene	TX	79603	(325) 673-1741
897	Abilene Enterprises, Ltd	1309 Grape Street	Abilene	TX	79601	(325) 672-4672
307	Ampler Chicken LLC	1104 East Main	Alice	TX	78332	(361) 664-4262
591	Amarillo Food Co.,Ltd.	200 E. Amarillo Blvd.	Amarillo	TX	79107	(806) 374-3201
592	Amarillo Food Co.,Ltd.	2002 S. Georgia Street	Amarillo	TX	79109	(806) 353-1042
11596	Road Ranger, LLC	11215 E I-40	Amarillo	TX	79118	(806) 503-2918
1460	S*J Food Service, L.L.C.	1341 E. Mulberry St.	Angleton	TX	77515	(979) 849-3572
1343	Ampler Chicken LLC	1901 W. Wheeler	Aransas Pass	TX	78336	(361) 758-7166
491	Texas Chicken LLC	2302 S. Collins Street	Arlington	TX	76014	(817) 274-0152
10352	EZ Chicken LLC	5410 Matlock Road	Arlington	TX	76018	(817) 465-4456
10811	BMT Food Corporation	8106 Matlock Road	Arlington	TX	76002	(817) 473-4800
386	Ampler Chicken LLC	1945 W. William Cannon-St. 190	Austin	TX	78745	(512) 445-0330
713	Ampler Chicken LLC	5339 Cameron Road	Austin	TX	78723	(512) 458-3426
765	Ampler Chicken LLC	8545 Research Blvd.	Austin	TX	78758	(512) 836-0345
2004	Ampler Chicken LLC	5309 Nuckols Crossing	Austin	TX	78744	(512) 462-9560
10206	ZAK Restaurants LLC	13729 Hwy. 183, Suite 900	Austin	TX	78750	(512) 257-3565
1619	Texas Chicken LLC	11913 Lake June Rd	Balch Springs	TX	75180	(972) 289-1277
4655	Nitu CTC LLC	1014 Main Street	Bandera	TX	78003	(830) 796-3351
10907	Triple J's Fried Food Inc.	16151 W Interstate 10 East	Baytown	TX	77523	(832) 470-0935
10633	Smiles Foods LLC	7525 Highway 105	Beaumont	TX	77713	(409) 924-0635
481	Ampler Chicken LLC	611 NE Washington St.	Beeville	TX	78102	(361) 358-9256
1334	S & B Food Service, LLC	1041 S. Market Street	Brenham	TX	77833	(979) 836-2712
10683	Falcon Brothers Inc	1805 Texas Ave	Bridge City	TX	77611	(409) 738-3567
10701	Excel Restaurants, Inc.	205 Waller Avenue	Brookshire	TX	77423	(281) 934-1001
468	Ampler Chicken LLC	507 N. Texas Avenue	Bryan	TX	77801	(979) 822-5216
5418	S*J Food Service, L.L.C.	2430 W. Commerce Street	Buffalo	TX	75831	(903) 322-9159
10710	Central Texas Star Investments, LLC	253 Hwy 36 North	Caldwell	TX	77836	(979) 567-1400

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3978	Nitu CTC LLC	203 First Street	Carrizo Springs	TX	78834	(830) 876-5901
4142	M. Baig, LTD.	2020 E. Beltline Road	Carrollton	TX	75006	(972) 417-8827
4857	Graves Truck Stop, Inc.	1039 US Hwy 59 North	Carthage	TX	75633	(903) 693-9312
7360	S&H&G Food Service, LLC	415 Sheldon Road	Channelview	TX	77530	(281) 452-3636
556	Y&A Holdings, LLC	616 North Main	Cleburne	TX	76033	(817) 202-9320
3639	J & A Food Service, LLC	1203 N. Frazier St.	Conroe	TX	77301	(936) 756-4606
7062	Beltway Investment, Inc.	16145 FM 1485 Road	Conroe	TX	77301	(281) 689-5747
1263	Terlochan Singh	9090 FM 78	Converse	TX	78109	(210) 658-6008
579	ZAK Restaurants LLC	501 E. Hwy 190	Copperas Cove	TX	76522	(254) 547-7766
1703	South Texas Chicken, Inc.	3140 Gollihar Rd.	Corpus Christi	TX	78405	(361) 852-8123
1714	South Texas Chicken, Inc.	2901 Ayers St	Corpus Christi	TX	78404	(361) 883-7743
1752	South Texas Chicken, Inc.	3502A Leopard	Corpus Christi	TX	78408	(361) 884-2513
1760	South Texas Chicken, Inc.	735 Lum	Corpus Christi	TX	78412	(361) 992-0626
1802	South Texas Chicken, Inc.	4901 Greenwood	Corpus Christi	TX	78416	(361) 852-8707
1813	South Texas Chicken, Inc.	5149 Weber	Corpus Christi	TX	78411	(361) 852-5714
11324	South Texas Chicken, Inc.	10101 South Padre Island Drive	Corpus Christi	TX	78418	(361) 353-0041
581	Farhad Ranmal	1400 W. 7th Street	Corsicana	TX	75110	(903) 872-4991
1555	S*J Food Service, L.L.C.	13821 FM 2100 Rd.	Crosby	TX	77532	(281) 328-5101
10334	S&S F3 LLC	1230 North Esplanade St	Cuero	TX	77954	(361) 275-6629
35	S & B Food Service, LLC	4656 Scyene Road	Dallas	TX	75210	(214) 421-7023
39	QSR Dallas Group, LLC	606 N. Hampton Road	Dallas	TX	75208	(214) 946-4015
80	S & B Food Service, LLC	3605 S. Lancaster Rd	Dallas	TX	75216	(214) 374-8700
83	S & B Food Service, LLC	2509 S. Westmoreland Rd.	Dallas	TX	75211	(214) 330-9614
201	Texas Chicken LLC	10295 Ferguson Rd	Dallas	TX	75228	(214) 327-6785
224	S*J Food Service, L.L.C.	2410 S. Zang Blvd	Dallas	TX	75224	(214) 946-9634
347	S & B Food Service, LLC	1025 W. Camp Wisdom	Dallas	TX	75232	(214) 375-9097

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1009	QSR Dallas Group, LLC	1035 W. Mockingbird	Dallas	TX	75247	(214) 631-6289
1051	M. Baig, LTD.	10545 Harry Hines	Dallas	TX	75220	(214) 351-2403
1386	M. Baig, LTD.	4210 Gaston Avenue	Dallas	TX	75246	(214) 823-2856
1439	M. Baig, LTD.	2317 W. Ledbetter Dr.	Dallas	TX	75224	(214) 330-1032
1687	M. Baig, LTD.	8080 Ferguson Rd.	Dallas	TX	75228	(214) 328-3570
4598	Texas Chicken LLC	9363 Forest Lane	Dallas	TX	75243	(972) 231-2755
4757	Success Brothers LLC	2516 Inwood Road	Dallas	TX	75235	(214) 351-5912
4835	M. Baig, LTD.	3601 Forest Lane	Dallas	TX	75234	(972) 243-1448
4898	Team Financial, Inc.	820 S. Walton Walker Blvd.	Dallas	TX	75211	(214) 331-3544
4914	Kawal Financial, Inc	10201 C.F. Hawn Freeway	Dallas	TX	75217	(972) 557-3700
5523	Ann, Inc.	4411 W. Kiest Blvd.	Dallas	TX	75236	(214) 330-3100
10612	Nebras, Inc.	14115 Coit Road	Dallas	TX	75254	(972) 392-9885
1520	B & A Food Service, L.L.C.	102 E. San Augustine	Deer Park	TX	77536	(281) 479-9526
3105	Ampler Chicken LLC	1900 Veterans Boulevard	Del Rio	TX	78840	(830) 775-4788
1690	M. Baig, LTD.	501 North Austin	Denison	TX	75020	(903) 465-9689
4924	S & B Food Service, LLC	114 N. Hampton Road	Desoto	TX	75115	(972) 274-6863
4657	William Jones	109 S. Teal Avenue	Devine	TX	78016	(830) 665-5299
1499	S & B Food Service, LLC	208 N. Temple	Diboll	TX	75941	(936) 829-4464
10854	Dilley Truck Stop, LLC	16220 IH 35 South	Dilley	TX	78017	(830) 963-0548
763	S*J Food Service, L.L.C.	201 E. Camp Wisdom Rd	Duncanville	TX	75116	(972) 298-4127
795	Ampler Chicken LLC	1430 Main Street	Eagle Pass	TX	78852	(830) 757-3672
10157	Nitu CTC LLC	1990 South Veteran's Blvd.	Eagle Pass	TX	78852	(830) 773-1500
10984	Nitu CTC LLC	6995 FM 1021	Eagle Pass	TX	78852	(830) 757-6740
11027	Nitu CTC LLC	3195 Del Rio Blvd.	Eagle Pass	TX	78852	(830) 213-8176
1412	S&S Food Service II, Inc.	110 East Houston Highway	Edna	TX	77957	(361) 782-2916
23	Best Chicken of El Paso, LLC	5328 Will Ruth Ave	El Paso	TX	79924	(915) 755-8696
29	Best Chicken of El Paso, LLC	812 North Copia Street	El Paso	TX	79903	(915) 565-3338
245	Best Chicken of El Paso, LLC	338 North Zaragosa	El Paso	TX	79907	(915) 859-3524
593	Best Chicken of El Paso, LLC	5308 Dyer	El Paso	TX	79904	(915) 566-5973

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594	Best Chicken of El Paso, LLC	1077 North Carolina	El Paso	TX	79915	(915) 592-6068
793	Best Chicken of El Paso, LLC	3395 North Yarborough	El Paso	TX	79925	(915) 593-1023
1199	Best Chicken of El Paso, LLC	119 East Paisano Drive	El Paso	TX	79901	(915) 542-1277
1262	Best Chicken of El Paso, LLC	2112 N. Zaragoza Road	El Paso	TX	79938	(915) 856-7575
1538	Best Chicken of El Paso, LLC	8028 North Mesa St	El Paso	TX	79932	(915) 584-4966
8537	Best Chicken of El Paso, LLC	1350 Zaragoza Rd	El Paso	TX	79935	(915) 856-7870
10430	Best Chicken of El Paso, LLC	11388 Gateway Blvd North	El Paso	TX	79934	(915) 821-3105
10460	Best Chicken of El Paso, LLC	6101 Alameda Ave.	El Paso	TX	79905	(915) 887-0011
10728	Best Chicken of El Paso, LLC	6451 S. Desert Blvd	El Paso	TX	79932	(915) 584-1544
10946	Road Ranger, LLC	43 East Texas State Hwy 44	Encinal	TX	78019	(956) 948-4010
10527	Alina Investments Incorporated	230 W. Harwood Road	Euless	TX	76039	(817) 571-2030
4012	Best Chicken of El Paso, LLC	102 C.C. Camp Road	Fabens	TX	79838	(915) 764-2075
1767	B.C. Restaurants, Ltd.	304 South St. Marys Street	Falfurrias	TX	78355	(361) 325-5734
1362	Ampler Chicken LLC	1317 - 10Th Street	Floresville	TX	78114	(830) 216-7502
53	Fort Worth Co., Ltd	3800 E. Rosedale Ave	Fort Worth	TX	76105	(817) 534-2451
55	Texas Chicken LLC	2120 W. Seminary	Fort Worth	TX	76115	(817) 926-8711
460	BK & R Food Co., Ltd.	6500 Meadow Brook Drive	Fort Worth	TX	76112	(817) 451-6700
461	Fort Worth Co., Ltd	5662 E. Lancaster Ave.	Fort Worth	TX	76112	(817) 451-6461
1579	Fort Worth Co., Ltd	1701 Sycamore School Road	Fort Worth	TX	76134	(817) 551-1324
2032	Texas Chicken LLC	6430 McCart Avenue	Fort Worth	TX	76113	(817) 346-2882
4798	Dallas H & R, Inc.	3605 Western Center Blvd.	Fort Worth	TX	76137	(817) 306-5555
3601	Nitu CTC LLC	614 East Main ST	Fredericksburg	TX	78624	(830) 997-7333
10616	Maximus QSR, LLC	12320 Highway 6	Fresno	TX	77545	(281) 431-5200
1385	QSR Dallas Group, LLC	3028 S. First Street	Garland	TX	75042	(972) 278-9499
1564	M. Baig, LTD.	5602 Broadway Blvd.	Garland	TX	75043	(972) 240-4304
4689	QSR Dallas Group, LLC	2520 West Walnut	Garland	TX	75042	(972) 272-7930
1790	B.C. Restaurants, Ltd.	212 N Nueces	George West	TX	78022	(361) 449-1864

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1043	QSR Dallas Group, LLC	401 W. Hwy 303	Grand Prairie	TX	75051	(972) 262-5052
10155	Grand Track, Inc.	1407 W. North Carrier Parkway	Grand Prairie	TX	75050	(972) 623-1355
239	Texas Chicken LLC	3900 NE 28th Street	Haltom City	TX	76111	(817) 834-9851
1772	B.C. Restaurants, Ltd.	308 North Smith Avenue	Hebbronville	TX	78361	(361) 527-4619
10937	Best Chicken of El Paso, LLC	13658 Eastlake Blvd	Horizon City	TX	79928	(915) 852-5190
1090	Parallel Lines, LLC	3501 Jensen Drive	Houston	TX	77026	(713) 228-7817
1119	S & A Food Service, LLC	202 West Little York Rd	Houston	TX	77076	(713) 695-5235
1122	S & S Food Service, Ltd. Co.	5207 N Sheppard Dr	Houston	TX	77018	(713) 697-4103
1473	Maximus QSR, LLC	6008 Chimney Rock	Houston	TX	77081	(713) 664-4416
1478	A A D Food Service, LLC	425 Crosstimbers	Houston	TX	77022	(713) 695-4372
1482	Maximus QSR, LLC	6000 S. Gessner Road	Houston	TX	77036	(713) 988-0106
1548	Parallel Lines, LLC	3207 Old Spanish Trail	Houston	TX	77021	(713) 748-8779
1557	S*J Food Service, L.L.C.	12512 Highway 90	Houston	TX	77049	(281) 458-5341
3952	Excel Restaurants, Inc.	9404 N. Freeway 45 at FM 249	Houston	TX	77037	(281) 405-9033
4490	Excel Restaurants, Inc.	6962 TC Jester Blvd.	Houston	TX	77091	(713) 263-7755
4558	Parallel Lines, LLC	5125 Aldine Mail Route Rd.	Houston	TX	77039	(281) 442-8886
4711	Shaian Enterprises, Inc.	5600 Mykawa Rd./Fiesta #5	Houston	TX	77033	(713) 643-6293
4720	Sugarland Petroleum, Inc.	3503 Gulf Freeway	Houston	TX	77003	(713) 222-0642
4853	Prestige Funds Two, LLC	15811 JFK Blvd.	Houston	TX	77032	(281) 219-0480
4888	A A D Food Service, LLC	12004 Veterans Memorial Drive	Houston	TX	77067	(281) 537-1979
5309	United Partnership, Inc.	11778 Clay Road	Houston	TX	77043	(713) 849-2362
5438	Beltway Investment, Inc.	14455 Cullen Blvd.	Houston	TX	77047	(713) 733-1848
5661	Nida, Inc.	13648 Hwy 249	Houston	TX	77086	(281) 272-9131
5971	Four Star Foods, LLC	743 North Sam Houston Pkwy E	Houston	TX	77060	(281) 405-8791
7056	Parallel Lines, LLC	7895 A West Tidwell Road	Houston	TX	77040	(713) 690-1119
10189	Dawani Stores, Inc.	13350 Alameda Rd.	Houston	TX	77045	(713) 434-0916
10477	Singh Venture, LLC	9481 Kempwood Dr	Houston	TX	77080	(713) 996-7370

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
10478	Sheikhani Foods Inc	12802 E. Freeway	Houston	TX	77015	(713) 330-8400
10491	Nida, Inc.	8011 Antoine Dr.	Houston	TX	77088	(281) 445-0447
10555	Four Star Foods, LLC	10186 Veterans Memorial Dr.	Houston	TX	77038	(281) 448-4334
10586	Triple J's Fried Food Inc.	17225 Crosby Freeway	Houston	TX	77049	(281) 456-7600
10649	Wise Investors, LLC	10658 Monroe Road	Houston	TX	77075	(346) 446-6236
10669	Four Star Foods, LLC	8255-A Mills Road	Houston	TX	77064	(832) 688-8089
10798	First Sugarland Investments, LLC	13955 E. Sam Houston Parkway North	Houston	TX	77044	(281) 458-0701
10809	Beltway Investment, Inc.	16902 Tuckerton Road	Houston	TX	77095	(281) 758-1573
11023	Shepherd Food Investment, Inc.	9825 Jones Road	Houston	TX	77064	(832) 604-6539
11318	Four Star Foods, LLC	108 W Greens Rd	Houston	TX	77060	(281) 836-5187
3942	J & A Food Service, LLC	9475 FM 1960, Suite B	Humble	TX	77338	(281) 446-4533
10167	G&A Food Service, LLC	10910 Will Clayton Pkwy	Humble	TX	77396	(281) 852-0618
10557	Four Star Foods, LLC	21502 Aldine Westfield Road	Humble	TX	77336	(281) 821-5211
11557	Four Star Foods, LLC	15050 Old Humble Road	Humble	TX	77396	(346) 477-2057
115	QSR Dallas Group, LLC	2530 N. Story Rd	Irving	TX	75062	(972) 255-6062
10610	Z & R Food Corporation, LLC	333 S. Belt Line Road	Irving	TX	75060	(972) 986-1858
10625	Passion Foods, LLC	6201 N. Fry Road	Katy	TX	77449	(281) 855-1155
10858	Abbasi Enterprises, Inc.	1410 W Grand Parkway	Katy	TX	77449	(281) 574-7251
1766	B.C. Restaurants, Ltd.	110 North Sunset Strip Street	Kenedy	TX	78119	(830) 583-9030
1763	Nitu CTC LLC	206 Sidney Baker South	Kerrville	TX	78028	(830) 257-3333
700	ZAK Restaurants LLC	2616 E. Hwy. 190	Killeen	TX	76543	(254) 699-8351
10276	ZAK Restaurants LLC	2100 W. Stan Schlueter	Killeen	TX	76549	(254) 245-8505
11256	Ampler Chicken LLC	3825 E. Stan Schleuter Loop	Killeen	TX	76549	(254) 616-9271
11322	Ampler Chicken LLC	1025 Fort Hood St	Killeen	TX	76541	(254) 432-8511
767	Ampler Chicken LLC	635 E King Ave	Kingsville	TX	78363	(361) 592-1191
1363	Ampler Chicken LLC	5096 Farm Rd. 78	Kirby	TX	78219	(210) 661-6823
10976	Radha Investment, Inc.	10901 Fairmont Pkwy	La Porte	TX	77571	(281) 941-4975
4773	Gramsn Fuels, Inc.	3160 West Pleasant Run Rd	Lancaster	TX	75146	(972) 274-4414

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
22	Ampler Chicken LLC	1702 Guadalupe St.	Laredo	TX	78040	(956) 722-6131
48	Ampler Chicken LLC	3420 San Bernardo Avenue	Laredo	TX	78040	(956) 722-2802
3890	Best Chicken of Laredo, LLC	6701 McPherson Road	Laredo	TX	78041	(956) 712-3342
7031	Best Chicken of El Paso, LLC	1108 Zaragoza Street	Laredo	TX	78040	(956) 523-0199
10202	Pollos Del Sur, Inc.	3615 Highway 83	Laredo	TX	78046	(956) 723-3456
10203	Pollos Del Sur, Inc.	10219 McPherson Road	Laredo	TX	78045	(956) 791-6358
10220	Pollos Del Sur, Inc.	611 Rancho Viejo Drive	Laredo	TX	78045	(956) 727-1495
10279	Pollos Del Sur, Inc.	2333 Bob Bullock Loop	Laredo	TX	78043	(956) 791-7824
10374	Pollos Del Sur, Inc.	2201 E. Saunders	Laredo	TX	78040	(956) 726-2656
1481	AARTI Enterprises, Inc.	1201 Bay Area Blvd.	League City	TX	77058	(281) 486-1555
708	QSR Dallas Group, LLC	1298 Highway 121	Lewisville	TX	75067	(972) 221-1311
303	Best Chicken of Shreveport, LLC	217 East Marshall	Longview	TX	75601	(903) 758-1822
589	Ampler Chicken LLC	1702 S. 50Th Street	Lubbock	TX	79412	(806) 749-5184
2120	Ampler Chicken LLC	6410 19th St	Lubbock	TX	79407	(806) 791-6710
8769	Ampler Chicken LLC	905 Avenue Q	Lubbock	TX	79401	(806) 747-1312
503	S & B Food Service, LLC	101 S. Timberland	Lufkin	TX	75901	(936) 632-7097
10840	Smiles Foods LLC	795 S MAIN ST	Lumberton	TX	77657	(409) 227-4052
11308	Ampler Chicken LLC	19353 McDonald Street	Lytle	TX	78052	(830) 709-7352
8783	EBLA Corporation	521 N. 3rd. Street	Mabank	TX	75147	(903) 887-0578
10250	Carter's Restaurants, Inc.	3002 E. Main Street	Madisonville	TX	77864	(936) 348-3528
10229	Sugarland Petroleum, Inc.	17510 Morris Avenue	Manvel	TX	77578	(281) 692-0000
1789	B.C. Restaurants, Ltd.	904 East San Patricio Ave	Mathis	TX	78368	(361) 547-7338
5342	Texas Chicken LLC	728 N. Gallaway Avenue	Mesquite	TX	75149	(972) 290-9044
450	Ampler Chicken LLC	202 N. Midkiff	Midland	TX	79701	(432) 694-5858
896	Ampler Chicken LLC	1400 N. Big Springs	Midland	TX	79701	(432) 683-8841
1468	Maximus QSR, LLC	1949 FM 2234	Missouri City	TX	77489	(281) 499-4694
1768	S*J Food Service, L.L.C.	400 North McCoy	New Boston	TX	75570	(903) 628-2149
518	Ampler Chicken LLC	824 W. San Antonio Street	New Braunfels	TX	78130	(830) 609-1100
50	Ampler Chicken LLC	620 N. Dixie Blvd.	Odessa	TX	79761	(432) 332-1283

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
455	Ampler Chicken LLC	3800 Andrews Highway	Odessa	TX	79762	(432) 362-6413
803	Ampler Chicken LLC	1336 N. County Road W.	Odessa	TX	79763	(432) 333-5727
10920	Road Ranger, LLC	10490 W. Interstate 20	Odessa	TX	79763	(432) 231-0050
1526	Fred Ranmal	419 W. Palestine	Palestine	TX	75801	(903) 729-1888
10219	Mario Sanchez	1117 East Veterans Blvd.	Palmview	TX	78572	(956) 583-5757
1528	Maximus QSR, LLC	929 E. Southmore	Pasadena	TX	77502	(713) 473-6467
10238	B & P Food Service, LLC	5234 Spencer Highway	Pasadena	TX	77505	(281) 998-8398
10859	BCP Enterprises, Inc.	7201 W. Broadway Street	Pearland	TX	77581	(832) 853-7189
5804	Virani 2300 Inc.	2300 E. Parker Road	Plano	TX	75074	(972) 905-5274
1352	Ampler Chicken LLC	1018 Second Street	Pleasanton	TX	78064	(830) 569-6611
1463	Maximus QSR, LLC	206 State Highway 35 S	Port Lavaca	TX	77979	(361) 552-5266
10784	Beltway Investment, Inc.	21775 FM 1314	Porter	TX	77365	(281) 345-4620
3936	EBLA Corporation	100 Harris Avenue	Red Oak	TX	75154	(972) 617-9998
1451	Maximus QSR, LLC	4823 Avenue H	Rosenberg	TX	77471	(281) 341-7810
10738	Ampler Chicken LLC	1500 S. AW Grimes Boulevard, Unit 300	Round Rock	TX	78664	(512) 255-7755
10717	St. George & Ava Tigi, Inc.	1700 Dalrock Road	Rowlett	TX	75088	(972) 303-8946
10808	Eidi, Inc.	7360 Highway 78	Sachse	TX	75048	(972) 429-8585
3887	Nitu CTC LLC	2301 N. Bryant Blvd.	San Angelo	TX	76903	(325) 658-7775
3	Ampler Chicken LLC	430 S. New Braunfels Ave	San Antonio	TX	78203	(210) 534-0111
8	Ampler Chicken LLC	1923 Goliad Rd	San Antonio	TX	78223	(210) 333-8910
9	Ampler Chicken LLC	3119 SW Military Drive	San Antonio	TX	78224	(210) 923-8431
10	Ampler Chicken LLC	1209 Steves Avenue	San Antonio	TX	78210	(210) 532-9112
11	Ampler Chicken LLC	219 Zarzamora Street South	San Antonio	TX	78207	(210) 438-0643
73	Ampler Chicken LLC	1318 S. WW White Rd	San Antonio	TX	78220	(210) 333-4930
94	Ampler Chicken LLC	2856 Culebra road	San Antonio	TX	78228	(210) 435-0645
132	Ampler Chicken LLC	1302 Castroville Road	San Antonio	TX	78237	(210) 433-6871
342	Ampler Chicken LLC	5903 San Pedro Ave.	San Antonio	TX	78212	(210) 734-3391
372	Ampler Chicken LLC	1839 W. Hildebrand Ave.	San Antonio	TX	78201	(210) 732-5430
564	Ampler Chicken LLC	11910 Perrin Beitel Rd	San Antonio	TX	78217	(210) 653-2510
565	Ampler Chicken LLC	11623 West Avenue	San Antonio	TX	78213	(210) 342-7172

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
712	Ampler Chicken LLC	1615 Bandera Rd	San Antonio	TX	78228	(210) 435-8561
893	Ampler Chicken LLC	7919 Marbach Rd	San Antonio	TX	78227	(210) 673-0080
1187	Ampler Chicken LLC	1850 S. General McMullen Drive	San Antonio	TX	78226	(210) 432-5851
1246	Ampler Chicken LLC	8757 Huebner Rd	San Antonio	TX	78240	(210) 699-0673
1258	Ampler Chicken LLC	4747 Rittiman Road	San Antonio	TX	78218	(210) 653-4183
1264	Ampler Chicken LLC	8995 Grissom Road	San Antonio	TX	78251	(210) 680-6207
1278	Ampler Chicken LLC	8459 Five Palms Drive	San Antonio	TX	78242	(210) 623-5800
1297	VIR Enterprises, Inc.	9405 Guilbeau	San Antonio	TX	78250	(210) 684-1407
1330	Ampler Chicken LLC	4414 Callaghan	San Antonio	TX	78228	(210) 434-5048
1588	A & G Enterprises, Inc.	7307 North Loop 1604 W.	San Antonio	TX	78249	(210) 695-2109
1682	Ampler Chicken LLC	2502 Palo Alto Rd	San Antonio	TX	78211	(210) 924-8712
2012	Ampler Chicken LLC	9710 Potranco Rd.	San Antonio	TX	78245	(210) 680-3783
3404	Ampler Chicken LLC	1003 S.E. Military Dr.	San Antonio	TX	78214	(210) 927-9389
10428	Arrow International Investments Inc.	2602 N.W. Loop 410	San Antonio	TX	78230	(210) 979-8700
10720	Nitu CTC LLC	2840 W. Loop 1604 South	San Antonio	TX	78245	(210) 209-8873
10824	Nitu CTC LLC	15171 Judson Road, Suite 101	San Antonio	TX	78247	(210) 637-6300
10899	Nitu CTC LLC	12845 Potranco Rd	San Antonio	TX	78245	(210) 876-2280
10962	Nitu CTC LLC	13323 Culebra Rd, Ste 103	San Antonio	TX	78254	(210) 384-2652
1774	B.C. Restaurants, Ltd.	602 East Gravis Ave	San Diego	TX	78384	(361) 279-3260
11197	Best Chicken of El Paso, LLC	13296 Socorro Road	San Elizario	TX	79849	(915) 851-6566
10593	EBLA Corporation	601 Malloy Bridge Road	Seagoville	TX	75159	(972) 287-3334
471	Ampler Chicken LLC	404 W. Court Street	Seguin	TX	78155	(830) 379-8166
10169	Four Star Foods, LLC	19153 I-45 South	Shenandoah	TX	77385	(281) 419-4019
10493	Shepherd Food Investment, Inc.	6280 Hwy 59 S	Shepherd	TX	77371	(936) 628-2060
321	M. Baig, LTD.	200 East Houston ST	Sherman	TX	75090	(903) 892-1441
3011	Best Chicken of El Paso, LLC	10009 Alameda	Socorro	TX	79927	(915) 859-3198
9932	Four Star Foods, LLC	12602 Southwest Freeway	Stafford	TX	77477	(281) 494-2984
6099	Sugarland Petroleum, Inc.	10017 Texas 6 South	Sugar Land	TX	77478	(281) 564-2456
1169	Ampler Chicken LLC	1710 S. 31St Street	Temple	TX	76501	(254) 771-1011
10711	Success Brothers LLC	1592 State Highway 34 S	Terrell	TX	75160	(972) 563-2100
714	Peridot Restaurants, Inc.	822 W. Gentry Parkway	Tyler	TX	75702	(903) 595-2281

<b>Rest #</b>	<b>Franchise Entity</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Restaurant phone</b>
3784	Penco Energy Corporation	105 N. NW Loop 323	Tyler	TX	75701	(903) 595-5655
10759	Peridot Restaurants, Inc.	120 So. SE Loop 323	Tyler	TX	75708	(903) 593-7561
11511	Penco Energy Corporation	1212 East Northeast Loop 323	Tyler	TX	75708	(903) 593-9653
512	Ampler Chicken LLC	123 W. Main	Uvalde	TX	78801	(830) 278-6867
1303	S&S Food Service II, Inc.	4305 Ben Jordan	Victoria	TX	77901	(361) 575-7231
1331	Singh Venture, LLC	209 West Rio Grande	Victoria	TX	77901	(361) 578-3232
11767	Road Ranger, LLC	17160 Interstate Highway 10	Vidor	TX	77662	(409) 445-3337
112	Ampler Chicken LLC	1325 E. Waco Drive	Waco	TX	76704	(254) 799-6671
127	Ampler Chicken LLC	1515 S. Valley Mills Drive	Waco	TX	76711	(254) 753-5481
1683	Ampler Chicken LLC	3903 N. 19Th	Waco	TX	76708	(254) 752-0360
11004	Road Ranger, LLC	6615 North IH35	Waco	TX	76705	(815) 977-7865
4656	Tri Gaz, Inc.,	103 I-45 Frontage Rd	Wilmer	TX	75172	(972) 441-3747
1771	B.C. Restaurants, Ltd.	101 Hwy 83	Zapata	TX	78076	(956) 765-6859
1214	Trident DD-NC LLC	3215 Jefferson Avenue	Newport News	VA	23607	(757) 244-0135
1267	Trident DD-NC LLC	2308 E. Princess Anne Rd.	Norfolk	VA	23504	(757) 626-1765
1227	Legacy Chicken LLC	108 South Sycamore	Petersburg	VA	23803	(804) 732-7333
1305	Trident DD-NC LLC	350 Effingham Street	Portsmouth	VA	23704	(757) 397-8852
11705	S & S Hospitality Group, LLC	4000 Wheaton Way	Bremerton	WA	98310	(404) 617-9183
10538	SSS Restaurants, LLC	23839 Pacific Hwy South	Des Moines	WA	98198	(206) 824-4212
10474	S & S Hospitality Group, LLC	31717 Pacific Highway	Federal Way	WA	98003	(253) 946-0596
11506	SSS Restaurants, LLC	5003 Pacific Hwy E	Fife	WA	98424	(253) 517-8783
10333	SSS Restaurants, LLC	11701 Bridgeport Way	Lakewood	WA	98499	(253) 582-0664

#### **LIST OF FRANCHISE AGREEMENTS SIGNED, BUT RESTAURANT NOT OPEN**

None.

#### **LIST OF DEVELOPERS**

<b>Entity Name</b>	<b>Street</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone Number</b>
Wyatt Restaurant Group, LLC	404 Menawa Pass,	Millbrook	AL	36054	(334) 669-3728
Bhatti, Inc.	13530 W. Medlock Dr.,	Litchfield Park	AZ	85340	(602) 619-3066

Entity Name	Street	City	State	Zip	Telephone Number
Chill Factor CC Inc.	15210 Weddington Street	Sherman Oaks	CA	91411	(213) 761-4065
Victory Fast Food, Inc	2410 West Oakridge Road	Orlando	FL	32809	(321) 440-7316
INF United, LLC	4890 Shiloh Crossing Way,	Cumming	GA	30040	(770) 298-9569
Olalekan & AJ, LLC	29 Hartland Court	Savannah	GA	31407	(912) 604-5505
Sarah Foods LLC	1640 Azalea Gate Dr.	Lawrenceville	GA	30043	(404) 421-8810
Premier Restaurant Group	755 Tate Overlook	Marrietta	GA	30064	(404) 200-5898
Maywood CC, Inc.	11453 Boulder Drive	Orland Park	IL	60467	(708) 822-3305
Wichita Restaurants LLC	7424 E. 24th Ct.,	Wichita	KS	67226	(316) 847-3010
79 Horizons LLC	201 St. Charles Avenue, Suite 2500	New Orleans	LA	70170	(504) 658-4065
AARK Lawnside, LLC	8522 Tindal Springs Drive	Montgomery Village	MD	20886	(301) 717-2102
QSR Group Holdings	8101 Richardson Rd, Suite 101	Commerce Township	MI	48390	(248) 210-6820
QSR Dallas Group, LLC	8101 Richardson Rd, Suite 101	Commerce Township	MI	48390	(248) 210-6820
Trident DD-NC LLC	70 Wolff Ave	Edison	NJ	8837	(732) 261-8004
Nobas, LLC	7145 Madonna Drive	Las Vegas	NV	89156	(205) 482-3637
Niagaras Krispy Crunchy Fried Chicken, LLC	151 Buffalo Ave	Niagara Falls	NY	14303	(716) 544-0122
Ampler Chicken, LLC	2601 Northwest Expressway, Suite 100W	Oklahoma City	OK	73112	(512) 694-3983
Yummy Chicken LLC	8514 S. Pennsylvania Ave,	Oklahoma City	OK	73159	(405) 834-7565
Ampler Chicken LLC	2601 Northwest Expressway, Suite 100W	Oklahoma City	OK	73112	(512) 694-3983
Refuel Operating Company, LLC	1181 Venning Rd,	Mt. Pleasant	SC	29464	(662) 207-6287
Virani 2300, Inc	2507 Lavaca Drive,	Euless	TX	76039	(817) 729-3070
Sheikhani Foods Inc.	11402 Sandhaven Dr.	Richmond	TX	77040	(832) 790-6565
Success Brothers, LLC	3117 Ashwood Ct.	Richardson	TX	75082	(972) 951-6310
SMS Foods, Inc	5000 Debbie Ct.,	Gig Harbor	WA	98335	(404) 617-9183
Road Ranger	1501 Woodfield Road, Suite 300 S	Schaumburg	IL	60173	(815) 387-1366
Nitu Group	655 Industrial Blvd	Sugar Land	TX	77478	(713) 271-5166
Losumo Holdings Inc.	2549 Hunters Run Way	Weston	FL	33327	(954) 952-8488
G&E Investments	12713 Shenandoah Dr	Oklahoma City	OK	73173	(972) 375-8397
Zak Restaurants	6161 Savoy Dr., Ste. 904	Houston	TX	77036	(713) 266-3481
Smile Foods	85 IH-10 N, Suite 109	Beaumont	TX	77707	(409) 937-1445

Entity Name	Street	City	State	Zip	Telephone Number
Q&C 1 LLC	4925 N. O'Connor Rd, Suite 300/3103	Irvine	TX	75062	(786) 381-8420

### LIST OF FORMER FRANCHISEES IN FY 2023

#### Transfers

Restaurant Location	Seller	Franchise Owner Name	City	State	Phone
Arizona	Michael Nelson (sold 2 Restaurants in Arizona)	Michael Nelson	Saint Michaels	AZ	505-610-4883
Florida	KSH Chicken Restaurants FL-1, LLC (sold 2 Restaurants in Florida)	Sal Kabiruddin	Euless	TX	972-679-7332
Florida	KSH Chicken Restaurants FL-2, LLC (sold 1 Restaurant in Florida)	Sal Kabiruddin	Euless	TX	972-679-7332
New Mexico	B & C Conner, Inc. (sold 2 Restaurants in New Mexico)	Barry and Carolyn Conner	Gallup	NM	505-239-3307
New Mexico	Vista Management Company, LLC (sold 2 Restaurants in New Mexico)	Barry and Carolyn Conner	Gallup	NM	505-239-3307
Texas	B&N Corporation	Ahmed Jan	Sugarland	TX	832-893-2452
Texas	QSR Dallas Group, LLC	Sam Askar	Bonita Springs	FL	248-210-6820
Texas	Select Foods, LLC (sold 2 locations in Texas)	Adnan Ahmed	Houston	TX	832-277-2712
Texas	STN Restaurant Group, LLC (sold 3 Restaurants in Texas)	Tariq Khan	Georgetown	TX	512-257-3565
Texas	The Chicken Master, LLC	Tariq Khan	Georgetown	TX	512-257-3565
Texas	Y & A Holdings, LLC	Mohammad Younas	Burleston	TX	682-234-8555
Texas	ZAQ Equity, LLC	Anwer Wadiwala	Sugarland	TX	281-235-9473

#### Other Closures

City	State	Zip	Franchisee	Restaurant Phone
Opp	AL	36467	Wyatt, Stephanie	(334) 493-9292
Ozark	AL	36360	Wyatt, Stephanie	(334) 774-9089
Tuskegee	AL	36083	White, Terry	(205) 752-9351
Phoenix	AZ	85007	Lutfi, Tony	(602) 258-2267
Long Beach	CA	90805	Myers, Hannibal	(562) 423-2225
Los Angeles	CA	90011	Myers, Hannibal	(323) 846-8738
Los Angeles	CA	90044	Myers, Hannibal	(323) 758-0553
Los Angeles	CA	90047	Myers, Hannibal	(323) 757-9774
Los Angeles	CA	90003	Myers, Hannibal	(323) 753-4054
Los Angeles	CA	90011	Myers, Hannibal	(323) 235-9200
Los Angeles	CA	90003	Myers, Hannibal	(323) 778-7431
Pomona	CA	91766	Myers, Hannibal	(909) 622-4477

<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Franchisee</b>	<b>Restaurant Phone</b>
San Diego	CA	92113	Myers, Hannibal	(619) 233-8102
Denver	CO	80221	Longoria, Ricardo	(720) 696-7853
Jacksonville	FL	32206	Singh, Sukhwinder	(904) 356-6639
Atlanta	GA	30310	Chaudhry, Mike	(770) 891-1506
Lilburn	GA	30047	Momin, Ali	(770) 972-7600
Macon	GA	31211	Askar, Sam	(478) 746-7294
Savannah	GA	31401	Askar, Sam	(912) 234-3762
Detroit	MI	48219	Askar, Sam	(313) 532-8267
Kansas City	MO	64127	Mulla, Sam	(816) 241-6696
Lucedale	MS	39452	Askar, Sam	(601) 947-9587
Columbus	OH	43201	Askar, Sam	(614) 297-0798
Dayton	OH	45406	Askar, Sam	(937) 276-2263
Muskogee	OK	74401	Nawaz, Aamir	(918) 683-3981
Oklahoma City	OK	73103	Nawaz, Aamir	(405) 525-7829
Oklahoma City	OK	73135	Collins, Mike	(405) 670-3339
Belton	TX	76513	Collins, Mike	(254) 613-1161
Crystal City	TX	78839	Smartt, Kevin	(830) 374-0600
Fort Worth	TX	76116	Khan, Aslam	(817) 732-6091
Harker Heights	TX	76548	Collins, Mike	(254) 870-0980
Hondo	TX	78861	Agrawal, Vik	(830) 426-5272
Houston	TX	77044	Wadiwala, Anwer	(281) 458-9090
Houston	TX	77090	Jan, Ahmed	(281) 586-9299
Irving	TX	75061	Askar, Sam	(972) 254-3753
Plainview	TX	79072	Collins, Mike	(806) 600-5020
San Antonio	TX	78213	Singh, Gurjinder	(210) 344-1422

## **EXHIBIT J**

# **OPERATIONS MANUAL TABLE OF CONTENTS**

<b>Table of Contents</b>	<b>5</b>
--------------------------	----------

## Overview

Manual Introduction	7
Church's® Acronyms	9
Important Contact Information	10
History of Church's Texas Chicken®	12

## Restaurant Operations

Franchise Restaurant Insurance	15
Restaurant Licenses	18
Employee Uniform Standards	22
COVID Protection: PPE, Employee Health-Hygiene, Enhanced Cleaning	26
Restaurant Interior Image Policy	30
Restaurant Internet Requirements Policy	31
Restaurant Ambient Air Temperature Policy	32
Exterior Storage Unit Guidelines	33
Drive-Thru Timer System Requirements	34
Restaurant Daily Operations Planning	36
Restaurant Delivery	39
Restaurant Catering	46
Required Management Systems	55
Approved Menu Items	57
Point-of-Sale (POS) System Requirements	62
Restaurant Operating Hours Requirement	63
Olo Integration Requirements	64
Real Rewards Requirements	66
Operations Scorecard	68

## Guest Service

Steps to Guest Satisfaction	71
SAT Track Program	79
Guest Contact Center	81
Serving Guests with Disabilities	83

## Safety and Security

Security Management	85
Handling a Robbery or Burglary	94
Safety Management	106
Accident Prevention	112
Fire Prevention and Protection	117
OSHA	121
Hazard Communication	129
Crisis Management	141
Temporary Restaurant Closure and Reopening Guidelines	145

## **Food Safety**

Food Safety	149
Quick Response Food Crisis	163
Quality Assurance Complaint Process	167

## **Production Support Information**

PPS 500 Packaging/Condiments	179
PPS 501 Fryer Excellence	184
PPS 502 Basic Equipment Staging	189
PPS 503 Product Troubleshooting	195

## **Entrée Items**

PPS 700-01 Frozen Chicken Handling	200
PPS 700-02 Spicy Chicken Marination	202
PPS 700-03 Batter Mix Preparation	204
PPS 701 Bone-In Chicken Cooking (Spicy and Original)	205
PPS 702 Tenders (Original and Spicy)	209
PPS 707 Spicy Glaze (Bone-In Chicken and Tenders)	212
PPS 708 Tender Wraps	214
PPS 709 Classic Chicken Sandwich	218

## **Side Items**

PPS 704-01 Fried Sides (Breaded Okra, Crinkle Cut Fries, Jalapeño Bombers)	221
PPS 704-03 Jalapeño Peppers	224
PPS 704-05 Mashed Potatoes	226
PPS 704-06 Gravy (Brown and White)	228
PPS 704-07 Baked Macaroni and Cheese	230
PPS 704-08 Coleslaw	233
PPS 704-09 Buttered Corn	235
PPS 705 Honey-Butter Biscuits™	237

## **Desserts and Beverages**

PPS 805 Fried Pies	241
PPS 806 Soft Drinks	243
PPS 807 Southern Sweet Tea	245
PPS 808 Frozen Pies	248

## **Regional/ LTO Items**

PPS 704-02 Chub Hot Sides – Cajun (Spicy) Rice	249
PPS 706 Church's® Chicken Sandwich (Original and Spicy)	252
PPS 901 Chicken Fried Steak	257
PPS 902 Livers/Gizzards	259

# **EXHIBIT K**

# **FINANCIAL STATEMENTS**

CONSOLIDATED FINANCIAL STATEMENTS

Cajun Global LLC and Subsidiaries  
Years Ended December 29, 2024 and December 31, 2023  
With Report of Independent Auditors



**The better the question.  
The better the answer.  
The better the world works.**



**Shape the future  
with confidence**

Cajun Global LLC and Subsidiaries

Consolidated Financial Statements

Years Ended December 29, 2024 and December 31, 2023

**Contents**

Report of Independent Auditors.....	1
Consolidated Financial Statements	
Consolidated Balance Sheets .....	4
Consolidated Statements of Operations .....	5
Consolidated Statements of Changes in Member's Equity .....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8

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## **Shape the future with confidence**

### **Report of Independent Auditors**

The Board of Directors  
Cajun Global LLC and Subsidiaries

#### **Opinion**

We have audited the consolidated financial statements of Cajun Global LLC and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 29, 2024 and December 31, 2023, and the related consolidated statements of operations, changes in member's equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at years ended December 29, 2024 and December 31, 2023, 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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 of material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern 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 of 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.



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

*Ernst & Young LLP*

April 25, 2025

2503-10725-CS

3

A member firm of Ernst & Young Global Limited

Cajun Global LLC and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

	December 29, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,551	\$ 4,189
Restricted cash	2,058	2,163
Accounts receivable, net	8,210	6,351
Inventory	820	735
Prepaid expenses and other	468	4,493
Due from member	75,691	58,588
Total current assets	<b>90,798</b>	<b>76,519</b>
Long-term assets:		
Property and equipment, net	111,791	120,042
Finance lease right-of-use assets	13,266	7,131
Operating lease right-of-use assets	24,572	24,221
Trademarks and other intangible assets, net	285,311	294,128
Goodwill	26,390	30,160
Other assets, net	1,247	1,389
Total long-term assets	<b>462,577</b>	<b>477,071</b>
Total assets	<b>\$ 553,375</b>	<b>\$ 553,590</b>
<b>Liabilities and members' equity</b>		
Current liabilities:		
Accounts payable	\$ 6,232	\$ 8,348
Accrued liabilities	4,932	5,614
Current maturities of long-term debt	1,919	5,637
Current finance lease liabilities	486	269
Current operating lease liabilities	3,223	3,263
Total current liabilities	<b>16,792</b>	<b>23,131</b>
Long term liabilities:		
Long-term finance lease liabilities	15,532	8,904
Long-term operating lease liabilities	24,378	24,849
Long-term debt, net of current maturities	312,299	322,422
Deferred credits and other long-term liabilities	16,206	17,818
Total long-term liabilities	<b>368,415</b>	<b>373,993</b>
<i>Commitments and contingencies</i>		
Member's equity:		
Contributed capital	102,825	122,652
Retained earnings	65,343	33,814
Total member's equity	<b>168,168</b>	<b>156,466</b>
Total liabilities and member's equity	<b>\$ 553,375</b>	<b>\$ 553,590</b>

*See accompanying notes.*

Cajun Global LLC and Subsidiaries

Consolidated Statements of Operations  
(*In Thousands*)

	<b>Year Ended December 29, 2024</b>	<b>Year Ended December 31, 2023</b>
<b>Revenues</b>		
Sales by company-operated restaurants	\$ 168,865	\$ 156,268
Franchise revenue	70,119	58,655
Rental and other income	7,989	8,380
Total revenues	<b>246,973</b>	223,303
<b>Operating costs and expenses</b>		
Company-operated restaurant expenses:		
Food, beverage and packaging	50,697	48,155
Payroll and benefits	46,151	42,744
Other operating expenses	40,990	37,842
General and administrative expenses	23,145	21,716
Depreciation and amortization	21,831	19,924
Impairment, special charges and (gain) loss on asset dispositions	57	2,554
Total operating costs and expenses	<b>182,871</b>	172,935
Operating income	<b>64,102</b>	50,368
Interest expense, net	<b>28,643</b>	28,140
Income before income taxes	<b>35,459</b>	22,228
Income tax expense	<b>3,930</b>	3,378
Net income	<b>\$ 31,529</b>	\$ 18,850

*See accompanying notes.*

Cajun Global LLC and Subsidiaries

Consolidated Statement of Changes in Member's Equity  
(*In Thousands*)

	<b>Contributed Capital</b>	<b>Retained Earnings</b>	<b>Total Member's Equity</b>
Balance at December 25, 2022	\$ 139,877	\$ 14,964	\$ 154,841
Net income	—	18,850	18,850
Cash dividends paid to member	(17,225)	—	(17,225)
Balance at December 31, 2023	122,652	33,814	156,466
Net income	—	31,529	31,529
Cash dividends paid to member	(19,827)	—	(19,827)
Balance at December 29, 2024	<b>\$ 102,825</b>	<b>\$ 65,343</b>	<b>\$ 168,168</b>

*See accompanying notes.*

Cajun Global LLC and Subsidiaries

Consolidated Statement of Cash Flows  
(In Thousands)

	Year Ended December 29, 2024	Year Ended December 31, 2023
<b>Operating activities</b>		
Net income	\$ 31,529	\$ 18,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,423	26,220
Loss on asset dispositions	3,461	3,076
Non-cash increase in debt obligation	96	9
Non-cash operating lease adjustments	(862)	(420)
Non-cash finance lease adjustments	2,145	1,040
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,859)	1,037
Inventory	(85)	(35)
Prepaid expenses and other	4,025	(3,558)
Accounts payable and due from member	(19,219)	(20,341)
Accrued liabilities	(682)	450
Interest paid on finance leases	(993)	(552)
Total change in net working capital	(18,813)	(22,999)
Other long-term assets and liabilities	(3,358)	(1,712)
Net cash provided by operating activities	<u>41,621</u>	<u>24,064</u>
<b>Investing activities</b>		
Capital expenditures	(13,513)	(8,498)
Net cash used in investing activities	<u>(13,513)</u>	<u>(8,498)</u>
<b>Financing activities</b>		
Debt borrowing	17,447	23,000
Principal payments on long-term debt	(26,029)	(20,440)
Principal payments on financing lease liability	(442)	(255)
Cash dividends to member	(19,827)	(17,225)
Net cash used in financing activities	<u>(28,851)</u>	<u>(14,920)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(743)	646
Cash, cash equivalents and restricted cash at beginning of period	6,352	5,706
Cash, cash equivalents and restricted cash at end of period	<u>\$ 5,609</u>	<u>\$ 6,352</u>

*See accompanying notes.*

# Cajun Global LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Years Ended December 29, 2024 and December 31, 2023

### **1. Formation and Business**

Cajun Global LLC (Cajun Global or the Company), a single-member LLC, was organized under the laws of the state of Delaware on January 14, 2011, and is the owner and franchisor of the Church's Chicken, Church's Texas Chicken and Texas Chicken brands. The member's liability in the Company is limited to its membership interest in the Company. Cajun Global is a direct, wholly owned subsidiary of Cajun Operating Company (Cajun Operating), a Delaware corporation incorporated on October 28, 2004, and the former owner and franchisor of the Church's Chicken, Church's Texas Chicken and Texas Chicken brands. Cajun Operating is a direct, wholly owned subsidiary of Church's Holding Corp. (Holding or the Parent), a Delaware corporation. On September 15, 2021 (the Closing Date), pursuant to an Agreement and Plan of Merger with the Parent, REGO Restaurant Holdings III, LLC, a Delaware limited liability company (RRH3), RIII Merger Sub, Inc. (Merger Sub), a Delaware corporation, and the former ultimate parent of the Company (FFL Partners, LLC), Merger Sub merged (the Merger) with and into Holding, whereupon the separate existence of the Merger Sub ceased, and Holding was the surviving company. As a result of the Merger, RRH3 acquired one hundred percent of the issued and outstanding shares of capital stock of Holding. RRH3 is a wholly-owned subsidiary of Super Rego LLC, a Delaware limited liability company (Super Rego). Super Rego is a wholly-owned subsidiary of High Bluff Capital Partners LLC, (HBCP), a Delaware limited liability corporation. HBCP is controlled by private equity funds affiliated with High Bluff Capital Partners.

On February 24, 2011, Cajun Operating contributed its wholly owned subsidiary, Cajun Funding Corp., which owned substantially all of its assets constituting franchise agreements, development agreements, and related agreements, and all rights to develop and expand the Church's Chicken, Church's Texas Chicken and Texas Chicken restaurant systems, to the Company. In its capacity as the franchisor, the Company will enter into all additional development and franchise agreements for Church's Chicken, Church's Texas Chicken and Texas Chicken restaurants. Simultaneously, Cajun Operating and CT Restaurants L.P. (CT Restaurants) contributed the assets and operations of 228 restaurants to the Company, which, in turn, contributed them to its wholly owned subsidiary Cajun Restaurants LLC (Cajun Restaurants). Simultaneously, Cajun Operating and CT Restaurants contributed 211 real estate leases or subleases and 6 properties of fee simple real estate to the Company, which, in turn, contributed them to Cajun Realty LLC (Cajun Realty).

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **1. Formation and Business (continued)**

##### **Nature of Operations**

The Company develops, operates, and franchises quick-service restaurants (generally referred to as QSRs or units), under the trade names Church's Chicken™, Church's Texas Chicken® and Texas Chicken™ in 28 states and territories, including the District of Columbia and Puerto Rico, and 20 foreign countries. The Company added 70 and 76 new franchise restaurants worldwide during 2024 and 2023, respectively. The Company closed 154 and 68 franchise restaurants worldwide during 2024 and 2023, respectively. At December 31, 2024, there were 1,445 Church's Chicken, Church's Texas Chicken and Texas Chicken restaurants operating worldwide. These restaurants included 159 restaurants operated by the Company and 602 restaurants operated by franchisees in the United States. An additional 684 restaurants were operated by franchisees in foreign countries and United States territories.

#### **2. Basis of Presentation**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions for these subsidiaries have been eliminated in consolidation. From time to time, the Company enters into related-party transactions with Cajun Operating. The intercompany balances have no fixed repayment terms, do not include interest, and are settled periodically between the related parties.

Comprehensive (loss) income is the sum of net (loss) income and other unrealized gains and losses recorded on the consolidated statements of changes in member's equity. Comprehensive (loss) income for the years ended December 29, 2024 and December 31, 2023, is same as the net (loss) income for the respective years.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during each reporting period. Actual results could differ from those estimates.

**Fiscal Year**

The Company has a 52–53-week fiscal year that ends on the last Sunday in each calendar year. In a 52-week fiscal year, the first fiscal quarter contains 16 weeks, and the remaining quarters contain 12 weeks. In a 53-week fiscal year, the first fiscal quarter contains 16 weeks, the fourth quarter contains 13 weeks, and the remaining quarters contain 12 weeks. Fiscal year 2024 and 2023 were 52-week and 53-week years, respectively.

**Application of New Accounting Pronouncements**

Recently issued accounting pronouncements by the FASB and other standards setting bodies were reviewed, and it was concluded that they are either not applicable to the Company's business or are expected to have an immaterial impact on the consolidated financial statements upon adoption.

**Revenue Recognition**

*Sales by Company-Operated Restaurants*

Revenue from the sale of food and beverage products at Company-operated restaurants is recognized when items are sold. Sales taxes collected from customers and remitted to governmental authorities are presented on a net basis in the consolidated statements of operations.

*Franchise Revenue*

Revenues from franchise operations include royalty fees based on a percentage of restaurant sales, development fees associated with a franchisee's planned development of a specified number of restaurants within a defined geographic territory, franchise fees associated with the opening of new restaurants, and renewal fees associated with the renewal of the franchise contract.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

The Company recognizes royalty revenues as earned. The Company has determined that development fees and franchise fees are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation. Therefore, development fees and franchise fees received from franchisees are recognized as revenue over the term of each respective franchise agreement, which is typically 20 years. Further, the Company has determined that the renewal contract is treated as a new contract, and therefore the renewal fees are recognized as revenue over the term of the renewal contract.

During 2024, Cajun Global LLC entered into a Mutual Exit and Release Agreement with its franchisee to exit the Thailand market. As compensation for losses and damages for early termination of the franchise agreement, the Company was compensated \$5.0 million. The termination fee is presented within Franchise revenue in the consolidated statement of operations.

*Loyalty Program and Digital Revenue*

During 2024, the Company launched its Church's Real Rewards loyalty program "Church's Real Rewards" for the customers of all domestic franchisees and company restaurants in the United States (U.S.). The Church's Real Rewards program is a spend-based loyalty program such that customers earn loyalty points with each purchase at domestic franchisees and company restaurants. After accumulating a certain number of loyalty points, the customer earns a reward that can be redeemed for a free product that, regardless of where the loyalty points were earned within the country, will be honored at all domestic franchisee and company restaurant locations in the U.S. Loyalty points earned but not redeemed after nine months from the purchase date automatically expire.

The Company defers revenue associated with the estimated selling price of loyalty points earned by Church's Real Rewards members as each loyalty point is earned and a corresponding liability is established in deferred revenue. This deferral is based on the estimated value of the product for which the reward is expected to be redeemed, net of estimated loyalty points expected to expire unredeemed.

Franchise digital revenue is presented within Franchise revenue in the consolidated statement of operations. Digital fee income that is generated in company-operated restaurants and the offsetting related expense have been eliminated in consolidation.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

The Company earns a Digital Initiative Fee (“Digital Revenue”) which supports the Company’s technology and digital initiatives to increase digital sales and transactions through enhanced digital ordering experiences, increase frequency and retention through loyalty, improve team member efficiencies through technology integrations, and improve delivery economics from delivery partners.

Digital Revenue is earned based on a combination of a fixed fee or “Rooftop Fee” and a percentage of first party digital sales. First party digital sales is defined as restaurant sales generated through the Company’s mobile application, website, and in-store loyalty-attached or digital-enabled sales. The Rooftop Fee will be eliminated completely or reduced at the earliest point in time when trailing 13 period first party digital sales mix reaches 15% for the U.S. System. The Company recognizes digital revenue as it is earned. The Company has determined that digital revenue is not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as part of that performance obligation.

Franchise digital revenue is presented within Franchise revenue in the consolidated statement of operations. Digital fee revenue related to company-operated restaurants and the offsetting related expense have been eliminated in consolidation.

*Rental and Other Income*

Where the Company is a lessor, rental income is recorded on a straight-line basis over the initial lease terms, and contingent rentals are included in rental income as they accrue.

**Cash and Cash Equivalents**

The Company considers all money market investment instruments and certificates of deposit with original maturities of three months or less to be cash equivalents. The Company maintains cash on deposit with domestic financial institutions. In certain instances, cash on deposit exceeds federally insured limits.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Restricted Cash**

Certain cash accounts are required to be maintained by the 2021 Securitization (described in Note 8, *Long-term debt*), its indenture, and other related agreements. These cash accounts may be used only for the purposes specified in the 2021 Securitization Agreements. The Company has presented these cash accounts as Restricted cash in the current asset section on the consolidated balance sheets based upon the expected date of cash distribution.

**Accounts Receivable, Net**

Accounts receivable, net consists primarily of amounts due from franchisees related to royalties, rents, and various miscellaneous items and are generally due within 14 days following each week's sales pursuant to franchise agreements. Receivables that exceed the payment terms extended by the Company are considered delinquent. The allowance for doubtful accounts is calculated based on historical experience, management's judgement regarding the Company's ability to collect, as well as the age of the accounts receivable, current market conditions and reasonable forecasts.

At December 29, 2024 and December 31, 2023, accounts receivable that were presented on the consolidated balance sheets were net of allowances for doubtful accounts of \$1.2 million and \$1.1 million, respectively. The Company does not require collateral from franchisees but does have minimum financial criteria for new franchisees.

Accounts receivable are charged off against the allowance for doubtful accounts when it is probable the accounts receivable will not be collected.

**Inventory**

Inventory consists principally of food, beverage items, and supplies, which are carried at the lower of cost (determined on a first-in, first-out basis) or net realizable value.

**Advertising Funds**

The Company's franchise agreements for all restaurants owned by the Parent, the Company, domestic franchisees, and certain international franchisees, including all franchisees in Puerto Rico, require participation and contributions of a percentage of their gross sales to an advertising fund administered by Church's Chicken Advertising Fund (the Fund).

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

The Company's contributions to the Fund are reflected on the accompanying consolidated statements of operations as a component of other operating expenses. Such contributions and the Company's other advertising costs are expensed as incurred. Advertising costs, including contributions to the Fund, were approximately \$9.3 million and \$8.3 million, for the years ended December 29, 2024 and December 31, 2023, respectively.

**Property and Equipment, Net**

Property and equipment, net is stated at cost less accumulated depreciation. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the depreciable assets: 15 to 25 years for buildings; 2 to 15 years for equipment; and in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term (generally 3 to 20 years).

The Company evaluates property and equipment for impairment when circumstances arise indicating that a particular asset may be impaired. For property and equipment at Company-operated restaurants, the Company performs its annual impairment evaluation on a site-by-site basis. A two-year history of operating losses is used as the primary indicator of potential impairment.

When facts and circumstances indicate that the carrying value of property and equipment may not be recoverable, management assesses the recoverability of the carrying value by comparing its expected future cash flows (undiscounted) with the carrying amount of these assets or asset group. Accordingly, an impairment loss is recognized if the carrying value of property and equipment is not recoverable and its carrying value exceeds its fair value. The Company recorded no impairment charges for the year ended December 29, 2024. The Company recorded impairment charges of \$0.2 million for the year ended December 31, 2023. Impairment charges are presented within Impairment, special charges and (gain) loss on asset dispositions on the accompanying consolidated statement of operations.

**Trademarks and Other Intangible Assets, Net**

Trademarks and other intangible assets, net relate primarily to the "Church's Chicken", "Church's Texas Chicken" and "Texas Chicken" trade names and other intangible assets related to the Company's franchise and development agreements. The Company also maintains intangible assets associated with acquired lease agreements, where the Company is a lessor, that were determined to be above or below prevailing market rates as of the date they were acquired.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

In such circumstances, the Company records a deferred lease asset or liability based on the present value of the differential between the stated rent terms and the estimated market terms.

Trademarks are considered to have an indefinite life. The Company evaluates such trademarks for impairment on an annual basis at the beginning of its fourth quarter or more frequently if events or circumstances indicate the trademarks might be impaired. The Company has the option to first perform a qualitative assessment for testing the trademarks for impairment. If the Company concludes based on a qualitative assessment that it is not more likely than not that the fair value of the trademarks is less than their carrying amount, it is then not required to perform the quantitative impairment assessment. If the Company concludes based on the qualitative assessment that it is more likely than not that the fair value of the trademarks is less than their carrying value, then the Company performs a quantitative assessment. The Company uses a relief from royalty method for estimating the fair value of the trademarks when performing a quantitative assessment. In 2024 and 2023, the Company elected to perform qualitative assessments as of the beginning of its fourth quarter. Based on the qualitative assessments performed in fiscal 2024 and 2023, the Company determined that it was not more likely than not that the fair value of its trademarks is less than the carrying value and therefore no quantitative assessment was performed, and no impairment was recorded.

The intangible assets related to franchise and development agreements are considered to be finite lived and are amortized over their expected useful lives, which approximate the legal term of the respective agreements excluding optional renewal periods. Deferred lease assets and liabilities are amortized to rent income where the Company is the lessor.

When facts and circumstances indicate that the carrying amount of finite-lived intangible assets may not be recoverable, management assesses the recoverability of the carrying amount by comparing the expected future cash flows (undiscounted) with the carrying amount of the related assets or asset group. Accordingly, an impairment loss is recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value. The Company has determined that there are no impairment losses associated with its finite-lived intangible assets at December 29, 2024 and December 31, 2023.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Goodwill, Net**

The Company adopted the Private Company Accounting Alternative for the subsequent measurement of goodwill, ASU No. 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill* (Goodwill Accounting Alternative), at the beginning of fiscal 2022 and started amortizing goodwill using the straight-line method over ten years in accordance with the guidance in this Goodwill Accounting Alternative.

In accordance with the guidance in Goodwill Accounting Alternative, goodwill is tested for impairment when a triggering event occurs that indicates the fair value of an entity may be below its carrying amount. No triggering events occurred during the years ended December 29, 2024 and December 31, 2023.

**Deferred Financing Costs**

Deferred financing costs represent loan origination fees and other costs paid to financing institutions associated with a credit facility. Deferred financing costs are amortized over the term of the related credit facility using the effective interest method. Deferred financing costs for all credit facilities, with the exception of variable note credit facility, are presented as a direct deduction from the carrying amount of the associated debt liability in the consolidated balance sheets. Deferred financing costs related to the variable note credit facility are presented within Long-term debt, net in the consolidated balance sheets. The amortization of the deferred financing costs is presented within Interest expense, net in the consolidated statements of operations.

**Depreciation and Amortization**

Depreciation of property and equipment, and amortization of intangible assets related to franchise and development agreements are presented within Depreciation and amortization in the consolidated statements of operations. In the consolidated statements of cash flows, Depreciation and amortization also includes amortization of deferred lease assets and deferred lease liabilities where the Company is a lessor, and deferred financing costs.

Amortization of deferred lease assets and deferred lease liabilities where the Company is a lessor are presented within Rental income and other income in the consolidated statements of operations. Deferred financing costs are presented within Interest expense, net, in the consolidated statements of operations.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Leases**

The Company leases property and equipment associated with (i) Company-operated restaurants, (ii) certain former Company-operated restaurants that are now operated by franchisees and the property subleased to the franchisee, (iii) certain former Company-operated restaurants that are now subleased to third parties, and (iv) the corporate facility.

In all leases, where the Company is a lessor or a lessee, the Company defines lease term as the non-cancellable term of the lease plus any renewals covered by renewal options that are reasonably certain of exercise based on the Company's assessment of the economic factors relevant to the lessee. The non-cancellable term of the lease commences on the date the lessor makes the underlying property in the lease available to the lessee, irrespective of when lease payments begin under the contract.

*Lessee Accounting*

In leases where the Company is a lessee, the Company recognizes Right-of-use (ROU) assets and lease liabilities at lease commencement, which are measured by discounting lease payments using the Company's incremental borrowing rate as the discount rate. The Company's incremental borrowing rate for each lease is the rate of interest the Company expects to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The Company determines the incremental borrowing rates based on market-observable yield curve and applying corresponding rates to leases based on remaining lease term. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized on a straight-line basis, over the lease term, in Other operating expenses in the consolidated statement of operations.

A finance lease ROU asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term, which is included in Depreciation and amortization in the consolidated statement of operations. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability, which is included in Interest expense, net in the consolidated statement of operations. Operating lease and finance lease ROU assets are assessed for impairment in accordance with the Company's long-lived asset impairment policy.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

The Company reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate contract, and when there is a change in the assessment of the lease term, that require reassessment in accordance with FASB Accounting Standards Codification (ASC) 842, *Leases* (ASC 842).

The fixed lease payments used to calculate the ROU assets and lease liabilities include fixed payments stated in the lease agreements and indexed variables payments, less lessor lease incentives. Contingent rentals are generally based on sales levels more than stipulated amounts, and thus are not considered fixed lease payments and are included in rent expense as they accrue. Similarly, maintenance and property tax expenses are not considered fixed lease payments and included in rent expense as they accrue.

*Lessor Accounting*

The accounting policy related to lessor accounting is described in the revenue recognition section above.

**General and Administrative Expenses**

Cajun Operating provides general and administrative services to the Company, including franchising, marketing, real estate, intellectual property, legal, accounting, facilities, development, purchasing, menu development, and restaurant operations. Cajun Operating charges the Company a weekly service fee (Management Fees) for these activities based upon a formula as defined in the servicing agreement related to the 2021 Notes (described in Note 9, *Long-term debt*), which reflects the costs of doing business and is specific to the Company. The Company cannot estimate with any reasonable certainty what the charges for similar services would have been on a stand-alone basis. The total amount of Management Fees for the years ended December 29, 2024 and December 31, 2023, was \$22.3 million and \$19.4 million, respectively, and is presented within General and administrative expenses on the accompanying consolidated statements of operations.

**Insurance**

The Company carries property, general liability, business interruption, crime, director and officer liability, employment practices liability, fiduciary liability, media liability, environmental, and workers' compensation insurance policies. Under these programs, the Company retains a portion of the accident risk associated with workers' compensation, general liability, and property

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

insurance in varying amounts up to \$0.5 million per occurrence that the Company believes are customary for businesses of its size and type. The Company also retains a portion of the risk associated with its employee health benefit plans. The Company has established liabilities with respect to its insurance and benefit programs based primarily on the actuarially estimated undiscounted cost of claims, including claims incurred but not reported. These liabilities are presented within Accrued liabilities in the consolidated balance sheets.

Pursuant to the terms of their franchise agreements, the Company's franchisees are also required to maintain certain types and levels of insurance coverage, including commercial general liability insurance, workers' compensation insurance, all risk property, and automobile insurance.

**Income Taxes**

The Company is a single-member limited liability company and consequently is not subject to United States federal or state income taxes. Any taxable income or losses and deductions are the responsibility of the Parent, the Company's sole member. However, many of the Company's franchisees are based in countries that have tax treaties with the United States. Under these tax treaties, the Company's franchisees deduct withholding taxes from the amounts payable to the Company and remit such withholding taxes to their local taxing authorities. These withholding taxes are reflected as income tax expense on the accompanying consolidated statements of operations.

**Foreign Currency Transactions**

Substantially all foreign-sourced revenues (principally royalties from international franchisees) are recorded in U.S. dollars. The aggregate effects of any exchange gains or losses are presented within General and administrative expenses in the consolidated statements of operations. For the years ended December 29, 2024 and December 31, 2023, net foreign currency losses were \$0.1 million and \$0.1 million, respectively.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**4. Property and Equipment, Net**

The components of Property and equipment, net are as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Land	\$ 67,885	\$ 74,741
Buildings and improvements	41,174	40,012
Equipment	32,652	25,175
Construction-in-progress	2,234	1,402
	<hr/> <b>143,945</b>	<hr/> <b>141,330</b>
Less accumulated depreciation	(32,154)	(21,288)
	<hr/> <b>\$ 111,791</b>	<hr/> <b>\$ 120,042</b>

Depreciation expense was approximately \$12.0 million and \$10.6 million for the years ended December 29, 2024 and December 31, 2023, respectively.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**5. Trademarks and Other Intangible Assets, Net**

The components of Trademarks and other intangible assets, net are as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Trademarks	\$ 237,900	\$ 237,900
Amortizable intangible assets:		
Franchise agreements	43,100	43,100
Deferred lease assets	21,044	21,044
Development agreements	<u>13,100</u>	<u>13,100</u>
	<b>315,144</b>	<b>315,144</b>
Less accumulated amortization:		
Franchise agreements	(12,885)	(8,897)
Deferred lease assets	(12,924)	(9,342)
Development agreements	<u>(4,024)</u>	<u>(2,777)</u>
Total accumulated amortization	<b>(29,833)</b>	<b>(21,016)</b>
	<b>\$ 285,311</b>	<b>\$ 294,128</b>

Amortization expense associated with the finite-lived intangible assets was approximately \$8.8 million and \$9.1 million for the years ended December 29, 2024 and December 31, 2023, respectively. The weighted average remaining amortization period is approximately 8 years for franchise agreements and 7 years for development agreements. Deferred lease assets are amortized over the remaining term of the underlying lease agreements which is a weighted average of 12 years.

Estimated amortization expense for each of the five succeeding years is as follows (in thousands):

2025	\$ 6,974
2026	6,973
2027	6,693
2028	6,649
2029	6,504

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**6. Goodwill, Net**

The following table presents changes in the carrying amount of Goodwill (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Ending balance goodwill (gross)	\$ 37,700	\$ 37,700
Accumulated amortization expense	<u>(11,310)</u>	<u>(7,540)</u>
Ending balance goodwill (net)	<u><u>\$ 26,390</u></u>	<u><u>\$ 30,160</u></u>

Amortization expense was \$3.8 million for the years ended December 29, 2024 and December 31, 2023.

**7. Other Assets, Net**

The components of Other assets, net are as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Deferred rent	\$ 925	\$ 965
Other	<u>321</u>	<u>424</u>
	<u><u>\$ 1,247</u></u>	<u><u>\$ 1,389</u></u>

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**8. Accrued Liabilities**

The components of Accrued liabilities are as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Interest	\$ 985	\$ 1,220
Payroll and benefits	1,300	829
Property taxes	428	753
Deferred revenue	1,200	1,200
Utilities	457	436
Legal	18	403
Other	545	773
	<b>\$ 4,932</b>	<b>\$ 5,614</b>

**9. Long-Term Debt**

The components of Long-term debt are as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Series 2021-1 Class A-2 senior notes with anticipated repayment date of November 20, 2026, at a fixed rate of 3.9%	\$ 218,250	\$ 218,250
Series 2021-1 Class A-1 senior secured variable funding notes with anticipated repayment date of November 20, 2026	11,542	19,542
2004 financing transaction due December 28, 2024	–	34,267
2004 financing transaction due December 28, 2029	52,606	53,687
2004 financing transaction due December 28, 2034	26,457	–
2008 financing transaction due January 28, 2028	1,599	1,673
Other financing transactions	6,408	4,709
Total debt obligations before deferred financing costs	<b>316,862</b>	332,128
Less: deferred financing costs	(2,644)	(4,069)
Total debt obligations	<b>\$ 314,218</b>	<b>\$ 328,059</b>

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **9. Long-Term Debt (continued)**

On November 5, 2021, Cajun Global LLC, Cajun Funding Corp., Cajun Restaurants LLC, and Cajun Realty LLC (Co-Issuers) issued \$225.0 million of Series 2021-1 Class A-2 Senior Secured Fixed Rate Notes (2021 Fixed Rate Notes) in a private transaction that incurred interest at 3.9% per annum. The 2021 Fixed Rate Notes have an anticipated life of five years with an anticipated repayment date in November 2026, based on the terms of the debt agreement. In connection with the issuance of the 2021 Fixed Rate Notes, the Co-Issuers also entered into a securitized financing facility of Series 2021-1 Class A-1 Senior Secured Variable Funding Notes (2021 Variable Funding Notes; collectively together with 2021 Fixed Rate Notes referred to as 2021 Notes). The 2021 Variable Funding Notes facility allows for the issuance of up to \$25.0 million of 2021 Variable Funding Notes and certain other credit instruments, including letters of credit.

On May 12, 2023, the 2021 Variable Funding Notes facility was amended and restated to allow for the issuance of up to \$32.5 million 2021 Variable Funding Notes and certain other credit instruments, including letters of credit. At December 31, 2024, the balance outstanding under the 2021 Variable Funding Notes carried a weighted average Secured Overnight Financing Rate (SOFR) variable interest rate of 4.522% plus a spread of 3.35%.

At December 29, 2024 and December 31, 2023, accrued interest for 2021 Notes totaled \$1 million and \$1 million, respectively. For the years ended December 29, 2024 and December 31, 2023, interest paid under the 2021 Notes totaled \$10.0 million and \$10.4 million, respectively. At December 29, 2024, \$3.4 million of the 2021 Variable Funding Notes had been utilized to secure outstanding letters of credit, and \$17.6 million remained unused and available. At December 31, 2023, \$3.4 million of the 2021 Variable Funding Notes had been utilized to secure outstanding letters of credit, and \$9.6 million remained unused and available.

At December 29, 2024, the balance outstanding under the 2021 Fixed Rate Notes carried a weighted average interest rate of 3.9%, including the effect of the original issue discount and the loan origination cost amortization described below.

While the 2021 Notes are structured to provide for five-year anticipated lives, they have a legal final maturity date of November 2050. The Company intends to repay or refinance the 2021 Notes on or before the end of their respective anticipated lives. If the 2021 Notes are not paid in full by the end of their anticipated lives, the 2021 Notes are subject to an upward adjustment in the interest rate of at least 5% per annum. In addition, principal payments will accelerate by applying all of the royalties, lease revenues, and other fees securing the debt, after deducting certain expenses, until the debt is paid in full. Any unfunded amount under the 2021 Variable Funding Notes will become unavailable by the end of its anticipated life.

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **9. Long-Term Debt (continued)**

Neither Holding, the ultimate parent of the Co-Issuers, nor any other subsidiary of Holding guarantees or in any way is liable for the obligations of the Co-Issuers under the 2021 Notes. The Company has, however, agreed to cause the performance of certain obligations of its subsidiaries, principally related to managing the assets included as collateral for the 2021 Notes.

The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to better secure collateral upon the occurrence of certain performance-related events; (ii) application of certain disposition proceeds as note prepayments after a set time is allowed for reinvestment; (iii) maintenance of specified reserve accounts; (iv) maintenance of certain debt service coverage ratios; (v) optional and mandatory prepayments upon a change in control; (vi) indemnification payments for defective or ineffective collateral; and (vii) covenants relating to record-keeping, access to information, and similar matters. If certain covenants or restrictions are not met, the 2021 Notes are subject to customary accelerated repayment events and events of default. Although management does not anticipate an event of default or any other event of noncompliance with the provisions of the debt, if such event were to occur, the unpaid amounts outstanding could become immediately due and payable.

Debt issuance costs associated with the Company's various financing transactions are deferred and amortized over the anticipated life of the respective obligations. Such costs associated related to the 2021 Notes totaled \$6.7 million. Amortization of deferred financing cost for each of the years ended December 29, 2024 and December 31, 2023, totaled \$1.4 million.

The Company also assumed certain debt obligations of Cajun Operating in connection with the Merger, including a 2004 financing transaction whereby 321 Church's locations were sold to a third party and simultaneously leased back from the purchaser (the 2004 Financing Transaction, due 2024) of which 174 were subleased to franchisees. The agreement originally provided for a 20-year noncancelable term with two optional renewal periods of ten years each. In connection with issuing the 2011 Notes, the lease for 191 of the Church's locations was amended to extend the initial lease term from 20 to 25 years (the 2004 Financing Transaction, due 2029).

Most of the remaining leases under the 2004 Financing Transaction, due 2024, either terminated early or expired at maturity in December 2024, except for 57 leases. For these, the Company exercised the first of its two optional 10-years renewal periods, extending them under the 2004 Financing Transaction to 2034 (the 2004 Financing Transaction, due 2034).

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **9. Long-Term Debt (continued)**

Total payments under the 2004 Financing Transaction, due 2024, 2029 and 2034, were \$17.7 million and \$18.3 million for the years ended December 29, 2024 and December 31, 2023, respectively. Required payments for 2025 amount to \$17.1 million and escalate by 1.5% each year during the base term, as well as during any exercised option periods.

The Company also assumed the lease obligation for six locations from a 2008 transaction whereby Cajun Operating sold eight Church's locations and simultaneously leased them back from the purchaser (the 2008 Financing Transaction). The agreement provides for a 20-year noncancelable term with two optional renewal periods of ten years each. Total payments under the agreement were \$0.3 million and \$0.5 million for the years ended December 29, 2024 and December 31, 2023, respectively. Required payments for 2025 amount to \$0.3 million and escalate by 1.5% each year during the 20-year base term as well as during any exercised option periods.

The Company entered into Other Financing Transactions whereby the Company sold Church's locations and simultaneously leased them back from the purchasers included as part of other financing transactions in the foregoing table. The agreements each provide for a 15-year noncancelable term with four optional renewal periods of five years each. Total payments under the agreements were \$0.6 million for the years ended December 29, 2024 and December 31, 2023. Required payments for 2025 amount to \$0.6 million and escalate by 1.5% each year during the 15-year base term, as well as during any exercised option periods.

Due to Cajun Operating's continuing involvement with these properties, the 2004 Financing Transaction, the 2008 Financing Transaction, and the Other Financing Transactions did not qualify for sale-leaseback accounting but rather are financing transactions. Accordingly, the sales price of the properties was recorded as financing obligations within Long-term debt in the consolidated balance sheets. In connection with the Merger, the obligations for the 2004 Financing Transaction, the 2008 Financing Transaction and the Other Financing Transaction were adjusted to their estimated fair values. The resulting obligations are being amortized over the remaining noncancelable terms of the underlying agreements, with a portion of the payments being allocated to interest expense and a portion to the outstanding debt balance, based on interest rates in a range between 10.85% and 13.85%. The assets subject to the 2004 Financing Transaction, the 2008 Financing Transaction and the Other Financing Transaction were also adjusted to their estimated fair value at the time of the Merger and are recorded as a component of Property and equipment, net in the consolidated balance sheets. The assets are depreciated over their estimated useful lives on a basis consistent with other similar depreciable assets owned by the Company.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**9. Long-Term Debt (continued)**

During 2024, the Company purchased certain Church's locations from independent landlords, subsequently sold them, and simultaneously leased them back from the purchasers. The building portion of these transactions was accounted for as failed sale-leaseback transactions, as the Company retained the right to extend the leases at a fixed rental rate for substantially all of the buildings' remaining economic life. As a result, these transactions were treated as the issuance of additional debt and are included under Other Financing Transactions in the foregoing table. The land portion qualified as a sale-leaseback and was accounted for as an operating lease. Each agreement provides for a 15-year non-cancelable term with four optional renewal periods of five years each. Total payments under the agreements were \$0.1 million for the year ended December 29, 2024. Required payments for 2025 amount to \$0.1 million and escalate by 10% every 5 years during the 15-year base term, as well as during any exercised option periods.

As of December 29, 2024, the aggregate annual maturities of long-term debt and lease financing obligations for the next five years and after were as follows (in thousands):

2025	\$ 5,743
2026	230,975
2027	3,382
2028	4,361
2029 and after	10,636

Maturities of certain lease financing obligations are not included in the aggregate annual maturities schedule because at maturity, the outstanding balances are offset against related property and equipment. Further, portions of certain lease financing obligations maturing within less than 12 months from the consolidated balance sheets dates are presented as Long-term debt, net of current maturities on the consolidated balance sheet as upon maturity they are offset against related property and equipment and do not require the use of existing resources classified as current assets, or the creation of other current liabilities.

The terms of the 2021 Notes, the 2004 and 2008 Financing Transactions, and the Other Financing Transactions, collectively, include various provisions that, among other things, require the Company to: (i) maintain defined net worth and coverage ratios, (ii) maintain defined leverage ratios, (iii) limit the incurrence of certain liens or encumbrances in excess of defined amounts, and (iv) limit capital expenditures and other payments. At December 29, 2024, the Company was in compliance with all provisions of the various agreements, as amended.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**10. Deferred Credits and Other Long-Term Liabilities**

The components of Deferred credits and other long-term liabilities are as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Deferred lease liabilities, net of accumulated amortization	\$ 2,242	\$ 2,746
Deferred franchise revenue	13,642	14,729
Other	322	343
	<hr/> <b>\$ 16,206</b>	<hr/> <b>\$ 17,818</b>

**11. Fair Value of Financial Instruments**

The Company categorizes its assets and liabilities recorded at fair value based upon the following fair value hierarchy in accordance with ASC Topic 820, Fair Value Measurement:

- Level 1 – Valuations use quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Valuations use inputs other than actively quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Valuations use unobservable inputs for the asset or liability. Unobservable inputs are used to the extent observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**11. Fair Value of Financial Instruments (continued)**

The fair value of financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties. The fair values of cash equivalents; receivables, net; accounts payable; and short-term debt approximate their carrying amounts due to their short duration. The fair value of 2021 Variable Funding Notes also approximate their carrying amounts due to the variable interest rate payable on these notes.

At December 29, 2024, the fair value of the Company's 2021 Fixed Rate Notes and 2021 Variable Funding Notes was \$210.1 million, compared to the carrying value of \$229.8 million, using Level 2 fair value inputs. At December 29, 2024, the fair value of the Company's lease financing liabilities was \$61.6 million compared to the carrying value of \$87.0 million, using Level 2 fair value inputs. At December 31, 2023, the fair value of the Company's 2021 Fixed Rate Notes and 2021 Variable Funding Notes was \$199.1 million, compared to the carrying value of \$237.8 million, using Level 2 fair value inputs. At December 31, 2023, the fair value of the Company's lease financing liabilities was \$73.7 million compared to the carrying value of \$94.9 million, using Level 2 fair value inputs.

**12. Employee Benefit Plan**

The Parent maintains a qualified retirement plan (the Plan) under Section 401(k) of the Internal Revenue Code of 1986, as amended, for the benefit of employees meeting certain eligibility requirements as outlined in the plan document. All employees are subject to the same contribution and vesting schedules. The Company may make both voluntary and matching contributions to the Plan. Matching contributions of \$0.2 million and \$0.1 million were made by the Company for the years ended December 29, 2024 and December 31, 2023, respectively.

**13. Impairment, Special Charges and (Gain) Loss on Asset Dispositions**

Impairment, special charges and (gain) loss on asset dispositions were recorded in the amount of \$0.06 million and \$2.6 million for the years ended December 29, 2024 and December 31, 2023, respectively. Impairment, special charges, and (gain)/loss on asset dispositions for the years ended December 29, 2024 and December 31, 2023, included loss on asset dispositions, including the sale of certain surplus properties owned by the Company, settlement of lease obligations related to closed Company-operated restaurants, and other normal retirement and disposition of restaurant equipment.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**14. Leases**

Lease cost for the years ended December 29, 2024 and December 31, 2023, is as follows (in thousands):

	December 29, 2024	December 31, 2023
Finance lease:		
Amortization of right-of-use assets – finance leases	\$ 799	\$ 367
Interest on lease liabilities – finance leases	993	539
Operating lease:		
Operating lease cost (cost resulting from lease payments)	4,054	4,202
Short-term lease cost	55	62
Variable lease cost (cost excluded from lease payments)	202	–
Total lease costs	<u>\$ 6,103</u>	<u>\$ 5,170</u>

Future minimum lease payments under contractually obligated leases and sublease income as of December 29, 2024 are as follows (in thousands):

	Operating Leases	Finance Leases
2025	\$ 4,671	\$ 1,423
2026	4,030	1,459
2027	3,657	1,497
2028	3,293	1,560
2029	2,996	1,541
Thereafter	<u>20,694</u>	<u>19,578</u>
Total future minimum lease payments	<u>39,340</u>	<u>27,058</u>
Less imputed present value discount	<u>11,739</u>	<u>11,040</u>
Total present value of lease liabilities	<u><u>\$ 27,601</u></u>	<u><u>\$ 16,018</u></u>

As of December 29, 2024, expected future minimum rental income, excluding contingent rentals, associated with these leases and subleases for each of the next five years is approximately \$6.1 million, \$5.9 million, \$6.0 million, \$6.0 million, and \$5.9 million, respectively.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**14. Leases (continued)**

Supplemental cash flow information related to leases for the year ended December 29, 2024 and December 31, 2023 is as follows (in thousands):

	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 993	\$ 552
Financing cash flows from finance leases	442	255
Operating cash flows from operating leases	4,688	4,801
Right-of use assets obtained in exchange for new operating lease liabilities	2,881	74
Right-of use assets obtained in exchange for new finance lease liabilities	6,948	—
Cash received from lessor and sublease income	10,730	10,920
Weighted-average remaining lease term (in years):		
Finance leases	19.35	20.77
Operating leases	11.47	11.73
Weighted-average discount rate:		
Finance leases	5.78%	5.79%
Operating leases	5.52%	5.34%

**15. Commitments and Contingencies**

**Supply Contracts**

The principal raw material for the Church's Chicken system is fresh chicken, representing approximately 40% of food, beverage, and packaging costs. Company-operated and franchised restaurants purchase their chicken from suppliers that serve the Company's restaurants and its franchisees from various plant locations. The cost of fresh chicken can be significantly affected by a number of factors, including increases in the cost of grain, disease, declining market supply of restaurant-sized chickens, and other factors that affect availability.

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **15. Commitments and Contingencies (continued)**

The Parent maintains an internal purchasing department to negotiate and manage supply agreements for Church's Company-operated and franchised restaurants. The Parent charges a fee to all domestic locations to support this function.

In order to ensure favorable pricing for fresh chicken purchases and to maintain an adequate supply of fresh chicken for Company-operated restaurants and franchisees, the Parent has entered into purchase contracts with chicken suppliers on behalf of Cajun Global and its franchisees. The Parent enters into fixed-price contracts as well as "cost-plus" contracts that utilize prices based upon the cost of feed grains plus certain agreed-upon non-feed and processing costs. These contracts include volume purchase commitments that under certain circumstances are adjustable, typically by up to 10%.

The Parent has also entered into long-term beverage supply agreements on behalf of the Company with certain beverage vendors. These contracts are customary to the QSR industry. Pursuant to the terms of these arrangements, marketing rebates are provided from the beverage vendors based upon the dollar volume of the Company's business unit purchases, which will vary according to its demand for beverage syrup and fluctuations in the market rates for beverage syrup. Vendor allowances received in connection with the purchase of a vendor's products are recognized as a reduction of the related food and beverage costs as earned. Advance payments are made by the vendors based on estimates of volume to be purchased from the vendors and the terms of the agreement. As purchases are made from the vendors, a pro rata portion of allowances earned is recognized as a reduction of food and beverage costs for that period.

#### **Litigation**

Cajun Global is a defendant in various legal proceedings arising in the ordinary course of business, including employment-related claims; claims from guests or employees alleging illness, injury, or other food quality, health, or operational concerns; and claims related to franchise matters. The Company has established adequate liabilities, based on management's best estimate, to provide for the defense and settlement of such matters, and it believes their ultimate resolution will not have a material adverse effect on its consolidated financial position or its consolidated results of operations.

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **15. Commitments and Contingencies (continued)**

##### **Environmental Matters**

Cajun Global is subject to various federal, state, and local laws regulating the discharge of pollutants into the environment. The Company believes that it conducts its operations in substantial compliance with applicable environmental laws and regulations, as well as other applicable laws and regulations governing its operations. Certain of the Company's current and formerly owned and/or leased properties are known or suspected to have been used by prior owners or operators as retail gasoline stations, and some of these properties may have been used for other environmentally sensitive purposes. Many of these properties previously contained underground storage tanks (USTs), and some of these properties may currently contain abandoned USTs. It is possible that petroleum products and other contaminants may have been released at these properties into the soil or groundwater. Under applicable federal and state environmental laws, Church's may be jointly and severally liable for the costs of investigation and remediation of any such contamination, as well as any other environmental conditions at its properties that are unrelated to USTs. The Company has obtained insurance coverage that it believes is adequate to cover any potential environmental remediation liabilities. The Company is currently not subject to any administrative or court order requiring remediation at any of its properties.

##### **Foreign Operations**

Church's international operations are limited to the franchising of its brand. Such operations represented approximately 50.2% and 43.8% of total franchise revenue and 13.9% and 11.4% of total revenue for years ended December 29, 2024 and December 31, 2023, respectively.

##### **Geographic Concentrations**

Of the Company's domestic Company-operated and franchised restaurants, the majority are located in the southern and southwestern United States. Church's international franchisees operate primarily in Puerto Rico, Mexico, Canada, Malaysia, and United Arab Emirates.

##### **Related Parties**

The Parent charged the Company Management Fees as described in Note 3, *Summary of Significant Accounting Policies*.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**16. Subsequent Events**

The Company evaluated subsequent events through April 25, 2025, the date the consolidated financial statements were available to be issued and determined that no material subsequent events occurred after the balance sheet date, except for as described below.

On January 31, 2025, Cajun Global LLC, Cajun Funding Corp., Cajun Restaurants LLC, Cajun Realty LLC and Cajun Holdeco LLC (Co-Issuers) issued \$90.0 million of Series 2025-1 Fixed Rate Senior Secured Notes, Class A-2 Notes (2025 Fixed Rate Notes) in a private transaction that incurred interest at 6.554% per annum. The 2025 Fixed Rate Notes have a legal final maturity date in February 2055 with an anticipated repayment date in February 2032, based on the terms of the note purchase agreement. In addition to the 2025 Fixed Rate Notes, the Co-Issuers also issued \$10 million of Series 2025-1 Variable Funding Senior Secured Notes, Class A-1, which will allow the Co-Issuers to borrow amounts on a delayed draw, non-revolving basis.

CONSOLIDATED FINANCIAL STATEMENTS

Cajun Global LLC and Subsidiaries  
Years Ended December 31, 2023 and December 25, 2022  
With Report of Independent Auditors

Ernst & Young LLP



Cajun Global LLC and Subsidiaries

Consolidated Financial Statements

Years Ended December 31, 2023 and December 25, 2022

**Contents**

Report of Independent Auditors.....	1
Consolidated Financial Statements	
Consolidated Balance Sheets .....	4
Consolidated Statements of Operations .....	5
Consolidated Statements of Changes in Member's Equity .....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8

2312-4393389



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## Report of Independent Auditors

The Board of Directors  
Cajun Global LLC and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Cajun Global LLC and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and December 25, 2022, and the related consolidated statements of operations, changes in member's equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at years ended December 31, 2023 and December 25, 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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 of material misstatement, whether due to fraud or error.

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

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1

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### **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 of 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

April 18, 2024

Cajun Global LLC and Subsidiaries

Consolidated Balance Sheets  
(In Thousands)

	December 31, 2023	December 25, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,189	\$ 2,640
Restricted cash	2,163	3,066
Accounts receivable, net	6,351	7,388
Inventory	735	700
Prepaid expenses and other	4,493	935
Due from member	58,588	36,281
Total current assets	<b>76,519</b>	51,010
Long-term assets:		
Property and equipment, net	120,042	125,723
Finance lease right-of-use assets	7,131	7,586
Operating lease right-of-use assets	24,221	26,800
Trademarks and other intangible assets, net	294,128	303,260
Goodwill, net	30,160	33,930
Other assets, net	1,389	992
Total long-term assets	<b>477,071</b>	498,291
Total assets	<b>\$ 553,590</b>	\$ 549,301
<b>Liabilities and member's equity</b>		
Current liabilities:		
Accounts payable	\$ 8,348	\$ 6,382
Accrued liabilities	5,614	5,164
Current maturities of long-term debt	5,637	4,216
Current finance lease liabilities	269	203
Current operating lease liabilities	3,263	2,817
Total current liabilities	<b>23,131</b>	18,782
Long-term liabilities:		
Long-term finance lease liabilities	8,904	9,192
Long-term operating lease liabilities	24,849	28,294
Long-term debt, net of current maturities	322,422	320,388
Deferred credits and other long-term liabilities	17,818	17,804
Total long-term liabilities	<b>373,993</b>	375,678
Commitments and contingencies		
Member's equity:		
Contributed capital	122,652	139,877
Retained earnings	33,814	14,964
Total member's equity	<b>156,466</b>	154,841
Total liabilities and member's equity	<b>\$ 553,590</b>	\$ 549,301

*See accompanying notes.*

Cajun Global LLC and Subsidiaries

Consolidated Statements of Operations  
(In Thousands)

	Year Ended	
	December 31, 2023	December 25, 2022
<b>Revenues</b>		
Sales by company-operated restaurants	\$ 156,268	\$ 141,936
Franchise revenue	58,655	54,276
Rental and other income	8,380	8,781
Total revenues	<u>223,303</u>	<u>204,993</u>
<b>Operating costs and expenses</b>		
Company-operated restaurant expenses:		
Food, beverage and packaging	48,155	45,690
Payroll and benefits	42,744	40,009
Other operating expenses	37,842	37,204
General and administrative expenses	21,716	22,378
Depreciation and amortization	19,924	18,600
Impairment, special charges and (gain) loss on asset dispositions	2,554	(954)
Total operating costs and expenses	<u>172,935</u>	<u>162,927</u>
Operating income	50,368	42,066
Interest expense, net	28,140	26,861
Income before income taxes	<u>22,228</u>	<u>15,205</u>
Income tax expense	3,378	2,905
Net income	<u><u>\$ 18,850</u></u>	<u><u>\$ 12,300</u></u>

*See accompanying notes.*

Cajun Global LLC and Subsidiaries

Consolidated Statements of Changes in Member's Equity  
(*In Thousands*)

	<b>Contributed Capital</b>	<b>Retained Earnings</b>	<b>Total Member's Equity</b>
Balance at December 26, 2021	\$ 139,877	\$ 2,287	\$ 142,164
Cumulative catch-up adjustment for ASC 842	—	377	377
Net income	—	12,300	12,300
Balance at December 25, 2022	139,877	14,964	154,841
Net income	—	<b>18,850</b>	<b>18,850</b>
Cash dividends paid to Member	<b>(17,225)</b>	—	<b>(17,225)</b>
Balance at December 31, 2023	<b>\$ 122,652</b>	<b>\$ 33,814</b>	<b>\$ 156,466</b>

Cajun Global LLC and Subsidiaries

Consolidated Statements of Cash Flows  
(In Thousands)

	Year Ended	
	December 31, 2023	December 25, 2022
<b>Operating activities</b>		
Net income	\$ 18,850	\$ 12,300
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,220	24,018
Loss (gain) on asset dispositions	3,076	(1,656)
Non-cash increase in debt obligation	9	8
Non-cash operating lease adjustments	(420)	(251)
Non-cash finance lease adjustments	233	87
Changes in operating assets and liabilities:		
Accounts receivable, net	1,037	(274)
Inventory	(35)	1
Prepaid expenses and other	(3,558)	1,464
Accounts payable and due from member	(20,341)	(33,271)
Accrued liabilities	450	(1,667)
Total change in net working capital	(22,447)	(33,747)
Other long-term assets and liabilities	(1,712)	(358)
Net cash provided by operating activities	<u>23,809</u>	<u>401</u>
<b>Investing activities</b>		
Capital expenditures	(8,498)	(6,280)
Net cash used in investing activities	<u>(8,498)</u>	<u>(6,280)</u>
<b>Financing activities</b>		
Debt borrowing	23,000	32,000
Principal payments on long-term debt	(20,440)	(29,932)
Cash dividends to Member	(17,225)	—
Net cash (used in) provided by financing activities	<u>(14,665)</u>	<u>2,068</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	646	(3,811)
Cash, cash equivalents and restricted cash at beginning of period	5,706	9,517
Cash, cash equivalents and restricted cash at end of period	<u>\$ 6,352</u>	<u>\$ 5,706</u>

*See accompanying notes.*

# Cajun Global LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and December 25, 2022

### **1. Formation and Business**

Cajun Global LLC (Cajun Global or the Company), a single-member LLC, was organized under the laws of the state of Delaware on January 14, 2011, and is the owner and franchisor of the Church's Chicken, Church's Texas Chicken and Texas Chicken brands. The member's liability in the Company is limited to its membership interest in the Company. Cajun Global is a direct, wholly owned subsidiary of Cajun Operating Company (Cajun Operating), a Delaware corporation incorporated on October 28, 2004, and the former owner and franchisor of the Church's Chicken, Church's Texas Chicken and Texas Chicken brands. Cajun Operating is a direct, wholly owned subsidiary of Church's Holding Corp. (Holding or the Parent), a Delaware corporation. On September 15, 2021 (the Closing Date), pursuant to an Agreement and Plan of Merger with the Parent, REGO Restaurant Holdings III, LLC, a Delaware limited liability company (RRH3), RIII Merger Sub, Inc. (Merger Sub), a Delaware corporation, and the former ultimate parent of the Company (FFL Partners, LLC), Merger Sub merged (the Merger) with and into Holding, whereupon the separate existence of the Merger Sub ceased, and Holding was the surviving company. As a result of the Merger, RRH3 acquired one hundred percent of the issued and outstanding shares of capital stock of Holding. RRH3 is a wholly-owned subsidiary of Super Rego LLC, a Delaware limited liability company (Super Rego). Super Rego is a wholly-owned subsidiary of High Bluff Capital Partners LLC, (HBCP), a Delaware limited liability corporation. HBCP is controlled by private equity funds affiliated with High Bluff Capital Partners.

On February 24, 2011, Cajun Operating contributed its wholly owned subsidiary, Cajun Funding Corp., which owned substantially all of its assets constituting franchise agreements, development agreements, and related agreements, and all rights to develop and expand the Church's Chicken, Church's Texas Chicken and Texas Chicken restaurant systems, to the Company. In its capacity as the franchisor, the Company will enter into all additional development and franchise agreements for Church's Chicken, Church's Texas Chicken and Texas Chicken restaurants. Simultaneously, Cajun Operating and CT Restaurants L.P. (CT Restaurants) contributed the assets and operations of 228 restaurants to the Company, which, in turn, contributed them to its wholly owned subsidiary Cajun Restaurants LLC (Cajun Restaurants). Simultaneously, Cajun Operating and CT Restaurants contributed 211 real estate leases or subleases and 6 properties of fee simple real estate to the Company, which, in turn, contributed them to Cajun Realty LLC (Cajun Realty).

### **Nature of Operations**

The Company develops, operates, and franchises quick-service restaurants (generally referred to as QSRs or units), under the trade names Church's Chicken, Church's Texas Chicken and Texas Chicken in 26 states and territories, including the District of Columbia and Puerto Rico, and 23

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **1. Formation and Business (continued)**

foreign countries. The Company added 76 and 81 new franchise restaurants worldwide during 2023 and 2022, respectively. The Company closed 68 and 133 franchise restaurants worldwide during 2023 and 2022, respectively. At December 31, 2023, there were 1,529 Church's Chicken, Church's Texas Chicken and Texas Chicken restaurants operating worldwide. These restaurants included 156 restaurants operated by the Company and 633 restaurants operated by franchisees in the United States. An additional 740 restaurants were operated by franchisees in foreign countries and United States territories.

#### **2. Basis of Presentation**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions for these subsidiaries have been eliminated in consolidation. From time to time, the Company enters into related-party transactions with Cajun Operating. The intercompany balances have no fixed repayment terms, do not include interest, and are settled periodically between the related parties.

#### **3. Summary of Significant Accounting Policies**

Comprehensive (loss) income is the sum of net (loss) income and other unrealized gains and losses recorded on the consolidated statements of changes in member's equity. Comprehensive (loss) income for the years ended December 31, 2023 and December 25, 2022, is same as the net income for the respective years.

#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during each reporting period. Actual results could differ from those estimates.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies**

**Fiscal Year**

The Company has a 52–53-week fiscal year that ends on the last Sunday in each calendar year. In a 52-week fiscal year, the first fiscal quarter contains 16 weeks, and the remaining quarters contain 12 weeks. In a 53-week fiscal year, the first fiscal quarter contains 16 weeks, the fourth quarter contains 13 weeks, and the remaining quarters contain 12 weeks. Fiscal year 2023 and 2022 were 53-week and 52-week years, respectively.

**Application of New Accounting Pronouncements**

*Pronouncements Adopted*

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 sets forth a current expected credit loss impairment model for financial assets, which replaces the current incurred loss model, and in 2019 and 2020 issued amendments and updates to the new standard. This model requires a financial asset (or group of financial assets), including trade receivables, measured at amortized cost to be presented at the net amount expected to be collected with an allowance for credit losses deducted from the amortized cost basis. The allowance for credit losses should reflect management's current estimate of credit losses expected to occur over the remaining life of a financial asset. This guidance is effective for annual periods beginning after December 15, 2022 using a modified retrospective transition method. The guidance was adopted on December 26, 2022 under the modified retrospective approach and resulted in no impact to opening member's equity on the consolidated statements of changes in member's equity.

*Pronouncements Not Yet Adopted*

Recently issued accounting pronouncements by the FASB and other standards setting bodies were reviewed, and it was concluded that they are either not applicable to the Company's business or are expected to have an immaterial impact on the consolidated financial statements upon adoption.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

*Sales by Company-Operated Restaurants*

Revenue from the sale of food and beverage products at Company-operated restaurants is recognized when items are sold. Sales taxes collected from customers and remitted to governmental authorities are presented on a net basis in the consolidated statements of operations.

*Franchise Revenue*

Revenues from franchise operations include royalty fees based on a percentage of restaurant sales, development fees associated with a franchisee's planned development of a specified number of restaurants within a defined geographic territory, franchise fees associated with the opening of new restaurants, and renewal fees associated with the renewal of the franchise contract.

The Company recognizes royalty revenues as earned. The Company has determined that development fees and franchise fees are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation. Therefore, development fees and franchise fees received from franchisees are recognized as revenue over the term of each respective franchise agreement, which is typically 20 years. Further, the Company has determined that the renewal contract is treated as a new contract, and therefore the renewal fees are recognized as revenue over the term of the renewal contract.

*Rental and Other Income*

Where the Company is a lessor, rental income is recorded on a straight-line basis over the initial lease terms, and contingent rentals are included in rental income as they accrue.

**Cash and Cash Equivalents**

The Company considers all money market investment instruments and certificates of deposit with original maturities of three months or less to be cash equivalents. The Company maintains cash on deposit with domestic financial institutions. In certain instances, cash on deposit exceeds federally insured limits.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Restricted Cash**

Certain cash accounts are required to be maintained by the 2021 Securitization (described in Note 8, *Long-term debt*), its indenture, and other related agreements. These cash accounts may be used only for the purposes specified in the 2021 Securitization Agreements. The Company has presented these cash accounts as Restricted cash in the current asset section on the consolidated balance sheets based upon the expected date of cash distribution.

**Accounts Receivable, Net**

Accounts receivable, net consist primarily of amounts due from franchisees related to royalties, rents, and various miscellaneous items and are generally due within 14 days following each week's sales pursuant to franchise agreements. Receivables that exceed the payment terms extended by the Company are considered delinquent. The allowance for doubtful accounts is calculated based on historical experience, management's judgement regarding the Company's ability to collect, as well as the age of the accounts receivable, current market conditions and reasonable forecasts.

At December 31, 2023 and December 25, 2022, accounts receivable that were presented on the consolidated balance sheets were net of allowances for doubtful accounts of \$1.1 million and \$1.3 million, respectively. The Company does not require collateral from franchisees but does have minimum financial criteria for new franchisees.

Accounts receivable are charged off against the allowance for doubtful accounts when it is probable the accounts receivable will not be collected.

**Inventory**

Inventory consists principally of food, beverage items, and supplies, which are carried at the lower of cost (determined on a first-in, first-out basis) or net realizable value.

**Advertising Funds**

The Company's franchise agreements for all restaurants owned by the Parent, the Company, domestic franchisees, and certain international franchisees, including all franchisees in Puerto Rico, require participation and contributions of a percentage of their gross sales to an advertising fund administered by Church's Chicken Advertising Fund (the Fund).

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

The Company's contributions to the Fund are reflected on the accompanying consolidated statements of operations as a component of other operating expenses. Such contributions and the Company's other advertising costs are expensed as incurred. Advertising costs, including contributions to the Fund, were approximately \$8.3 million and \$7.4 million, for the years ended December 31, 2023 and December 25, 2022, respectively.

**Property and Equipment, Net**

Property and equipment, net is stated at cost less accumulated depreciation. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the depreciable assets: 15 to 25 years for buildings; 2 to 15 years for equipment; and in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term (generally 3 to 20 years).

The Company evaluates property and equipment for impairment when circumstances arise indicating that a particular asset may be impaired. For property and equipment at Company-operated restaurants, the Company performs its annual impairment evaluation on a site-by-site basis. A two-year history of operating losses is used as the primary indicator of potential impairment.

When facts and circumstances indicate that the carrying value of property and equipment may not be recoverable, management assesses the recoverability of the carrying value by comparing its expected future cash flows (undiscounted) with the carrying amount of these assets or asset group. Accordingly, an impairment loss is recognized if the carrying value of property and equipment is not recoverable and its carrying value exceeds its fair value. The Company recorded impairment charges of \$0.2 million and \$0.4 million for the years ended December 31, 2023 and December 25, 2022, respectively. Impairment charges are presented within Impairment, special charges and (gain) loss on asset dispositions on the accompanying consolidated statement of operations.

**Trademarks and Other Intangible Assets, Net**

Trademarks and other intangible assets, net relate primarily to the "Church's Chicken", "Church's Texas Chicken" and "Texas Chicken" trade names and other intangible assets related to the Company's franchise and development agreements. The Company also maintains intangible assets associated with acquired lease agreements, where the Company is a lessor, that were determined to be above or below prevailing market rates as of the date they were acquired.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

In such circumstances, the Company records a deferred lease asset or liability based on the present value of the differential between the stated rent terms and the estimated market terms.

Trademarks are considered to have an indefinite life. The Company evaluates such trademarks for impairment on an annual basis at the beginning of its fourth quarter or more frequently if events or circumstances indicate the trademarks might be impaired. The Company has the option to first perform a qualitative assessment for testing the trademarks for impairment. If the Company concludes based on a qualitative assessment that it is not more likely than not that the fair value of the trademarks is less than their carrying amount, it is then not required to perform the quantitative impairment assessment. If the Company concludes based on the qualitative assessment that it is more likely than not that the fair value of the trademarks is less than their carrying value, then the Company performs a quantitative assessment. The Company uses a relief from royalty method for estimating the fair value of the trademarks when performing a quantitative assessment. In 2023 and 2022, the Company elected to perform qualitative assessments as of the beginning of its fourth quarter. Based on the qualitative assessments performed in fiscal 2023 and 2022, the Company determined that it was not more likely than not that the fair value of its trademarks is less than the carrying value and therefore no quantitative assessment was performed, and no impairment was recorded.

The intangible assets related to franchise and development agreements are considered to be finite lived and are amortized over their expected useful lives, which approximate the legal term of the respective agreements excluding optional renewal periods. Deferred lease assets and liabilities are amortized to rent income where the Company is the lessor.

When facts and circumstances indicate that the carrying amount of finite-lived intangible assets may not be recoverable, management assesses the recoverability of the carrying amount by comparing the expected future cash flows (undiscounted) with the carrying amount of the related assets or asset group. Accordingly, an impairment loss is recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value. The Company has determined that there are no impairment losses associated with its finite-lived intangible assets at December 31, 2023 and December 25, 2022.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Goodwill, Net**

The Company adopted the Private Company Accounting Alternative for the subsequent measurement of goodwill, ASU No. 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill* (Goodwill Accounting Alternative), at the beginning of fiscal 2022 and started amortizing goodwill using the straight-line method over ten years in accordance with the guidance in this Goodwill Accounting Alternative.

In accordance with the guidance in Goodwill Accounting Alternative, goodwill is tested for impairment when a triggering event occurs that indicates the fair value of an entity may be below its carrying amount. No triggering events occurred during the years ended December 31, 2023 and December 25, 2022.

**Deferred Financing Costs**

Deferred financing costs represent loan origination fees and other costs paid to financing institutions associated with a credit facility. Deferred financing costs are amortized over the term of the related credit facility using the effective interest method. Deferred financing costs for all credit facilities, with the exception of variable note credit facility, are presented as a direct deduction from the carrying amount of the associated debt liability in the consolidated balance sheets. Deferred financing costs related to the variable note credit facility are presented within Long-term debt, net in the consolidated balance sheets. The amortization of the deferred financing costs is presented within Interest expense, net in the consolidated statements of operations.

**Depreciation and Amortization**

Depreciation of property and equipment, and amortization of intangible assets related to franchise and development agreements are presented within Depreciation and amortization in the consolidated statements of operations. In the consolidated statements of cash flows, Depreciation and amortization also includes amortization of deferred lease assets and deferred lease liabilities where the Company is a lessor, and deferred financing costs. Deferred lease assets and deferred lease liabilities where the Company is a lessor are presented within Rental income and other income in the consolidated statements of operations. Deferred financing costs are presented within Interest expense, net, in the consolidated statements of operations.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

**Leases**

The Company leases property and equipment associated with (i) Company-operated restaurants, (ii) certain former Company-operated restaurants that are now operated by franchisees and the property subleased to the franchisee, (iii) certain former Company-operated restaurants that are now subleased to third parties, and (iv) the corporate facility.

In all leases, where the Company is a lessor or a lessee, the Company defines lease term as the non-cancellable term of the lease plus any renewals covered by renewal options that are reasonably certain of exercise based on the Company's assessment of the economic factors relevant to the lessee. The non-cancellable term of the lease commences on the date the lessor makes the underlying property in the lease available to the lessee, irrespective of when lease payments begin under the contract.

*Lessee Accounting*

In leases where the Company is a lessee, the Company recognizes Right-of-use (ROU) assets and lease liabilities at lease commencement, which are measured by discounting lease payments using the Company's incremental borrowing rate as the discount rate. The Company's incremental borrowing rate for each lease is the rate of interest the Company expects to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The Company determines the incremental borrowing rates based on market-observable yield curve and applying corresponding rates to leases based on remaining lease term. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized on a straight-line basis, over the lease term, in Other operating expenses in the consolidated statement of operations.

A finance lease ROU asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term, which is included in Depreciation and amortization in the consolidated statement of operations. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability, which is included in Interest expense, net in the consolidated statement of operations. Operating lease and finance lease ROU assets are assessed for impairment in accordance with the Company's long-lived asset impairment policy.

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **3. Summary of Significant Accounting Policies (continued)**

The Company reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate contract, and when there is a change in the assessment of the lease term, that require reassessment in accordance with FASB Accounting Standards Codification (ASC) 842, *Leases* (ASC 842).

The fixed lease payments used to calculate the ROU assets and lease liabilities include fixed payments stated in the lease agreements and indexed variables payments, less lessor lease incentives. Contingent rentals are generally based on sales levels more than stipulated amounts, and thus are not considered fixed lease payments and are included in rent expense as they accrue. Similarly, maintenance and property tax expenses are not considered fixed lease payments and included in rent expense as they accrue.

#### *Lessor Accounting*

The accounting policy related to lessor accounting is described in the revenue recognition section above.

#### **General and Administrative Expenses**

Cajun Operating provides general and administrative services to the Company, including franchising, marketing, real estate, intellectual property, legal, accounting, facilities, development, purchasing, menu development, and restaurant operations. Cajun Operating charges the Company a weekly service fee (Management Fees) for these activities based upon a formula as defined in the servicing agreement related to the 2021 Notes (described in Note 9, *Long-term debt*), which reflects the costs of doing business and is specific to the Company. The Company cannot estimate with any reasonable certainty what the charges for similar services would have been on a stand-alone basis. The total amount of Management Fees for the years ended December 31, 2023 and December 25, 2022, was \$19.4 million and \$19.6 million, respectively, and is presented within General and administrative expenses on the accompanying consolidated statements of operations.

#### **Insurance**

The Company carries property, general liability, business interruption, crime, director and officer liability, employment practices liability, fiduciary liability, media liability, environmental, and workers' compensation insurance policies. Under these programs, the Company retains a portion of the accident risk associated with workers' compensation, general liability, and property

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**3. Summary of Significant Accounting Policies (continued)**

insurance in varying amounts up to \$500,000 per occurrence that the Company believes are customary for businesses of its size and type. The Company also retains a portion of the risk associated with its employee health benefit plans. The Company has established liabilities with respect to its insurance and benefit programs based primarily on the actuarially estimated undiscounted cost of claims, including claims incurred but not reported. These liabilities are presented within Accrued liabilities in the consolidated balance sheets.

Pursuant to the terms of their franchise agreements, the Company's franchisees are also required to maintain certain types and levels of insurance coverage, including commercial general liability insurance, workers' compensation insurance, all risk property, and automobile insurance.

**Income**

The Company is a single-member limited liability company and consequently is not subject to United States federal or state income taxes. Any taxable income or losses and deductions are the responsibility of the Parent, the Company's sole member. However, many of the Company's franchisees are based in countries that have tax treaties with the United States. Under these tax treaties, the Company's franchisees deduct withholding taxes from the amounts payable to the Company and remit such withholding taxes to their local taxing authorities. These withholding taxes are reflected as income tax expense on the accompanying consolidated statements of operations.

**Foreign Currency Transactions**

Substantially all foreign-sourced revenues (principally royalties from international franchisees) are recorded in U.S. dollars. The aggregate effects of any exchange gains or losses are presented within General and administrative expenses in the consolidated statements of operations. For the years ended December 31, 2023 and December 25, 2022, net foreign currency losses were \$0.1 million and \$0.1 million, respectively.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**4. Property and Equipment, Net**

The components of Property and equipment, net are as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Land	\$ 74,741	\$ 76,754
Buildings and improvements	40,012	36,513
Equipment	25,175	21,716
Construction-in-progress	1,402	2,198
	<u>141,330</u>	<u>137,181</u>
Less accumulated depreciation	(21,288)	(11,458)
	<u><u>\$ 120,042</u></u>	<u><u>\$ 125,723</u></u>

Depreciation expense was approximately \$10.6 million and \$9.1 million for the years ended December 31, 2023 and December 25, 2022, respectively.

**5. Trademarks and Other Intangible Assets, Net**

The components of Trademarks and other intangible assets, net are as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Trademarks	\$ 237,900	\$ 237,900
Amortizable intangible assets:		
Franchise agreements	43,100	43,100
Deferred lease assets	21,044	21,159
Development agreements	13,100	13,100
	<u>315,144</u>	<u>315,259</u>
Less accumulated amortization:		
Franchise agreements	(8,897)	(4,909)
Deferred lease assets	(9,342)	(5,503)
Development agreements	(2,777)	(1,587)
Total accumulated amortization	<u>(21,016)</u>	<u>(11,999)</u>
	<u><u>\$ 294,128</u></u>	<u><u>\$ 303,260</u></u>

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**5. Trademarks and Other Intangible Assets, Net (continued)**

Amortization expense associated with the finite-lived intangible assets was approximately \$9.1 million and \$9.3 million for the years ended December 31, 2023, and December 25, 2022, respectively. The weighted average remaining amortization period is approximately 9 years for franchise agreements and 8 years for development agreements. Deferred lease assets are amortized over the remaining term of the underlying lease agreements which is a weighted average of 13 years.

Estimated amortization expense for each of the five succeeding years is as follows (in thousands):

2024	\$ 8,783
2025	6,974
2026	6,973
2027	6,693
2028	6,649

**6. Goodwill, Net**

The following table presents changes in the carrying amount of Goodwill (in thousands):

	December 31, 2023	December 25, 2022
Ending balance goodwill (gross)	\$ 37,700	\$ 37,700
Accumulated amortization expense	(7,540)	(3,770)
Ending balance goodwill (net)	<u>\$ 30,160</u>	<u>\$ 33,930</u>

Amortization expense was \$3.8 million for the years ended December 31, 2023, and December 25, 2022.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**7. Other Assets, Net**

The components of Other assets, net are as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Deferred rent	\$ 965	\$ 666
Other	424	326
	<b>\$ 1,389</b>	<b>\$ 992</b>

**8. Accrued Liabilities**

The components of Accrued liabilities are as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Interest	\$ 1,220	\$ 934
Payroll and benefits	829	1,480
Property taxes	753	649
Deferred revenue	1,200	1,200
Utilities	436	479
Legal	403	—
Other	773	422
	<b>\$ 5,614</b>	<b>\$ 5,164</b>

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**9. Long-Term Debt**

The components of Long-term debt are as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Series 2021-1 Class A-2 senior notes with anticipated repayment date of November 20, 2026, at a fixed rate of 3.9%	\$ 218,250	\$ 221,625
Series 2021-1 Class A-1 senior secured variable funding notes with anticipated repayment date of November 20, 2026	19,542	7,700
2004 financing transaction due December 28, 2024	34,267	39,476
2004 financing transaction due December 28, 2029	53,687	54,373
2008 financing transaction due January 28, 2028	1,673	1,790
Other financing transactions	4,709	4,803
Total debt obligations before deferred financing costs	<u>332,128</u>	<u>329,767</u>
Less: deferred financing costs	(4,069)	(5,163)
<b>Total debt obligations</b>	<b>\$ 328,059</b>	<b>\$ 324,604</b>

On November 5, 2021, Cajun Global LLC, Cajun Funding Corp., Cajun Restaurants LLC, and Cajun Realty LLC (Co-Issuers) issued \$225.0 million of Series 2021-1 Class A-2 Senior Secured Fixed Rate Notes (2021 Fixed Rate Notes) in a private transaction that incurred interest at 3.9% per annum. The 2021 Fixed Rate Notes have an anticipated life of five years with an anticipated repayment date in November 2026, based on the terms of the debt agreement. In connection with the issuance of the 2021 Fixed Rate Notes, the Co-Issuers also entered into a securitized financing facility of Series 2021-1 Class A-1 Senior Secured Variable Funding Notes (2021 Variable Funding Notes; collectively together with 2021 Fixed Rate Notes referred to as 2021 Notes). The 2021 Variable Funding Notes facility allows for the issuance of up to \$25.0 million of 2021 Variable Funding Notes and certain other credit instruments, including letters of credit.

On May 12, 2023, the 2021 Variable Funding Notes facility was amended and restated to allow for the issuance of up to \$32.5 million 2021 Variable Funding Notes and certain other credit instruments, including letters of credit. At December 31, 2023, the balance outstanding under the 2021 Variable Funding Notes carried a weighted average Secured Overnight Financing Rate (SOFR) variable interest rate of 5.37% plus a spread of 3.35%.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**9. Long-Term Debt (continued)**

At December 31, 2023 and December 25, 2022, accrued interest for 2021 Notes totaled \$1 million and \$0.8 million, respectively. For the years ended December 31, 2023 and December 25, 2022, interest paid under the 2021 Notes totaled \$10.4 million and \$8.8 million, respectively. At December 31, 2023, \$3.4 million of the 2021 Variable Funding Notes had been utilized to secure outstanding letters of credit, and \$9.6 million remained unused and available. At December 25, 2022, \$3.6 million of the 2021 Variable Funding Notes had been utilized to secure outstanding letters of credit, and \$12.7 million remained unused and available.

At December 31, 2023, the balance outstanding under the 2021 Fixed Rate Notes carried a weighted average interest rate of 3.9%, including the effect of the original issue discount and the loan origination cost amortization described below.

While the 2021 Notes are structured to provide for five-year anticipated lives, they have a legal final maturity date of November 2050. The Company intends to repay or refinance the 2021 Notes on or before the end of their respective anticipated lives. If 2021 Notes are not paid in full by the end of their anticipated lives, the 2021 Notes are subject to an upward adjustment in the interest rate of at least 5% per annum. In addition, principal payments will accelerate by applying all of the royalties, lease revenues, and other fees securing the debt, after deducting certain expenses, until the debt is paid in full. Any unfunded amount under the 2021 Variable Funding Notes will become unavailable by the end of its anticipated life.

Neither Holdings, the ultimate parent of the Co-Issuers, nor any other subsidiary of Holdings guarantees or in any way is liable for the obligations of the Co-Issuers under the 2021 Notes. The Company has, however, agreed to cause the performance of certain obligations of its subsidiaries, principally related to managing the assets included as collateral for the 2021 Notes.

The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to better secure collateral upon the occurrence of certain performance-related events; (ii) application of certain disposition proceeds as note prepayments after a set time is allowed for reinvestment; (iii) maintenance of specified reserve accounts; (iv) maintenance of certain debt service coverage ratios; (v) optional and mandatory prepayments upon a change in control; (vi) indemnification payments for defective or ineffective collateral; and (vii) covenants relating to record-keeping, access to information, and similar matters. If certain covenants or restrictions are not met, the 2021 Notes are subject to customary accelerated repayment events and events of default. Although management does not anticipate an event of default or any other event of noncompliance with the provisions of the debt, if such event were to occur, the unpaid amounts outstanding could become immediately due and payable.

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **9. Long-Term Debt (continued)**

Debt issuance costs associated with the Company's various financing transactions are deferred and amortized over the anticipated life of the respective obligations. Such costs associated related to the 2021 Notes totaled \$6.7 million. Amortization of deferred financing cost for each of the years ended December 31, 2023 and December 25, 2022, totaled \$1.4 million.

The Company also assumed certain debt obligations of Cajun Operating in connection with the Merger, including a 2004 financing transaction whereby 321 Church's locations were sold to a third party and simultaneously leased back from the purchaser (the 2004 Financing Transaction, due 2024) of which 174 were subleased to franchisees. The agreement originally provided for a 20-year noncancelable term with two optional renewal periods of ten years each. In connection with issuing the 2011 Notes, the lease for 191 of the Church's locations was amended to extend the initial lease term from 20 to 25 years (the 2004 Financing Transaction, due 2029). Total payments under the agreement were \$18.3 million and \$19.2 million for the years ended December 31, 2023, and December 25, 2022, respectively.

Required payments for 2024 amount to \$18.3 million and escalate by 1.5% each year during the base term, as well as during any exercised option periods.

The Company also assumed the lease obligation for six locations from a 2008 transaction whereby Cajun Operating sold eight Church's locations and simultaneously leased them back from the purchaser (the 2008 Financing Transaction). The agreement provides for a 20-year noncancelable term with two optional renewal periods of ten years each. Total payments under the agreement were \$0.5 million and \$0.5 million for the years ended December 31, 2023, and December 25, 2022. Required payments for 2024 amount to \$0.5 million, respectively, and escalate by 1.5% each year during the 20-year base term as well as during any exercised option periods.

The Company entered into Other Financing Transactions whereby the Company sold Church's locations and simultaneously leased them back from the purchasers included as part of other financing transactions in the foregoing table. The agreements each provide for a 15-year noncancelable term with four optional renewal periods of five years each. Total payments under the agreements were \$0.6 million for the years ended December 31, 2023, and December 25, 2022. Required payments for 2024 amount to \$0.6 million and escalate by 1.5% each year during the 15-year base term, as well as during any exercised option periods.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**9. Long-Term Debt (continued)**

Due to Cajun Operating's continuing involvement with these properties, the 2004 Financing Transaction, the 2008 Financing Transaction, and the Other Financing Transactions did not qualify for sale-leaseback accounting but rather are financing transactions. Accordingly, the sales price of the properties was recorded as financing obligations within Long-term debt in the consolidated balance sheets. In connection with the Merger, the obligations for the 2004 Financing Transaction, the 2008 Financing Transaction and the Other Financing Transaction were adjusted to their estimated fair values. The resulting obligations are being amortized over the remaining noncancelable terms of the underlying agreements, with a portion of the payments being allocated to interest expense and a portion to the outstanding debt balance, based on interest rates in a range between 10.85% and 13.85%. The assets subject to the 2004 Financing Transaction, the 2008 Financing Transaction and the Other Financing Transaction were also adjusted to their estimated fair value at the time of the Merger and are recorded as a component of Property and equipment, net in the consolidated balance sheets. The assets are depreciated over their estimated useful lives on a basis consistent with other similar depreciable assets owned by the Company.

As of December 31, 2023, the aggregate annual maturities of long-term debt and lease financing obligations for the next five years were as follows (in thousands):

2024	\$ 7,336
2025	5,143
2026	233,429
2027	3,245
2028 and after	11,650

Maturities of certain lease financing obligations are not included in the aggregate annual maturities schedule because at maturity, the outstanding balances are offset against related property and equipment. Further, certain lease financing obligations maturing within less than 12 months from the consolidated balance sheets dates are presented as Long-term debt, net of current maturities on the consolidated balance sheet as upon maturity they are offset against related property and equipment and do not require the use of existing resources classified as current assets, or the creation of other current liabilities.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**9. Long-Term Debt (continued)**

The terms of the 2021 Notes, the 2004 and 2008 Financing Transactions, and the Other Financing Transactions, collectively, include various provisions that, among other things, require the Company to: (i) maintain defined net worth and coverage ratios, (ii) maintain defined leverage ratios, (iii) limit the incurrence of certain liens or encumbrances in excess of defined amounts, and (iv) limit capital expenditures and other payments. At December 31, 2023, the Company was in compliance with all provisions of the various agreements, as amended.

**10. Deferred Credits and Other Long-Term Liabilities**

The components of Deferred credits and other long-term liabilities are as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Deferred lease liabilities, net of accumulated amortization	\$ 2,746	\$ 3,287
Deferred franchise revenue	14,729	14,151
Other	343	366
	<b>\$ 17,818</b>	<b>\$ 17,804</b>

**11. Fair Value of Financial Instruments**

The Company categorizes its assets and liabilities recorded at fair value based upon the following fair value hierarchy in accordance with ASC Topic 820, *Fair Value Measurement*:

- Level 1 – Valuations use quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**11. Fair Value of Financial Instruments (continued)**

- Level 2 – Valuations use inputs other than actively quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Valuations use unobservable inputs for the asset or liability. Unobservable inputs are used to the extent observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The fair value of financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties. The fair values of cash equivalents; receivables, net; accounts payable; and short-term debt approximate their carrying amounts due to their short duration. The fair value of 2021 Variable Funding Notes also approximate their carrying amounts due to the variable interest rate payable on these notes.

At December 31, 2023, the fair value of the Company's 2021 Fixed Rate Notes was approximately \$180.3 million, compared to the carrying value of \$218.3 million, using Level 2 fair value inputs. At December 31, 2023, the fair value of the Company's lease financing liabilities was approximately \$92.5 million compared to the carrying value of \$114.4 million, using Level 2 fair value inputs. At December 25, 2022, the fair value of the Company's 2021 Fixed Rate Notes was approximately \$169.7 million, compared to the carrying value of \$221.6 million, using Level 2 fair value inputs. At December 25, 2022, the fair value of the Company's lease financing liabilities was approximately \$72.5 million compared to the carrying value of \$96.5 million, using Level 2 fair value inputs.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**12. Employee Benefit Plan**

The Parent maintains a qualified retirement plan (the Plan) under Section 401(k) of the Internal Revenue Code of 1986, as amended, for the benefit of employees meeting certain eligibility requirements as outlined in the plan document. All employees are subject to the same contribution and vesting schedules. The Company may make both voluntary and matching contributions to the Plan. Matching contributions of \$0.1 million were made by the Company for the year ended December 31, 2023. No voluntary or matching contributions were made by the Company for the year ended December 25, 2022.

**13. Impairment, Special Charges and (Gain) Loss on Asset Dispositions**

Impairment, special charges and (gain) loss on asset dispositions were recorded in the amount of \$1.9 million and \$(1.0) million for the years ended December 31, 2023 and December 25, 2022, respectively. Impairment, special charges, and (gain)/loss on asset dispositions for the years ended December 31, 2023 and December 25, 2022, included loss on asset dispositions, including the sale of certain surplus properties owned by the Company, settlement of lease obligations related to closed Company-operated restaurants, and other normal retirement and disposition of restaurant equipment.

**14. Leases**

Lease cost for the years ended December 31, 2023 and December 25, 2022, is as follows (in thousands):

	<b>December 31, December 25,</b>	
	<b>2023</b>	<b>2023</b>
Finance lease:		
Amortization of right-of-use assets – finance leases	\$ 367	\$ 182
Interest on lease liabilities – finance leases	<b>539</b>	512
Operating lease:		
Operating lease cost (cost resulting from lease payments)	<b>4,202</b>	4,017
Short-term lease cost	<b>62</b>	11
Variable lease cost (cost excluded from lease payments)	–	366
Total lease costs	<b>\$ 5,170</b>	\$ 5,088

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**14. Leases (continued)**

Future minimum lease payments under contractually obligated leases and sublease income as of December 31, 2023 are as follows (in thousands):

	<b>Operating Leases</b>	<b>Finance Leases</b>
2024	\$ 4,609	\$ 765
2025	4,308	772
2026	3,661	780
2027	3,285	790
2028	2,916	808
Thereafter	20,870	12,604
Total future minimum lease payments	\$ 39,649	\$ 16,519
Less imputed present value discount	11,537	7,346
<b>Total present value of lease liabilities</b>	<b>\$ 28,112</b>	<b>\$ 9,173</b>

As of December 31, 2023, expected future minimum rental income, excluding contingent rentals, associated with these leases and subleases for each of the next five years is approximately \$8.1 million, \$4.8 million, \$4.8 million, \$4.6 million, and \$4.7 million, respectively.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**14. Leases (continued)**

Supplemental cash flow information related to leases for the year ended December 31, 2023 and December 25, 2022 is as follows (in thousands):

	<b>December 31, 2023</b>	<b>December 25, 2022</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 531	\$ 511
Financing cash flows from finance leases	255	242
Operating cash flows from operating leases	4,801	4,666
Right-of use assets obtained in exchange for new operating lease liabilities	74	31,408
Right-of use assets obtained in exchange for new finance lease liabilities	–	7,856
Cash received from lessor and sublease income	10,920	11,070
Weighted-average remaining lease term (in years):		
Finance leases	20.77	21.58
Operating leases	11.73	12.05
Weighted-average discount rate:		
Finance leases	5.79%	5.78%
Operating leases	5.34%	5.76%

**15. Commitments and Contingencies**

**Supply Contracts**

The principal raw material for the Church's Chicken system is fresh chicken, representing approximately 50% to 60% of food, beverage, and packaging costs. Company-operated and franchised restaurants purchase their chicken from suppliers that serve the Company's restaurants and its franchisees from various plant locations. The cost of fresh chicken can be significantly affected by a number of factors, including increases in the cost of grain, disease, declining market supply of restaurant-sized chickens, and other factors that affect availability.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**15. Commitments and Contingencies (continued)**

The Parent maintains an internal purchasing department to negotiate and manage supply agreements for Church's Company-operated and franchised restaurants. The Parent charges a fee to all domestic locations to support this function.

In order to ensure favorable pricing for fresh chicken purchases and to maintain an adequate supply of fresh chicken for Company-operated restaurants and franchisees, the Parent has entered into purchase contracts with chicken suppliers on behalf of Cajun Global and its franchisees. The Parent enters into fixed-price contracts as well as "cost-plus" contracts that utilize prices based upon the cost of feed grains plus certain agreed-upon non-feed and processing costs. These contracts include volume purchase commitments that under certain circumstances are adjustable, typically by up to 10%.

The Parent has also entered into long-term beverage supply agreements on behalf of the Company with certain beverage vendors. These contracts are customary to the QSR industry. Pursuant to the terms of these arrangements, marketing rebates are provided from the beverage vendors based upon the dollar volume of the Company's business unit purchases, which will vary according to its demand for beverage syrup and fluctuations in the market rates for beverage syrup. Vendor allowances received in connection with the purchase of a vendor's products are recognized as a reduction of the related food and beverage costs as earned. Advance payments are made by the vendors based on estimates of volume to be purchased from the vendors and the terms of the agreement. As purchases are made from the vendors, a pro rata portion of allowances earned is recognized as a reduction of food and beverage costs for that period.

**Litigation**

Cajun Global is a defendant in various legal proceedings arising in the ordinary course of business, including employment-related claims; claims from guests or employees alleging illness, injury, or other food quality, health, or operational concerns; and claims related to franchise matters. The Company has established adequate liabilities, based on management's best estimate, to provide for the defense and settlement of such matters, and it believes their ultimate resolution will not have a material adverse effect on its consolidated financial position or its consolidated results of operations.

## Cajun Global LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **15. Commitments and Contingencies (continued)**

##### **Environmental Matters**

Cajun Global is subject to various federal, state, and local laws regulating the discharge of pollutants into the environment. The Company believes that it conducts its operations in substantial compliance with applicable environmental laws and regulations, as well as other applicable laws and regulations governing its operations. Certain of the Company's current and formerly owned and/or leased properties are known or suspected to have been used by prior owners or operators as retail gasoline stations, and some of these properties may have been used for other environmentally sensitive purposes. Many of these properties previously contained underground storage tanks (USTs), and some of these properties may currently contain abandoned USTs. It is possible that petroleum products and other contaminants may have been released at these properties into the soil or groundwater. Under applicable federal and state environmental laws, Church's may be jointly and severally liable for the costs of investigation and remediation of any such contamination, as well as any other environmental conditions at its properties that are unrelated to USTs. The Company has obtained insurance coverage that it believes is adequate to cover any potential environmental remediation liabilities. The Company is currently not subject to any administrative or court order requiring remediation at any of its properties.

##### **Foreign Operations**

Church's international operations are limited to the franchising of its brand. Such operations represented approximately 43.8% and 43.2% of total franchise revenue and 11.4% and 11.3% of total revenue for years ended December 31, 2023 and December 25, 2022, respectively.

##### **Geographic Concentrations**

Of the Company's domestic Company-operated and franchised restaurants, the majority are located in the southern and southwestern United States. Church's international franchisees operate primarily in Puerto Rico, Mexico, Canada, Malaysia, and United Arab Emirates.

##### **Related Parties**

The Parent charged the Company Management Fees as described in Note 3, *Summary of Significant Accounting Policies*.

Cajun Global LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**16. Subsequent Events**

The Company evaluated subsequent events through April 18, 2024, the date the consolidated financial statements were available to be issued, and has determined no material subsequent events occurred after the balance sheet date.

## **EXHIBIT L**

# **COMPLIANCE QUESTIONNAIRE FOR NEW FRANCHISEES/DEVELOPERS**

**CAJUN GLOBAL LLC  
(CHURCH'S TEXAS CHICKEN)  
DISCLOSURE QUESTIONNAIRE**

**THIS DOCUMENT WILL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.**

**Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.**

As you know, Cajun Global LLC ("we", "us", "our") and you are preparing to enter into a Franchise Agreement for the operation of a franchised Church's Texas Chicken restaurant or a Development Agreement for the development of Church's Texas Chicken restaurants. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. This Questionnaire is not applicable to and shall not be used with respect to any franchise offer and/or sale involving a Maryland resident and/or if the franchised restaurant is to be located in Maryland.

1. Are you submitting this Disclosure Questionnaire in connection with:

Franchise Agreement \_\_\_\_\_ Development Agreement \_\_\_\_\_

2. Have you received and personally reviewed the Franchise Agreement or Development Agreement, as applicable, and attached exhibits?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Do you understand all of the information contained in the Franchise Agreement or Development Agreement, as applicable, and attached exhibits?

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the Franchise Agreement or Development Agreement, as applicable, do you not understand? (Attach additional pages, if necessary.)

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4. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”) that was provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

5. Did you sign a receipt for the FDD indicating the date you received it?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Do you understand all of the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the FDD do you not understand? (Attach additional pages, if necessary.)

7. Have you discussed the benefits and risks of operating a Church's Texas Chicken restaurant with an attorney, accountant, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Do you understand that the success or failure of your Church's Texas Chicken restaurant will depend in large part upon your skills and abilities, competition from other restaurants, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of Church's Texas Chicken restaurants that we or our franchisees operate?

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating the Church's Texas Chicken restaurant?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue the Church's Texas Chicken restaurant will generate?<sup>1</sup>

Yes \_\_\_\_\_ No \_\_\_\_\_

12. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating the Church's Texas Chicken restaurant that is contrary to or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating an Church's Texas Chicken restaurant?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

15. Have you entered into any binding agreement with us concerning the purchase of this franchise prior to today?

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<sup>1</sup> We do not make any representations or statements of actual, average, projected, or forecasted sales, profits, or earnings to franchisees with respect to our franchises. We do not give or authorize our salespersons to give you any oral or written information concerning the actual, average, projected, forecasted, or potential sales, costs, income, or profits of a franchise.

We specifically instruct our sales personnel, agents, employees, and officers that they are not permitted to make claims or statements as to the earnings, sales or profits, or prospects or chances of success, nor are they authorized to represent or estimate the dollar figures as to a franchisee's operation. We will not be bound by or be responsible for allegations of any authorized representations as to earnings, sales, profits, prospects, or chances of success.

Actual results vary from franchise to franchise, and we cannot estimate the results of a particular franchise. We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable, and consult an attorney and other advisors or your choosing before signing any agreement.

Yes \_\_\_\_\_ No \_\_\_\_\_

16. Have you paid any money to us before today?

Yes \_\_\_\_\_ No \_\_\_\_\_

17. If you have answered "Yes" to any one of questions 10-15, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "no" to each of questions 10-15, please leave the following lines blank.

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Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

**FRANCHISEE/DEVELOPER APPLICANT**

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

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

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

Date: \_\_\_\_\_, 20\_\_\_\_

## **EXHIBIT M**

# **STATE-SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT**

## California Disclosure

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.

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

See the cover page of the disclosure document for the Church's Texas Chicken URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT [WWW.CORP.CA.GOV](http://WWW.CORP.CA.GOV).

In recognition of the requirements of the California Franchise Investment Law and the California Franchise Relations Act, the Cajun Global LLC Franchise Disclosure Document for the offer of Church's Texas Chicken franchises for use in the State of California shall be amended as follows:

The State Cover Page shall be modified as follows:

Under our standard Development Agreement, you have a specific Development Area in which to develop one or more Restaurants. 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. Please see Item 13 for additional information regarding your Development Area.

Item 1 shall be amended by the addition of the following:

On September 28, 2023, the State of California passed AB 1228, creating new standards for National Fast-Food Chain Restaurants. The law took effect on January 1, 2024. AB 1228 increased the minimum wage for fast food employees in California to \$20 per hour beginning April 1, 2024. The law authorizes a Fast-Food Council to set fast-food restaurant standards for minimum wage and to develop minimum standards on working hours and other working conditions, including health and safety standards and training. The law authorizes the Fast-Food Council to set wages for fast food workers until January 1, 2029. The Council and its authority sunset January 1, 2029.

Item 3 shall be amended by the addition of the following:

Neither we nor any person listed in Item 2 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 parties from membership in such association or exchange.

Item 6 shall be amended by the addition of the following:

The maximum interest rate permitted in California is 10% per annum.

Item 17 shall be amended by the addition of the following:

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

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The franchise agreements provide for application of the laws of Georgia. This provision may not be enforceable under California law.

The franchise agreements contain a choice of forum provision. This provision may not be enforceable under California law.

The franchise agreements contain a covenant not to compete that extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreements contain liquidated damages clauses. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release upon execution of the franchise agreements, if you transfer the rights granted under those agreements and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

**Hawaii Disclosure**

The following paragraphs are added after Item 23:

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

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENTS. YOU SHOULD REFER TO THE CONTRACT OR AGREEMENT FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

Registered agent in the state authorized to receive service of process: **Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.**

**Illinois Disclosure**

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 Ill. Comp. Stat. §§705/1 through 705/44, and the Rules and Regulations promulgated hereunder by the Illinois Attorney General, Ill. Admin. Code tit. 14 §§ 200.1 through 200.120, the Cajun Global LLC Franchise Disclosure Document for the offer of Church's Texas Chicken franchises for use in the State of Illinois shall be amended as follows:

1. **Risk Factors, Cover Page.** The following statement is added at the end of the first risk factor on the cover page:

**SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT  
PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT  
THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM  
OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF  
ACTION THAT OTHERWISE IS ENFORCEABLE IN ILLINOIS.**

The following statement is added at the end of the second risk factor on the cover page:

**NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW SHALL  
GOVERN THE FRANCHISE AND DEVELOPMENT AGREEMENTS.**

2. Item 17 shall be amended by the addition of the following:

Any provision in the Development Agreement or the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the Development Agreement and the Franchise Agreement.

In conformance with Section 41 of the Illinois Franchise Disclosure Act any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

3. Each provision of this Illinois Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Illinois Disclosure.

## **Maryland Disclosure**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Cajun Global LLC Franchise Disclosure Document for the offer of Church's Texas Chicken franchises for use in the State of Maryland shall be amended to include the following:

1. The following paragraph is added at the end of Item 5:

The Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Item 17 shall be amended by the addition of the following:

The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Any provisions requiring you to sign a general release of claims against Cajun, including upon execution, transfer and renewal of the franchise agreements, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law provides that any provision in a franchise agreement that requires you to file suit against Cajun in a forum outside of Maryland is void with respect to any cause of action otherwise enforceable in Maryland. A franchisee in Maryland may sue 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.

3. The Compliance Questionnaire for New Franchisees ("Compliance Questionnaire") included in the Disclosure Document shall be amended to add the following:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Your representations in the Compliance Questionnaire 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.

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

5. Each provision of this Maryland Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Maryland Disclosure.

**Michigan Disclosure**

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

**A. A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.**

**B. A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.**

**C. A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN THIRTY DAYS, TO CURE SUCH FAILURE.**

**D. A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (1) THE TERM OF THE FRANCHISE IS LESS THAN FIVE YEARS; AND (2) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR IF THE FRANCHISEE DOES NOT RECEIVE AT LEAST SIX MONTHS ADVANCE NOTICE OF THE FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.**

**E. A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.**

**F. A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.**

**G. A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:**

**1. THE FAILURE OF THE PROPOSED TRANSFeree TO MEET THE FRANCHISOR'S THEN-CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.**

**2. THE FACT THAT THE PROPOSED TRANSFeree IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.**

**3. THE UNWILLINGNESS OF THE PROPOSED TRANSFeree TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.**

**4. THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFeree TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.**

**H. A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION C.**

**I. A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS SUCH PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.**

\* \* \* \*

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE STATE OF MICHIGAN DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE STATE OF MICHIGAN.**

Any questions regarding this Notice shall be directed to the Department of the Attorney General's Office, Consumer Protection Division, Attn: Franchise, 670 G. Mennen Williams Building, Lansing, Michigan 48913, (517) 373-7117.

**Minnesota Disclosure**

- 1. Special Risks to Consider About This Franchise.** The following statement is added as an additional risk on the State Cover Page:

**Turnover rate:** During the last 3 years, a large number of franchised outlets (118), which is high percentage of franchised outlets more than 13.33% were terminated or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

- 2. Notice of Termination.** The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- 3. Choice of Forum and Law; Waiver of Right to Jury Trial or Termination Penalties.**

The following statements are added to Item 17:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

- 4. General Release.** The following statement is added to Item 17:

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- 5. Additional Disclosure.** The following statement is added to Item 22:

No statement, questionnaire or acknowledgement 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 behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**New York Disclosure**

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1s through 201.16, the Cajun Global LLC Franchise Disclosure Document for the offer of Church's Texas Chicken franchises for use in the State of New York shall be amended as follows:

1. The State Cover page shall be amended by the addition of the following information:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E 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, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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.

You will not receive an exclusive territory under our standard Development Agreement.

2. Item 3 shall be amended by the addition of the following:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4 shall be amended by the addition of the following:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. Item 17 shall be amended by the addition of the following:

Cajun will not assign its rights under the Development Agreement or the Franchise Agreement, except to an assignee who in Cajun's good faith and judgment is willing and able to assume Cajun's obligations under the Development Agreement or the Franchise Agreement.

The New York Franchises Law requires that New York law govern any cause of action that arises under the New York Franchises Law.

The New York General Business Law, Article 33, Sections 680 through 695, may supersede any provision of the Development Agreement or the Franchise Agreement that is inconsistent with that law.

You must sign a general release upon execution and transfer of the Franchise Agreement and Development Agreement and upon renewal of the Franchise Agreement. These provisions may not be enforceable under New York law.

Cajun's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

5. Each provision of this New York Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to this New York Disclosure.

**North Dakota Disclosure**

**Item 17, Additional Disclosures.** The following statements are added to Item 17:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees 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.

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

**Rhode Island Disclosure**

In recognition of the requirements of the Rhode Island Franchise Investment Law, General Laws of Rhode Island, Title 19, Chapter 28.1, Sections 19-28.1-1 through 19-28.1-34, the Cajun Global LLC Franchise Disclosure Document for the offer of Church's Texas Chicken franchises for use in the State of Rhode Island shall be amended as follows:

1. Item 17 shall be amended by the addition of the following:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Each provision of this Rhode Island Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law, General Laws of Rhode Island, Title 19, Chapter 28.1, Sections 19-28.1-1 through 19-28.1-34, are met independently without reference to this Rhode Island Disclosure.

**Virginia Disclosure**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Cajun Global LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. **Item 17.** 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 ground for default or termination stated in the Development Agreement or Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **Washington Disclosure**

Notwithstanding anything to the contrary set forth in the Church's Texas Chicken Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington:

1. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

2. A release or waiver of rights executed by a franchisee will not include rights under the Act except when executed pursuant to a negotiated settlement after the Franchise 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, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

4. RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

5. 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.

6. 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.

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

8. 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.

9. 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.

10. The following paragraph is added to the end of Item 3 of the Franchise Disclosure Document:

To resolve an investigation by the Washington Attorney General and without admitting any liability, the franchisor has entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where the franchisor affirmed that it already removed from its form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring the employees of other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. The franchisor has agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that its Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify its franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against the franchisor.

## **EXHIBIT N**

# **STATE-SPECIFIC ADDENDA TO FRANCHISE AGREEMENT**

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Franchised Restaurant will be located and/or operated, and/or all or part of the Protected Area will be located, in the State of Illinois.

2. The following sentence is added at the end of Section 27.A. of the Franchise Agreement:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Section 27.B. of the Franchise Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

4. The following sentence is added at the end of Section 27.C. of the Franchise Agreement:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following new subsection is added to the end of Section 30 of the Franchise Agreement:

O. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person requiring any franchise owner to waive compliance with any provision of this Act is void.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The following sentence is added to the end of Sections 2.B.(2)(e) (Renewal Term), 15.C.(4) (Transfer Conditions) and 16 (General Release) of the Agreement:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The following sentence is added to the end of Sections 3.A. (Initial Franchise Fee) of the Agreement:

Notwithstanding the foregoing, in the State of Maryland, Cajun will defer the payment of the franchise fee until the Franchised Restaurant opens for business. Upon the opening of the Franchised Restaurant, Franchisee shall pay to Cajun the franchise fee.

3. The following new subsection is added to Section 27 (Governing Law, Forum, Limitations) of the Agreement:

H. Notwithstanding any other provision of this Agreement to the contrary, 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 a Franchise.

4. The following sentence is added to the end of Section 30 (Representations) of the Agreement:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement 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.

5. Sections 30.A, D, G, I, and J of the Franchise Agreement are deleted in their entirety.

6. The Compliance Certification is amended to include the following:

All representations requiring prospective franchisees to assent to any 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.

7. 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.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The following sentence is added to the end of Sections 2.B(e), 15.C(4), and 16:

Minnesota Rules 2860.4400(D) prohibits Cajun from requiring Franchisee to assent to a general release.

2. The following sentence is added to the end of Sections 2.B and 15:

With respect to franchises governed by Minnesota law, Cajun will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

3. The following sentence is added to the end of Section 27.F:

Franchisee cannot consent to Cajun obtaining injunctive relief. Cajun may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

4. The following sentences are added to the end of Sections 27.A and 27.B:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit Cajun from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statute 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. The following sentence is added to the end of Section 27.C:

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of New York; (B) Franchisee is a resident of the State of New York; and/or (C) the Franchised Restaurant will be located and/or operated, and/or all or part of the Protected Area will be located, in the State of New York.

2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to the end of Sections 2.B(2)(e), 15.B.(5) and 16 of the Franchise Agreement:

Any provision in this Agreement requiring Franchisee to sign a general release of claims against Cajun does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

4. The following is added to the end of Section 14 of the Franchise Agreement:

Cajun will not assign its rights under this Agreement, except to an assignee who in Cajun's good faith and judgment is willing and able to assume Cajun's obligations under this Agreement.

5. The following sentence is added to the end of Sections 17.C.(1)(i) and 27.F.:

Cajun's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. The following is added to the end of Section 27.A. of the Franchise Agreement:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of North Dakota; **(B)** you are a resident of the State of North Dakota; and/or **(C)** the Franchised Business will be located in the State of North Dakota.

2. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees 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.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Rhode Island; (B) Franchisee is a resident of the State of Rhode Island; and/or (C) the Franchised Restaurant will be located and/or operated, and/or all or part of the Protected Area will be located, in the State of Rhode Island.

2. The following is added to the end of Sections 27.A. and 27.B. of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

*[SIGNATURES CONTAINED ON NEXT PAGE]*

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Washington; (B) Franchisee is a resident of the State of Washington; and/or (C) the Franchised Restaurant will be located and/or operated, and/or all or part of the Protected Area will be located, in the State of Washington.

2. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede this Agreement in Franchisee's relationship with Cajun, including in the areas of termination and renewal of the franchise. There also may be court decisions that may supersede this Agreement in Franchisee's relationship with Cajun, including in the areas of termination and renewal of the franchise.

3. In the event of a conflict of laws, the provisions of the Act shall prevail.

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

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

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

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

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

## **EXHIBIT O**

# **STATE-SPECIFIC ADDENDA TO DEVELOPMENT AGREEMENT**

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Illinois; **(B)** Developer is a resident of the State of Illinois; and/or **(C)** all or part of the Development Area will be located, in the State of Illinois.

2. The following sentence is added at the end of Section 23.A. of the Agreement:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Section 23.B. of the Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

4. The following sentence is added at the end of Section 23.C. of the Agreement:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added to the end of Section 25 of the Agreement:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person requiring any franchise owner to waive compliance with any provision of this Act is void.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

7. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

*[SIGNATURES CONTAINED ON NEXT PAGE]*

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The following sentence is added to the end of Sections 4 (Development Fee) of the Agreement:

Notwithstanding the foregoing, in the State of Maryland, Cajun will defer the payment of the Development Fee until the first restaurant that Developer develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Cajun the Development Fee.

2. The following sentence is added to the end of Sections 13 (General Release) of the Agreement:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The following new subsection is added to Section 23 (Governing Law, Forum, Limitations) of the Agreement:

H. Notwithstanding any other provision of this Agreement to the contrary, Developer 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 a License.

4. The following sentence is added to the end of Section 25 (Representations) of the Agreement:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement 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.

5. Sections 5.A, B, E, G, I, J, and K of the Development Agreement are deleted in their entirety. Sections 25.A, B, D, E, G, I, J, and K of the Development Agreement are also deleted in their entirety.

6. The Compliance Certification is amended to include the following:

All representations requiring prospective developers to assent to any 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.

7. 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.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

9. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The following is added to the end of Sections 14.B and 23.F:

Developer cannot consent to Cajun obtaining injunctive relief. Cajun may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

2. The following sentence is added to the end of Section 13:

Minnesota Rules 2860.4400(D) prohibits Cajun from requiring Developer to assent to a general release.

3. The following sentences are added to the end of Section 23:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit Cajun from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of Developer's rights as provided for in Minnesota Statute 80C or (2) Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

4. The following sentences are added to the end of Section 24:

With respect to franchises governed by Minnesota law, Cajun will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that Developer be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

*SIGNATURES CONTAINED ON NEXT PAGE]*

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of New York; **(B)** Developer is a resident of the State of New York; and/or **(C)** all or part of the Development Area will be located, in the State of New York.

2. Any provision in the Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following is added to the end of Section 11 of the Agreement:

Cajun will not assign its rights under this Agreement, except to an assignee who in Cajun's good faith and judgment is willing and able to assume Cajun's obligations under this Agreement.

4. The following sentence is added to the end of Sections 12.B.(5) and 13 of the Agreement:

Any provision in this Agreement requiring Developer to sign a general release of claims against Cajun does not release any claim Developer may have under New York General Business Law, Article 33, Sections 680-695.

5. The following is added to the end of Section 23.A. of the Agreement:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

6. The following is added to the end of Section 23.F. of the Agreement:

Cajun's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to this Amendment.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

9. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of North Dakota; **(B)** Developer is a resident of the State of North Dakota; and/or **(C)** all or part of the Development Area will be located, in the State of North Dakota.

2. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees 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.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Rhode Island; **(B)** Developer is a resident of the State of Rhode Island; and/or **(C)** all or part of the Development Area will be located, in the State of Rhode Island.

2. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

4. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

*[SIGNATURES CONTAINED ON NEXT PAGE]*

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Washington; **(B)** Developer is a resident of the State of Washington; and/or **(C)** all or part of the Development Area will be located, in the State of Washington.

2. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede this Agreement in Developer's relationship with Cajun, including in the areas of termination and renewal of the franchise. There also may be court decisions that may supersede this Agreement in Developer's relationship with Cajun, including in the areas of termination and renewal of the franchise.

3. In the event of a conflict of laws, the provisions of the Act shall prevail.

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

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

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

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

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

9. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Agreement as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

## **EXHIBIT P**

# **CITIES WITH CERTIFIED TRAINING RESTAURANTS**

**CITIES WITH CERTIFIED TRAINING RESTAURANTS**  
**AS OF APRIL 1, 2025\***

COMPANY OPERATED

<b>Rest#</b>	<b>City</b>	<b>State</b>
197	Weslaco	TX
423	Mission	TX
496	Montgomery	AL
582	Opelousas	LA
794	Brownsville	TX
832	Plant City	FL
934	Memphis	TN
1109	Miami Gardens	FL
1271	Donna	TX
1329	Rio Grande City	TX
1431	McAllen	TX
1446	Orangeburg	SC
2014	Brownsville	TX
2026	Mission	TX
2034	Pharr	TX
2054	San Juan	TX
2119	Denham Springs	LA
3060	Weslaco	TX
4131	Jackson	MS
7193	Monroe	LA

FRANCHISEE OPERATED

Rest#	Franchise Entity	City	State
10	Ampler Chicken, LLC	San Antonio	TX
22	Ampler Chicken, LLC	Laredo	TX
130	Terry & Karen White Enterprises, Inc.	Columbus	MS
145	Border Chicken AZ, LLC	Tucson	AZ
679	Mar-Lu Arizona, LLC	Phoenix	AZ
767	Ampler Chicken, LLC	Kingsville	TX
781	Global Restaurant Hospitality Group, LLC	El Monte	CA
893	Ampler Chicken, LLC	San Antonio	TX
1212	Global Restaurant Hospitality Group, LLC	San Diego	CA
1315	Falcon Holdings, LLC	Chicago	IL
1330	Ampler Chicken, LLC	San Antonio	TX
1618	Global Restaurant Hospitality Group, LLC	Long Beach	CA
3105	Ampler Chicken, LLC	Del Rio	TX
4014	Refuel Operating Company, LLC	Cleveland	MS
5662	Bhatti, Inc.	Phoenix	AZ
7082	Pollo Del Centro, Inc.	Denver	CO
8763	Bhatti, Inc.	Goodyear	AZ
8783	EBLA Corporation	Mabank	TX
10153	Moore's Mini Marts, Inc.	Wilmington	NC
10570	Mar-Lu Nevada, Inc.	Las Vegas	NV
11215	Ampler Chicken, LLC	Harker Heights	TX

# **EXHIBIT Q**

## **SUBLEASE**

## SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the “**Sublease**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, (the “**Effective Date**”) by and between CAJUN REALTY LLC, a Delaware limited liability company (the “**Sublessor**”), and \_\_\_\_\_, a \_\_\_\_\_ [limited liability company/corporation] (the “**Sublessee**”).

### W I T N E S S E T H:

WHEREAS, Sublessor is the Tenant of a certain leased property described as Church's Texas Chicken Unit No. \_\_\_\_\_ located at \_\_\_\_\_ (the “**Premises**”) pursuant to that certain Master Lease Agreement dated \_\_\_\_\_, as amended and assigned (collectively, the “**Master Lease**”) between \_\_\_\_\_ [limited liability company, corporation, etc.] (the “**Master Landlord**”), as Landlord, and Sublessor, as Tenant (a copy of the Master Lease is attached as Exhibit “A” and by reference made a part hereof), it being understood and agreed that the Master Lease and any current or future amendments thereto shall automatically become a part hereof by this reference; and

WHEREAS, Sublessee desires to sublease the Premises from Sublessor on the terms and conditions set forth below;

NOW, THEREFORE, for and in consideration of TEN DOLLARS (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessor and Sublessee hereby agree as follows:

1. Premises. Sublessor hereby demises and subleases unto Sublessee, and Sublessee hereby subleases from Sublessor, the Premises, solely for the use by Sublessee solely for the operation of a Church's Texas Chicken restaurant and related products and services and for no other purpose whatsoever without Sublessor's prior written consent.

2. Term.

(a) Initial Term. This Sublease shall commence on the Effective Date (the “**Commencement Date**”) and expire on \_\_\_\_\_ unless earlier terminated pursuant to the terms of this Sublease or the Master Lease (the “**Initial Term**”).

(b) [OPTIONAL] Extension Period(s). Sublessee shall have the option to extend the Term of this Sublease for up to \_\_\_\_\_ (\_\_\_\_) separate option periods upon and subject to the terms set forth below in this Section 2(b). The first extension period (the “**First Extension Period**”) shall commence at the expiration of the Initial Term. The second extension period (the “**Second Extension Period**”) shall commence at the expiration of the First Extension Period. The First Extension Period and the Second Extension Period are sometimes referred to herein collectively as the “**Extension Periods**” and individually as an “**Extension Period**”. Each Extension Period shall continue for a period of \_\_\_\_\_ (\_\_\_\_) years from the commencement date of such Extension Period. Except as otherwise expressly provided herein, all of the terms and conditions of this Sublease applicable to the Initial Term shall continue to apply during each Extension Period. Sublessee's right to extend this Sublease shall be conditioned on Sublessee not at the time being in default of this Sublease beyond any and all applicable notice and cure periods as of the commencement of the Extension Periods. The Extension Periods shall be renewed by Sublessee upon written notification of such election not later than twelve (12) months prior to the expiration of the Initial Term. Initial Term and Extension Periods may be hereinafter referred to as “Term”.

3. Master Lease. Except as modified herein, this Sublease and all of the rights of the parties hereunder are subject and subordinate to the Master Lease. Sublessee agrees to be bound by and satisfy all of the covenants, terms and conditions of the Master Lease applicable to the Premises, its occupancy thereof, and Sublessor's duties and obligations under said Master Lease applicable to the Premises. Sublessee covenants and agrees to refrain from violating or breaching any of the terms, covenants or conditions of the Master Lease or this Sublease. Except for the surrender, turn over and holdover rents provisions, to the extent of any conflict between the terms of this Sublease and the Master Lease, the terms of this Sublease shall control. If the Master Lease is terminated for any reason whatsoever, this Sublease shall automatically terminate at such time.

4. Other Agreements. Sublessee agrees to comply with all of the terms and conditions of any franchise agreement, development agreement, asset purchase agreement, promissory note, this Sublease and any guaranty, or other agreement entered into by Sublessee (collectively, the "**Agreements**"), any of its Affiliates (for the purposes of this Sublease, "Affiliate" shall mean any individual, group, association, limited or general partnership, corporation or other business entity which directly or indirectly controls the Sublessee, is controlled by, or is under common control with the Sublessee, or which directly or indirectly owns, controls, or holds power to vote ten percent (10%) or more of the outstanding voting securities of Sublessee, or which has in common one or more partners, officers, directors, trustees, branch managers, or other persons occupying similar status or performing similar functions), predecessors, or successors and Sublessor or any of its Affiliates, predecessors, or successors. Any default by Sublessee of any of the Agreements listed in this Section 4 above shall, at the option of Sublessor be and constitute a default under this Sublease, such that the Agreements listed in this Section 4 above and this Sublease are cross-defaulted. To the extent that any insurance requirements, record or bookkeeping requirements, or any other requirements in the above-described franchise, development, or other agreements require more from the Sublessee than the respective provisions of this Sublease, than the provisions of said franchise, development, and other agreements shall supersede and control.

5. Rent. Beginning on the Commencement Date, Sublessee shall pay to Sublessor fixed rent ("Base Rent") for each year of the Lease Term, to be due and payable without prior demand, offset or deduction whatsoever, in monthly installments in advance on the first day of each month during the Lease Term in accordance with the Rider to Sublease Agreement, attached hereto and made a part hereof. In addition, Sublessee shall be responsible for any state sales tax and shall pay directly to the respective governmental authority. If this Sublease shall commence on any day other than the first day of a calendar month, the monthly installment for the first and last month of the Lease Term shall be prorated. Beginning on the Commencement Date, Sublessee shall, in addition to Base Rent (as defined below), pay to Sublessor on or before the due date therefor, all sums whether or not required to be paid by Sublessor under the Master Lease, to the extent related to the Premises, including without limitation Sublessor's share of Common Area Expenses, if any, (as defined in the Master Lease), charges, costs, expenses, and sums, whether such sum is due the Master Landlord, a third party, or to reimburse the Master Landlord for taxes, property taxes, operating expenses, charges for water, sewer taxes, assessments, common area maintenance charges or other charges, costs, expenses, and sums incurred in connection with the Premises (collectively, "Additional Rent"), (Base Rent and Additional Rent (defined below), shall be referred to collectively as "Rent"). Any separately invoiced Rent shall be paid to Sublessor no later than: five (5) days prior to the date upon which Sublessor's payment of such Additional Rent is due, or ten (10) days after Sublessee shall have received a notice referencing the Additional Rent due (the notice shall be accompanied by a copy of the original invoice). If the Commencement Date of this Sublease is other than the first day of a month, Sublessee shall be required to pay a pro rata portion of the monthly installment of the Additional Rent for any partial month.

All Rent payments shall be made by ACH from Sublessee's business account (pursuant to an automatic debit agreement substantially in the form attached hereto as Exhibit "B"), unless otherwise specifically stated in writing by Sublessor; provided that, upon Sublessee's receipt of written notice from the Master Landlord that an Event of Default (as defined in the Master Lease) on the part of Sublessor has occurred under the Master Lease, Sublessee shall deliver all Rent as directed by Master Landlord from time to time, and further provided that, by giving such notice, Master Landlord shall NOT be deemed to have assumed any obligations of Sublessor under this Sublease, and all notices or other communications should still be made in the manner provided in this Sublease. Sublessee's covenant to pay Rent shall be independent of every other covenant in this Sublease. If Rent is not paid according to the terms of this Sublease, it shall be subject to the late fee, interest, and other terms and conditions, specified in the Master Lease.

In the event there are insufficient funds in Sublessee's bank account when Sublessor debits amounts due to it from Sublessee, Sublessee will pay Sublessor fifty US Dollars (\$50.00) per attempt by Sublessor to debit the amounts owed.

6. Additional Obligations of Sublessee. Notwithstanding any other provisions in this Sublease or the Master Lease, Sublessee shall be responsible for the following:

- (a) Paying for all Real Estate Taxes and sales taxes applicable to the Premises as Additional Rent as provided in Section 5 herein;
- (b) Paying costs of obtaining Master Landlord's approval of Sublessee and consent of Sublease Agreement, if applicable;
- (c) Performing or causing to be performed all major and structural Repairs related to the Premises pursuant to the provisions of Section 9 herein;
- (d) Maintaining or causing to be maintained certain insurance against physical loss or damage to the Premises and against consequential losses arising from physical loss or damage to the Premise pursuant to Sections 10, 13 and 14 herein;
- (e) The repair, replacement or rebuilding of the Premises, to the extent the Premises are damaged or destroyed by fire or other casualty, pursuant to Sections 10, 13 and 14 herein;
- (f) The repair or reconstruction of the Premises, to the extent that the Premises have been subject to the taking as a result of condemnation or eminent domain, pursuant to Section 14 herein; and,
- (g) For making all major and structural Repairs relating to the Premises.

7. Condition of Premises. Sublessee acknowledges that it has had access to the Premises prior to the execution of this Sublease and has had the opportunity to perform all tests, studies, inspections and investigations (including, without limitation, any investigations regarding zoning and use issues regarding the Premises) that it desires, and that Sublessee is accepting the Premises in its "AS IS" condition existing on the date the Sublessee executes this Sublease. Sublessee acknowledges that it has been afforded the right and opportunity to investigate whether or not the Premises is in compliance with all local, state and federal laws, codes, rules and regulations now in existence or hereafter promulgated, including without limitation, the Americans with Disabilities Act of 1990 as amended, and applicable building and fire codes (collectively, "**Laws**"). Sublessee hereby accepts the Premises in its condition as of the Effective Date hereunder, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations, including private easements and restrictions, governing and regulating the Premises, whether or not of record, and accepts this Sublease subject thereto. The taking of possession of the Premises by Sublessee shall be conclusive evidence that the Premises were in good order and satisfactory condition when possession was taken and were suitable for the use intended.

8. Right of Access. In addition to the rights granted to Master Landlord under the Master Lease, Sublessor and its respective agents and designees, shall have the right on not less than twenty-four (24) hours' prior written notice to Sublessee (except in the event of an emergency, where no prior notice shall be required) to enter to enter the Premises at all reasonable hours to inspect the Premises or to determine whether Sublessee is complying with this Sublease, or, during the period commencing one hundred eighty (180) days prior to the end of the Initial Term, for the purpose of exhibiting same to prospective tenants. Sublessor's right to enter and inspect the Premises shall include the right to take samples of environmental media as necessary to confirm the presence or absence of hazardous materials. Such entry and/or inspection shall not interfere unreasonably with Sublessee's ability to conduct its business operations at the Premises. Nothing in this section shall imply or impose any duty or obligation upon Sublessor to enter the Premises at any time for any purpose, or to inspect the Premises or perform, or pay for any work, and Sublessor has no such duty or obligation.

9. Repairs, Improvements and Alterations. From the Effective Date herein and continuing throughout the Term of this Sublease, Sublessee, at its sole cost and expense, shall maintain the Premises and each part thereof, in good order and condition, ordinary wear and tear and damage by casualty excepted (such obligations shall include, without limitation, the obligation to maintain all areas inside and outside of the Premises, structural and non-structural (including all mechanicals, electrical, plumbing and HVAC systems, all sidewalks, driveways, parking lots, landscaping, trash enclosures, and trash compacting and loading areas on the Premises), in a neat and clean condition, and ensuring that debris from the operation of the restaurant on the Premises are cleaned on a regular basis) and, subject to the terms and conditions of this Section 9, shall make any necessary Alterations thereto, interior and exterior, whether extraordinary, major or minor, structural or nonstructural, foreseen or unforeseen but subject to the casualty and condemnation provisions of this Sublease. When used in this Section 9, the term "Alterations" shall include all such replacements, renewals, alterations, additions and betterments necessary for Sublessee to properly maintain the Premises in good order and condition and in compliance with all applicable laws. The adequacy of any and all Repairs to the Premises required or conducted pursuant to this section are subject to the terms of this Section 9 and to the Master Lease.

All Alterations shall be subject to the prior written consent of Sublessor, whose consent shall not be unreasonably withheld. If Alterations are permitted and consented to as described above, Sublessee shall comply with all of the terms and conditions and covenants of this Section 9 and the Master Lease pertaining to the performance of such Alterations and shall indemnify, defend and hold harmless Sublessor and Master Landlord against liability, loss, cost, damage, liens and expense imposed upon Sublessor or Master Landlord arising out of the performance of such Alterations by Sublessee.

(a) Any and all Alterations, modifications and/or improvements to the Premises, including any drive-through (now existing or to be constructed) shall comply with all applicable laws, zoning, municipal, county and state laws, approvals, ordinances and regulations, including private easements and restrictions, governing and regulating the Premises. Such Alterations shall not result in the Premises being in violation of any agreement, restriction, covenant, judgment, decree, mortgage, or lease by which Sublessor or the Premises is bound. In addition, any and all Alterations, modifications and/or improvements shall not encroach upon any set back line, property line or easement, and there shall be no encroachments or projections by any structures onto, under or from the Premises.

(b) Upon completion of any and all Alterations, modifications and/or improvements to the Premises Sublessee shall deliver to Sublessor a certification in form and substance acceptable to Sublessor, issued by the general contractor who constructed the Alterations, modifications and/or improvements to the Premises, that (A) the Alterations, modifications and/or improvements have been constructed and/or installed in accordance with the Plans, (B) the Alterations, modifications and/or improvements complies with all approvals, applicable building codes, applicable laws, zoning, municipal, county and state laws, ordinances and regulations, including private easements and restrictions, governing

and regulating the Premises and any other governmental requirements including, but not limited to the American's With Disability Act, as amended; and (C) the Alterations, modifications and/or improvements contain no asbestos.

10. Insurance.

(a) Sublessee's Insurance. At its own expense, Sublessee shall obtain and continue in force the following insurance policies, or any other insurance policies to be carried by Sublessor under the Master Lease, and such insurance shall name Sublessor, as well as Master Landlord, and other entities in the manner required therein:

i. Property insurance for damage to the Premises, including Sublessee's leasehold improvements in an amount at least equal to one hundred percent (100%) of the full replacement cost thereof (exclusive of the cost of excavations, foundations and footings) under an ISO Causes of Loss – Special Form policy, or its equivalent. If the property is prone to geological phenomenon such as earthquakes or is located in flood zone A/V, Sublessee must purchase insurance to cover such risks.

ii. Commercial general liability insurance, or its equivalent, with a combined single limit for bodily injury, death and property damage of not less than \$2,000,000 in the aggregate and \$1,000,000 for any particular incident. Sublessee shall review its liability policy limits at least every two (2) years to ensure that the same are standard for similar operations.

iii. Sublessee shall, at Sublessee's expense, obtain and keep in force during the Term of this Sublease a policy of Business Interruption insurance covering a period of not less than six (6) months. This insurance shall also cover at least six (6) month's sublease rent amount.

iv. Sublessee shall, at Sublessee's expense, obtain and keep in force during the term of this Sublease a policy or policies of insurance covering loss or damage due to perils caused by earthquake and/or flood, if such building improvements to the Premises are located within a FEMA federally-insured flood zone A or AE and such flood insurance is otherwise readily available, together with earthquake coverage to the extent the Premises are located in a seismic "earthquake zone" and to the extent that such insurance is readily available to the Premises.

v. Sublessee shall, at Sublessee's expense, obtain and keep in force during the Term of this Sublease a workers' compensation policy, insuring against and satisfying Sublessee's obligations and liabilities under the workers' compensation laws of the state in which the Premises are located, including Employer's Liability insurance, in an amount not less than that which is required by applicable law.

(b) Evidence of Insurance. Sublessee shall deliver only to the Sublessor certificates evidencing said policy or policies of insurance prior to the date of any use or occupancy of the Premises by Sublessee and thereafter (after annual renewal). Sublessee's general liability policy shall name Sublessor, Master Landlord and its designees as additional insureds. Sublessee's property policy shall name Sublessor and its Lender as loss payee. Sublessor shall be the sole certificate holder.

(c) Blanket Policies. Sublessee may, at its option, bring its obligations to insure under this Section within the coverage of any so-called blanket policy or policies of insurance that it may now or hereafter carry, by appropriate amendment, rider, endorsement or otherwise; provided, however, that the interests of Sublessor shall thereby be as fully protected as they would be otherwise if this option were not permitted.

(d) Waiver of Claims. Anything in this Sublease to the contrary notwithstanding, Sublessor and Sublessee each hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss or damage that may occur to the Premises or any improvements thereto, or any personal property of Sublessor or Sublessee, arising from any cause that is insured against, and for which insurance proceeds are actually paid the claimant, under the terms of any property insurance actually carried, regardless of whether the same is required hereunder. The foregoing waiver shall apply regardless of the cause or origin of such claim, including but not limited to the negligence of a party, or such party's agents, officers, employees or contractors. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Sublessor or Sublessee. The foregoing waiver shall also apply to any deductible, as if the same were a part of the insurance recovery.

(e) Insurance Company Requirement. Insurance required by this Sublease shall be issued by companies holding a general policyholder's rating of at least "A" as set forth in the most current issue of Best's Insurance Guide and authorized to do business in the State in which the Premises are located. If this publication is discontinued, then another insurance rating guide or service generally recognized as authoritative shall be substituted by Sublessor.

(f) Insurance Certificate Requirements. Sublessee shall deliver to Sublessor, and no other party other than Sublessor, a property certificate naming Sublessor as loss payee and liability certificate naming Sublessor as additional insured. No policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Sublessor. Sublessee's obligations for all such insurance policies shall be applicable from and after the Commencement Date; it being expressly provided that Sublessee shall not be responsible for any insurance during the time from the Effective Date of this Sublease up until the Commencement Date, i.e., during the construction phase of the improvements to the Premises being made directly by Sublessor. Sublessor shall either obtain or shall cause its own general contractor to obtain and maintain all insurance during the construction phase, including, without limitation, general liability, builder's risk, including insurance against damage, loss or theft of materials delivered to the construction site and not yet installed in the Premises and also furniture, fixtures and equipment that may from time to time be delivered to the construction site and received by Sublessor (or its contractor), whether or not permanently installed, together with business interruption insurance to the extent available in the state in which the Premises are located.

11. Insurance Escrow. Sublessor reserves the right, at any time and for any reason or no reason at all, to require Sublessee to make its insurance payments, as required under the Sublease, in advance with each monthly insurance payment into an escrow account held by the Sublessor. The amount of each monthly escrow payment shall be determined by a good faith estimate of the Sublessor, based upon the insurance history of the Premises. Sublessor shall send Sublessee written notice of its intention to impose this escrow requirement, including the amount of the required monthly payments at least fifteen (15) days prior to the first required escrow payment by Sublessee. Sublessee shall then begin paying estimated amounts (the "**Sublessee's Insurance Payments**") for each month, in advance, on or before the first day of each month, together with Sublessee's payment of Rent, and Sublessee's Insurance Payments shall be deemed Additional Rent hereunder. Sublessor may reasonably adjust Sublessee's Insurance Payments from time to time during the Term. Sublessor shall provide Sublessee with an annual statement showing Sublessee's Insurance Payments and the amount of Sublessee's actual obligation for insurance for the calendar year. If the statement shows that Sublessee's Insurance Payments were less than Sublessee's actual obligation for insurance, Sublessee shall pay the difference with its next payment of Rent (or if the Sublease is scheduled to expire, or has expired, and no further Rent is due, Sublessee shall immediately pay the difference to Sublessor, and payment of the amount owing shall be a precondition to the expiration of the Sublease). If the statement shows that Sublessee's Insurance Payments exceeded Sublessee's actual obligation for insurance, Sublessee shall receive a credit for the difference against its next payment of Rent due. If the Sublease is scheduled to expire, or has expired, and no further Rent shall be due, Sublessor shall

refund such difference when Sublessor sends the statement; provided, however, Sublessor shall have no obligation to return any difference to the Sublessee if this Sublease is terminated as a result of Sublessee's default under the Sublease.

12. Assignment and Subletting. Sublessee shall not (i) assign, mortgage or otherwise convey this Sublease or any interest under it; (ii) allow any transfer thereof or any lien upon Sublessee's interest by operation of law; (iii) sublet the Premises or any part thereof; or (iv) permit the occupancy of the Premises or any part thereof by anyone other than Sublessee (any and all of the above-described conveyances of the Premises, or any interest(s) therein, shall be collectively referred to in this Sublease as a "**Transfer**"). Any Transfer by Sublessee shall be subject to and made pursuant to the terms and conditions of the Master Lease, including but not limited to any provisions thereof requiring the prior written consent of the Master Landlord. Additionally, Sublessee shall be required to obtain Sublessor's prior written consent to any Transfer, and Sublessor's consent may be withheld in its sole discretion. Any cost of obtaining Master Landlord's consent or Sublessor's consent shall be borne by Sublessee. No permitted Transfer shall be effective unless and until any default by Sublessee hereunder shall have been cured. No Transfer shall relieve Sublessee from Sublessee's obligations and agreements hereunder and Sublessee shall continue to be liable as a principal, not solely as a guarantor or surety, to the same extent as though no Transfer had been made. Attempted Transfers in violation hereof shall be null, void, and of no force and effect and shall constitute a default of the Sublease.

13. Casualty.

(a) Casualty; Continuation of Obligations. If any loss, theft, damage to, or destruction of, any of the Premises from any cause whatsoever (a "**Casualty**") occurs, whether or not covered by insurance, Sublessee will promptly give Sublessor written notice of the Casualty, generally describing the nature and extent of the Casualty. No Casualty shall relieve Sublessee of any of its obligations under this Sublease or the other lease documents, including its obligations to make the regularly scheduled payments of Rent under this Sublease.

(b) Adjustment of Losses. Sublessor, at Sublessor's option and in Sublessor's sole discretion, shall settle, adjust, or compromise any claim for loss or damage in connection with any Casualty.

(c) Restoration Obligation. Promptly following the occurrence of a Casualty, Sublessee shall, at Sublessee's expense, commence and diligently complete the repair, restoration, replacement, and rebuilding of the Premises as nearly as possible to its value, condition and character immediately prior to the Casualty (a "**Restoration**"). Sublessee shall not be excused from repairing or maintaining the Premises or from Sublessee's Restoration obligation, regardless of whether there are Insurance Proceeds (as defined below) available to Sublessee or whether any such Insurance Proceeds are sufficient in amount, and the application or release by Sublessor of any Insurance Proceeds shall not cure or waive any default or notice of default under this Sublease or the other lease documents or invalidate any act done pursuant to such default or notice of default.

(d) Termination of Lease. Notwithstanding the foregoing, if the building comprising the Premises is damaged or destroyed during the last lease year of the then Term, including any Extension Period, and the cost of restoring such damage or destruction exceeds fifty percent (50%) of the then replacement value of the building, fixtures and improvements comprising the Premises, as reasonably determined by Sublessor, exclusive of the cost of the foundation, and an Event of Default shall not have occurred and be continuing, then Sublessee shall have the right to terminate this Sublease by giving notice of such termination ("**Termination Notice**") to Sublessor within thirty (30) days after the occurrence of such Casualty, in which event this Lease shall be deemed terminated effective as of the later of the date (i) such Termination Notice is delivered to Sublessor, (ii) Sublessee vacates the Premises following such

Casualty, and (iii) Sublessor receives all proceeds of any insurance payable with respect to such Casualty and Sublessee has paid to Sublessor an amount equal to the insurance deductible applicable to such Casualty and the cost of restoration resulting from such Casualty which was not covered by insurance. If this Sublease is terminated pursuant to this subsection, Rent and all other charges and costs payable hereunder shall be adjusted and paid to the effective date of termination. Such termination shall not limit Sublessee's obligations under this Sublease arising or accruing prior to the effective date of such termination and/or which by the terms of this Sublease survive such termination. Notwithstanding the foregoing, in the event of a casualty during the last lease year of the Term of this Sublease at a time when there are unexercised renewal options in favor of Sublessee, and if Sublessee gives written notice to Sublessor of Sublessee's election to exercise the next available renewal option within thirty (30) days after the date of occurrence of such casualty, then such casualty shall be deemed not to have occurred during the last year of the Term of this Sublease, and the provisions of Section 13.3 above shall of applicable.

(e) Application of Insurance Proceeds. All proceeds of insurance with respect to any Casualty (the "**Insurance Proceeds**") shall be payable to Sublessor, and Sublessee authorizes and directs any affected insurance company to make payment of the Insurance Proceeds directly to Sublessor. If Sublessee receives any Insurance Proceeds relating to such Casualty, Sublessee shall promptly pay over such proceeds to Sublessor. If no Default has occurred and is continuing, the Insurance Proceeds, less the costs, fees and expenses incurred by Sublessor and Sublessee in the collection thereof, including adjuster's fees and expenses and reasonable attorneys' fees and expenses (the "**Net Insurance Proceeds**"), shall be made available to Sublessee as follows:

i. If the Net Insurance Proceeds are less than \$50,000, the Net Insurance Proceeds shall be paid to Sublessee and applied by Sublessee toward the cost of the Restoration; and

ii. If Net Insurance Proceeds are \$50,000 or greater, then the Net Insurance Proceeds shall be held and disbursed by Sublessor may from time to time direct, as the Restoration progresses, to pay or reimburse Sublessee for the cost of the Restoration, upon written request of Sublessee accompanied by evidence, reasonably satisfactory to Sublessor, that: (A) the Restoration is in compliance with all Applicable Law and all private restrictions and requirements; (B) the amount requested has been paid or is then due and payable and is properly a part of such cost; (C) there are no mechanics' or similar Liens for labor or materials previously supplied in connection with the Restoration; (D) if the estimated cost of the Restoration exceeds the Net Insurance Proceeds (exclusive of proceeds received from Sublessee's business income insurance), Sublessee has deposited into an escrow satisfactory to Sublessor such excess amount, which sum will be disbursed pursuant to escrow instructions satisfactory to Sublessor; and (E) the balance of such Net Insurance Proceeds, together with the funds deposited into escrow, if any, pursuant to the preceding subsection, after making the payment requested, will be sufficient to pay the balance of the cost of the Restoration. Upon receipt of Sublessor of evidence reasonably satisfactory to it that the Restoration has been completed and the cost thereof paid in full, and that there are no mechanics' or similar Liens for labor or materials supplied in connection therewith, the balance, if any, of such Net Insurance Proceeds shall be retained by Sublessor.

All such work to be performed under this Section 13 shall be performed in accordance with the standards and requirements for Alterations set forth herein and in Articles of the Master Lease covering Alterations. It is agreed that Base Rent and Additional Rent required to be paid by Sublessee hereunder shall not abate as a result of any casualty.

#### 14. Condemnation.

(a) Condemnation Damages. In the event of the taking or conveyance of the whole or any part of the Premises by reason of condemnation, eminent domain, appropriation, annexation, or taking

or sale in lieu thereof, by any public or quasi-public body (the “**Condemnation**”), Fee Owner, Sublessor and Sublessee shall represent themselves independently in seeking damages before the condemning body. Neither Fee Owner nor Sublessor shall agree to any settlement in lieu of Condemnation with the condemning authority without Sublessee’s consent. If a party to this Sublease receives notice of any proposed or pending Condemnation affecting the Premises, such party shall promptly give notice to the other party. Sublessor or Fee Owner shall be entitled to all such awards attributable to the value of the real estate and improvements thereon. Sublessee shall be entitled to all such awards attributable to the value of its lost remaining leasehold interest, and all compensation paid specifically for business damages and any special damages suffered by it as a result of said Condemnation. Neither Sublessor nor Fee Owner shall make a claim in such proceedings for any of the following: (i) a sum attributable to Sublessee’s leasehold improvements or alterations made to the Premises by Sublessee in accordance with this Sublease, which improvements or alterations Sublessee has the right to remove from the Premises upon the termination of the Sublease pursuant to the provisions of this Sublease, but elects not to remove, (ii) any portion of the award attributable to Sublessee’s furniture, trade fixtures, and equipment installed in the Premises in accordance with this Sublease which are to remain in the Premises as a result of such taking, or (iii) loss due to removing Sublessee’s merchandise, furniture, trade fixtures, and equipment or for damage to Sublessee’s business, moving expenses, and/or loss of business.

(b) **Total Permanent Condemnation**. In the event of a Condemnation of the entire Premises by reason of condemnation, eminent domain, appropriation, annexation, or taking or sale in lieu, this Sublease shall terminate as of the date of such Condemnation. As of such date all obligations between Sublessor and Sublessee shall cease including rent and other charges.

(c) **Partial Permanent Condemnation**. In the event that a partial Condemnation, that affects the use of the Premises to the extent that, as a result of such Condemnation (and excluding other causes), (i) Sublessee’s gross revenue from same is reduced on an annual basis by at least twenty-five percent (25%) of Sublessee’s gross revenue immediately prior to such Condemnation, or (ii) Sublessee is actually unable to continue the use of the Premises in accordance with this Sublease, or (iii) in the event the Premises, or any material part thereof, including any portion of the drive-through lanes, the “circulation lanes” leading to the “drive-through” lanes, or the “pass-through” lanes around the “drive-through” lanes, any easements for access, driveways, twenty-five percent (25%) or more of the frontage or parking spaces, detention, utilities or other purposes which serve the Premises (unless reasonable substitute easements are provided by Sublessor so as not to unreasonably interfere with service provided by such easements), or any streets or highways leading to the Premises shall be appropriated or closed for any public use by virtue of eminent domain or condemnation proceeding, or by reason of any law or ordinance, or by court decree, whether by consent or otherwise, or by any deed in lieu of any such taking, or any other item or portion of the Premises that results in the balance of the Premises not suitable for Sublessee’s use in its sole discretion, then Sublessee shall have the right to terminate this Sublease by giving Sublessor sixty (60) days’ written notice of its intention to terminate this Sublease within sixty (60) days of such taking. The effective date of the termination shall be sixty (60) days after the date on which Sublessor receives Sublessee’s notice of termination. In the event of a Condemnation pursuant to this Section 14 and Sublessee elects not to terminate this Sublease, Sublessee shall be entitled to a reduction of Base Rent in the same proportion as the reduction of the Premises caused by the Condemnation.

(d) **Total Temporary Condemnation**. In the event of a Condemnation of the entire Premises or, in the judgment of Sublessee, a substantial portion as would render the balance of the Premises not suitable for Sublessee’s use, for a period of twelve (12) months less, the Sublease shall toll from the time the Premises is surrendered to the condemning authority and recommence when possession is restored to Sublessee. Sublessee shall be entitled to an abatement of the Rent from the time the Premises are surrendered until possession is restored. If such taking shall extend beyond such twelve (12) month period,

the taking shall, at the option of Sublessee, be considered permanent and Sublessee shall have all its rights, including the right to terminate this Sublease as provided in this Section 14.

(e) Partial Temporary Condemnation. In the event of a Condemnation of less than the entire Premises or, in the judgment of Sublessee, not such a substantial portion and Sublessee is able to continue its use of the balance of the Premises for Sublessee's use, for a period of twelve (12) months or less, Sublessee shall be entitled to the entire award granted for the Fee Owner, Sublessor and Sublessee. In consideration of such entire award, Sublessee shall not be entitled to any reduction or abatement of Rent or other charges payable by Sublessee under the Sublease.

(f) General. Should Sublessor and Sublessee be unable to agree as to the division of any single award or the amount of any reduction of rents and other charges payable by Sublessee under the Sublease, such dispute shall be submitted for resolution to the court exercising jurisdiction of the Condemnation proceedings, each party bearing its respective costs for such determination. Sublessor shall not agree to any settlement in lieu of Condemnation with the condemning authority without Sublessee's consent.

Sublessor represents and warrants that at the Effective Date it has no actual or constructive knowledge of any proposed Condemnation of any part of the Premises. In the event that subsequent to the Effective Date, but prior to the Commencement Date, a total or partial Condemnation, either permanent or temporary, is proposed by any competent authority, Sublessee shall be under no obligation to commence or continue construction of the building and other improvements, and rent and other charges, if any, payable by Sublessee under the Sublease shall abate until such time as it can be reasonably ascertained that the Premises shall not be so affected. In the event the Premises is so affected, Sublessee shall be entitled to all rights, damages and awards pursuant to the appropriate provisions of this Section 14.

15. Surrender of Premises. Upon expiration, or earlier termination, of this Sublease, Sublessee shall peacefully surrender possession of the Premises to Sublessor in the same condition as existed on the Commencement Date, in broom clean, in good condition and repair, except for ordinary wear and tear, or if Sublessor shall request, in the condition required by the Master Lease. Sublessee shall complete, and provide to Sublessor, the attached "PREMISES CLOSING/DE-IDENTIFICATION CHECKLIST FOR SUBLLEESE" attached hereto as Exhibit "C" prior to the surrender of the premises. All Alterations made by Sublessee shall become a part of and shall remain upon the Premises upon expiration, or earlier termination of, the Sublease, without compensation, allowance or credit to Sublessee; provided however, that Sublessor shall have the right to require Sublessee to remove any, or all, Alterations in or upon the Premises. Said right shall be exercisable by Sublessor upon giving written notice thereof to Sublessee on or before twenty (20) days after the expiration, or earlier termination, of the Sublease. Any sums which may be due from Sublessee under this Sublease or the Master Lease shall be paid to Sublessor prior to Sublessee vacating the Premises. Upon the expiration, or earlier termination, of the Sublease, Sublessee shall remove Sublessee's Restaurant Equipment, as defined in the Master Lease; provided, however, that Sublessee shall repair any injury or damage to the Premises which may result from such removal, and shall restore the Premises to the same condition as prior to the installation thereof. If Sublessee does not remove Sublessee's Restaurant Equipment from the Premises prior to the expiration, or earlier termination, of the Sublease, Sublessor may, in its sole discretion, remove the same (and repair any damage occasioned thereby and restore the Premises as aforesaid) and dispose thereof or deliver the same to any other place of business of Sublessee, or warehouse the same, and Sublessee shall pay the cost of such removal, repair, restoration, delivery or warehousing to Sublessor on demand, or Sublessor may treat said Restaurant Equipment as having been conveyed to Sublessor with the Sublease as a Bill of Sale, without further payment or credit by Sublessor to Sublessee. If Sublessee is in default of this Sublease, Sublessor may require Sublessee to abandon its Restaurant Equipment in the Premises as security for said default, and Sublessee hereby agrees that Sublessor shall have a lien on said Restaurant Equipment in such circumstances. Sublessee shall

surrender to Sublessor all keys to the Premises and make known to Sublessor the combination of all combination locks which Sublessee is permitted to leave on the Premises.

16. Holding Over. Sublessee shall have no right to occupy the Premises or any portion thereof after the expiration, or earlier termination, of this Sublease or of Sublessee's right to possession of the Premises. In the event Sublessee or any party claiming by, through or under Sublessee holds over, Sublessor may exercise any and all remedies available to it at law or in equity to recover possession of the Premises, and to recover damages from the Sublessee, including without limitation, damages payable by Sublessor to Master Landlord by reason of such holdover. For each and every month or partial month that Sublessee or any party claiming by, through or under Sublessee remains in occupancy of all or any portion of the Premises after the expiration, or earlier termination, of this Sublease or Sublessee's right to possession, Sublessee shall pay, as liquidated damages and not as a penalty, rental for the month at a rate equal to one hundred fifty percent (150%) of the Rent payable by Sublessee hereunder immediately prior to the expiration, or other termination, of this Sublease or of Sublessee's right to possession. The acceptance by Sublessor of any lesser sum shall be construed as payment on account and not in satisfaction of damages for such holding over.

17. Default by Sublessee, Remedies. It is mutually agreed that, in the event Sublessee shall default in the payment of base rental or additional rent as herein set forth, when due, and fails to cure said default within five (5) days after receipt of written notice thereof from Sublessor; or, if Sublessee shall be in default in performing any of the terms or provisions of this Sublease or the Master Lease other than the provision requiring the payment of rent and fails to cure such default within fifteen (15) days (unless a shorter period is imposed under the Master Lease) after the date of receipt of written notice of default from Sublessor; or, if Sublessee abandons or vacates the Premises during the Term; or, if Sublessee or any of its Affiliates, predecessors, or successors shall be in default of, or there shall have occurred an event of default under, any franchise agreement, development agreement (except for failure to meet the development schedule thereunder), asset purchase agreement, promissory note, guaranty, security agreement, any other lease or sublease or any other agreement entered into by any of them and Sublessor or any Affiliate, predecessor, or successor to Sublessor; or, if Sublessee is adjudicated bankrupt; or, if a permanent receiver, trustee, or debtor-in-possession is appointed for Sublessee's property and such receiver is not removed within thirty (30) days after written notice from Sublessor to Sublessee to obtain such removal; or if, whether voluntarily or involuntarily, Sublessee takes advantage of any debtor relief proceedings, including arrangements under Chapter 11 of the U.S. Bankruptcy Act under any present or future law, Federal or State, whereby the rent or any part thereof is deferred; or, if Sublessee makes an assignment for benefit of creditors; or if Sublessee's effects should be levied upon or attached under process against Sublessee, not satisfied or dissolved within thirty (30) days after written notice from Sublessor to Sublessee to obtain satisfaction thereof; then, and in any of said events, Sublessor, at its option, may do or perform any one or more of the following, in addition to and not in limitation of any other remedy permitted by law, in the Master Lease or in this Sublease:

(a) terminate this Sublease by written notice to Sublessee; whereupon this Sublease shall end. Upon such termination by Sublessor, Sublessee will at once surrender possession of the Premises to Sublessor and remove all of Sublessee's effects therefrom; and Sublessor may forthwith re-enter the Premises and repossess itself thereof, and remove all persons and effects therefrom, using such force as may be necessary without being guilty of trespass, forcible entry or detainer or other tort; and/or

(b) without terminating this Sublease, may, at Sublessor's option, enter upon and take possession and rent the Premises at the best price obtainable by reasonable effort, without advertisement and by private negotiation and for any term that Sublessor deems proper. Sublessee shall be liable to Sublessor for the deficiency, if any, between Sublessee's rent hereunder and the net price obtained by Sublessor on reletting, and all costs and expenses incurred by Sublessor in reletting; and/or

(c) without terminating this Sublease, declare the entire amount of Base Rent and Additional Rent which would become due and payable during the remainder of the Term of this Sublease to be due and payable immediately which total amount shall be discounted to its present value (discounted at a rate equal to 8% per annum); in which event, Sublessee agrees to pay the same at once; provided, however, that such payment shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment in advance of the rent for the remainder of said Term. Upon making such payment, Sublessee shall receive from Sublessor all base rental and additional rents as they are received by Sublessor from any other Sublessee of the Premises until the expiration date of this Sublease; provided, however, that the monies to which Sublessee shall become entitled shall in no event exceed the entire amount payable by Sublessee as provided in this subparagraph (c) less all costs expenses and attorney's fees of Sublessor incurred in connection with the reletting of the Premises. In the event Sublessee shall fail promptly to pay to Sublessor the accelerated Base Rent and Additional Rent provided for herein, Sublessor may pursue an action at law or in equity to recover such amount from Sublessee, and Sublessee shall be liable for all costs and expenses (including court costs and attorneys' fees) incurred by Sublessor in pursuing such action.

Upon the occurrence of any such event of default, Sublessor, in addition to any other remedies available to Sublessor at law or in equity or elsewhere hereunder, shall have the right to pursue any of the remedies afforded the Master Landlord under the Master Lease.

18. Default by Sublessor. In the event of Default under the Master Lease, Master Landlord may elect, in its sole discretion to either (i) accept the terms of the Sublease as a lease between Master Landlord and Sublessee, or (ii) terminate the Sublease, whereby Sublessee shall agree to attorn to Master Landlord by executing a new lease for the then-remaining Term of the Sublease, with all extension options and other right and options set forth therein, and otherwise on terms that integrate, in Master Landlord's reasonable discretion, the terms of the Individual Lease Agreement and the terms of the Supplemental Agreement (and that omit any reference to, or use of, the Replacement Options Letter), such that (a) all of the contractor's obligations under the Supplemental Agreement with respect to the applicable Subleased Premises become the Sublessee's obligations under such lease, (b) Master Landlord is relieved of all such obligations in the lease, and (c) base rent under such new lease is reasonably determined by Master Landlord based on the MAI fair market rental value appraisal of the applicable Subleased Premises, obtained by Master Landlord at Sublessee's expense.

19. Sublessor's Obligations. Subject to Sublessee's performance of its obligations hereunder, Sublessor shall perform and discharge all of the duties and obligations of the Tenant under the Master Lease in the manner and within the time limits required thereunder; provided however that Sublessor shall not be responsible to perform those covenants and obligations under the Master Lease which require possession of the Premises for their performance or which are otherwise required to be performed by Sublessee on behalf of Sublessor.

20. Indemnification

(a) Indemnification of Sublessor. Sublessee shall indemnify, defend, and protect Master Landlord and Sublessor, its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives and hold harmless from any and all loss, cost, damage, expense, liability (including, without limitation, court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause whatsoever in or about the Premises after the Commencement Date or such earlier date as Sublessee may assume occupancy of the Premises, other than damages proximately caused by reason of the gross negligence or willful misconduct of Master Landlord or Sublessor or its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives, including, without limiting the generality of the foregoing: (i) any default by Sublessee in the observance or performance of any of the terms, covenants, or

conditions of this Sublease on Sublessee's part to be observed or performed; (ii) the use or occupancy of the Premises by Sublessee or any person claiming by, through, or under Sublessee; (iii) the condition of the Premises or any occurrence or happening on the Premises from any cause whatsoever, or (iv) any acts, omissions, or negligence of Sublessee or any person claiming by, through, or under Sublessee, or of the contractors, agents, servants, employees, visitors, or licensees of Sublessee or any such person, in, on, or about the Premises, during the Lease Term (including, without limitation, the period between the Commencement Date and the Rent Start Date and any holdovers), including, without limitation, any acts, omissions, or negligence in the making or performance of any alterations. Sublessee further agrees to indemnify and hold harmless Master Landlord and Sublessor, its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives, and the Sublessor or Master Landlord under all ground or underlying leases, from and against any and all loss, cost, liability, damage, and expense (including, without limitation, reasonable attorneys' fees actually incurred on an hourly basis and not as a mere percentage of the amount claimed) actually incurred in connection with or arising from any claims by any persons by reason of injury to persons or damage to property occasioned by any use, occupancy, condition, occurrence, happening, act, omission, or negligence referred to in the preceding sentence. The provisions of this Section shall survive the expiration or sooner termination of this Sublease with respect to any claims or liability occurring prior to such expiration or termination and shall not be limited by reason of any insurance carried by Sublessor and Sublessee. In any event, Sublessor shall not be liable for and Sublessee shall indemnify and hold Sublessor harmless from any loss, cost, damage, expense, or liability arising from Sublessee's or Sublessee agent's, contractor's, employee's or invitee's entry upon the Premises, whether before or after the Commencement Date; other than damages proximately caused by reason of the gross negligence or willful misconduct of Sublessor or its agents and employees. If any action or proceeding is brought against Sublessor by reason of any of the foregoing matters, Sublessee shall upon notice defend the same at Sublessee's expense by counsel reasonably satisfactory to Sublessor and Sublessor shall cooperate with Sublessee in such defense. Sublessor need not have first paid any such claim in order to be defended or indemnified.

(b) Indemnification of Sublessee. Sublessor shall indemnify, defend and protect Sublessee, its agents and employees and hold Sublessee, its agents and employees harmless from any and all loss, cost, damage, expense, liability (including, without limitation, court costs and reasonable attorney's fees actually incurred on an hourly basis and not as a mere percentage of the amount claimed) actually incurred in connection with or arising at any time from the gross negligence or willful misconduct of Sublessor or its agents and employees and any loss, cost, etc. arising during the completion of the improvements contemplated hereunder by Sublessor, except to the extent that such loss, cost, etc. arises from the negligence or willful misconduct of Sublessee or its agents' or employees' entrance upon or use of the Premises.

21. Subordination, Attornment, Non-Disturbance, and Estoppel Certificate.

(a) Subject to the provisions of this Section, this Sublease shall be subject and subordinate to any and all Institutional Mortgages that may now or hereafter affect Sublessor's interest in the real property of which the Premises form a part, and of all renewals, modifications, consolidations, replacements, and extensions thereof. This clause shall be self-operative and no further instruments of subordination shall be required. In confirmation of this subordination Sublessee shall execute, within 10 business days after request to do so from Sublessor, any certificate that Sublessor may reasonably request:

- (i) making this Sublease superior or subordinate to the interests of the mortgagee;
- (ii) agreeing to attorn to the mortgagee or any successor Sublessor;

(iii) agreeing to give the mortgagee notice of, and a reasonable opportunity (which shall in no event be less than 30 days after notice thereof is delivered to mortgagee) to cure any Sublessor default and agreeing to accept such cure if effected by the mortgagee;

(iv) permitting the mortgagee (or other purchaser at any foreclosure sale), and its successors and assigns, on acquiring Sublessor's interest in the Premises and the Sublease, to become substitute Sublessor hereunder, with liability only for such Sublessor obligations as accrue after Sublessor's interest is so acquired provided that this shall not relieve the new owner from any obligation under the Sublease to remedy any condition of the Building or Premises which may have existed prior to the date the new owner acquired such interest, but only be to the extent of the continuation of the existence of the condition after such date; and,

(v) containing such other agreements and covenants on Sublessee's part as Sublessor's mortgagee may reasonably request.

(b) Sublessee's obligation to subordinate its interests or attorn to any future mortgagee is conditioned upon the mortgagee's agreement not to disturb Sublessee's possession and quiet enjoyment of the Premises or any other rights of Sublessee under this Sublease so long as Sublessee is in compliance with the terms of the Sublease.

(c) Sublessee agrees to execute within 10 business days after request, and as often as requested, estoppel certificates confirming any factual matter requested by Sublessor which is true and is within Sublessee's knowledge regarding this Sublease or the Premises, including but not limited to: (i) the date of occupancy, (ii) Expiration Date, (iii) the amount of Rent due and date to which Rent is paid, (iv) whether Sublessee has any defense or offsets to the enforcement of this Sublease or the Rent payable, (v) any default or breach by Sublessor, and (v) whether this Sublease, together with any modifications or amendments, is in full force and effect. Sublessee shall attach to such estoppel certificate copies of any modifications or amendments to the Sublease.

(d) The following basic definitions and provisions apply to this Sublease:

(i) "**Landlord**" or "**Master Landlord**" as used in this Sublease means only the owner of the current interest of Landlord in the Premises or, as the case may be, the successor thereto from time to time. In the event of any transfer at any time of the interest of Landlord, and the written assumption of the obligations under this Sublease by the transferee, the transferor shall be and is entirely freed and relieved of all covenants and obligations of Landlord under this Sublease thereafter arising, and it shall be deemed and construed without further agreement between the parties or their respective successors in interest or between the parties and the transferee that the transferee of Landlord's interest has assumed and agreed to carry out any and all covenants and obligations of Landlord under this Sublease.

(ii) "**Institutional Lender**" means any one of the following: a commercial bank; a savings bank; trust company; insurance company; any investment fund, investment company, finance company, or other entity that extends credit or buys loans as one of its principal businesses; any pension, retirement or welfare fund or other nonprofit organization where the investment policy and financial condition of that fund or organization is subject to the supervision of the state agency, in the state where the Premises are situated, that has supervision of banks or, as the case may be, supervision of insurance companies.

(iii) An "**Institutional Mortgage**" is a mortgage held by an Institutional Lender on the interest of Landlord in the real property constituting the Premises and an "Institutional Mortgagee" is an Institutional Lender who holds an Institutional Mortgage.

22. Brokers. Sublessor and Sublessee hereby covenant and warrant that there are no real estate brokers involved in this transaction (the “**Broker(s)**”), which shall be compensated pursuant to a separate agreement. Sublessor and Sublessee shall indemnify, defend, and hold the other party harmless from any claims, demands, actions, damages, liabilities, costs or expenses which may be asserted or recovered against the other as a result of any brokerage fee, commission, or other compensation arising in breach of this representation and warranty.

23. Notices. All notices, demands and any other communications by either party to the other in connection with this Sublease shall be in writing and shall be delivered by personal delivery, by nationally recognized overnight courier service, or by certified U.S. Mail, return receipt requested, to the parties at the addresses set out below or at such other addresses as may be specified by written notice delivered in accordance herewith. All notices shall be effective upon receipt thereof. Notices sent via certified U. S. mail with return receipt requested are effective on the earliest of the date received, the date of the delivery receipt, or the third day after postmark, as applicable.

Sublessor: Cajun Realty, LLC  
980 Hammond Drive, Suite 1100  
Atlanta, GA 30328  
Attention: Office of General Counsel  
Tel: (770) 350-3800  
With a mandatory copy to:  
Cajun Realty, LLC, d/b/a Church's Texas Chicken  
Via email: [ogclegal@churchs.com](mailto:ogclegal@churchs.com)

Sublessee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Via email: \_\_\_\_\_

Master Landlord: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

24. Miscellaneous.

(a) The parties acknowledge that the Master Lease is governed by and construed in accordance with the laws of the State of \_\_\_\_\_ except as otherwise stated. To the extent that Master Landlord is a party to any actions or to the extent that the terms of the Master Lease are in issue, the laws of the State of \_\_\_\_\_ shall apply, except as otherwise provided in the Master Lease. Otherwise, this Sublease will be governed by and construed in accordance with the laws of the State in which the Premises are located.

(b) IN ADDITION TO THE JURISDICTION AND VENUE PROVIDED IN ARTICLE XXXII OF THE MASTER LEASE, IN THE EVENT THE MASTER LANDLORD IS NOT A PARTY TO AN ACTION, SUBLLESSOR AND SUBLLESEE HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF FULTON, STATE OF GEORGIA, OR WITHIN THE COUNTY AND STATE IN WHICH THE PREMISES IS LOCATED.

EACH SUBLASSOR AND SUBLASSSEE, TO THE EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY WILL, AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS SUBLLEASE. SUBLASSSEE ACKNOWLEDGES THAT THE PROVISIONS OF THIS PARAGRAPH ARE A MATERIAL INDUCEMENT TO SUBLASSOR'S ENTERING INTO THE SUBLLEASE.

(c) So long as Sublessee is not in default in the performance of its covenants and agreements in the Sublease and the covenants and agreements in the Master Lease to the extent relating to the Premises, and subject to the terms and conditions of the Sublease and Master Lease, Sublessee's quiet and peaceable enjoyment of the Premises shall not be disturbed or interfered with by Sublessor, or by any person claiming by, through, or under Sublessor.

(d) In any lawsuit, court action, or other proceeding between Sublessor and Sublessee to enforce the terms of this Sublease, or otherwise arising out of, or in any way related to, this Sublease, the prevailing party in such action shall be entitled to and shall collect from the non-prevailing party, the prevailing party's reasonable expenses, attorney's fees and court costs to the extent actually incurred, including the same on appeal, and including, but not limited to, such expenses, attorney's fees and court costs as the Sublessor may be obligated to reimburse the Master Landlord pursuant to the Master Lease, to the extent that such arise as a result of the Sublessee's failure to comply with the provisions of the Master Lease. As used herein, the term "prevailing party" means the party who, in light of the claims, causes of action, and defenses asserted, is afforded greater relief.

(e) This Sublease, together with the provisions of the Master Lease applicable to the Premises, contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

(f) This Sublease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(g) If any one or more of the provisions in this Sublease or the Master Lease are for any reason held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision of the Sublease or Master Lease, which will be construed as if it had not included the invalid, illegal or unenforceable provision(s).

(h) The paragraph and section headings in this Sublease are inserted only as a matter of convenience and are not to be given any effect whatsoever in construing this Sublease.

(i) This Sublease may be executed in multiple counterparts which, when taken together, shall be regarded as one complete agreement and the parties hereto expressly acknowledge and agree to same. Additionally, to facilitate execution, the parties may execute and exchange electronic transmission (i.e., DocuSign or AdobeSign, e-mail but not facsimile) counterparts of the signature pages and such counterparts shall serve as originals. Electronic signatures (such as via .pdf, DocuSign or AdobeSign) are acceptable as valid signatures to the greatest extent permitted by applicable law.

(j) Any and all proprietary items of Sublessor, including, without limitation, all items having on them, or themselves constituting, trademarks, service marks, trade names or logos, shall remain at all times the property of Sublessor.

(k) Simultaneously with the execution of this Sublease, Sublessee shall deposit with Sublessor a security deposit in the amount of \_\_\_\_\_ (\$\_\_\_\_\_) which will constitute the greater of the first and last months' Rent or the amount required under the terms of the Master Lease (the "**Security Deposit**") as security for the performance of each and every covenant, agreement and condition of this Sublease to be performed by Sublessee. Sublessor may use all or any part of the security so deposited for the payment of any Rent or other sums as to which Sublessee may be in default hereunder, or for any sum which Sublessor may expend to cure any default of Sublessee or by reason of Sublessee's default. After each application from the security deposit, Sublessee shall within thirty (30) days following written request therefore replenish said deposit to its original amount. Provided that Sublessee has complied with all the terms of this Sublease, the security deposit shall be returned to Sublessee without interest after the surrender of possession of the Premises to Sublessor in accordance with the terms of this Sublease. The covenants in this section are personal covenants between Sublessor and Sublessee and not covenants running with the land and in no event will any Mortgagee or any purchaser at a foreclosure sale or a sale in lieu of foreclosure be liable to Sublessee for the return of the security deposit.

25. Utilities. Sublessee shall be solely responsible for and shall promptly pay, when due, the costs of all utility connections within the Premises and all charges for water, gas, electricity, sewerage, telephone, cable, internet, satellite and other utilities used or consumed on the Premises, including connection fees and taxes thereon. All such utility services shall be obtained directly from and supplied directly by the utility company providing such services and be in the name of Sublessee. Sublessee shall be responsible for installing utility meters in the Premises, if and when required by utility service providers. In the case of any utilities or services which are not separately metered and billed directly to Sublessee, but are metered jointly with other premises, Sublessee shall pay to the parties entitled thereto, a pro rata share based on Sublessee's usage of such utilities and services. Sublessor does not warrant any utility services, connections or facilities whatsoever, and Sublessor shall not be liable in damages or otherwise for any failure or interruption of any utility or other service being furnished to the Premises, and no such failure, interruption, delay in, or inability to provide any utility services, connections or facilities for any reason shall be deemed to be an eviction or disturbance of Sublessee's use or possession of the premises by Sublessor, or to cause Sublessor to be liable to Sublessee therefore, or shall entitle Sublessee to any abatement of, set off or reduction in the amounts payable to Sublessor hereunder or otherwise entitle Sublessee to terminate this Sublease.

26. Late Charges. Rent payments not received by Sublessor within five (5) business days after Sublessee's receipt of written notice from Sublessor that the same are past due shall bear interest at the interest rate of five percent (5%). Such interest shall accrue from the date that the unpaid amount was due until full payment. Additionally, if any Rent payment is not received by Sublessor within five (5) business days after Sublessee's receipt of written notice from Sublessor, then Sublessee shall pay to Sublessor a late charge of five percent (5%) of such arrearage. Notwithstanding the foregoing, if Sublessor has already provided Sublessee with two (2) such notices in a calendar year, and if any subsequent Rent payment is not received by Sublessor when due, then the interest and the late charge described above shall be immediately applicable without notice. The preceding provision shall be in addition to all of Sublessor's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Sublessor's remedies in any manner.

27. Rider. Attached to this Sublease and made a part hereof is a Rider to Sublease Agreement (the "**Rider**"). To the extent of any inconsistencies between the terms of the Rider and the terms of this Sublease, the terms of the Rider shall govern and control.

28. Net Lease. The parties intend this Sublease to be a “net lease”, such that after the Commencement Date, except as specifically provided herein, Sublessee shall be responsible for the cost and expense of utilities, all repairs, maintenance and appearance, insurance, real estate taxes and the costs of operating Sublessee’s business on the Premises.

29. Guaranty. This Sublease is expressly conditioned upon the receipt of an executed Guaranty Agreement from \_\_\_\_\_, an individual resident of the State of \_\_\_\_\_ in form and substance attached hereto as Exhibit “D.”

30. Master Landlord Consent. This Sublease is expressly conditioned upon the receipt of Master Landlord’s consent to the terms and conditions of this Sublease, if required, in form and substance attached hereto as Exhibit “E.”

*[signatures on the following page]*

IN WITNESS WHEREOF, Sublessor and Sublessee have executed and delivered this Sublease as of the date first above written.

**SUBLESSOR:**  
CAJUN REALTY LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Danton Nolan  
Executive Vice President and CFO

**SUBLESSEE:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Name: \_\_\_\_\_

## **RIDER TO SUBLEASE AGREEMENT**

This Rider to Sublease Agreement (the “**Rider**”) is executed as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between CAJUN REALTY LLC, a Delaware limited liability company (the “**Sublessor**”), and \_\_\_\_\_, a \_\_\_\_\_ [limited liability company, corporation, company, etc.] (the “**Sublessee**”). To the extent of any inconsistencies between the terms of the Sublease and the terms of this Rider, the terms and provisions of the Rider shall control.

Accordingly, notwithstanding anything to the contrary in the Sublease, the following shall supersede and control:

1. **Base Rent.** Base Rent for the Initial Term shall be the amounts as are described in the following table and shall be paid in accordance with the terms and provisions of this Sublease. **During the Initial Term and any Extension Period, the Base Rent shall increase annually by one and one-half percent (1.5%) over the prior year's amounts.**

<b>INITIAL TERM</b>	<b>MONTHLY BASE RENT</b>	<b>ANNUAL BASE RENT</b>
_____ - _____	\$ _____	\$ _____
_____ - _____	\$ _____	\$ _____
<b>EXTENSION TERM</b>	<b>MONTHLY BASE RENT</b>	<b>ANNUAL BASE RENT</b>
_____ - _____	\$ _____	\$ _____

2. **Tax Escrow.** Sublessor reserves the right, at any time and for any reason or no reason at all, to require Sublessee to make its tax payments, as required under the Sublease, in advance with each monthly rent payment into an escrow account held by the Sublessor. The amount of each monthly escrow payment shall be determined by a good faith estimate of the Sublessor, based upon the tax history of the Premises. Sublessor shall send Sublessee written notice of its intention to impose this escrow requirement, including the amount of the required monthly payments at least fifteen (15) days prior to the first required escrow payment by Sublessee. Sublessee shall then begin paying estimated amounts (the “**Sublessee's Tax Payments**”) for each month, in advance, on or before the first day of each month, together with Sublessee's payment of Rent, and Sublessee's Tax Payments shall be deemed Additional Rent hereunder. Sublessor may reasonably adjust Sublessee's Tax Payments from time to time during the Term. Sublessor shall provide Sublessee with an annual statement showing Sublessee's Tax Payments and the amount of Sublessee's actual obligation for taxes for the calendar year. If the statement shows that Sublessee's Tax Payments were less than Sublessee's actual obligation for taxes, Sublessee shall pay the difference with its next payment of Rent (or if the Sublease is scheduled to expire, or has expired, and no further Rent is due, Sublessee shall immediately pay the difference to Sublessor, and payment of the amount owing shall be a precondition to the expiration of the Sublease). If the statement shows that Sublessee's Tax Payments exceeded Sublessee's actual obligation for taxes, Sublessee shall receive a credit for the difference against its next payment of Rent due. If the Sublease is scheduled to expire, or has expired, and no further Rent shall be due, Sublessor shall refund such difference when Sublessor sends the statement; provided, however, Sublessor shall have no obligation to return any difference to the Sublessee if this Sublease is terminated as a result of Sublessee's default under the Sublease.

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Sublessee Initials

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Sublessor Initials

**EXHIBIT "A"**

**MASTER LEASE**

[See Following Pages]



## **EXHIBIT "B"**

NOTE: A separate Authorization Agreement is required for each bank account, even if all accounts are within the same banking institution.

### **AUTHORIZATION AGREEMENT FOR AUTOMATIC DEBITS FOR PAYMENTS**

For the Sublessee(s) listed above (collectively, "Sublessee"), and the restaurants subleased by Sublessee listed above (collectively, the "Restaurant(s)"), Sublessee hereby authorizes Cajun Global LLC, Cajun Operating Company, Cajun Realty LLC or their affiliates (collectively "Cajun"), any financial institution acting on behalf of Cajun ("Cajun's Bank"), and Sublessee's financial institution which is identified below ("Sublessee's Bank") to process debit entries to Sublessee's bank account identified below as follows: a) on a weekly basis for payment which is or will become due by Sublessee (or any entity or individual affiliated or related to Sublessee) to Cajun for royalties, advertising fund contributions and any other amounts that come due under any Sublease Agreement between Sublessee and Cajun relating to the Restaurant(s) (the "Sublease Agreement"); b) on a monthly basis for payment which is or will become due by Sublessee (or any entity or individual affiliated or related to Sublessee) to Cajun for rents and real estate taxes and any other amounts that come due under any Lease or Sublease Agreement between Sublessee and Cajun relating to the Restaurant(s) (the "Lease Agreement").

Sublessee acknowledges that Cajun, Cajun's Bank and Sublessee's Bank must comply with the National Automated Clearing House Association rules which can be found at <https://www.federalregister.gov/documents/2017/09/11/2017-19135/federal-government-participation-in-the-automated-clearing-house>. Sublessee authorizes Cajun, Cajun's Bank and/or Sublessee's Bank to make any necessary debits or credits to correct duplicate or erroneous entries. Sublessee hereby agrees to hold Cajun, Cajun's Bank and Sublessee's Bank and their affiliates, agents, successors and assigns harmless from all direct, indirect, special or consequential damages and/or all losses, costs, claims or expenses arising out of or related to the use of this electronic payment service.

Sublessee represents and warrants that the bank account identified below is and shall be maintained at Sublessee's Bank and will contain sufficient funds to cover the automatic debit entries authorized hereunder. In the event there are insufficient funds in Sublessee's bank account when Cajun debits amounts due to it from Sublessee, Sublessee will pay Cajun fifty US Dollars (\$50.00) per attempt by Cajun to debit the amounts owed. Sublessee hereby agrees that in the event Cajun, Cajun's Bank or Sublessee's Bank is unable to process any debit entry authorized hereunder, Cajun, Cajun's Bank or Sublessee's Bank may, in their sole discretion, demand Sublessee forward payment in the form of a cashier's check or wire transfer to Cajun. Sublessee understands and acknowledges that payments made by ACH pursuant to this agreement do not extend the payment deadlines set forth by Cajun in the Sublease Agreement, Lease Agreement, or otherwise.

This authorization is effective as of the date indicated below and shall remain in full force until the earlier of expiration or termination of the Sublease Agreement or Lease Agreement. The automatic payment process detailed herein is subject to modification or cancellation at any time by Cajun with prior written notice to Sublessee. This agreement shall be governed by the laws of the State of Georgia. This authorization is effective as of the date indicated below and shall remain in full force until the earlier of expiration or termination of the Sublease Agreement or Lease, or Sublessee will provide at least 30 days' written notice to Sublessor and will timely execute any authorizations or other forms required by law. If Sublessee changes financial institutions, Sublessee will provide at least 30 days' written notice to Sublessor and will timely execute any authorizations or other forms required to establish debit entries at the new institution. The automatic payment process detailed herein is subject to modification or cancellation at any time by Sublessor. Sublessee agrees to execute new authorization or other forms, if necessary, to effect any such cancellation or modification.

**NOTE:** A separate Authorization Agreement is required for each bank account, even if all accounts are within the same banking institution.

### **ACCEPTED, AGREED AND AUTHORIZED FOR THE SUBLLEESE LISTED ABOVE:**

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

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

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

Date: \_\_\_\_\_

### **Sublessee's Bank for Monthly Rent Payments (if different than the banking information noted above)**

Bank Name: \_\_\_\_\_

Branch Name: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Account Name (as show on bank's records): \_\_\_\_\_

Account Number: \_\_\_\_\_

ABA/Transit Routing Number: (9 digits): \_\_\_\_\_

Check one:  Checking Account  Savings Account

## **EXHIBIT "C"**

### **RESTAURANT CLOSING/DE-IDENTIFICATION CHECKLIST**

All CHURCH'S TEXAS CHICKEN® Restaurants that are permanently closing must be de-identified as a CHURCH'S TEXAS CHICKEN® Restaurant.

The following list must be completed immediately but no later than seven (7) business days after the restaurant ceases operation. Once the de-identification work is completed you must take several photographs of the Restaurant, which will verify the completion of the de-identification work and send them to your Regional Franchise Director. CAJUN may inspect a closed Restaurant to insure compliance and if necessary complete the de-identification process and pass these costs on to the Franchisee.

- \_\_\_\_\_ Remove all interior and exterior signage, including removal of all CHURCH'S TEXAS CHICKEN logos from the building, interior and exterior menu boards (and translites), roof flags, cloud signs, star signs or other signs containing CHURCH'S TEXAS CHICKEN branding elements, awnings, drive-thru canopies, tower panels, pole/monument signs, directional signs and channel letter signs. The pole sign frame may be removed.
- \_\_\_\_\_ Remove all Department of Transportation, billboard, or other signage that would direct customers to the location.
- \_\_\_\_\_ Remove all CHURCH'S TEXAS CHICKEN P.O.P. elements and trademarks, decals, kids' merchandise, and any other promotional material or merchandising items.
- \_\_\_\_\_ Board all windows and glass doors, if required under the lease and/or to prevent vandalism.
- \_\_\_\_\_ Notify suppliers to stop delivery of food and paper.
- \_\_\_\_\_ Remove all food and paper from the premises.
- \_\_\_\_\_ Photographs (Digital Preferred) sent to Regional Franchise Director.
- \_\_\_\_\_ Return all CHURCH'S TEXAS CHICKEN Operations Manuals, Equipment Manual, Marketing Plans, training materials other materials marked "Property of CAJUN OPERATING COMPANY" to CAJUN headquarters in Atlanta, 980 Hammond Drive NE, Suite 1100, Atlanta, GA 30328.

Please note that you should also consider taking the following typical closing actions:

- \_\_\_\_\_ Properly cap all exposed electrical wiring.
- \_\_\_\_\_ Ensure interior and exterior (including dumpsters) are free from trash and debris.
- \_\_\_\_\_ Notify the trash removal company of restaurant closure and request that the dumpsters either be removed or welded shut.
- \_\_\_\_\_ Contact pest control company and other service providers to discontinue service (e.g., landscaping, HVAC, etc.).
- \_\_\_\_\_ Clean exhaust hood.
- \_\_\_\_\_ Pump grease and sewer systems.
- \_\_\_\_\_ Ensure interior and exterior are clean.
- \_\_\_\_\_ Winterize plumbing (for Restaurant in cold weather areas).
- \_\_\_\_\_ Contact CO2 supplier to retrieve CO2 tank.
- \_\_\_\_\_ Remove POS system and all drive-thru timers.
- \_\_\_\_\_ Notify all utility companies that effective upon a certain date there will no longer be a CHURCH'S TEXAS CHICKEN restaurant operating at this location and to terminate service. In some situations, it may be necessary to leave certain utilities on in order to provide heat so that the pipes will not freeze or to comply with local ordinances (such as fire alarms).

\_\_\_\_\_ Electric                    \_\_\_\_\_ Gas  
\_\_\_\_\_ Telephone                \_\_\_\_\_ Water

## **EXHIBIT “D”**

### **GUARANTY AGREEMENT**

THIS GUARANTY AGREEMENT (this “**Guaranty**”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, an individual, resident of the State of \_\_\_\_\_ (hereinafter referred to as the “**Guarantor**”), in favor of CAJUN REALTY LLC, a Delaware limited liability company (the “**Sublessor**”), and its successors and assigns.

#### **RECITALS**

A. \_\_\_\_\_, a \_\_\_\_\_ [limited liability company, corporation, company] (the “**Sublessee**”) and Sublessor, have entered into a Sublease Agreement, dated \_\_\_\_\_, 2025 (as it may hereafter be modified, supplemented, extended, or renewed and in effect from time to time, the “**Sublease**”), which Sublease sets forth the terms, conditions and provisions of the sublease of Church's Texas Chicken Unit No. \_\_\_\_ located at \_\_\_\_\_ (the “**Premises**”).

B. As a condition to the Sublease, Sublessor requires that Guarantor to guarantee the terms, conditions and provisions of the Sublease during the Initial Term, including any extensions, renewals or modifications thereof, or any holdover periods.

C. Any capitalized term used and not defined in this Guaranty shall have the meaning given to such term in the Sublease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which Guarantor acknowledges, Guarantor covenants and agrees as follows:

1. **Statement of Guaranty.** For valuable consideration, Guarantor hereby jointly, severally, absolutely, irrevocably, and unconditionally guarantees to Sublessor the prompt payment and performance of any and all of the terms, conditions and provisions of the Sublease.

2. **Guaranty of Performance.** Guarantor additionally hereby unconditionally and irrevocably guarantees to Sublessor the timely performance of any and all other obligations of Sublessee under the Sublease, including without limitation that (a) improvements will be constructed in accordance with the Sublease and the Master Lease; and (b) any and all maintenance and repairs shall be completed, including delivery of any certificates required by law. If any of such obligations of Sublessee are not complied with, in any respect whatsoever, and without the necessity of any notice from Sublessor to Guarantor, Guarantor agrees to (i) assume all responsibility for the completion of such obligation and, at Guarantor's own cost and expense, cause the obligation to be fully completed in accordance with the Sublease and Master Lease; (ii) pay all bills in connection with the Sublease; and (iii) indemnify and hold Sublessor harmless from any and all loss, cost, liability or expense that Sublessor may suffer by any reason of any such non-compliance.

3. **Nature of Guaranty.** Guarantor agrees that this Guaranty is an absolute, complete, continuing, unconditional and irrevocable guaranty of payment and performance under the Sublease and Master Lease.

4. **Inducement to Sublessor.** Guarantor acknowledges that this Guaranty is given to induce Sublessor to enter into the Sublease.

5. **Terms of Guaranty.** This Guaranty contains the entire agreement between Guarantor and Sublessor with respect to Guarantor's guarantee of the Sublease. No representations or agreements have been made by Sublessor to Guarantor except as contained in this Guaranty. Guarantor has read and understands the implications of this Guaranty. Guarantor agrees to the terms, provisions and conditions of the Sublease and Master Lease.

6. **Suit on Guaranty.** Suit may be brought by Sublessor against Guarantor alone, or jointly and severally against Guarantor and Sublessee, without impairing the rights of Sublessor against Guarantor.

7. **Costs of Collection.** Guarantor agrees to pay all reasonable costs of collection, including attorney's fees and expense, if this Guaranty is placed in the hands of an attorney for collection, a collection agency or is collected through any court.

8. **Guarantor's Direct Liability.** Sublessor shall not be required, before or as a condition of enforcing the liability of Guarantor under this Guaranty, or requiring payment by Guarantor hereunder, or at any time thereafter, proceed to obtain or assert a claim for personal judgment against Sublessee or make any effort at collection from Sublessee, file suit or proceed to obtain or assert a claim for personal judgment against Sublessee.

9. **Application of Payments.** Guarantor agrees that Sublessor may apply payments or other funds received by Sublessor from Guarantor, or from any other source, including without limitation, insurance proceeds, as Sublessor may deem appropriate in its sole and absolute discretion.

10. **Notice of Litigation.** Guarantor shall promptly inform Sublessor of any litigation against Guarantor which, if determined adversely, might have a material adverse effect upon the financial condition of Guarantor.

11. **Transferability.** This Guaranty is intended for and shall inure to the benefit of Sublessor and may not be transferred without the prior written consent of the Sublessor.

12. **Binding on Others.** This Guaranty shall be binding upon Guarantor and Guarantor's heirs, legal representative, personal representatives, executors, administrators, successors and assigns.

13. **Modification or Consent.** No modification, consent or waiver of any provision of this Guaranty shall be effective unless the modification, consent or waiver is in writing and signed by an officer of Sublessor, and then shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Guarantor in any case shall, of itself, entitle Guarantor to any other or further notice or demand in similar or other circumstances. No delay or omission by Sublessor in exercising any power or right under this Guaranty shall impair any such right or power or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such power preclude other or further exercise thereof, or the exercise of any other right or power under this Guaranty. All rights and remedies of Sublessor under this Guaranty are cumulative of each other and of every other right or remedy which Sublessor may otherwise have at law or in equity or under any other contract or document, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

14. **Time of Essence.** Time shall be of the essence in this Guaranty with respect to all of Guarantor's obligations hereunder.

15. **No Fiduciary Relationship.** The relationship between Sublessor and Guarantor is solely that of Sublessor and guarantor. Sublessor has no fiduciary or other special relationship with or duty to Guarantor and none is created hereby or may be inferred from any course of dealing or act or omission of Lender.

16. **Notices.** Any notice or demand to Guarantor may be given and shall conclusively be deemed and considered to have been given and received upon the deposit thereof, in writing, in the United States mail, duly stamped and addressed to Guarantor at Guarantor's address for Notice stated herein, but actual notice, however given or received, shall always be effective. This provision shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

17. **Governing Law and Place of Performance.** GUARANTOR AGREES THAT THIS GUARANTY IS GOVERNED BY THE LAWS OF THE UNITED STATES AND THE STATE OF GEORGIA. This Guaranty is performable in Fulton County, Georgia, and Guarantor hereby waives the right to be sued elsewhere.

18. **Headings.** Section headings of this Guaranty are inserted for convenience of reference only, and shall not alter, define, or be used in construing the text of such sections.

19. **Severability.** If any provision of this Guaranty shall for any reason be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect, limit, or impair any other provision hereof, and this Guaranty shall be construed and enforceable as if such invalid, illegal, or unenforceable provision had never been contained herein.

20. **Pronouns.** As used herein and when required by the context, each number (singular and plural) shall include all numbers, and each gender shall include all genders, and unless the context otherwise requires the word "person" or "party" shall include "person, corporation, firm, partnership, or association".

**21. NOTICE OF INVALIDITY OF ORAL AGREEMENTS.** THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

*[Signature page to this Guaranty Agreement contained on following page]*

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**GUARANTOR:**

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

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

Address:

\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT "E"**

**MASTER LANDLORD'S CONSENT TO ASSIGNMENT OF SUBLEASE**

# **EXHIBIT R**

## **ADDENDUM TO LEASE AGREEMENT**

## ADDENDUM TO LEASE AGREEMENT

This Addendum to Lease Agreement (this “Addendum”), is entered into effective on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, (the “Effective Date”) by and between \_\_\_\_\_, a \_\_\_\_\_ (the “Lessor”), and \_\_\_\_\_, a \_\_\_\_\_ (the “Lessee”) (each a “Party” and collectively, the “Parties”).

### RECITALS

WHEREAS, the Parties hereto have entered into a certain Lease Agreement, dated on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), and pertaining to the premises located at \_\_\_\_\_ (the “Premises”);

WHEREAS, Lessor acknowledges that Lessee intends to operate a franchised *Church's Texas Chicken* restaurant from the Premises pursuant to a Franchise Agreement (the “Franchise Agreement”) with Cajun Global, LLC (“Franchisor”) under the name Church's Texas Chicken or other name designated by Franchisor (“Franchised Business”); and

WHEREAS, the Parties now desire to amend the Lease Agreement in accordance with the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth and each act done and to be done pursuant hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby represent, warrant, covenant and agree as follows:

1. Decor. The above recitals are hereby incorporated by reference. Lessor agrees that Lessee shall have the right to equip, paint and decorate the interior of the Premises and to display the proprietary marks (“Marks”) and signs on the interior and exterior of the Premises as Lessee is reasonably required to do pursuant to the Franchise Agreement with Franchisor and any successor Franchise Agreement under which Lessee may operate a Franchised Business on the Premises.

2. Assignment. Lessee shall have the right to assign all of its right, title and interest in and to the Lease Agreement to Franchisor or its parent, subsidiary, or affiliate at any time during the term of the Lease, including any extensions or renewals thereof, without first obtaining Lessor's consent. However, no assignment shall be effective until such time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease Agreement, or guarantor thereof, and shall not create any liability or obligation of Franchisor or its parent, subsidiary or affiliate

unless and until the Lease Agreement is assigned to, and accepted in writing by, Franchisor or its parent, subsidiary or affiliate.

3. Default and Notice.

(a) If Lessor gives Lessee a default notice under the Lease Agreement, Lessor shall contemporaneously give Franchisor a copy of the notice. Franchisor shall have the right, but not the obligation, to cure the default. Franchisor will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee's interest as provided in Section 4(a) below. Franchisor will have an additional ten (10) days from the expiration of Lessee's cure period in which it may exercise the option to cure, but is not obligated to cure the default or violation.

(b) All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, to the following address:

Cajun Global, LLC.  
Attention: General Counsel  
980 Hammond Drive, N.E., Suite 1100  
Atlanta, GA 30328-6161  
E-mail: OGC@churchs.com

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.

4. Termination or Expiration.

(a) Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease Agreement or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest in the Lease Agreement. Upon notice from Franchisor to Lessor of an assignment as set forth above, Lessor will, at the cost of Franchisor, take appropriate actions to secure the leased premises; including but not limited to, changing the locks and granting Franchisor sole rights to the Premises.

(b) Upon the expiration or termination of either the Lease Agreement or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises and, if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Marks and Church's Texas Chicken system, and to distinguish the Premises from a Franchised Business at Franchisor's expense. In the event Franchisor exercises its option to purchase assets of Lessee or has rights to those assets in the

Premises through the terms and conditions any agreement between Lessee and Franchisor, Lessor shall permit Franchisor to remove all the assets being purchased by Franchisor at its expense.

5. Consideration; No Liability.

(a) Lessor hereby acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum.

(b) Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

6. Sales Reports; Authorization. If requested by Franchisor, Lessor will provide Franchisor with whatever information Lessor has regarding Lessee's sales from its Franchised Business. Lessee authorizes Lessor and Franchisor to communicate directly with each other about Lessee and Lessee's Franchised Business.

7. Authorization. Lessee authorizes Lessor and Franchisor to communicate directly with each other about Lessee and Lessee's business.

8. Amendments. No amendment or variation of the terms of the Lease or this Addendum shall be valid unless made in writing and signed by the Parties hereto.

9. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions and covenants of the Lease Agreement shall remain in full force and effect and are incorporated herein by reference and made a part of this Addendum as though copied herein in full.

10. Affiliates. Any and all rights granted to Franchisor under this Addendum may be exercised by Franchisor and Franchisor's parent, subsidiaries or affiliates.

IN WITNESS WHEREOF, the Parties have duly executed this Addendum as of the Effective Date.

**LESSOR:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**LESSEE:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## **EXHIBIT S**

# **PLATINUM INCENTIVE PLAN PROGRAM ADDENDUM TO DEVELOPMENT AGREEMENT**

**PLATINUM INCENTIVE PLAN PROGRAM ADDENDUM  
TO CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT**

**THIS PLATINUM INCENTIVE PLAN PROGRAM ADDENDUM** ("Addendum") to the Church's Texas Chicken Development Agreement dated as of \_\_\_\_\_ ("Development Agreement") between Cajun Global LLC ("Cajun") and \_\_\_\_\_ ("Developer") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_\_.

**RECITALS**

In order to encourage the development of new franchised Church's Texas Chicken restaurants by franchisees who satisfy Cajun's financial requirements for new development, Cajun has implemented a development incentive program (the "Platinum Incentive Plan") for franchised Church's Texas Chicken restaurants ("Franchised Restaurants") that are developed pursuant to a Church's Texas Chicken Development Agreement that provides for the development of a minimum of five Franchised Restaurants within 5 years (the "Development Agreement").

Cajun and Developer are entering into this Addendum to modify the Development Agreement and to provide for Developer's receipt of the development incentives offered by Cajun pursuant to the Platinum Incentive Plan.

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

**1. Platinum Incentive Plan Requirements.**

**A.** In order to be eligible for the Platinum Incentive Plan, Developer must open its first Franchised Restaurant no later than one year following the date of the Development Agreement (the "First Restaurant Deadline"). If Developer fails to open its first Franchised Restaurant by the First Restaurant Deadline, Developer shall not be entitled to receive any benefits under the Platinum Incentive Plan.

**B.** If the first Franchised Restaurant is developed in accordance with Section 1.A., the Platinum Incentive Plan benefits set forth in this Addendum shall apply to the second through fifth Franchised Restaurants that Developer opens in full compliance with the Development Schedule and the Development Agreement (each an "Eligible Restaurant"); provided that each Franchised Restaurant is opened by Developer by no later than one year after the opening date of the immediately prior Franchised Restaurant.

**2. Development Incentives.**

**A.** For each Eligible Restaurant that Developer develops and opens in accordance with the terms of the Development Schedule and the Platinum Incentive Plan requirements set forth in Section 1 above, Developer is eligible to receive the development incentives listed in the table below (the "Platinum Incentive Plan Incentives") provided that Developer is in compliance with the Development Agreement and all Franchise Agreements between Developer and Cajun.

Eligible Restaurant Developed under Platinum Incentive Plan	Development Fee (Due upon signing Development Agreement)	Initial Franchise Fee (Due upon signing Franchise Agreement)	Royalty Fee*	Grand Opening Match	Restaurant Opening Deadline
1 <sup>st</sup> Restaurant	\$10,000	\$0	0% (Year 1 after Restaurant #1 Opens) 2% (Year 2) 3% (Year 3) 4% (Year 4) 5% (Year 5 and thereafter)	\$4,000	No later than 12 months after the effective date of the Development Agreement
2 <sup>nd</sup> Restaurant	\$10,000	\$0	0% (Year 1 after Restaurant #2 Opens) 2% (Year 2) 3% (Year 3) 4% (Year 4) 5% (Year 5 and thereafter)	\$4,000	No later than 24 months after the effective date of the Development Agreement
3 <sup>rd</sup> Restaurant	\$10,000	\$0	0% (Year 1 after Restaurant #3 Opens) 2% (Year 2) 3% (Year 3) 4% (Year 4) 5% (Year 5 and thereafter)	\$4,000	No later than 36 months after the effective date of the Development Agreement
4 <sup>th</sup> Restaurant	\$10,000	\$0	0% (Year 1 after Restaurant #4 Opens) 2% (Year 2) 3% (Year 3) 4% (Year 4) 5% (Year 5 and thereafter)	\$4,000	No later than 48 months after the effective date of the Development Agreement
5 <sup>th</sup> Restaurant	\$10,000	\$0	0% (Year 1 after Restaurant #5 Opens) 2% (Year 2) 3% (Year 3) 4% (Year 4) 5% (Year 5 and thereafter)	\$4,000	No later than 60 months after the effective date of the Development Agreement

\*Changes to the Royalty Fee as described in the schedule listed in this table will start on the first day of the week after the anniversary of the Effective Date in Year 2, Year 3 and Year 4.

The Platinum Incentive Plan Incentives may not be combined with any other franchise fee or royalty incentives.

If Developer executes an agreement with Cajun in conjunction with the acquisition of existing Church's Texas Chicken restaurants from another Church's Texas Chicken franchisee, Cajun has the option, in its sole discretion, to offer, or not to offer, the Platinum Incentive Plan Incentives to Developer.

**B. Addendum to Franchise Agreement.** Simultaneously with Developer's execution of the Franchise Agreement for each Eligible Restaurant, Developer will execute a Development Incentive Program Addendum to the Franchise Agreement in the form attached as Exhibit 1 to this

Addendum, which shall memorialize the Royalty Fee Reduction benefits of the Platinum Incentive Plan.

**3. Termination.** This Addendum, and the development incentives offered pursuant to this Addendum, shall terminate following written notice to Developer upon the occurrence of any of the following events during the Development Incentive Period:

- A.** Developer fails to open the first Franchised Restaurant under the Development Agreement by the First Restaurant Deadline;
- B.** Developer fails to open its second or any additional Franchised Restaurant within twelve months following the opening date of the previous Franchised Restaurant opened by Developer under the Development Agreement;
- C.** Developer fails to meet any Site Acceptance Date or Opening Date for any Franchised Restaurant required to be developed under the Development Agreement; or
- D.** Developer receives a written notice of default under the Development Agreement or any other agreement with Cajun or its affiliates and fails to cure the default within the applicable cure period, if any.

**4. Effect of Termination.** If this Addendum is terminated, Developer shall not receive any further development incentives with respect to any additional Franchised Restaurants developed under the Development Agreement and any open and operating Franchised Restaurant that received a reduced royalty rate as a development incentive shall immediately revert to a 5% royalty rate.

**5. Capitalized Terms.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

**6. Limited Modification.** Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

**7. Counterparts.** This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original. Any signature by email or facsimile shall be binding.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FORM OF DEVELOPMENT INCENTIVE ADDENDUM (“Platinum Incentive Plan)  
TO CHURCH’S TEXAS CHICKEN FRANCHISE AGREEMENT**

**THIS DEVELOPMENT INCENTIVE ADDENDUM (“Addendum”)** to the Church’s Texas Chicken Franchise Agreement dated as of \_\_\_\_\_ (“Franchise Agreement”) between Cajun Global LLC (“Cajun”) and \_\_\_\_\_ (“Franchisee”) is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_.

**RECITALS**

Pursuant to the Franchise Agreement, Cajun granted Franchisee the right to develop and operate a franchised Church’s Texas Chicken restaurant located at \_\_\_\_\_ (the “Franchised Restaurant”).

In order to encourage the development of franchised Church’s Texas Chicken restaurants, Cajun has implemented a development incentive program for franchisees that signed a qualifying Church’s Texas Chicken Development Agreement pursuant to which they agreed to develop a minimum of 5 franchised Church’s Texas Chicken restaurants within 5 years from the Effective Date of the Development Agreement.

Since the development of the Franchised Restaurant meets the criteria for the Platinum Incentive Plan, Cajun and Franchisee are entering into this Addendum to provide the Platinum Incentive Plan benefits to Franchisee and to modify certain provisions of the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

**Initial Franchise Fee.** Schedule 1, paragraph 1 shall state the Initial Franchise Fee is \$0.00.

**Reduced Royalty Fee.** Notwithstanding anything to the contrary contained in Section 3.B. of the Franchise Agreement, during the first year the Franchised Restaurant is open, Franchisee shall pay the Royalty Fees shown below:

<b>Royalty Fee</b>
0% (Year 1 after Restaurant Opens)
2% (Year 2)
3% (Year 3)
4% (Year 4)
5% (Year 5 and thereafter)

**Grand Opening Match.** Franchisor shall match Franchisee’s expenditures for Grand Opening for the Franchised Restaurant up to a maximum of \$4,000.

**Capitalized Terms.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

**Limited Modification.** Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**Counterparts.** This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original. Any signature by email or facsimile shall be binding.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Addendum as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **EXHIBIT T**

# **U.S. MILITARY VETERAN AND FIRST RESPONDER ADDENDUM TO FRANCHISE AGREEMENT**

## **U.S. MILITARY VETERAN AND FIRST RESPONDER ADDENDUM TO CHURCH'S TEXAS CHICKEN**

**This U.S. Military Veteran and First Responder Addendum** (“Addendum”) to the Church’s Texas Chicken Franchise Agreement dated as of \_\_\_\_\_ (the “Addendum Effective Date”) between Cajun Global LLC, d/b/a Church’s Texas Chicken, a Delaware limited liability company (“Cajun”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement

### **RECITALS**

A. Cajun and Franchisee entered into a Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”) for Franchised Restaurant #\_\_\_\_\_ located at \_\_\_\_\_ (the “Franchised Restaurant”).

B. Cajun and Franchisee are entering into this Addendum to provide the Military Veteran and First Responder incentive benefit to Franchisee and to modify certain provisions of the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

**Initial Franchise Fee.** Schedule 1, paragraph 1 shall state the Initial Franchise Fee is \$10,000.00. Franchisee is required to hold the rights to the Franchise Agreement, and if applicable the qualifying majority interest owner in the Franchisee entity will continue to hold that majority interest, for at least two continuous years following the Effective Date. If Franchisee does not do so, Franchisee must pay Franchisor the standard initial franchise fee of \$20,000, which becomes due immediately at the time Franchisee no longer satisfies the ownership requirement.

**Capitalized Terms.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

**Limited Modification.** Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**Counterparts.** This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original. Any signature by email or facsimile shall be binding.

**IN WITNESS WHEREOF**, the parties have duly executed and delivered this Addendum as of the day and year first above written.

**CAJUN:**

**CAJUN GLOBAL LLC**

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

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

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

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

## **EXHIBIT U**

# **PARTICIPATION MEMORANDUM**

## PARTICIPANT MEMORANDUM

**Franchisee Company Name ("Franchisee"):** \_\_\_\_\_

**Operating Principal:** \_\_\_\_\_

- 1. Authorization and Commitment.** **(a)** Franchisee authorizes Cajun Operating Company, d/b/a Church's Texas Chicken ("Cajun"), through its Supply Chain Group and as governed by the Supply Chain Board of Directors (the "Board") as set forth in its Operating Agreement to negotiate terms and conditions with suppliers and distributors ("Suppliers") of any and all products in the Supply Chain of Church's Texas Chicken Restaurants (the "Products") as specified by Cajun for the benefit for Franchisee's Church's Texas Chicken restaurants. **(b)** Franchisee acknowledges that for Cajun to negotiate favorable terms and conditions, Cajun may commit to minimum purchase amounts of the Products by all Church's Texas Chicken brand restaurants (both franchised restaurants and Cajun-owned restaurants).
- 2. Term:** **(a)** From the date hereof, this Participant Memorandum commits the Franchisee to participate with the Cajun Supply Chain Group monitored by the Supply Chain Board until Franchisee no longer operates a Church's Texas Chicken restaurant or unless there are events under the Operating Agreement for the Supply Chain Group of Cajun that require a change in the Purchasing and Supply Chain system. **(b)** Franchisee shall be required to purchase products from approved Suppliers provided that the Supplier abides by the terms of the contracts. In the event that a Supplier fail to abide by the terms of the contract, then the Cajun Supply Chain Group shall work closely with the franchisee to approve another Supplier that is able to serve and supply the franchisee with terms approved by the Board in a timely manner.
- 3. Miscellaneous.** This Memorandum shall be subject to and governed by the laws of the State of Georgia. Cajun may assign this Memorandum to any successor entity or acquirer of all or any portion of its business. This Memorandum may be modified only by a written amendment executed by Cajun and the Franchisee. Franchisee acknowledges that Cajun and the Supply Chain Board shall have no liability to Franchisee or any other person or entity arising out of or related to any Product or the performance or non-performance by any Supplier. In the event this Participant Memorandum was to conflict with the franchisee's Franchise Agreement, such Franchise Agreement shall control.

**Executed on behalf of Franchisee By:**

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

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

**Date:** \_\_\_\_\_

Please return to Steve Lash at e-mail slash@churchs.com.

## **EXHIBIT V**

### **STATE EFFECTIVE DATES**

## **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 W**

## **RECEIPTS**

## 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 Cajun offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, Cajun or its affiliates in connection with the proposed sale or grant or sooner if required by applicable state law.

New York require that Cajun give you this disclosure document at the earliest 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. Iowa requires that Cajun give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that Cajun give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Cajun does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit A.

The franchisor is Cajun Global LLC, 980 Hammond Drive, Suite 1100, Atlanta, Georgia 30328, telephone number (770) 350-3800.

Issuance Date: April 30, 2025

The franchise seller for this offering is Cajun Operating Company, 980 Hammond Drive, Suite 1100, Atlanta, Georgia 30328; Roland Gonzalez, Chief Executive Officer and Director, Danton Nolan, Executive Vice President, Chief Financial Officer, Ryan Hanawalt, Senior Vice President, US Franchising and Operations Services, Frank Costello, Senior Vice President, U.S. Franchise Development, ; Katria Jakobsen, Vice President, Construction & Design, Pam Preston, Senior Regional Franchise Director – West, Michael Prince, Director, Franchise Development, Seth Alan Wood Jr., Senior Director, Domestic Real Estate, Rachel Backus, Director, Construction & Design, Val Rushin, Director, Construction, Crystal Wells, Franchise Sales Manager, Sheri Freeman, Asset Manager, Casey Armour, Construction Manager, Karim El Raddaf, Construction Manager, Jerry Padden, Construction Manager, Julie Tuner, Construction Manager, at 980 Hammond Drive, Suite 1100, Atlanta, GA 30328, or 770-350-3800.

I received a Church's Texas Chicken Franchise Disclosure Document April 30, 2025 that included the following exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed on the State Cover Page):

- A. List of State Administrators
- B. List of State Agencies/Agents for Service of Process
- C. Franchise Agreement
- D. Amendment to Franchise Agreement for Convenience Stores and Travel Plazas
- E. Amendment for Co-Branded Restaurants
- F. Renewal Addendum
- G. Development Agreement (Non-Exclusive)
- H. Amendment to Development Agreement (Exclusive)
- I. List Of Franchised Locations; List Of Franchise Agreements Signed, But Restaurant Not Open; List Of Developers; And List Of Former Franchisees
- J. Operations Manual Table of Contents
- K. Financial Statements
- L. Compliance Questionnaire for New Franchisees/Developers
- M. State-Specific Addenda to Disclosure Document
- N. State-Specific Addenda to Franchise Agreement
- O. State-Specific Addenda to Development Agreement
- P. Cities with Certified Training Restaurants
- Q. Sublease
- R. Addendum to Lease Agreement
- S. Platinum Incentive Plan Addendum to Development Agreement and Platinum Incentive Plan Addendum to Franchise Agreement
- T. U.S. Military Veteran and First Responder Addendum to Franchise Agreement
- U. Participation Memorandum
- V. State Effective Dates
- W. Receipts

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(Signature of Prospective Franchisee)

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Date

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Print

## **FRANCHISEE'S COPY**

## **RECEIPT**

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New York require that Cajun give you this disclosure document at the earliest 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. Iowa requires that Cajun give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that Cajun give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Cajun does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit A.

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Cajun Global LLC authorizes the respective agencies identified on Exhibit B to receive service of process for it in the particular state.

I received a Church's Texas Franchise Disclosure Document dated April 30, 2025 that included the following exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed on the State Cover Page):

- A. List of State Administrators
- B. List of State Agencies/Agents for Service of Process
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- T. U.S. Military Veteran and First Responder Addendum to Franchise Agreement
- U. Participation Memorandum
- V. State Effective Dates
- W. Receipts

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(Signature of Prospective Franchisee)

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Date

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