PERKINS LLC
A DELAWARE LIMITED LIABILITY COMPANY
5901-B PEACHTREE DUNWOODY ROAD, SUITE 450
SANDY SPRINGS, GEORGIA 30328

FRANCHISE DISCLOSURE DOCUMENT

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PERKINS LLC
A DELAWARE LIMITED LIABILITY COMPANY
5901-B PEACHTREE DUNWOODY ROAD, SUITE 450
SANDY SPRINGS, GEORGIA 30328
(770) 325-1300
www.perkinsrestaurants.com
info@perkinsfranchising.com

Perkins LLC offers franchises for the operation of a family-style restaurant offering moderately priced meals at a single location.

The total investment necessary to begin operation of a Perkins Restaurant and Bakery franchise is $1,534,715 to $3,290,465 for a New Development Unit when leasing the land and building and purchasing the equipment and signs. This amount includes $90,000 to $100,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Perkins Restaurant and Bakery at a non-traditional location ranges from $1,183,715 to $2,836,465. This amount includes $55,000 that is payable to us. If you sign a Market Development Agreement for the opportunity to develop multiple Perkins franchises (we do not specify a minimum number to be eligible for a Market Development Agreement), you will pay a development fee for the rights to those development opportunities. The development fee will vary depending on the number of Perkins Restaurants you are committed to develop, and is calculated as the total of the $40,000 for your first franchise and $20,000 for each additional franchise to be developed (the development fee is separate from the initial franchise fee). The total investment necessary under a Market Development Agreement (based on a commitment of two to three Perkins restaurants) ranges from $62,500 to $82,500. This includes $60,000 to $80,000 that must be paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Department at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328, or at (800) 418-9555.

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

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

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

The issuance date is: August 20, 2023.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Perkins Restaurant and Bakery business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Perkins Restaurant and Bakery franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with the franchisor by litigation only in Georgia. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Georgia than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

3. **Supplier Control**. You must purchase all of nearly all of the inventory and supplies necessary to operate your business from Franchisor, its affiliate, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

4. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain 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.

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

To simplify language in this Franchise Disclosure Document, we will refer to Perkins LLC, the franchisor, as "**Perkins**" or "**Franchisor**" and the person or company considering the purchase of a franchise from Perkins LLC as "**You**" or "**Your**."

The Franchisor

Perkins' principal place of business is at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328. Perkins was incorporated as a Delaware limited liability company on September 26, 2019. A list of Perkins' registered agents for service of process is included in **Exhibit B** to this Disclosure Document. Perkins does business under the names "Perkins" and "Perkins Restaurant and Bakery."

Perkins is the owner of a plan and system (the "**Perkins System**") for retail food sales and restaurant operations, which includes recipe formulation and food preparation techniques, equipment selection and layouts, accounting methods, merchandising, advertising, sales and promotional techniques, personnel training, and other matters relating to the operation and promotion of restaurants. Perkins may also develop and test additional business operations, which may include new fast casual and quick serve restaurants, non-traditional restaurants, virtual brands, and other forms of operations.

Perkins may also lease and sub-lease restaurant facilities and equipment to some franchisees under the Perkins System, as well as to others.

Perkins has operated Perkins Restaurants since October 2019, when it acquired the rights to the Perkins System and began offering franchises as of March 4, 2020. Perkins does not offer, nor has it previously offered, franchises in any other line of business for Perkins Restaurants. As of April 27, 2021, there were 198 domestic franchised Perkins restaurants and 85 domestic company-owned Perkins restaurants in operation, and 7 franchised Perkins restaurants in Canada. Perkins predecessors and the background of the Perkins System are described below.

Acquisition of the System, Parents and Perkins' Affiliates

As described further below and in Item 4 of this Disclosure Document, in August 2019, Perkins & Marie Callender's, LLC, which is the predecessor franchisor of Perkins, and its parent, Perkins & Marie Callender's Holding, LLC ("**PMCH**") and other affiliates filed a petition under Chapter 11 in the United States Bankruptcy Court for the District of Delaware. Our affiliate, Huddle House, Inc. ("**HHI**"), entered into an asset purchase agreement dated September 10, 2019 with PMCH and certain of its affiliates to acquire assets used in the franchise, ownership and operation of Perkins family dining restaurants and bakeries (together, the "**Perkins Business**") through the bid procedures of the bankruptcy court. By a joinder agreement signed in October 2019, Perkins became a party to the asset purchase agreement, and on October 22, 2019 (the "**Acquisition Date**"), the parties completed the transaction and Perkins became the owner of the Perkins Business and the franchisor of the Perkins network and operator of the company-owned Perkins restaurants.

Perkins is indirectly owned, through various holding companies, by Elysium Investments (Second) LLC ("**Elysium Second**"), an investment vehicle whose principal business address is 445 Park Avenue, Suite 1401, New York, NY 10022, and is ultimately managed and controlled by Elysium Management LLC ("**Elysium Management**"), a family office whose principal business address is 445 Park Avenue, Suite 1401, New York, NY 10022. Elysium Management effectively ultimately controls Perkins and is directly responsible for control of Perkins.

Elysium Second and Elysium Management have never previously operated businesses of the type being franchised under this Disclosure Document or offered franchises in any line of business and do not currently

provide products or services to Perkins franchisees. Elysium Second and/or affiliates of it or its owners may invest in other companies that offer franchises and/or own restaurant enterprises that may compete with the type business being franchised under this Disclosure Document. See also the information below in this Item under "Affiliates and Related Operations."

PR&B Marketing Fund LLC ("**Perkins Marketing Fund**"), which is an affiliate of Perkins, is a Delaware limited liability company with its principal place of business at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328. Perkins established the Perkins Marketing Fund to operate and administer advertising and promotional funds designed to promote and benefit the Perkins System. The Perkins Marketing Fund is not engaged in any other line of business and has never engaged in the sale of franchises.

PCSF LLC ("**PCSF**"), which is an affiliate of Perkins, is Colorado limited liability company with its principal place of business at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328. Perkins established PCSF to operate and administer gift cards to promote and benefit the Perkins System. PCSF is not engaged in any other line of business and has never engaged in the sale of franchises.

Predecessors and History of Perkins Restaurants

The first Perkins restaurant was opened in 1958 in Cincinnati, Ohio. In October 1986, Perkins Family Restaurants, L.P. ("PFR"), a Delaware limited partnership formed in July 1986, acquired the rights to franchise, own and operate Perkins Restaurants and Bakeries. PFR then conveyed most of its assets and liabilities to Perkins Restaurants Operating Company, L.P. ("PROC"), a Delaware limited partnership formed in July 1986. Perkins Management Company, Inc., a wholly-owned subsidiary of Perkins Restaurants, Inc. ("PRI"), a Minnesota corporation, was the general partner of PFR and PROC. On December 22, 1997, PROC merged into PFR and PROC ceased to exist; also on that date, PFR became a privately held wholly-owned subsidiary of The Restaurant Company ("TRC"; formerly known as Tennessee Restaurant Company). On December 13, 1999, Perkins Management Company, Inc. merged into PRI, and then PRI merged into TRC, resulting in TRC being the sole partner, and the general partner, of PFR. Then on December 22, 1999, PFR merged into TRC. In August 2006, TRC changed its name to Perkins & Marie Callender's Inc. ("PMCI"). In May 2006, TRC acquired Marie Callender Pie Shops, Inc., which owned, operated and franchised Marie Callender's restaurants, and which in November 2011 converted to a limited liability company, Marie Callender Pie Shops, LLC.

On November 30, 2011 (the "Conversion Date"), PMCI was converted into a Delaware limited liability company and was renamed Perkins & Marie Callender's, LLC ("**PMCLLC**"). The term "PMC" as used in this Disclosure Document will refer to PMCI and PMCLLC – referring to PMCI until the Conversion Date, and referring to PMCLLC beginning as of the Conversion Date. The sole shareholder and parent of PMC is PMCH.

As described above, on the Acquisition Date, PMCLLC, PMCH and certain affiliates completed the sale of the Perkins Business to Perkins. As of the Acquisition Date, PMCLLC ceased to be the franchisor of the Perkins franchise system and Perkins became the new franchisor. PMCLLC may be referred to in this Disclosure Document as the "predecessor franchisor." Following the Acquisition Date, PMCLLC's name was changed to Pancakes & Pies, LLC, and PMCH's name was changed to "Pancakes & Pies Holding, LLC." As used in this Disclosure Documents, the terms PMCLLC and PMCH, as applicable, will be used to refer to these entities before and after their name changes. The principal place of business of both businesses was 6075 Poplar Avenue, Suite 800, Memphis, Tennessee 38119; however, to Perkins's knowledge in 2020, the principal address changed to the address of the bankruptcy plan administrator, as c/o Morris Anderson & Associates Ltd., 55 West Monroe Street, Suite 2350, Chicago, Illinois 60603-5114.

The Franchise Offered

Perkins Restaurants. A Perkins Restaurant is a full-service restaurant that serves all meals and menu items at all times to customers for on-premises and personal carry out consumption and for off-site catering services ("**Catering**") and delivery service within the "Territory" of the restaurant or other pre-approved geographic areas conducted in accordance with Perkins' standards and specifications (a "**Franchise**"). Perkins Restaurants offer a broad menu of breakfast, lunch and dinner entrees.

Perkins offers and sells franchises under which you may develop and operate a new Perkins Restaurant (a "**New Development Unit**"), and Perkins also offers franchises in connection with the sale of existing Perkins Restaurants which include units operated by franchisees interested in selling their businesses (also referred to as franchisee transfers) and, in limited circumstances, restaurants where Perkins operates the unit or has a property interest in the location and will lease (or sublease) or sell (under limited circumstances, such as when extensive remodeling is needed or to assist the franchisee with obtaining financing) the property to the franchisee (each is considered a "**Resale Unit**"). Information about Perkins' company-operated Units is included in Item 20 of this Disclosure Document, but at this time, Perkins does not actively have plans to sell its Units. Unless otherwise specified, the information and terms described in this Disclosure Document apply to New Development Units and Resale Units, and the terms "**Standard Unit**" and "**Unit**" interchangeably may mean a New Development Unit or a Resale Unit.

Perkins also offers the right to develop non-traditional Perkins Restaurants from non-traditional locations and venues and Host Facilities. The term "**Non-Traditional Unit**" will mean a Unit which has attributes different than typical Perkins Restaurants and is located within, or in conjunction with, another primary business that is operated by the franchisee, or is located in a multi-branded facility where other branded and/or non-branded restaurants share common space. The primary business or multi-branded facility that is operated in conjunction with the Unit, or within which the Unit is located, is referred to as the "**Host Facility**." Host Facilities and non-traditional venues where Non-Traditional Units may be operated include convenience stores, airports, government facilities, office buildings, department stores, general merchandise retailers, hospitals, stadiums and other arenas, casinos, military establishments, train stations, college and university food service facilities, hotels, airports and other travel related facilities, theme and amusement parks, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and other similar environments. Depending on a variety of circumstances, including the nature and location of the Host Facility, Non-Traditional Units may offer a limited menu or have different hours of operations than a traditional Perkins Restaurant. Also, traditional Perkins Restaurants may be located at a Host Facility or other non-traditional venue if the features of the location allow for the build-out and operation of a traditional Unit. Perkins will evaluate the circumstances of each proposed Host Facility and non-traditional venue to determine whether a new Unit at the proposed site will be a traditional or Non-Traditional Unit.

If approved by us for a Franchise, you (individuals, partnerships, corporations, limited liability companies, and the owners of partnerships, corporations, and limited liability companies will be referred to as "**you**;" and the restaurant you will operate will be referred to as "**your Franchise**" or "**the Franchise**") will sign a standard franchise agreement (the "**Franchise Agreement**"). If the franchisee is a corporation, partnership, or limited liability company, Perkins will require all owners, shareholders, partners, or members to personally sign a guaranty of the legal entity's obligations under each agreement. If you wish to develop and operate a Non-Traditional Unit, and we approve that request, in addition to signing the Franchise Agreement, you will sign a Non-Traditional Unit Addendum to the Franchise Agreement (attached as **Exhibit A-14** to this Disclosure Document). Unless otherwise indicated, the terms "Perkins Restaurant," "Unit" or the "Franchise" will include Non-Traditional Units operating from Host Facilities and "you" will include the franchisees operating Restaurants at those locations.

You will operate your Franchise at a specific location accepted by Perkins, as described in Section 2 of the Franchise Agreement. Resale Units will operate at the locations of existing restaurants. In some of our

materials and communications about the Perkins System and among franchisees, we may refer our franchisees as our "Franchise Partners." In doing so, we do not mean or imply that franchisees are our partners in a legal or literal sense. Rather, we use this phrase to reflect a spirit of cooperation and that we value the important role of our franchisees, as independent owners and operators in the Perkins System.

You must keep your Franchise open and in normal operation during the times that Perkins specifies as mandatory hours of operation, which Perkins may periodically change. Perkins has the right to modify the mandatory hours of operation in the future, including a mandatory 24 hour, 7 days a week, schedule (schedules will be subject to any governmental regulations that limit the permissible hours of operation). Perkins may require that certain Perkins Restaurants remain open for different hours of operation than others (for instance restaurants may be required to operate drive-through services during different hours than eat-in services). Additionally, Perkins may approve alternative hours of operation for a Non-Traditional Unit depending on the characteristics of the Host Facility.

Multiple Unit Development. Perkins also offers a Market Development Agreement (the "**Market Development Agreement**") to qualified, multiple unit operators. If you sign a Market Development Agreement, Perkins will grant you the right to establish an agreed-upon number of Perkins Restaurants within a specified area (the "**Development Area**"). Each Perkins Restaurant will operate under the terms of a separate Franchise Agreement. You must obtain site authorization for each Perkins Restaurant site, and establish Perkins Restaurants under a development schedule that Perkins will include as an exhibit to the Market Development Agreement (the "**Development Schedule**"). The Franchise Agreement for the first Perkins Restaurant to be developed under the Development Schedule will be in the form attached as an exhibit to the Disclosure Document (which may be this document) that you receive in connection with the Market Development Agreement that you enter into with Perkins. The Franchise Agreement for each Perkins Restaurant you later develop will be in the standard form that Perkins is offering to new franchisees under the Perkins System when you exercise your development rights, which may differ from the current form of Franchise Agreement included in this Disclosure Document.

Additional Product and Program Offerings. Perkins may, from time to time, offer franchisees that meet certain requirements (including being in good standing under existing agreements) the opportunity to participate in supplemental product offerings and programs. These may include "**Virtual Product Offerings**" under which franchisees prepare specific products and menu offerings at their Perkins Restaurants, using the same kitchen and preparation space and equipment (although the equipment may be supplemented as the products evolve), for customers to order via select third-party order applications and delivery aggregators under separate trademarks. Virtual Product Offerings are typically for delivery only, but in some circumstances, Perkins may approve limited in-Unit pickup by customers. To participate in a Virtual Product Offering that Perkins authorizes for Perkins System franchisees, you must execute a program addendum for the offering and other such licenses or agreements as determined by Perkins. Perkins may modify or discontinue one or more Virtual Product Offerings, or may develop new or additional ones in the future, which may be developed by Perkins, its affiliates or third-parties. At this time, there are two forms of Virtual Product Offerings that Perkins will permit franchisees to operate from their Restaurants.

One of the optional forms of Virtual Product Offerings that Perkins currently authorizes for Perkins Restaurants is offered through an unrelated third-party, Virtual Dining Operations, LLC (known as Virtual Dining Concepts or VDC). The Virtual Product Offerings that VDC offers through its platform include multiple product lines using names that VDC designates. VDC may develop additional product lines as Virtual Product Offerings, and may change or discontinue its Virtual Product Offerings from time to time. Perkins does not license VDC's Virtual Product Offerings to franchisees, but under an agreement with VDC, Perkins will consent to Perkins Restaurant franchisees participating in VDC's Virtual Product Offering for one or more product lines. Perkins has incorporated VDC Virtual Product Offerings into some Perkins Restaurants that Perkins owns and operates ("**Company-Owned Restaurants**") and may continue to do so at additional Company-Owned Restaurants. If you wish to participate from your Restaurant in one of the VDC Virtual Product Offerings that Perkins approves for use at Perkins Restaurants, you will sign with us an "Addendum to Franchise Agreement for Participation in

VDC Virtual Product Offers" (the "**VDC Participation Addendum**") (attached as **Exhibit A-15** to this Disclosure Document). Separately VDC will require that franchisees sign a license agreement with VDC. If we authorize any other Virtual Product Offerings developed by third-parties, we may require that each participating franchisee sign an addendum similar to the VDC Participation Addendum.

The other Virtual Product Offering that is currently available to Perkins' franchisees is a limited product line offering (or "LPL") for "Papa Corazón's Quesadillas" (the "**Papa Corazón's LPL**"). Under the Papa Corazón's LPL, franchisees will prepare fresh-made quesadillas with signature dipping sauces, with choices suitable for breakfast, lunch and dinner, and other items that Perkins may approve for sale under the "Papa Corazón's Quesadillas" trademarks for delivery through select third-party order applications and delivery aggregators. The Papa Corazón's LPL is part of a virtual offering and brand being developed by VBE LLC, an affiliate of Perkins. VBE LLC has licensed Perkins to offer the Papa Corazón's LPL as a Virtual Product Offering to Perkins franchisees, and Perkins has incorporated this optional program at some Company-Owned Restaurants and may continue to do so at additional Company-Owned Restaurants. At this time, the Papa Corazón's LPL is offered only through Huddle House Restaurants and Perkins Restaurants (which are operated and franchised by Perkins' affiliate as described below under "Affiliates and Related Operations"), but in the future VBE may decide to offer it to other restaurants or operators of "ghost" and retail kitchens and to expand and franchise the concept. If you wish to participate in the Papa Corazón's LPL from your Restaurant, you will sign the New Product Line and Program Addendum to the Franchise Agreement (attached as **Exhibit A-16** to this Disclosure Document).

The System

The distinguishing characteristics of the Perkins System include distinctive exterior and interior design; color scheme; décor; standards and specifications for menu and bakery products, equipment, materials, and supplies; specifications and procedures for operations; recipe formulation and food preparation techniques; procedures for accounting and management control; personnel training and assistance; and marketing, sales, and promotional programs; all of which may be changed, improved and further developed by Perkins. The Perkins System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including "Perkins Restaurant & Bakery", and others as Perkins may designate from time to time for use in Perkin's Manuals or otherwise in writing (collectively, the "**Marks**").

Affiliates and Related Operations

Through common ownership by Elysium Management, HHI is our affiliate. HHI is the franchisor of the "Huddle House" restaurant franchise network and operator of the company-owned Huddle House restaurants. Huddle House restaurants are full-service restaurants that serve all meals and menu items at all times to customers for on-premises and personal carry out consumption and for off-site catering services. Huddle House Restaurants feature steaks, sandwiches, hamburgers, chicken, shrimp, potatoes, vegetables, desserts, beverages and a full menu. HHI is a Georgia corporation, formed in April 1964and has its principal business address at 5901-B Peachtree Dunwoody Road, Suite 450 Sandy Springs, GA 30328. HHI has operated Huddle House Restaurants since April 22, 1964, and has offered franchises since 1966. As of May 3, 2023, there were 231 domestic franchised Huddle House restaurants and 55 domestic company-owned Huddle House restaurants in operation. HHI does not offer, nor has it previously offered, franchises in any other line of business for Huddle House Restaurants.

Competition

The market for restaurants is well developed and very competitive. Perkins Restaurants will serve the general public and will compete primarily with other restaurants offering a similar menu and all other types of fast service restaurants. Additionally, Perkins Restaurants may compete with other food service operators serving the public through delivery services, including ghost kitchens and virtual brands. Your ability to compete will

depend largely on geographical area, specific site location, general economic conditions, accessibility of your Franchise and your individual capabilities.

Industry-Specific Regulations

In addition to legal requirements that must be complied with by all businesses generally, you must comply with all applicable federal, state and local laws, rules and regulations pertaining to your Franchise, including cleanliness, the storage, preparation and serving of food and beverages, nutrition information posting laws, health, sanitation, no smoking, EEOC, OSHA, FLSA, discrimination, employment, sexual harassment laws and data collection and use. Any Perkins Restaurant that serves alcohol will also need to comply with state and local laws, rules, and regulations pertaining to the sale of alcoholic beverages. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and therefore may affect remodeling or development of building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must also obtain real estate permits and licenses and operational licenses. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Franchise.

You must comply with all applicable federal, state, and local laws and regulations during the operation of your Perkins Restaurant. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Perkins Restaurant's operation.

ITEM 2. BUSINESS EXPERIENCE

Unless otherwise indicated, the principal place of business of the employer is Sandy Springs, Georgia with respect to Perkins, HHI, Peachtree Parentco Holdco, Peachtree Intermediateco Inc., Peachtree Parentco, EH Franchising Holdco LLC, and Ascent Hospitality Management LLC (formerly known as EH Franchising Intermediateco LLC) is New York, New York with respect to Elysium Management, Elysium Second, and Apollo.

Bradley J. Wechsler: Director (Parent)

Elysium Second: Chief Executive Office, Secretary and Treasurer (since December 2017); and for Elysium Management as CEO (since January 2015)
Peachtree entities: for Peachtree Holdco as Director (since December 2017), and for Peachtree Intermediateco Inc. and Peachtree Parentco Inc. as Director (December 2017 to February 2018)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Director (since September 2019)
Imax Corporation: Chairman (since 2009), located in New York, NY
Mr. Wechsler may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor.

Benjamin E. Black: Director (Parent)

Peachtree Holdco: Director (since February 2018)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Director (since September 2019)
Knowledge Universe: Portfolio Manager (since January 2018), located in Santa Monica, CA
OCV Partners: Vice President, Venture Capital (August 2016 – December 2018), located in Los Angeles, CA
Mr. Black may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor.

Joshua M. Black: Director (Parent)

Peachtree Holdco: Director (since February 2018)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Director (since September 2019)
Apollo Management Holdings, L.P.: Principal (since July 2011)
Mr. Black may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor.

Gregory H. Ruben: Director (Parent)

Peachtree Holdco: Director (since February 2018)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Director (since September 2019)
Elysium Management: Partner (since May 2016)
Mr. Ruben may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor.

Drew Robinson: Director (Parent)

Peachtree Holdco: Director (since July 2023)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Director (since July 2023)
Elysium Management: Principal (since July 2018)
Mr. Robinson may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor.

James O'Reilly: Chief Executive Officer and President; Director

Perkins LLC: Director, CEO and President (since June 2023)
PR&B Marketing Fund LLC: Director, CEO and President (since June 2023)
HHI: Director, CEO and President (since June 2023)
Griddle Holdings: Director, CEO and President (since June 2023)
Huddle House Holdings: Director, CEO and President (since June 2023)
Huddle House Marketing Fund: Director, CEO and President (since June 2023)
Peachtree entities: for Peachtree Holdco, Peachtree Intermediateco Inc. and Peachtree Parentco Inc. as Director, CEO and President (since June 2023)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Director, CEO and President (since June 2023)
VBE LLC: Director, President and CEO (since June 2023)
BBQ Integrated, Inc., dba Smokey Bones: Chief Executive Officer (May 2019 to June 2023) located in Plantation, FL
Long John Silver Partners: Chief Executive Officer (February 2015 to April 2019) located in Louisville, KY

Ronald DiNella: Chief Financial Officer and Treasurer

Perkins LLC: Chief Financial Officer (since May 2022)
PR&B Marketing Fund LLC: Chief Financial Officer and Treasurer (since May 2022)

HHI: Chief Financial Officer (since May 2022)
Huddle House Holdings: Chief Financial Officer and Treasurer (since May 2022)
Griddle Holdings: Chief Financial Officer and Treasurer (since May 2022)
Huddle House Marketing Fund: Chief Financial Officer and Treasurer (since May 2022)
Peachtree entities: for Peachtree Holdco, Peachtree Intermediateco Inc. and Peachtree Parentco Inc. as Chief Financial Officer and Treasurer (since May 2022)
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Chief Financial Officer and Treasurer (since May 2022)
VBE LLC: Chief Financial Officer and Treasurer (since May 2022)
Not Just Burgers: Chief Financial Officer (March 2018 – May 2022) located in Chicago, IL
Anthony's Coal Fired Pizza: Chief Financial Officer (June 2015 – February 2018), located in Ft. Lauderdale, FL

Melissa Rothring: Executive Vice President, General Counsel and Corporate Secretary; Director

Perkins LLC: Director and Executive Vice President, General Counsel and Corporate Secretary (since September 2019)
PR&B Marketing Fund LLC: Director and Corporate Secretary (since September 2019)
HHI: Executive Vice President (since September 2016), General Counsel and Corporate Secretary (since February 2013), and Director (since August 2019)
Huddle House Holdings: Corporate Secretary (since February 2018), and Director (since August 2019)
Griddle Holdings: Corporate Secretary (since February 2018), and Director (since August 2019) in Sandy Springs, GA
Huddle House Marketing Fund: Director and Corporate Secretary (since March 2013), and Director (since August 2019)
Peachtree entities: for Peachtree Holdco, Peachtree Intermediateco Inc. and Peachtree Parentco Inc. as Secretary (since February 2018) in Sandy Springs, GA
EH Franchising Holdco LLC and Ascent Hospitality Management LLC: Secretary (since September 2019)
VBE LLC: Director and Secretary (since July 2021)

Nathan Ballard: Chief Supply Officer

Perkins LLC: Chief Supply Officer (since October 2019)
HHI: Chief Supply Officer (since May 2019); Senior Vice President – Distribution (May 2012 – May 2019); Vice President – Distribution (December 2008 – May 2012); Senior Director Distribution (December 2006 – December 2008); Director of Distribution (July 2005 – December 2008)

James Frank: Chief Operating Officer

Perkins & Marie Callendar's, LLC: Chief Operating Officer (since January 1, 2015) in Memphis, TN
Perkins LLC: Chief Operating Officer (since September 2019)

Peter Ortiz: Chief Development Officer

Perkins LLC: Chief Development Officer (since March 2021)
HHI: Chief Development Officer (since March 2021)
QDOBA Restaurant Corporation: Vice President of Franchise Development (August 2020 – March 2021) in San Diego, CA
Potbelly Corporation: Vice President Franchise Development (August 2018 – August 2020) in Chicago, IL
Mexican Restaurants, Inc.: Chief Development Officer (December 2016 – August 2018) in Houston, TX
Focus Brands LLC: Vice President Franchise Development (July 2010 – December 2016) in Atlanta, GA

ITEM 3. LITIGATION

The following litigation relates to Perkins & Marie Callender's, LLC (or PMC), which as described in Item 1 is the predecessor franchisor.

Litigation of PMC (Predecessor Franchisor)

The information in this Item regarding litigation of PMC is based on information provided to Perkins by PMC. As described in Item 1 and Item 4, in August 2019, PMC and various related entities, filed a petition to reorganize filed a petition under Chapter 11 in the United States Bankruptcy Court for the District of Delaware. Information relating to the actions described below after the initiation of the bankruptcy action is based on information from PMC's bankruptcy estate (the "PMC Estate").

1. Justin Norwalt v. Perkins & Marie Callender's, LLC and Marie Callender's Pie Shops, LLC (Los Angeles County Superior Court). On December 27, 2016, Mr. Norwalt filed an individual action, Case No. BC645042, alleging a single claim for wrongful termination in violation of public policy. On January 3, 2017, Plaintiff filed a separate representative action, Case No. PC057501, under California's Private Attorneys General Act ("PAGA") alleging the following claims: (1) minimum wage (Stores 61 and 97 only), (2) rest period violations, (3) inaccurate wage statements, and (4) waiting time penalties. The cases were consolidated, the individual action was submitted to arbitration, and the PAGA action was stayed. The parties attended mediation on January 31, 2019. The PMC Estate and Norwalt have entered a settlement agreement under which the PMC Estate will pay $26,000 as follows: approximately $12,473 to the California Labor and Workforce Development Agency as beneficiary under the PAGA; $2,000 to Mr. Norwalt; $8,667 to Representative's Counsel as and for legal fees and expenses; and $2,860 to Dundon Advisers LLC as contingent financial adviser and expert to Representative and Representative's Counsel.

2. Ricardo Ramirez v. Perkins & Marie Callender's, LLC, Case No. 30-2018-01025639-CU-OE-CXC (Orange County Superior Court, October 11, 2018). Mr. Ramirez filed a PAGA action alleging that PMC's Shoes for Crews program represents an impermissible deduction from wages, violates minimum wage laws, and constitutes an impermissible attempt to pass on to employees the cost of workers' compensation insurance. The PMC Estate and Ramirez entered a settlement agreement under which the PMC Estate will pay $7,000 as follows: approximately $2,897 to the California Labor and Workforce Development Agency as beneficiary under the PAGA; $1,000 to Mr. Ramirez; $2,333 to Representative's Counsel as and for legal fees and expenses; and $770 to Dundon Advisers LLC as contingent financial adviser and expert to Representative and Representative's Counsel.

3. Merhzad Nourani v. Perkins & Marie Callender's, LLC, Case No. 30-2018-01019082 (Orange County Superior Court, September 14, 2018). Mr. Nourani filed a PAGA claim alleging the following claims: (1) off-the-clock work; (2) failure to pay overtime, (3) meal and rest period premiums, (4) inaccurate itemized wage statement, (5) waiting time penalties, and (6) failure to reimburse business expenses. The proceedings were subject to the automatic stay provision of PMC's bankruptcy action. There has been no resolution.

4. Kathryn Cupp v. Perkins & Marie Callender's, LLC, 8:18-cv-02211-JLS-KES (C.D. Cal. November 2, 2018). Ms. Cupp filed a class action lawsuit seeking to represent a "[a]ll persons who are employed or have been employed by PMC in California, who were, at any time within four years of the filing of this Complaint, classified as a 'non-exempt employee,'" based on six causes of action: (1) Failure to Provide Rest Breaks; (2) Failure to Provide Meal Periods; (3) Failure to Provide Wage Statements; (4) Failure to Pay All Wages Owed Upon Termination; (5) Violation of California Labor Code § 558; and (6) Violation of California Business & Professions Code § 17200. The parties stipulated to remand the case to state court conditioned upon Ms. Cupp agreeing to dismiss her class claims and instead pursue her individual claims and a claim under PAGA. The case

was remanded to the Orange County Superior Court, Case No. 30-2018-01030922-CU-OE-CXC. In March 2019, Ms. Cupp agreed to arbitrate her individual actions and her PAGA claim were stayed. The proceedings were subject to the automatic stay provision of PMC's bankruptcy action. Plaintiff filed a Proof of Claim, however there has been no resolution.

Franchisor Initiated Litigation During Prior Fiscal Year:

1. Perkins LLC v. M&D Flaherty, Inc., M&D, Inc., and W. Dillon Flaherty, Jr., in the Superior Court of Fulton County, State of Georgia, Civil Action File No. 2022CV367933. On July 21, 2022, Perkins initiated this action against franchisees M&D Flaherty, Inc. and M&D, Inc. and their guarantors W. Dillon Flaherty, Jr. seeking injunctive relief and damages arising from franchisees' early closure of the Perkins restaurant. The complaint seeks injunctive relief to enforce the franchisees' post-expiration obligations to cease any use of the Marks and to comply with the de-identification obligations. Additionally, the complaint seeks recovery of damages for lost future royalties and marketing fees, brand damages, damages for loss of goodwill, and accounts receivables, and attorneys' fees relating to the breach of the franchise agreement for the early closure of the restaurant. On September 14, 2022, Defendants file and answer generally denying the allegations. On June 2, 2023, the parties settled their dispute whereby Defendants paid Perkins an amount for damages and agreed to comply with their post-termination obligations.

2. Perkins LLC v. Rajumaanar Enterprises, Corp., Beth Ann Smith, and Khanzada A. Khan, Superior Court of Fulton County, Case No. 2022-CV-358993. On January 11, 2022, Perkins initiated this action against franchisee, Rajumaanar Enterprises, Corp., and its guarantors, seeking damages and injunctive relief stemming from the franchisee's closure and abandonment of its Perkins restaurant prior to expiration of the franchise term and the franchisee's failure to de-identify the restaurant location and otherwise comply with its post-termination obligations. The franchisee defaulted by failing to file a responsive pleading. On September 7, 2021, Defendant Khanzada A. Khan filed for bankruptcy, in the United States Bankruptcy Court for the Northern District of New York. That bankruptcy petition was dismissed on December 9, 2022. On February 2, 2022, Defendant Beth Ann Smith answered and moved to dismiss the complaint as to her, on the basis of lack of personal jurisdiction and failure to state a claim upon which relief can be granted as to Smith. Perkins filed its brief in opposition to the motion to dismiss on May 26, 2022. On August 26, 2022, before any ruling on the motion to dismiss, Defendant Smith filed for bankruptcy in the United States Bankruptcy Court for the Southern District of Georgia, Case No. 2022CV358993, thereby staying Perkins' claims against Smith. Perkins has a pending claims against Smith in bankruptcy. On July 7, 2923, the court entered a final judgment against the franchisee and guarantor Khan, jointly and severally, in the amount of $118,666.58.

Other than the actions described above, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

On June 13, 2011, PMCI filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, Case No. 11-11795. PMCI's principal place of business was 6075 Poplar Avenue, Suite 800, Memphis, Tennessee 38119. PMCI continued to operate its business and manage its assets as a debtor-in-possession under bankruptcy court supervision. By order dated November 1, 2011 the bankruptcy court confirmed PMCI's plan of reorganization, which restructured the rights of creditors by providing for certain payments and discharged their claims. As of November 30, 2011, PMCI completed its financial restructuring and emerged from bankruptcy proceedings, and converted to a limited liability company (PMCLLC). On September 28, 2012, the bankruptcy court issued the Final Decree and Order closing the Debtors' Chapter 11 Cases.

On August 5, 2019, PMCLLC, together with PMCH and other affiliates, filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, Case No. 19-11743. PMCLLC's

principal place of business is 6075 Poplar Avenue, Suite 800, Memphis, Tennessee 38119. PMC continues to operate its business and manage its assets as a debtor-in-possession under bankruptcy court supervision, except with respect to assets sold pursuant to the bankruptcy proceedings. By order dated September 19, 2019, the bankruptcy court authorized the sale of the Perkins Business according the court's previously authorize bid procedures, and on the Acquisition Date the sale of the Perkins Business to Perkins was completed. At that time, existing franchise agreements were assigned from PMCLLC to Perkins, and Perkins became the franchisor of the "Perkins" system.

Except for the action described above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Franchise Agreement - Initial Franchise Fees

The initial franchise fee for a twenty-year Standard Unit Franchise (the "**Initial Franchise Fee**") is $40,000 for a new franchisee, unless either (a) you qualify for the veteran's discount under Perkins' current Patriot Program, which is described below in this Item 5 under the heading "Incentive Programs," or (b) you are an existing franchisee purchasing an additional unit, as described below. For a Non-Traditional Unit, the Initial Franchise for a ten-year term is $15,000.

Existing Franchisee discount – Perkins also wants to encourage its existing franchisees in good standing to develop additional New Development Units. To do so, Perkins' current policy is that it will reduce the initial franchise fee for traditional Unit to $30,000, or $13,500 for a Non-Traditional Unit, for franchisees who are in good standing, with at least one Unit open and in operation for at least 12 months, and who enter into additional Franchise Agreements with Perkins. To qualify for this discount, the additional franchises must be purchased by the same individual (or business entity, if applicable), who signed the existing franchise agreement with Perkins. We may discontinue or alter this policy in the future.

The entire Initial Franchise Fee is payable when you sign the Franchise Agreement. The Initial Franchise Fees are uniformly applied in the manner described above to all franchisees that are purchasing new franchises (including any applicable existing franchisee discount) as described above. During Perkins's most recent fiscal year (May 4, 2022 to May 2, 2023), however, for transactions that involved a variety of factors, the Initial Franchise Fee was reduced to fees ranging from $30,000 up to Perkins' then-current standard Initial Franchise Fees (including any applicable discounts or incentives described in this Item 5).

For the Franchises of Resale Units, the Initial Franchise Fee may vary depending on a variety of factors, including on the length of lease term available. During Perkins' most recent fiscal year, there were no franchises sold for Resale Units.

Except as described below in this paragraph, the Initial Franchise Fee is not refundable. If Perkins' initial training program is not completed to Perkins' satisfaction, Perkins can terminate your Franchise Agreement. If Perkins terminates your Franchise Agreement for this reason, you will be entitled to a partial refund in an amount equal to 50% of your Initial Franchise Fee less any costs and expenses incurred by Perkins in training you and your managerial personnel, and in reviewing, approving and supervising the development of your Franchise.

You must also pay a training fee to Perkins in connection with the initial training program that Perkins provides. The training fee is currently $40,000, although Perkins may change this fee in the future. The training fee is payable before you begin construction of your Perkins Restaurant.

Market Development Agreement – Development Fees

If you enter into Perkins' standard form of Market Development Agreement, you can develop an agreed upon number of Franchises within a Development Area according to a Development Schedule. If you enter into a Market Development Agreement, you must pay us a development fee equal to the total of (a) $40,000 for the first New Development Unit to be developed and (b) $20,000 for all other New Development Units that you must develop under the Development Schedule (collectively, the "**Development Fees**"). If a Market Development will include Non-Traditional Units, the development fee attributable to any such Non-Traditional Unit will be $15,000 for the first Non-Traditional Unit and $7,500 for any additional Non-Traditional Unit in the Development Schedule. The Development Fee is separate from the Initial Franchise Fees that will be due under the Franchise Agreement for each Unit. The Initial Franchise Fee for each unit will be determined at the time the Franchise Agreement is executed and will be based on Perkins' then-current fees for new franchises. If you remain in full compliance with the Development Schedule, and you are not otherwise in default under any provisions of the Development Agreement, or any other Franchise Agreement, at the time you and Perkins sign a Franchise Agreement for a Unit under the Development Schedule, Perkins will credit toward the Initial Franchise Fee the portion of the Development Fee that you paid for that Unit (for example, based on our standard Development Fees for traditional units, the credit will be $40,000 for the first Unit and $20,000 for each additional Unit included in the Development Schedule).

The length of the term of the Market Development Agreement (the "**Term**") is determined based on the Development Schedule that you and Perkins agree upon (the Development Schedule will vary based on a variety of factors including the number of New Development Units that you must develop and operate). The Development Fee per Franchise to be paid under a Market Development Agreement will be uniformly applied to all new franchisees. During our most recent fiscal year, Perkins did not enter into any Market Development Agreements or collect Development Fees.

Additionally, Perkins may offer developers the opportunity to purchase an extension of the Term (a "**Term Extension**") beyond the last date of the Development Schedule so that the territorial rights granted to the developer under the Development Agreement would continue for an agreed upon period after the developer completes the Development Schedule (so long as the developer continues to comply with its obligations). The fee to increase the Term (the "**Term Extension Fee**") is calculated as: $7,500 per additional year added to the Term (with each additional year measured as twelve months from the last date of the Development Schedule) multiplied by the number of New Development Units that you must develop and operate to satisfy the Development Schedule. If you wish to extend the Term and Perkins agrees to a Term Extension, you may do so either: (a) when you sign the Market Development Agreement with Perkins; or (b) during the Term but you must give Perkins notice of your request to extend the term at least six months before the end of the Term and you must be in full compliance with the Market Development Agreement and any other agreements with Perkins. You must pay the Term Extension Fee at the time you and Perkins agree to an extension of the Term beyond the end of the Development Schedule.

The Development Fees and Term Extension Fee (if applicable) paid under a Market Development Agreement are fully-earned and non-refundable, regardless of whether you enter into Franchise Agreements for those Franchises or continue to operate franchises for the entire Term, in consideration of administrative and other expenses Perkins incurs in entering into the Market Development Agreement, and for Perkins' lost or deferred opportunity to enter into the Market Development Agreement and Franchise Agreements with others.

Other Fees and Pre-Opening Payments

If you will lease the premises of your Perkins Restaurants from Perkins, you will be required to pay to Perkins a security deposit equal to one month's rent applicable in the first year, which ranges from $10,000 to $20,000 (the "**Security Deposit**"). This deposit is payable before you begin construction of your Perkins Restaurant.

The balance of the security deposit will be returned to you when your Lease Agreement (or Sublease Agreement) expires, so long as you have complied with all of the terms of the Lease Agreement (or Sublease Agreement), and all other agreements between you and Perkins (including payment of all sums due). The security deposit may be applied, if necessary, to cover delinquent invoices for rent payments.

Additionally, when you sign your Franchise Agreement, you must reimburse Perkins for any expenses Perkins incurs in using attorneys that are not Perkins employees to prepare documents and handle other legal matters which are done specifically for your Franchise. For instance, in the unlikely event we need assistance from outside counsel to assist with negotiations or to prepare documents peculiar to your Franchise, we may require you to reimburse us for our legal expenses. In our last fiscal year, we did not require any franchisee to reimburse us for these types of expenses.

Incentive Programs

Referral Program

Perkins offers a referral program incentive of $1,000 to the first person or company that introduces a prospective franchisee to Perkins, if: (a) Perkins approves the prospect; (b) Perkins and the prospect sign a Franchise Agreement within six months after the referral is made; and (c) the prospective franchisee pays Perkins the applicable Initial Franchise Fee. Perkins will pay this referral fee when Perkins and the referred prospective franchisee have signed the Franchise Agreement and the prospect have fully paid the Initial Franchise Fee. Perkins may discontinue this Referral Program at any time.

Existing Franchisee Referral Program

Perkins offers a referral program incentive of $7,500 to an existing franchisee that introduces a prospective franchisee to Perkins, if: (a) Perkins approves the prospect; (b) Perkins and the prospect sign a Franchise Agreement within six months after the referral is made; (c) the prospect pays Perkins the applicable Initial Franchise Fee; (d) the prospect has not had any prior conversations with any employee of Perkins or Perkins' affiliates about becoming a franchisee; (e) the prospect is not currently listed in Perkins' database; (f) the prospect is not a referral candidate of one of Perkins' affiliates or affiliated franchise brands; (g) the prospect is not a customer at the existing franchisee's Unit unless the existing franchise was the originating source for the customer contact to Perkins and a referral form was submitted prior to any conversation between the customer and Perkins or its affiliates; and (h) the prospect is at least 21 years old. Referral fees are paid only for the prospect's first franchise agreement and first Unit. No additional referral fees will apply for a second or additional Unit. Perkins will pay this referral fee when Perkins and the prospect have signed the Franchise Agreement and the prospect has fully paid the Initial Franchise Fee. Perkins may discontinue this Existing Franchisee Referral Program at any time. This is a referral program only. The existing franchisee does not represent Perkins and is not authorized to make any sales or representations on behalf of Perkins.

Perkins Patriot Program

Perkins participates in the International Franchise Association's Veterans Transition Franchise Initiative ("**VetFran**") program to provide franchise opportunities to qualifying veterans. The purpose of the VetFran program is to honor those men and women who have served in the U.S. military. The VetFran program was developed to help veterans transition to civilian life. VetFran is a voluntary effort of International Franchise Association member-companies that is designed to encourage franchise ownership by offering financial incentives to honorably discharged veterans.

Perkins' VetFran program incentive is called the Perkins Patriot Program (the "**Patriot Program**"). Perkins' Patriot Program incentive provides a 25% reduction in the Initial Franchise Fee due under Perkins' single unit Franchise Agreement for New Development Units only. This Incentive may not be combined with any other Incentive program and applies only to the first New Development Unit. To qualify, a prospective franchisee must

request the Patriot Program at the time of application; must meet Perkins' then-current qualifications for new franchisees; the franchise must be at least 51% legally and beneficially owned by persons meeting Perkins' qualifying veteran status; the prospective franchisee may not have previously received a Veterans Incentive or Patriot Program incentive from Perkins. Perkins may discontinue this Patriot Program at any time.

Participation in the Papa Corazón's Virtual Product Offering

As described in Item 1, Perkins currently offers franchisees the opportunity to participate in the Papa Corazón's LPL as a Virtual Product Offering in connection with their franchise. Perkins does not currently charge any additional initial franchise fee for these offerings. When Perkins first implemented this option in 2021, it announced that a $500 administration fee would be payable to Perkins to incorporate a franchise into the program. Perkins has, however, decided not to implement or collect the administrative fee if a franchisee wishes to participate at this time.

ITEM 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty[1, 3]	4.0% of the Net Sales*	Every Week. Perkins may require that you make payments by electronic fund transfer ("**EFT**").	Net Sales includes the full price of all merchandise and services (including Catering and delivery) sold, and all other receipts. *If you operate a Non-Traditional Unit and (a) beverages cannot be ordered at the Non-Traditional Unit; or (b) your point of sale system cannot allocate to Net Sales beverages ordered at the Non-Traditional Unit, then you must pay a royalty fee in the amount of 5.75% of Net Sales.
Contribution to Advertising Fund	3.0% of the Net Sales (for traditional); and 1.0% of Net Sales for a Non-Traditional Unit	Every week to Perkins or its designee. Perkins may require that you make payments by EFT	This amount may increase to an amount not to exceed 4% of Net Sales, although it will not increase more than 1% in any given year.
Local Advertising Requirement	1.0% of the Net Sales	On demand	Every quarter, you must spend a minimum of 1.0% of the Net Sales on qualified local advertising and marketing activities (the "**Local Advertising Requirement**"), and must submit (by the 10th day of the following quarter) receipts and other reports that Perkins may reasonably request to evidence your expenditure. This amount may increase to an amount not to exceed 1.5%. In lieu of having you spend the monies directly to satisfy the Local Advertising Requirement, Perkins has the right upon notice to you to require that you (and other franchisees) contribute the same amounts to the advertising fund for Perkins Restaurants (the "**Fund**"). Additionally, if

Name of Fee	Amount	Due Date	Remarks
			you do not fully comply with the advertising requirement, then we may require that you contribute the Local Advertising Requirement monies to the Fund (without any requirement to have other franchisees do the same) or to a designated account and we will then either: spend the monies on your behalf; or require that you satisfy your Local Advertising Requirements and then (once you provide documentation of your compliance) return to you the Local Advertising Requirement monies that you submitted to the Fund (or other designated account) for that same period.
Transfer	Varies - 25% of Perkins' then-current Initial Franchise Fee, or under limited conditions, a $2,000 fee or no fee will apply	Upon transfer	25% of then-current Initial Franchise Fee applies if you sell your Franchise or engage in a transfer involving more than 51% ownership interests, with a limited exception. The exception is that if, during the first year after signing the Franchise Agreement, you make an approved transfer to a business entity that you own and control (and meet all conditions for a limited assignment to an entity), the transfer fee will be (a) $0 if you own 100% of the transferee entity, or (b) $2,000 if you own at least 51%, but less than 100%, of the transferee entity.
Interest on Rent	5% per month on overdue amount	Monthly	Payable if you are more than 15 days late on payment of any rent owed to Perkins.
Interest on Payments (other than rent)	Lesser of 18% (per annum) per annum or maximum legal rate	Monthly	Payable if you are more than 5 days late paying any amount owed to Perkins (other than rent).
Management	8% of the Net Sales	Weekly	Payable while Perkins manages your Franchise due to your death or incapacity.
Liquidated Damages -- Breach and Termination	$300,000 or three years of estimated royalties and marketing contributions (see Remarks), whichever is greater	On demand	Payable if you breach your Franchise Agreement and it is terminated by Perkins. Perkins will calculate any estimated royalties and marketing contributions based on the average of your weekly royalties and marketing contributions due during the preceding two years, or such shorter period as you have been operating.

Name of Fee	Amount	Due Date	Remarks
Music Delivery System	Currently $30 - $39/month	Monthly, or as provider requires	Payable to the designated supplier for music delivery systems. For Non-Traditional Units, this requirement may not apply, depending on the characteristics of the Host Facility.
Fees relating to computer system, software, and technology services	Currently $850 per year (billed on a monthly basis) for helpdesk services. For any computer or communications equipment, software or assistance or related services that Perkins provides, Perkins may charge reasonable fees for these services.	Upon demand	See Note 4 and Item 11 under the heading "Point-Of-Sale, Computer and Technology Systems." At this time, Perkins provides helpdesk services and the fee is currently $850 per year (billed on a monthly basis). Perkins may change the fee in the future, or authorize or designate a third party to provide these services. For any required technology services provided by designated suppliers (which may include Perkins or its affiliates) now or in the future, you must pay the fees specified by the designated suppliers. For a Non-Traditional Unit, the computer and technology requirements and fees may vary, depending on the characteristics of the Host Facility.
Central Billing Fee	Will vary, but not currently in effect.	Upon demand	In connection with program and services that we designate as generally required for Perkins Restaurants (for example, gift card program, customer loyalty programs, and online ordering services), Perkins may centrally collect from franchisees the fees due to the suppliers. If Perkins does so, it may charge a reasonable fee (not exceed 10% of the amounts due to the supplier) for its central billing and payment functions.
Non-Participation/Non-Reporting Fee	$100 for 1st month; $200 for 2nd month; $300 for 3rd and each subsequent month	Upon demand	If you do not participate in, or comply with, any program or standard that Perkins designates for the System, then Perkins may assess these fees for each month that you are not in compliance with the System requirement. This fee is in addition to Perkins' other rights relating to your default (except that for defaults relating to missing reports, Perkins will assess either this fee or the delinquent report fee described below and both fees will not apply to the same missing or delinquent report).

Name of Fee	Amount	Due Date	Remarks
Re-evaluation Fee	$350 per failed inspection/review (beginning with a second consecutive failure)	Upon demand	If you fail two or more consecutive inspections or operational reviews, then beginning with the second failure you must pay Perkins a re-evaluation fee for each failed inspection or evaluation until you achieve a satisfy re-evaluation score.
Delinquent Report	$10	When report is submitted	Payable if you do not deliver any report to Perkins when due.
Audit	Interest at 12% or highest rate allowed by law if higher	Upon request	Payable if an audit of your books shows an understatement of your Net Sales that is 1.5% or more.
Renewal	25% of the then-current Initial Franchise Fee	Before first day of renewal term	Renewal fee is for an additional 10-year term.
Perkins Performance	Reimbursement of amount plus 12% interest (or highest rate allowed by law if to pay creditors)	Promptly after payment by Perkins (with next royalty fee payment if for insurance)	Payable if you fail to perform maintenance obligations, pay creditors or procure insurance and Perkins does so for you.
Additional or Refresher Training and Orientation	Currently $300 per day for our current additional or refresher training programs, but may change in the future.	Prior to attending training	In addition to the initial training program, we may impose a fee for training any new or replacement managers. Also, if we require you, your manager or employees to attend additional or refresher training or orientation programs, we may charge a fee for those programs. As of the date of the Disclosure Document, Perkins is not conducting a separate Orientation Program.
Extension of Opening Deadline or Deadline in Development Schedule[2]	$5,000 per month that the deadline is extended for a traditional Unit, or $2,500 for a Non-Traditional Unit	Before extension of deadline	Payable if Perkins grants you an extension of your Opening Deadline under a Franchise Agreement or a deadline under the Development Schedule for any particular Restaurant. This is separate from an extension of the Term of the Development Agreement beyond completion of the Development Schedule.
Extension of Term of Development Agreement	Varies - $7,500 per additional year, per Unit in Development Schedule	At time you and Perkins agree to an extension	Applies only if you request to extend the Term of the Development Agreement beyond the end of the Development Schedule. (See Item 5 under "Market Development Fees) This is not an option to extend, nor does it extend, any deadline in the Development Schedule.

Name of Fee	Amount	Due Date	Remarks
Fee for Closing During any Required Hours of Operation	$1,000 per day that the Perkins Restaurant is not open during all required hours of operation	Upon demand	If you do not keep your Perkins Restaurant open and in normal operation during all hours that we require each day, you must pay us this daily fee. This fee does not apply to Non-Traditional Units, which may have alternative hours of operation in coordination with the Host Facility.
Rejected Payment Fee	Our then-current rejected payment fee (currently $100 per occurrence)	Upon demand	If a payment to Perkins is rejected (for insufficient funds or other reasons), you must pay Perkins its then-current rejected payment fee (which may include amount to reimburse Perkins for all costs associated with the rejected payment).
Lease Review	Up to $2,500	Upon demand	Perkins may require that your proposed lease for the Unit be reviewed by an attorney that Perkins designates. The review may include a review of the general business and financial terms of the proposed lease as well for inclusion of terms required by Perkins. If requested, you will pay this fee either to Perkins or the designated provider for the review services.
Fees for Financial Report	Currently $12.50 per month for program service fee, and $10 fee if fail to submit report	Monthly for program service fee and upon demand for missing report fee	Perkins requires Perkins Units to use a web-based application for reporting profit and loss and related financial information to us through a designated vendor. Vendor fees are subject to change. The service fee for this program and fees for failing to submit reports (if applicable) are payable to Perkins.
Fee for Non-attendance at Conferences	$2,500	At the same time as your Royalty for the week immediately following the missed mandatory conference	Perkins may conduct an annual or periodic system wide or regional conferences, seminars or meetings ("Conferences") for operators of Perkins Units and may require that you attend the Conferences. If you fail to attend a mandatory Conference and have not obtained Perkins' prior written waiver of your attendance, you must pay the non-attendance fee.

Name of Fee	Amount	Due Date	Remarks
Unit Hours Modification Fee	Varies – up to 7.0% of the Base Amount, which will be determined as the Unit's Net Sales during the immediately preceding 52-week for the hours being modified	Currently monthly, but not more often than weekly.	You must keep your Franchise open and in normal operation according to current hours of operation set forth in the Manuals and Perkins has the right to modify these hours at any time. In some circumstances, Perkins may allow existing franchisees (or their transferees), to modify their Unit hours for agreed upon periods if certain conditions are met. These conditions may include: payment of the Unit Hours Modification Fee, remaining in compliance with the Franchise Agreement, removal of any 24-hour signage or marketing materials, and signing an amendment to the Franchise Agreement in the form that Perkins provides. This fee does not apply to a Non-Traditional Unit, as Perkins may approve alternative hours of operation depending on the characteristics of the Host Facility.
Customer Feedback Program	May vary. Currently includes an annual fee (which is currently $265 and is paid by Perkins).	Annually at the beginning of each fiscal year or monthly.	See Notes 4 and 5.
Customer Loyalty Program	May vary. Not currently required.	Monthly	Payment is by ACH directly to the vendor. See also Note 4 and Item 11 under the heading Point-Of-Sale, Computer and Technology Systems. Perkins is testing a Customer Loyalty, the cost of which is currently $88 per month. Once a program is selected, Perkins may require franchisees to participate and pay the associated fee (which may change).
Online Learning Management System	Currently $425 per year	Annually	The vendor's fees are subject to change. See also Note 4 and Item 11 under the heading Point-Of-Sale, Computer and Technology Systems."

Name of Fee	Amount	Due Date	Remarks
Online Ordering	Currently $78/month paid directly to the vendor, plus an initial activation fee of $100 per location, plus a Dispatch Delivery fee of $0.50 /transactions plus a Rails integration fee of $0.25/transaction, plus any other fees charged by the online platform provider.	Monthly to the vendor by ACH	As established by vendor. Fees are subject to change. See also Note 4 and Item 11 under the heading Point-Of-Sale, Computer and Technology Systems."
Securities Offering Fee	$10,000 or Perkins' actual expenses, whichever is greater (subject to applicable law)	Upon demand	If you make a public or private a securities offering, you must reimburse Perkins for Perkins' reasonable costs and expenses (including legal and accounting fees) to evaluate your proposed offering.

The above tables describe other recurring or isolated fees or payments that you must pay to Perkins or its affiliates, or which Perkins or its affiliates impose or collect on behalf of a third party, in whole or in part. Unless otherwise indicated, all of the fees listed are imposed by, payable to, and collected by Perkins and are non-refundable.

NOTES:

1. "**Net Sales**" - As used in the Franchise Agreement and this FDD, "Net Sales" means the entire amount of the actual sales price, less any cash discounts or coupon discounts, whether wholly or partly for cash, of all merchandise and services sold and all other receipts by sale, barter or otherwise of all business conducted in and from the Unit, including all deposits not refunded to purchasers, all sales to employees or agents of the franchised business and all orders taken in and from the Unit, including Catering and delivery activities, and all monies from any vending, electronic, or coin operated vending, game, or music machines (except for cigarette machines, for which Perkins does not collect royalties or other payments) located on the premises of the Unit. Net Sales excludes any sales taxes and other taxes that you collect from your customers and remit to the appropriate taxing authorities, and the amount of any cash refund to customers for merchandise sold and then returned by a customer. Additionally, if Perkins specifies, you must make all payments for royalties and advertising contributions by EFT, unless otherwise directed or approved by Perkins. To establish an EFT arrangement for these payments, you must sign our current "Authorization Agreement for Prearranged Payments (Direct Debits)" form in favor of Perkins.

   For a Non-Traditional Unit, the following adjustments will apply to "Net Sales" and franchisee's royalty payments obligations: (a) Net Sales does not include revenues from any other businesses that operated at the Host Facility, although the sales of those items may be recorded on the cash register or point of sale system used at the Non-Traditional Unit; (b) if customers pay for items using Host Facility approved meal plan options under which franchisee receive less than the full retail value of the Perkins products sold from the Non-Traditional Unit, Net Sales will include only the amount that the franchisee receives as payment for the products sold from the Non-Traditional Unit; (c) the Non-Traditional Addendum provides specific

parameters to determine whether beverages items sold in connection with the Non-Traditional Unit's operations will be included in Net Sales; (d) Net Sales will include the sale of any products bearing the Marks sold at the Non-Traditional Unit or other portions of the Host Facility operated by the franchisee.

If you participate in a Virtual Product Offering, the Royalty due for products sold in connection with the Virtual Product Offering may vary depending on the terms of that product offering (which will be described in the relevant addendum to the Franchise Agreement that you will sign to participate). If you participate in either or both of the Virtual Product Offerings that Perkins currently offers or authorizes (at this time, these are VDC's Virtual Product Offering and the Papa Corazón's LPL, which are described in Item 1), the revenue generated by your sales through those product offerings will be part of the Net Sales of your Restaurant, and Royalties will be due on the sale of these products. The royalty rate for sales from the Papa Corazón's LPL is 4.75% (the same as for all other revenue of the Restaurant), and for sales from the VDC's Virtual Product Offering, the rate is 4.0%. Advertising fund contributions will be payable on the revenues from the Papa Corazón's LPL, but will not be required for the revenues from the VDC Virtual Product Offering. For the VDC Virtual Product Offering, VDC will, from the monies it collects for the orders your serviced, remit payments to us for the portion of royalty you owe to us for that portion of your Net Sales.

2. Under the Franchise Agreement and/or a Market Development Agreement, Perkins may, but is not obligated to, grant you an extension of any deadline of (as applicable) the Unit's Opening Deadline under the Franchise Agreement or a deadline under the Development Schedule for a particular restaurant under a Market Development Agreement. If an extension is granted, prior to the Opening Deadline (under a Franchise Agreement) or the original deadline under the Development Schedule (under a Development Agreement), you must pay to Perkins a fee equal to $5,000 per month of the extension (or $2,500 for a Non-Traditional Unit), with a maximum extension of six months.

3. Unless otherwise specified, all of the amounts described above are collected by and payable to Perkins and are nonrefundable. All fees currently are uniformly imposed on new system franchisees.

4. Perkins requires that you install and use computer and technology systems (which are described in Item 11 under the subheading "Point-Of-Sale, Computer and Technology Systems"), which include a point-of-sale computer system/online ordering system, managed firewall and related security systems, back-office management programs, integrated accounting and financial software, inventory management, business intelligence tool for data analytics, and other computer software programs and hardware and/or related services that Perkins specifies. In connection with the Computer System, you will have to enter into appropriate agreements and pay the approved or designated suppliers (which may include Perkins or its affiliates) initial and ongoing fees (which may include activation fees, per-user fees, set-up fees, support fees, and per-transaction fees) in order to install and continue to use (and maintain and upgrade) the Computer System. See Item 11 under "Point-Of-Sale, Computer and Technology Systems" for more information. As this time, Perkins (or any affiliate) is not a supplier of these services other than certain support/helpdesk services which could include POS System polling. For a Non-Traditional Unit, the computer and technology requirements and fees may vary, depending on the characteristics of the Host Facility. Perkins will review requested modifications as needed for Non-Traditional Units.

5. You must participate in the customer feedback program that Perkins designates. Perkins currently incurs the monthly overhead fee for the program but may require franchisees to pay the monthly charges for their Franchised Restaurants. This fee is currently approximately $265 per year, or approximately $22 per month, per restaurant but may increase in the future. You will also be responsible for the cost of any survey offer, if applicable, though this is not part of the current customer feedback program. Additionally, if your Franchised Restaurant does not receive a satisfactory score, then Perkins has the right to use additional customer feedback measures that may include Mystery Shops, in-store surveys, and receipt-back surveys to reevaluate the Franchised Restaurant's performance. You will be responsible for the costs of these additional measures.

ITEM 7. ESTIMATED INITIAL INVESTMENT

Table 1
YOUR ESTIMATED INITIAL INVESTMENT
FOR A PERKINS RESTAURANT UNDER A FRANCHISE AGREEMENT

Expenditures	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$ 40,000	$ 40,000	One Payment	When you Execute the Franchise Agreement	Perkins
Training Fee and Travel and Living Expenses While Training[2]	97,000	119,000	As Arranged	Training fee ($40,000) before construction start; remainder before opening	Perkins (for training fee); Suppliers, Transportation, Food and Lodging
Real Estate – Rent for First 3 months[3]	20,000	60,000	As Arranged	As Arranged	Third-party Landlord
Improvements[4]	575,000	1,967,000	Progress Payments	As Arranged	Contractors – sitework, parking lot, curbing and sidewalks, and mechanical
Interest during construction	25,000	30,000	As Arranged	As negotiated with Lender	Bank or other financial institution
Equipment[5] and Seating	490,000	650,000	Financed or As Incurred	As Arranged	Vendors or Perkins, including security, phone and music
Signs and Décor[6]	53,000	82,000	As Arranged	As Arranged	Vendors
Site Plan/Engineering Drawings	12,500	18,500	As Arranged	As Arranged	Vendors
Travel Expenses for Opening Guide Meeting[7]	0	750	As Arranged	Before Opening	Suppliers of Transportation, Food and Lodging
Smallwares, Small equipment, Opening Inventory and Uniforms	53,000	82,000	As Arranged	Before Opening	Vendors or Perkins
POS System[8]	15,000	20,000	Lump Sum	Before Opening	Vendors
Help Desk[9] (total for first 3 months)	215	215	As incurred	Before Opening and then monthly	Perkins
Hardware and Software Components - Computer Security[10]	2,500	3,000	As incurred	Before Opening	Vendors
Other Computer and Technology	2,500	3,000	As Incurred	As Arranged	Vendors

Expenditures	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Expenses (first 3 months) [11]					
Grand Opening Promotion	4,000	10,000	As Incurred	As Arranged	Vendors
Miscellaneous[12] Opening Costs	45,000	55,000	Lump Sum	Before Opening	Vendors, Governmental Authorities, Utilities
Additional Funds-3 Months[13]	100,000	150,000	As Incurred	As Incurred	Employees and Vendors
Totals[14, 15]	**$1,534,715**	**$3,290,465**			

Table 1 above applies to the total initial investment for a traditional Unit when you own or lease your land and building, and purchase or lease your signs, equipment and improvements, using personal and/or borrowed funds.

Table 2
YOUR ESTIMATED INITIAL INVESTMENT
FOR A NON-TRADITIONAL UNIT UNDER A FRANCHISE AGREEMENT

Expenditures	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$ 15,000	$ 15,000	One Payment	When you Execute the Franchise Agreement	Perkins
Training Fee and Travel and Living Expenses While Training[2]	70,000	119,000	As Arranged	Training fee ($40,000) before construction start; remainder before opening	Perkins (for training fee); Suppliers, Transportation, Food and Lodging
Real Estate – Rent for First 3 months[3]	20,000	60,000	As Arranged	As Arranged	Third-party Landlord
Improvements[4]	400,000	1,550,000	Progress Payments	As Arranged	Contractors
Interest during construction	25,000	30,000	As Arranged	As negotiated with Lender	Bank or other financial institution
Equipment[5] and Seating	400,000	650,000	Financed or As Incurred	As Arranged	Vendors or Perkins, including security, phone and music
Signs and Décor [6]	40,000	82,000	As Arranged	As Arranged	Vendors
Site Plan/Engineering Drawings	12,500	18,500	As Arranged	As Arranged	Vendors

Expenditures	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Travel Expenses for Opening Guide Meeting[7]	0	750	As Arranged	Before Opening	Suppliers of Transportation, Food and Lodging
Smallwares, Small equipment, Opening Inventory and Uniforms	35,000	70,000	As Arranged	Before Opening	Vendors or Perkins
POS System[8]	15,000	20,000	Lump Sum	Before Opening	Vendors
Help Desk[9] (total for first 3 months)	215	215	As incurred	Before Opening and then monthly	Perkins
Hardware and Software Components - Computer Security [10]	2,500	3,000	As incurred	Before Opening	Vendors
Other Computer and Technology Expenses (first 3 months) [11]	2,500	3,000	As Incurred	As Arranged	Vendors
Grand Opening Promotion	1,000	10,000	As Incurred	As Arranged	Vendors
Miscellaneous[12] Opening Costs	45,000	55,000	Lump Sum	Before Opening	Vendors, Governmental Authorities, Utilities
Additional Funds-3 Months[13]	100,000	150,000	As Incurred	As Incurred	Employees and Vendors
Totals[14, 15]	**$1,183,715**	**$2,836,465**			

Table 2 above applies to the total initial investment when you develop and operate a Non-Traditional Unit, which assume that you will own or lease your land and building, and purchase or lease your signs, equipment and improvements, using personal and/or borrowed funds. In connection with Non-Traditional Units, Perkins may deviate from then-current Unit standards, specifications, practices, policies, programs and procedures to accommodate the non-traditional aspects of the Host Facility and operations non-traditional locations. In all cases, a Non-Traditional Unit must be constructed, improved and operated only in the manner that Perkins authorizes.

Notes to Franchise Agreement Investment (Tables 1 and 2):

1. See **Item 5** for additional details regarding the Initial Franchise Fee, including how it is determined for a Resale Unit. As noted in Item 1, Perkins does not have plans to sell its company-owned Units as Resale Units. However, in the event that Perkins does sell a company-owned Unit, Perkins and the purchaser will negotiate the terms of the purchase, including the purchase price for any assets being sold or leased and any business value for the Resale Unit.

2. You must pay Perkins a training fee for initial training of opening staff members and management, which is currently $40,000. Additionally, you will be responsible for all expenses relating to you and your personnel attending training, such as travel, room, board and wages.

3. If you do not own a location for your Unit, you must purchase or lease a space. Typical New Development Units using our current format range in size from 4,000 to 6,500 square feet for a traditional Restaurant. Free standing restaurants will require from 1.0 to 1.75 acres of land for the Restaurant and adequate parking facilities. The size and specific requirements may vary for Non-Traditional Units depending on the characteristics of the Host Facility. The figures in the chart above are estimates to lease the location for the first three months of operation. You will need to lease the space in advance of your opening; however, you may attempt to negotiate an abatement from the landlord for periods before your opening date. Rents may vary beyond this range based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the Unit, the terms of the lease, and the desirability of the location. Due to variations in the market conditions for commercial property from region to region, we are unable to provide an estimate of the cost of purchasing real estate for the Franchise. If you decide to purchase the land, the cost and outlay needed to do so will be considerably higher.

4. You will need to construct improvements of, or "build out," the premises at which you will operate the Unit. The figures in the chart are for the build out of either a newly constructed building or improvements to an existing premises. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according to Perkins' specifications. Costs are likely to vary depending upon various factors, including: the size, location, configuration, installation costs, and overall condition of an existing premises, general contractor rates and the availability and cost of labor and materials; the work that the lessor will do as a result of the lease negotiations, and whether the Unit will be located within a Host Facility. Costs may be much higher if you already have or wish to establish your Franchise in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. You may negotiate for a tenant improvement allowance from the landlord covering a portion of the costs of constructing the leasehold improvements. If you are able to obtain from the property owner or lessor a leasehold allowance, or a lease payment abatement, those allowances or benefits should reduce your overall out-of-pocket costs to acquire, build out, and lease space but such allowance is not included in our estimates. These situations are site-specific and Perkins cannot determine exact costs; a franchisee should evaluate those potential costs for any specific site that might be considered.

   This estimate does not include the costs for site preparation and site improvements. Site preparation costs include improvements to the land necessary for Unit construction and operation as well as adjacent parking areas. These costs may vary greatly depending on the condition of the land, environmental factors and whether or not you will buy or lease the site.

5. You are responsible for paying any applicable state and local sales and other taxes, in addition to the actual cost of the equipment package.

6. The low figure is for a standard sign package. The high figure assumes that you will need a standard sign package for the building and a high-rise road sign (including, where applicable, a standard highway sign) (road signage will not generally be required for Non-Traditional Units). Specific circumstances may cause costs to be different.

7. Once Perkins has accepted a location for your New Development Unit and before beginning your site design, you and we will have a one-day meeting to review the New Restaurant Opening Guide and complete initial project timelines and checklists with Perkins' construction and design department and operations team. This meeting may be conducted in-person at Perkins' support center or electronically (by telephone or video meeting) as determined by Perkins. Perkins does not charge a fee for this meeting. If Perkins elects to hold the meeting in-person, then you will need to travel to Perkins' support center and you will be responsible for any travel or related costs that you incur, which are estimated between $0 and $750 (for flight and hotel) depending on travel distance to Perkins' support center.

8. Perkins has implemented a point-of-sale system (the "**POS System**") that you must purchase before opening your Franchise according to Perkins' specifications and criteria; provided that for Non-Traditional Units, Perkins may approve modifications or different systems depending on the characteristics of, and systems used at, the Host Facility. Perkins is not currently a supplier of the POS System, but Perkins may choose to become a supplier in the future (but is not required to do so). The estimated initial investment includes the estimated cost of purchasing all elements of the POS System, as currently configured, which requires the use of POS terminals. You will incur certain costs and expenses to purchase revised or upgraded components or services, or replacement systems, when specified by Perkins.

9. There are ongoing fees for a "help desk." Based on the current system, Perkins estimates that the fees for the "help desk" will cost approximately $850 per year though such price is subject to change in the future. At this time, Perkins bills and collects this fee on a monthly basis. This expense covers services for assistance in operating and maintaining the POS System. Perkins is currently the sole provider of the "help desk", but Perkins may choose to utilize a third party supplier in the future (but is not required to do so).

10. You must obtain and use cable/DSL broadband communications or suitable connectivity available in your area. You will be responsible for obtaining and properly installing any additional hardware or software necessary to facilitate the use of the cable/DSL broadband communications. The use of broadband communications requires security features and services (such as antivirus, antispam, firewall, intrusion detection and secure file transfer communication software). In addition, hardware components include a manager's PC, a network switch and other miscellaneous components and cables. Costs for these services and timing of payments will be as you determine with service providers, however, Perkins estimates your initial set up costs to be approximately $2,500 to $3,000. Perkins may choose to become a supplier of some security services and features. You must also be PCI compliant. "**PCI**" means the Payment Card Industry Data Security Standards, which are a set of requirements designed to ensure that all companies that process, store, or transmit credit card information maintain a secure environment. The PCI Data Security Standards are administered and managed by the Payment Card Industry Security Standards Council, an independent body that was created by the major payment card brands (Visa, MasterCard, American Express, Discover and JCB); however, the PCI council is not responsible for enforcing compliance. PCI compliance costs will accrue during the term of your Franchise, as arranged with service providers. In addition to the base costs, you may need additional security services from approved vendors during your operations, which are currently estimated to be approximately $1,000 to $1,500 per year, although the costs may change in the future. For a Non-Traditional Unit, the computer and technology requirements, costs and fees may vary, depending on the characteristics of, and systems used at, the Host Facility.

11. In connection with the Computer System, you will have to enter into appropriate agreements and pay the approved or designated suppliers (which may include Perkins or its affiliates) initial and ongoing fees in order to install and continue to use (and maintain and upgrade) the Computer System. The following describes, in general terms, the current requirements: a back-office, web-based software tool for the franchisee's food and labor cost control system; an online learning management system; ongoing PCI compliance costs (as describe above); business analytics and intelligence; maintenance contracts for hardware and software; customer loyalty program services (which are currently being tested); gift card services; and online ordering monthly service fee (excluding fees charged on a per transaction basis or for deliveries). For a Non-Traditional Unit, the computer and technology requirements, costs and fees may vary, depending on the characteristics of, and systems used at, the Host Facility. See Item 11 under "Point-Of-Sale, Computer and Technology Systems" for more information.

12. Includes business license fees, cash register money, first month's insurance deposit and tax escrow deposit, and utility deposits. If you chose to participate in a Virtual Product Offering, you may have some additional expenses associated with the inventory and supplies. These will vary based on the volume of additional products and menu items that you offer, but during the additional phase they are expected to be approximately $0 to $1,250 per month in additional expenses.

13. This estimates your initial start-up expenses, including payroll. These figures are estimates and are based on Perkins' experience with respect to franchised and company-owned Perkins Restaurants. The start-up expenses of a particular business may vary and you may incur additional expenses. If you finance any acquisition or operational aspect of your Franchise you will incur application fees, loan fees, closing costs and other related financing costs. These estimates are based on the current prototype for Perkins Restaurants, the experience that Perkins and its affiliates and predecessor franchisor have in developing and operating affiliate-owned Perkins Restaurants, and Perkins knowledge of business practices and conditions in the general marketplace.

14. The expenditures shown in the table above are for one Perkins Restaurant. If you are a developer, you will experience similar costs for each Perkins Restaurant under your Market Development Agreement.

15. If you signed a Market Development Agreement, you must pay Perkins a Development Fee that is equal to the total of (i) $40,000 for the first Perkins Restaurant to be developed under the Development Schedule and (ii) $20,000 for each additional Perkins Restaurant that you must development under the Development Schedule (except that if Market Development Agreement includes Non-Traditional Units, the development fee attributable to the Non-Traditional Units will be $15,000 for the first Non-Traditional Unit and $7,500 for any additional Non-Traditional Unit in the Development Schedule) (as described in Item 5, the Development Fee is separate from the Initial Franchise Fees that will be due for each Unit, and the amount of the Initial Franchise Fee for each unit will be Perkins' then-current fees for new franchises). If you are in compliance with your obligations under the Development Agreement (and other agreements with Perkins), when you sign the Franchise Agreement for each Perkins Restaurant in compliance with the Development Schedule, Perkins will credit the portion of the Development Fee that you paid for that Perkins Restaurant toward the Initial Franchise Fee due for that Franchise Agreement.

* * *

Table 3
YOUR ESTIMATED INITIAL INVESTMENT
MARKET DEVELOPMENT AGREEMENT

Expenditures	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee[1]	$60,000 (for 2 units) to $80,000 (for 3 units)	One Payment	When you Execute the Development Agreement	Perkins
Professional Fees[2]	$2,500	As arranged	When you Execute the Franchise Agreement	Third parties
Totals[3]	$62,500 to $82,500			

Notes to Market Development Agreement Investment (Table 3)

1. Market Development Fees - If you and Perkins sign a Market Development Agreement, you will develop multiple Perkins Restaurants under an agreed upon Development Schedule. You must pay Perkins the Development Fees, which as described in Item 5 will be equal to $40,000 for your first Perkins Restaurant, plus $20,000 for each additional Perkins Restaurant that you are to open under the Development Schedule(except that if Market Development Agreement includes Non-Traditional Units, the development fee attributable to the Non-Traditional Units will be $15,000 for the first Non-Traditional Unit and $7,500 for any additional Non-Traditional Unit in the Development Schedule). Perkins does not specify a minimum or maximum number of units that may be part of a Market Development Agreement. Based on its previous experience, the estimate in the chart above assumes a Development Schedule commitment of two to three Perkins Restaurants, although the actual number will be based on our mutual agreement. The Development Fee is separate from the Initial Franchise Fees that will be due under the Franchise Agreement for each Unit. Your estimated initial investment under the Market Development Agreement will vary depending on the number of Perkins Restaurants you develop within the Development Area. No part of this initial investment is refundable. If you remain in full compliance with the Development Schedule, and you are not otherwise in default under any provisions of the Development Agreement, or any other Franchise Agreement, at the time you and Perkins sign a Franchise Agreement for a Unit under the Development Schedule, Perkins will credit toward the Initial Franchise Fee the portion of the Development Fee that you paid for that Unit (for example, for standard Development Fees for traditional Units, the credit will be $40,000 for the first Unit and $20,000 for each additional Unit included in the Development Schedule).

2. Professional Fees - You may choose to employ an attorney, accountant, and other consultants to help you evaluate the Market Development Agreement and development opportunity. Your actual costs may vary, for example, depending on the degree to which you rely upon your advisors.

3. Estimated Investment - For each Perkins Restaurant that you develop under the Market Development Agreement, you must sign a Franchise Agreement and you will also incur the expenses in the first table in this Item 7.

* * *

Except as described above, there are no other payments you need to make in order to begin operating your Franchise. Amounts payable to Perkins are not refundable except as specifically described in **Item 5**. Amounts payable to a third party may be refundable, depending on the contracts, if any, between you and the third party. Except as described in **Item 10** of this Disclosure Document, neither Perkins nor its affiliates provide financing for any portion of a franchisee's initial investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you are not obligated to purchase or lease from Perkins, its designee or suppliers approved by Perkins, or under Perkins' specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate relating to establishing or operating your Franchise.

Construction or Renovation of the Franchise Premises

For any New Development Unit, the building for the operation of your Franchise, and the related parking lot, must be constructed in accordance with Perkins' accepted site layout and plan, parking lot lighting specifications, dedicated or reciprocal parking spots, and exterior sign specifications. These specifications will be provided to you in writing before you begin construction of your Franchise. For any Resale Unit, if you

undertake renovations or remodeling of the building or parking lot, your alterations must be made in accordance with Perkins' standards and specifications.

For a New Development Unit, you must prepare and submit to Perkins preliminary and final plans and specifications to suit the shape and dimensions of the site. As part of this process, you must engage a licensed architect that Perkins has designated or approved in writing as a preferred architect to prepare initial concept designs for your Unit. For further designs and plans, including construction drawings and final plans, you may use other qualified and licensed architects. For any construction or renovation or remodeling to a Franchise, you will be solely responsible for ensuring that the plans and specifications comply with the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations for persons with disabilities, and all other applicable regulations, ordinances, building codes and permit requirements and with lease or sublease requirements and restrictions, if any. Perkins will review such plans to assess compliance with Perkins' standards for Franchises, including such items as trade dress, presentation of Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Franchises. Additionally, prior to opening a New Development Unit (and upon renovating any Franchise after the initial opening), you must sign and deliver to Perkins an ADA Certification, in the form attached to the Franchise Agreement, certifying to Perkins that the Franchise and any proposed renovations comply with the ADA.

Purchases

You must purchase or lease all fixtures, furnishings, signs, equipment, décor, computer systems inventory, uniforms, advertising materials, operational and support services and other supplies, products and materials required for the operation of your Franchise. Such items and designated services (such as music delivery services, help desk services, online ordering services, gift card and loyalty program services, delivery services, and other technology services), must meet Perkins' standards and specifications, and may be purchased or leased only from suppliers (the term "suppliers" refers to manufacturers, vendors, distributors, and other sources of supply) that have been approved or designated by Perkins. Perkins (or any affiliates) may be an approved supplier, or the only approved supplier, of any such items. Additionally, as described below under "Leases," for Franchises for Resale Units, some items may be leased from Perkins. Perkins' operating system standards are set forth in the operation system manuals, which consist of, but are not limited to: operational instructions, standards and specifications, and a list of approved suppliers, are provided to you in: the Learning Management System (LMS) Learning Programs and Resources, Franchise Standards, Shift Standards Binder, Recipe Binders and Food Purchasing Manual or otherwise in writing (these are collectively referred to as the "**Manuals**"). Modifications to Perkins' standards and specifications, and list of approved suppliers, will be provided to you by updates to the Manuals or otherwise in writing. You must not purchase, install or use on the premises, without Perkins' prior written consent, any fixtures, furnishings, equipment, decor, supplies, signs, food, or materials not previously approved as meeting Perkins' standards and specifications.

If you want to purchase or lease items or services from an unapproved supplier, you must submit a written request for approval to Perkins and if Perkins does not approve the supplier within 30 days, the supplier will be deemed to be disapproved. As a condition of approval, Perkins may require that a Perkins representative inspect the supplier's facilities and that samples from the supplier be delivered (or provided for services) to Perkins for testing. Perkins either will test the samples at its own testing facility or operations or will make arrangements with independent testing laboratories. You may be required to reimburse Perkins for the testing, review and evaluation costs that it incurs. Potential suppliers can obtain from Perkins the specifications and standards for specific products, and may submit samples of their product(s) for testing. Once a supplier is approved by Perkins, no additional fees will be charged by Perkins for the continuing review and reapproval of that supplier. Perkins may disapprove proposed or existing suppliers based on its desire to achieve purchasing efficiencies for the Perkins System and/or to consolidate Perkins System purchases through a single supplier or fewer suppliers. Perkins may, from time to time, revoke its approval of particular products, services, or suppliers if Perkins determines, in its sole right and discretion, that those items or suppliers no longer meet Perkins' standards or

needs or for any reason or no reason. Upon receipt of written notice of such revocation, you must cease to sell and/or use any disapproved product or service and/or cease to purchase from any disapproved supplier.

You must purchase (or lease) and maintain a computer system. In general terms, you must obtain a computer system that includes certain hardware and software items and peripheral devices (such as printers). Among other things, you must meet our requirements concerning: (a) back office and management systems; (b) computer based point of sale systems, including cash registers and related components (a "**POS System**"), which may include, or be supplemented by, related technology, equipment, and services for customer online and mobile ordering systems and services, customer loyalty programs, and third-party delivery services; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems and battery backup systems; (f) Internet access mode (for example, form of telecommunications connection) and speed; and (g) business intelligence tool for data analytics. Perkins' standards and specification may include the approval of certain manufacturers and suppliers (together, including the POS System, the "**Computer System**"). Perkins is not currently a supplier, but Perkins may choose to become a supplier (including being the sole supplier) of the POS System or Computer System as a whole or any portion of it. Additionally, Perkins has the right to develop or have developed for it, or to designate computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), as well as services for computer maintenance and help desk features for use in operating your Franchise. Perkins requires that you participate in its customer loyalty program, as well as designated online and delivery services, using the vendors and online platforms that Perkins designates. See **Item 11** under the subheading "Point-Of-Sale, Computer and Technology Systems" for details.

You must use only business stationery, business cards, marketing materials, advertising materials, printed materials and forms that have been approved in advance by Perkins.

Perkins may attempt to negotiate purchase arrangements with suppliers (including price terms) for the benefit of franchisees and Perkins, but Perkins is not obligated to do so. Perkins purchases and resells to franchisees many items used in the operation of Perkins Restaurants under arrangements negotiated with suppliers and distributors who may provide Perkins with a discount or rebate. These arrangements may be changed, discontinued, or may not be available to you. Additionally, the costs of items that must be purchased locally, such as fresh produce and bakery items, may vary according to the location of your Perkins Restaurant.

Marketing and Promotion

All marketing and promotion you use must be in strict conformity with the standards, formats and specimens that Perkins provides and approves. You must conduct the activities in a dignified manner, and they must conform to Perkins' standards. You must not use any marketing or promotional materials until you receive Perkins' written approval. You must submit samples of all marketing and promotional materials to Perkins, for prior written approval (except as to prices you charge), if Perkins has not prepared or previously approved the materials. Perkins' approval of any materials will expire after six months, and you must resubmit them for Perkins' approval if you wish to continue to use the materials.

In addition, you must purchase and maintain a "DOT" road sign during all times when it is available (if the available meets Perkins' standards) and must include oneself on a waitlist if the "DOT" sign in not immediately available. Perkins may also require that you advertise on other billboard signage at your expense over and above your contributions to the Fund. All road signage and billboards must comply with Perkins' then-current standards and specifications. See Item 11 under "Local Advertising" for additional information.

Insurance

You must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance

policy or policies protecting Perkins, Perkins' lenders (where appropriate), and Perkins' respective officers, directors, partners, agents, and employees. The policies must include the types of insurance that are specified in the Manuals, the Franchise Agreement or otherwise in writing and provide protection against any demand or claim relating to personal injury, death, or property damage, employment practices liability, or any loss, liability or expense arising from the operation of your Franchise. All policies must be written by a responsible carrier or carriers which Perkins determines to be acceptable, must name Perkins and Perkins' affiliates as an additional insured, and must provide at least the types and minimum amounts of coverage specified in the Manuals or otherwise in writing from time to time. Perkin's current insurance requirements are described below. These are minimum coverage requirements and Perkins recommends that you review these with your insurance advisors to determine whether additional coverage is warranted for the circumstances of your site and business. Perkins may modify the minimum insurance requirements, which will be specified in updates to the Manuals. Perkins also strongly encourages, but does not currently require, that you maintain policies with umbrella liability coverage (excess coverage for commercial general liability, comprehensive automobile liability, and employers liability with limits of at least $1,000,000 per occurrence and aggregate of $1,000,000) and cyber liability and network data breach coverage (at least $500,000 per occurrence and aggregate).

Current requirements: (1) Commercial general liability insurance with minimum limits of $1,000,000 per occurrence, $2,000,000 general aggregate, $2,000,000 products/completed operations aggregate, $1,000,000 personal injury and advertising injury, and $50,000 damage to rented premises. Coverage must be primary and non-contributory. (2) If alcoholic beverages will be sold at the Unit, liquor liability coverage with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate. (3) Business auto liability insurance, including owned, non-owned and hired car coverage, with minimum limits of $1,000,000 per accident. (4) Worker's compensation insurance at least equal to the statutory requirements of the state where the Unit is located, with employers' liability limits of at least $500,000 per occurrence for bodily injury by accident and disease. (5) Commercial property coverage with building insurance at full replacement cost coverage, business personal property insurance with full replacement cost coverage, business income and extra expense insurance with minimum of six month of lost income and Special Form Perils cause of loss will apply. (6) Employment practices liability insurance with minimum limits of $500,000 per wrongful act and per wrongful act third party claim.

Leases

You must have a written lease for the premises where you will operate your Franchise. For all locations, you must, before executing the lease, submit the lease to Perkins for Perkins' review and written acceptance to ensure the lease contains the required terms contained in the Franchise Agreement, and you must execute a Collateral Assignment of Lease (the current form of which is included as **Exhibit A-11** to this Disclosure Document).

With respect to Resale Units (excluding franchisee to franchisee transfers), Perkins already owns or leases the premises, equipment and signs and will enter into a lease or sublease with you for these assets before you open the Franchise. The current forms of Lease Agreement and Sublease Agreement that Perkins uses are included, respectively, as **Exhibit A-9** and **Exhibit A-10** to this Disclosure Document. You will be responsible for obtaining all operating permits at least 10 days before you open for business.

Music Delivery System and Vending Machines

In connection with the Franchise Agreement, you must agree to enter into a contract with an approved supplier for the installation of a music delivery system in your Perkins Restaurant. Perkins may require an updated technology or music delivery system in the future.

You may not place any coin operated machine on the premises of your Franchise unless approved by Perkins. At this time, conditions for Perkins' approval include that you use the designated national program provider, currently Pelican Group, which returns 2% of all proceeds to Give Kids the World. You may not place

any ATM, cigarette, vending, crane game, electronic, or other machine without our approval and subject to our conditions. Perkins may revoke its approval at any time and require immediate removal of the machines.

Any revenue generated through the music delivery system and the vending machines (except for cigarette machines, for which we do not collect royalties or other payments) will be included in the Net Sales for your Franchise.

Fixtures, Furnishings and Equipment

As described above, you must purchase or lease fixtures, furnishings and equipment for your Perkins Restaurant that meet Perkins' specifications from approved suppliers. Perkins will approve vendors for these items and may, from time to time, specify a preferred vendor for these items and related services (such as installation) from whom you may purchase these items.

* * *

As explained above, you will be required to use only those food products, ingredients, seasonings, mixes, beverages, materials and supplies used in the preparation of products, menus, paper, glassware, china and plastic products, packaging or other materials, utensils and uniforms that meet Perkins' standards and specifications from suppliers Perkins has approved. Because of the unique character and reputation of Perkins restaurants' pancakes and the importance of the mixes used in those menu items, you will be required to purchase and use only pancake mixes prepared from Perkins' secret recipes. The initial purchase, upon your opening a restaurant, will represent a very minimal part of the initial inventory of food expenditures. Currently, these pancake mixes are only available from approved third party distributors and manufactured by Fairfield Gourmet Food Corp., and there are no other approved sources of supply. The mixes may not be sold, given away or otherwise transferred. You will also be required to purchase certain bakery items from sources approved by Perkins. Currently, certain bakery items (muffin batter, cookies and pies) are only available from approved third party distributors and manufactured by Fairfield Gourmet Food Corp., and there are no other currently approved sources of supply. Prior to October 21, 2019, these items were manufactured by the Foxtail Foods division of PMC. On October 21, 2019, Fairfield Gourmet Food Corp. purchased the Foxtail Foods operations from PMC. Perkins is not an affiliate of Fairfield Gourmet Food Corp. or Foxtail Foods.

The purchase of products manufactured by Fairfield Gourmet Food Corp. will represent approximately 10 to 15% of your overall distributor purchases in connection with the establishment and operation of your restaurant. Perkins estimates that the cost of items to be purchased in accordance with its specifications and from approved suppliers will represent 75 to 80% of your total purchases in establishing your Franchise, and that purchases of these items will represent 80 to 90% of your overall purchases in operating your Franchise.

During Perkins' last fiscal year (May 4, 2022 to May 2, 2023), Perkins did not sell products to Perkins franchisees. Perkins reserves the right to receive rebates, license fees, allowances, or similar payments from thirty-party suppliers, which amounts may be based on the franchisees' purchase directly from these suppliers. Perkins and its affiliates have the right to apply any of these amounts, as they determine appropriate, compensation of Perkins and its affiliates for expenses that Perkins or its affiliates incur in connection with negotiating and maintaining relations with such parties, or any other corporate purpose that Perkins or its affiliates may deem appropriate. At this time, these rebates from third-party suppliers range from approximately 1% to 10%, calculated based on the amount of the franchisees' purchases from these suppliers. During the last fiscal year, the total amount of rebates that Perkins received from third-party suppliers based on franchisees' purchases from them were approximately $1,001,943. Additionally, if Perkins sells Products to franchisees, to the extent that Perkins purchases items from third-party suppliers, they may also offer incentives or volume discounts directly to Perkins based on Perkins' purchases from them.

In addition to the rebates described above, third-party suppliers may pay rebates or other contributions to system marketing funds or directly to franchisees. Under the purchase arrangements in effect as of the date of

this Disclosure Documents, certain designated suppliers make contributions to the Perkins advertising Fund relating to the system's participation in the purchasing arrangements, and franchisees may qualify to receive rebates based on their purchases.

Perkins does not provide material benefits to franchisees based on their use of designated, preferred, or approved sources, although franchisees may have their franchise agreements terminated or not renewed if they use unapproved suppliers.

At this time, our affiliate, HHI, is an approved supplier of items that franchisees of Perkins Restaurants may elect to purchase, but HHI currently is not a required or sole supplier of any items that franchisees must purchase for use in their Perkins Restaurants but may be in the future. Other than interests in HHI, none of our officers or directors has an interest in any companies that are approved vendors or suppliers to Perkins restaurant franchisees.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section In Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	§§ 2(a) and 7(a) of Franchise Agreement ("**F/A**") and Site Selection Addendum; §5 of the Market Development Agreement ("**D/A**"); §6 of Non-Traditional Unit Addendum ("**NTU Addendum**"); for Resale Units, Lease Agreement or Sublease Agreement	Items 6, 10 and 11
b. Pre-opening purchases/leases	§§7 and 16(a) of the F/A; §6 of NTU Addendum; for Resale Units, Lease Agreement or Sublease Agreement	Items 5, 7, 8 and 10
c. Site development and other pre-opening requirements	§§7 and 16(a) of the F/A; §5 of the D/A; §8 of NTU Addendum	Items 6, 7, 8 and 11
d. Initial and ongoing training	§7(i) of the F/A; §6 of the D/A; §9 of NTU Addendum	Items 6, 7 and 11
e. Opening	§§7(d) and 7(f) of the F/A; §5 of the D/A; §8 of NTU Addendum	Items 7 and 11
f. Fees	§§5, 7(d), 7(e), 7(i), 7(k), 7(u), 7(z), 7(aa), 8(b), 13(d), 13(f), 13(h), and 16(a) of the F/A; §§3, 2(b), and 7 and 13 of the D/A; Equipment Lease; Hours of Operation Amendment; §§4 and 5 of NTU Addendum; §4 of Addendum for Participation with VDC ("**VDC Addendum**"); §§4 and 5 of Schedule 1 of New Product Line and Program Addendum ("**Product Line Addendum**"); for Resale Units, Lease Agreement or Sublease Agreement	Items 5, 6, 7, 10 and 17
g. Compliance with standards and policies/Operating Manual	§§7 and 9 of the F/A; §2 of VDC Addendum; and §§2 - 4 and 11, and §3 of Schedule 1 of Product Line Addendum	Items 1, 8 and 11
h. Trademarks and proprietary information	§§6, 9 and 10 of the F/A; §§10 and 11 of the D/A; Recital of VDC Addendum; and §§2 -4 and 11 of Product Line Addendum	Items 13 and 14

Obligation	Section In Agreement	Disclosure Document Item
i. Restrictions on products/services offered	§§7(j), 7(k), 7(l), 7(m), 7(q), 7(w), 7(bb) and 7(gg) of the F/A; §§2 and 14 of NTU Addendum; §3 of VDC Addendum; §§3, 4 and 11 of Product Line Addendum; and Consent to Service of Beer and Wine	Item 16
j. Warranty and customer service requirements	§§7(g), 7(o), and 7(r) of the F/A	Not Applicable
k. Territorial development and sales quotas	§2(e) of the F/A; §§1 and 4 of the D/A	Item 12
l. Ongoing product/service purchases	§§7(k),7(1) and 7(q) of the F/A	Item 8
m. Maintenance, appearance and remodeling requirements	§§7(c), 7(q), 7(r), 7(s), 7(t), 7(w) and 7(aa) of the F/A; Hours of Operation Amendment	Item 11
n. Insurance	§16 of the F/A; §5 of VDC Addendum; and §8 of Product Line Addendum	Items 7 and 8
o. Advertising	§§7(m), 7(gg) and 8 of the F/A; § 5 of NTU Addendum; §4 of VDC Addendum; and §§5 and 6 of Schedule 1 of Product Line Addendum	Items 6, 7, 8 and 11
p. Indemnification	§18(a) of the F/A; §8 of VDC Addendum; and §13 of Product Line Addendum	Not Applicable
q. Owner's participation/ management/staffing	§§7(g), 7(h), 7(x), 7(y), 7(cc), 7(dd) and 7(ee) of the F/A	Items 6, 7, 11 and 15
r. Records and reports	§11 of the F/A	Item 6
s. Inspections and audits	§§7(p), 11(a) and 20(a) of the F/A	Items 6 and 11
t. Transfer	§§7(ee) and 13 of the F/A; §13 of the D/A; §8 of VDC Addendum; and §6 of Product Line Addendum	Items 6 and 17
u. Renewal	§§3(b) and 3(c) of the F/A; §§2(b) and 5(c)(vi) of the D/A; §8 of VDC Addendum; and §6 of Product Line Addendum	Items 6 and 17
v. Post-termination obligations	§§12(b) and 15 of the F/A	Item 17
w. Non-competition covenants	§12(b) of the F/A; §§14 and 15 of NTU Addendum	Item 17
x. Dispute resolution	§§20 and 22 of the F/A; §§15(d)-15(h) of the D/A	Item 17
y. Other: Guaranties	§§11(d) and 13(l) of the F/A	Items 10 and 15

ITEM 10. FINANCING

For New Development Units, except as described in this Item, Perkins does not offer direct or indirect financing to its franchisees. In some circumstances for New Development Units, Perkins may finance a portion of Initial Franchise Fee in connection with the franchisee entering into a "Note." The terms for this financing are further described below under "General Financing Terms."

For Resale Units (excluding franchisee to franchisee transfers), Perkins may provide certain financing arrangements in connection with some Resale Units, as described below under "Additional Terms for Resale Units."

General Financing Terms

Promissory Note. Under a Promissory Note (the "**Note**"), Perkins may finance a portion of the Initial Franchise Fee by franchisees with operational experience for some new or currently existing Perkins Restaurants that it offers for Franchises. The Note bears interest at a fixed, annual rate which varies from time to time. As of the date of this Disclosure Document, the Note provides for an annual rate of interest which does not exceed 14.5%. The Note provides that all principal and interest owed under the Note are to be paid in 60 (or fewer) consecutive, equal, monthly installments. The Note does not provide for a prepayment privilege or a prepayment penalty. If any payment is more than 5 days late, a 5% late fee also is due, and if any payment is more than 10 days late, Perkins or any other holder of the Note can call the entire amount owed under the Note due and payable. If the Note is collected by law or through an attorney-at-law, all costs of collection (including 15% attorney's fees) also must be paid. If you default under the Note, we may terminate your Franchise Agreement and you may be liable for a cross-default under the Franchise Agreement and required to pay Perkins all sums, including actual and consequential damages, costs and expenses we incur as a result of the default. The Note includes provisions waiving all homestead or exemption rights, demand, protest and notice of demand, protest, and non-payment. (Perkins' current form of Note is included as **Exhibit A-12** to this Disclosure Document).

Guaranties and Owner Agreements.

If you are a corporation or other entity, Perkins will require your individual shareholders or members holding at least 5% ownership interest, and each their spouses (if applicable) to execute a Guaranty (the "**Guaranty**") (the current form of which is included as **Exhibit A-5** to this Disclosure Document), and may require that any entities holding a financial interest in you execute a corporate/entity form of Guaranty (the current form of which is included as **Exhibit A-7** to this Disclosure Document). Under these Guaranties, each signing guarantor agrees to jointly and severally guarantee your performance of all of your obligations under the Franchise Agreement and any other agreements (such as leases, subleases, or option agreements, loans and any other financing documents) that you enter into with Perkins or its affiliates.

If you are a corporation or other entity, Perkins will also require all of your shareholders or members holding at least 5% ownership interest to execute a Shareholders' Guaranty and Agreement/Members' Guaranty and Agreement (the "**Shareholder's Agreement**" or "**Member Agreement**"). In addition to the guaranty obligations described above, under the Shareholders' Agreement/Members' Agreement, the signing owners also must jointly and severally agree not to sell, pledge or dispose of any of their ownership in you without Perkins' written consent. (Perkins' current forms of Shareholders' Agreement and Members' Agreement are included as **Exhibits A-6A and A-6B** to this Disclosure Document.)

Under the Guaranties and the Shareholder's Agreement/Members' Agreement, the signing owners and guarantors each waive presentment, demand, notice of dishonor, protest and all other notices, and Perkins can proceed against any owner or guarantor without first proceeding against you or any other owner or guarantor. Additionally, under each of the agreements, the signing owners and/or guarantors: (i) consent to, and waive any objection against, courts in the State of Georgia having personal jurisdiction over them in a lawsuit; (ii) consent

to, and waive any objection against, venue being proper in Fulton County, Georgia Superior Court or the United States District Court for the Northern District of Georgia, Atlanta Division, in a lawsuit against them; (iii) agree to bring all lawsuits related to the Guaranty in Fulton County, Georgia Superior Court or the United States District Court for the Northern District of Georgia, Atlanta Division; and (iv) consent to, and waive any objection against, being served with process outside of the State of Georgia in the same manner as service may be made within Georgia.

Perkins has not in the past, and does not presently, sell, assign or discount to third parties any notes, agreements or other instruments executed by Perkins' franchisees. However, Perkins may do so in the future if it determines, in its sole right and discretion, that such activity is advisable or in its best interests.

Perkins may refer you to persons or entities that offer financing or that arrange for the placement of financing, but Perkins does not receive any payment from any such person or entity, nor does Perkins make any recommendation as to whether you should obtain financing from any source.

Additional Terms for Resale Units:

In addition to the above listed requirements and the Note, the following applies for Resale Units if Perkins leases or subleases the land, premises, building and the existing Perkins Restaurants offered for Franchises as Resale Units. In some situations, the lease may be assigned directly to the purchaser of the Resale Unit. If not, Perkins will provide a lease (or sublease). The current forms of Lease Agreement and Sublease Agreement are included as **Exhibit A-9** and **Exhibit A-10** of this Disclosure Document.

The Lease Agreement is for a term of 20 years with an option to renew for one 10-year renewal period. The Sublease Agreement will generally have a term of (i) 20 years with an option to renew for one 10-year renewal period, or (ii) the remainder of any term on an underlying lease between Perkins and the landlord, and provided that the renewal options remain subject to Perkins exercising its extension options pursuant to the primary lease agreement for the premises. Rent is payable monthly at a rate to be specified in the Lease Agreement or Sublease Agreement. If any amount due under the Lease Agreement is more than 3 days late, or if any amount due under the Sublease is more than 10 days late, a 5% late fee also is due. If the lessee defaults under the Lease Agreement or Sublease Agreement, Perkins can terminate the agreement and require the lessee to leave the premises. Under the Lease Agreement, if any amount due is collected by or through an attorney at law, the lessee must pay 15% of such amount as attorney's fees. Similarly, under the Sublease Agreement, the terms of the primary lease relating to costs incurred in enforcing the lease terms (including for efforts to collect any amounts due) will apply and the franchisee lessee will be responsible for reasonable attorney's fees incurred to enforce the lease terms. The Lease Agreement provides that the lessee waives and assigns to Perkins the lessee's homestead rights and exemptions.

For any Unit that Perkins will offer to sublease, before entering into the Franchise Agreement or Sublease Agreement, Perkins will provide a copy of the primary lease agreement that Perkins has in effect with the landlord of the premises. Under the Sublease Agreement, the franchisee (as the sublessee) will be subject to the terms of the primary lease (except as otherwise specified in the Sublease Agreement), and will assume and be responsible for performing all of the lessee's obligations under the primary lease to the extent that the terms applicable to the premises being subleased.

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

Except as listed below, Perkins is not required to provide you with any assistance.

Pre-Opening Obligations

Perkins is required by the Franchise Agreement and Market Development Agreement to provide the following types of assistance to you before you open your Franchise:

Franchise Agreement: Before you open the Franchise, Perkins will:

1. Provide you and/or your designated manager with up to 35 total days of training (or such other amount of time as Perkins deems appropriate) in the operation of your Franchise (Franchise Agreement Section 4(a)(i));

2. Provide up to three other support managers up to 25 total days of training each (or such other amount of time as Perkins deems appropriate) in the operation of your Franchise;

3. Provide, at your Franchise location, up to 21 days of pre-opening or opening assistance (or such other amount of time as Perkins deems appropriate) in the initial operation of your Franchise (Franchise Agreement Section 4(a)(ii));

4. Provide you with, or make available electronically, one copy of the Manuals (Franchise Agreement Section 4(a)(iii));

5. Provide you with Perkins' minimum standards for the location of a Perkins unit, if an acceptable location for your Premises are not identified when you sign the Franchise Agreement (Franchise Agreement, Site Selection Addendum, Section 1);

6. Provide you with site selection counseling and assistance as Perkins deems advisable (Franchise Agreement, Site Selection Addendum, Section 1);

7. Accept or deny your proposed site for the Franchise, if an acceptable location for your Premises are not identified when you sign the Franchise Agreement (Franchise Agreement, Site Selection Addendum, Section 3);

8. Upon your request, and at no charge to you (except as otherwise expressly provided in the Franchise Agreement), furnish certain counseling and advisory services to you with respect to the construction and pre-opening activities related to the operation of the Franchise (Franchise Agreement Section 4(a)(iii)); and

9. Through the Manuals and written instructions, Perkins will provide you with the System standards and specifications for all required fixtures, equipment, signs, inventory, and supplies, which may require you to purchase items from designated or approved suppliers. Perkins and its affiliates may, but are not required to, be a supplier of various required and optional items. To the extent that Perkins or its affiliates are suppliers of items, Perkins may arrange for delivery but does not install any of these items. (Franchise Agreement Sections 7(c), 7(k), and 9(a))

Market Development Agreement: Before you open each Franchise, Perkins will:

1. Accept or deny your proposed site for each Franchise (Market Development Agreement Section 5(b)).

2. Provide you with site selection counseling and assistance as Perkins deems advisable (Market Development Agreement Section 5(a)); and

3. Upon your request, and at no charge to you (except as otherwise expressly provided in the Market Development Agreement), furnish certain counseling and advisory services to you with respect to the construction and pre-opening activities related to the operation of the Franchise (Market Development Agreement Section 6(a)).

Ongoing Assistance

Franchise Agreement: During your operation of your Perkins Restaurant, Perkins will:

1. Provide information concerning operating problems, new techniques or operating methods disclosed by reports submitted to, or evaluations made by, Perkins (Franchise Agreement Section 4(b)(i));

2. Provide information regarding new and improved methods of operation or business procedures developed by Perkins, use of the Manuals, management materials, promotional materials and the Marks (Franchise Agreement Section 4(b)(ii));

3. Permit you to participate, on the same basis as other Perkins franchisees, in any group purchasing programs that Perkins uses, develops or sponsors, so long as you are not in default under an agreement with Perkins (Franchise Agreement Section 4(b)(iii)); and

4. Periodically evaluate your Franchise and the products and services you offer (Franchise Agreement Section 4(b)(iv)).

Perkins also may provide periodic guidance on pricing of products and services. Although Perkins will not set the prices for the products and services you offer at your Unit, Perkins reserves the right to set reasonable restrictions on the maximum and minimum prices you may charge for the products and services offered and sold at your Unit (Franchise Agreement Section 7(ii).

Market Development Agreement

The Market Development Agreement does not require us to provide any other assistance or services during the operation of any Franchise(s).

Site Selection – New Development Unit

For Franchises for New Development Units (other than Non-Traditional Units), you must propose to Perkins a site for the operation of your Franchise and the site must comply with Perkins' site acceptance criteria. The site must be examined and certified to be environmentally clean (Franchise Agreement Section 7(a) and Market Development Agreement Section 5(b)). Perkins will not unreasonably withhold its acceptance of a site, so long as the site meets Perkins' criteria for general location and neighborhood, traffic patterns, parking, size, layout and other physical characteristics, rental terms and lease duration, the economic circumstances of the community, and other basic demographic data that Perkins considers important.

Unless you already possess a site that we accept at the time you sign the Franchise Agreement or Market Development Agreement (if applicable), you are responsible for finding and then leasing (or purchasing) a suitable site for your Restaurant in the manner described in the Site Selection Addendum (Exhibit E of the Franchise Agreement) and Market Development Agreement Section 5(a) and (b). Perkins may provide site selection counseling and assistance as Perkins determines advisable. Under the terms of the Site Selection Addendum, which applies to traditional New Development Units, you will have 210 days to locate and secure an acceptable site (the "**Site Selection Period**"). We will furnish you with our minimum standards for the location of a Perkins Restaurant. Our requirements may include standards and specifications regarding accessibility, available parking, and minimum square footage. We are not required to provide other assistance in selecting or securing a site. You must obtain our written acceptance of a proposed location before you commit to it. Within 90 days after signing the Franchise Agreement, you must submit to Perkins a request for acceptance of a site (including such information and items that we may require to evaluate the proposed site, which may include an option contract, letter of intent, or other evidence satisfactory to us that describes your favorable prospects for obtaining such site, photographs of the site, demographic statistics, and other such other information or materials that we may reasonably require). We will have 15 days from receiving the information to accept or reject the proposed site. We may, but are not obligated to, conduct on-site evaluation of any proposed sites. If we conduct any in-person visits for site evaluation purposes, then we may require that you reimburse us for our reasonable costs of travel, lodging, wages, and meals for any in-person site evaluations. Until we have given our written acceptance, a site will not be "accepted." If we do not accept a proposed site, you must submit another proposal. Once we notify you that we have accepted your proposed site, you will have 30 days to secure the site by entering into a lease for the premises or a binding agreement to purchase the site. Additionally, if you (or, if you form an entity to be the franchisee, any of your owners or members) or any entities that are under common control with or affiliated with you (each an "**Affiliated Lessor**") purchases the site, you must also enter into a written lease the Affiliated Lessor for the premises. In all circumstances, you must have a written lease for the premises that complies with the requirements of the Franchise Agreement the lease terms and conditions and you must execute a Collateral Assignment of Lease (the current form of which is included as **Exhibit A-11** to this Disclosure Document).

If you default on an obligation under the Site Selection Addendum, you will have 10 days to cure the default. If you do not locate and secure an acceptable site within the Site Selection Period, then you will be in default under the Site Selection Addendum and we may terminate the Franchise Agreement. The following chart summarizes the site selection actions and deadlines.

Action to be Completed	**Deadline**
Submission of proposed site You must have submitted written request to Perkins for acceptance of proposed site	90 days after signing the Franchise Agreement
Submission of alternate site If Perkins rejects a proposed site, you must submit another proposed site	30 days after notice of Perkins' rejection of previous proposed site
Sign lease for/purchase Accepted Site (and sign a lease with Affiliate Lessor) You must sign a lease with a third party or purchase agreement for the accepted site and (if applicable) enter into a lease with the Affiliate Lessor.	30 days after Perkins' written acceptance of proposed site
Secure Accepted Site and Expiration of Site Selection Addendum You must have secured the accepted location for Premises	210 days after signing the Franchise Agreement

Authorization by Perkins of the site indicates only that the site meets Perkins' minimum requirements for a Perkins Restaurant. If you enter into a Market Development Agreement, Perkin's then-current standards for

sites and territories will apply to each New Development Unit, and you must complete all actions to locate and secure an approved site as needed to satisfy the Development Schedule.

Once you have our acceptance of a location for your New Development Unit, you must comply with the terms of the Franchise Agreement (or if applicable, Market Development Agreement) regarding the acquisition and lease of the accepted site (Section 7(a) of the Franchise Agreement) and the development of your Perkins Restaurant (Sections 7(b) through (d) of the Franchise Agreement, and Sections 5(b) and (c) of the Market Development Agreement). Once you secure an accepted site, it will be your "Premises." At that time, and before beginning your site design, you will travel to Perkins' support center for a one day meeting to review the New Restaurant Opening Guide and complete initial project timelines and checklists with Perkins' construction and design department and operations team. Perkins does not charge a fee for this day, but you will be responsible for any travel and related costs that you incur, including any travel expenses.

Construction on your Perkins Restaurant (other than a Non-Traditional Unit) must begin not more than 60 days after the Premises are secured (Section 7(d)) and your Perkins Restaurant must begin operating for business with customers not more than 300 days after you secure the Premises (by lease or purchase). (Section 7(d)). If you do not begin construction and operations by such times, Perkins can terminate your Franchise Agreement for default.

For a Non-Traditional Unit, you must complete construction of your Unit at the Host Facility according to the site and building plans that Perkins approves and you may not make changes to such plans without Perkins' written consent. You must open your Non-Traditional Unit within one year from signing the Franchise Agreement and Non-Traditional Addendum.

Start-Up Time – New Development Unit

Perkins estimates that the typical length of time between the signing of the Franchise Agreement or the first payment of consideration for your Franchise and the opening of your Franchise for a New Development Unit is (a) between 180 and 300 days if your Premises are already identified when you sign the Franchise Agreement and (b) between 360 and 450 days if you must identify the Premises under the Site Selection Addendum after signing the Franchise Agreement. Factors which may affect these time periods include your ability to obtain financing, building permits and license approvals, zoning and local ordinances, weather conditions, construction delays, and shortages or delayed delivery and installation of equipment, fixtures and signs.

Start-Up Time – Resale Unit

Resale Units are currently operating as Perkins Restaurants prior to your acquisition. Therefore, the typical length of time between the signing of the Franchise Agreement or the first payment of consideration for your Franchise and the opening of your Resale Unit Franchise is nominal. You will be able to take over operations of the Unit once you have successfully completed our initial training and other pre-opening obligations. Perkins estimates that the typical length of time to accomplish these obligations is four to eight months (or less, if the franchisee is an existing operator who has already completed the required training).

Advertising

Perkins Marketing Fund

Perkins Marketing Fund was established to administer and operate the advertising fund for the Perkins Restaurants in the Perkins System (the "**Fund**"). Amounts contributed to the Fund are used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing marketing, advertising, public relations, and/or promotional programs and materials, and any other activities that Perkins believes will promote and enhance the image of the Perkins System and general public awareness of and favorable support for the

Perkins System. This includes, among other things, the costs of preparing and conducting marketing campaigns through media advertising (such as television, radio, magazine, newspaper, outdoor, digital, social, email, direct mail; market surveys; developing and maintaining our website and affiliated websites (except for the portion, if any, specifically relating to soliciting franchisees); employing advertising personnel (in-house) or retaining third-party agencies to support marketing, advertising and public relations; consumer and product research and development; marketing technology; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; providing promotional and other marketing related materials and services to Perkins Restaurants in the Perkins System; sponsorship of organizations and events, including meetings for the Perkins System; developing and maintaining Online sites; purchasing promotional items; conducting and administering in-store promotions; product research and other surveys; providing promotional and other marketing materials and services; and providing rebates or reimbursements to franchisees for local expenditures on products, services, or improvements as approved by Perkins. The Fund is responsible for the administrative costs incurred in relation to the management of the Fund. Perkins has the right to determine the coverage of any advertising or promotion paid for by the Fund, and Perkins chooses and determines, in its sole right and discretion, the concepts, materials and media used in any advertising or promotional activities paid for by the Fund.

Each Perkins franchise and company-owned Perkins Restaurant is required to contribute to the Fund. Your contribution is currently 3.0% of your Net Sales. Franchises that enter the Perkins System after the date of this Disclosure Document are required to pay this same amount, except that the requirement may vary in connection with restaurants in a captive audience location or similar circumstances. In the future, Perkins may increase your required Fund contribution up to a maximum of 4% of Net Sales. Perkins-owned restaurants are required to contribute on the same basis. Franchisees who entered the Perkins System prior to that time (through previously executed Franchise Agreements and/or Market Development Agreements) may not be required under their Franchise Agreements or Market Development Agreements to contribute in the same amount. The amounts that the existing franchisees and multiple unit developers must contribute to the Fund are determined by the terms of the Franchise Agreements and Market Development Agreements that Perkins previously offered.

Perkins, through the Perkins Marketing Fund, administers the Fund. At this time, neither Perkins nor any of its affiliates receives payment for providing goods or services provided to the Fund, other than for rent and administrative services provided by Perkins for the Fund's activities. The financial statements of the Fund are not audited. During the most recent fiscal year (May 4, 2022 to May 2, 2023), 10.0% of the expenditures of the Fund were spent on advertising production and research costs, 7.2% was spent on administrative costs, 69.2% was spent on media placement, and 13.6% was spent on brand and menu development marketing.

Any contributions that are collected, but not spent, during any given year will be carried over to the next fiscal year. No expenditures of the Fund were used for advertising that was principally a solicitation for the sale of franchises. Perkins is not required to spend, or to ensure that any amount expended by the Fund, is spent on advertising in your specific market area or to ensure that your Franchise benefits equally with other franchised and Perkins-owned restaurants or in proportion to your contribution.

Upon your written request, Perkins will provide to you an unaudited statement of how the funds were used in Perkins' most recent fiscal year.

Local Advertising and Promotional Activities

Certain criteria will apply to the local marketing that you conduct. You can develop your own advertising program, but your advertising and marketing must be in such media, and of such types and format as Perkins approves, and must conform to the standards, formats and specimens in Perkins' Manuals. Upon request from Perkins, you will change or cease to use any of your advertising programs, copy, and materials. (Franchise Agreement Section 8) If you want to use different copy or materials, or to use a different type or format of promotion, you must obtain Perkins' advance approval. Perkins will not unreasonably withhold its approval and

any approval will be good for only six months. Your advertising materials cannot include anything that may, at Perkins' sole right and discretion, be considered in bad taste or offensive to the public or any group of persons, or defamatory of any person or an attack on any competitors. (Franchise Agreement Section 8) Perkins is not required to spend amounts on advertising in your specific market area or territory.

Perkins and/or its agents have the right at any time without prior notice to you to: (a) interview existing and/or prospective customers of any Perkins Restaurant and to require you to present to such customers such evaluation forms as are periodically prescribed by Perkins and to participate and/or request your customers to participate in any surveys performed by or on behalf of Perkins; and (b) conduct market research at the Perkins Restaurants and elsewhere, including surveys and focus groups involving customers and prospective customers of the Perkins Restaurants, and any other market research and customer satisfaction evaluation deemed appropriate by Perkins. If Perkins elects to implement "mystery shopper" services, you agree to use these services to evaluate your compliance with customer service requirements and other Perkins standards (you will be responsible for these cost), and to provide reports of the results of the mystery shopper programs to Perkins. Your mystery shopper programs will be conducted in accordance with any mystery shopper methods or protocols in the Manuals. (Franchise Agreement Section 8)

You must spend on a quarterly basis (or such other time period as Perkins may reasonably specify) at least 1% of the Net Sales (except as described below for Virtual Product Offerings) on local advertising and promotional activities (as described in Item 6, these are, collectively the "**Local Advertising Requirement**") (unless Perkins requires that you instead contribute this amount as described in the next paragraph). You must account for the expenditures on a routine basis and prepare and maintain, in accordance with the schedules and procedures specified by Perkins from time to time, detailed reports describing the amount of money expended on local advertising and promotion during such period. You must submit, on or before the 10th day of the following quarter, all such statements, reports and records as Perkins may specify to evidence your compliance with the Local Advertising Requirement. The term "local advertising and promotional activity" refers to advertising and promotion related directly to your Perkins Restaurant, and will, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), approved DOT road signs and billboard advertising, and other activities and expenses as Perkins may specify. Perkins may provide to you, in the Manuals or otherwise in writing information specifying the types of advertising and promotional activities and costs which do not qualify as "local advertising and promotional activities," including the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations.

In lieu of having you directly spend monies on local advertising for Local Advertising Requirements, Perkins has the right to require that you instead contribute those amounts to the Fund for use by the Fund, on a temporary or permanent basis. Perkins will notify you in writing at least 30 days in advance of any change. During any periods that Perkins requires this contribution (for reasons other than your non-compliance) and you make the required contribution, you will not be required to make expenditures for the Local Advertising Requirement for the same period. If, however, Perkins requires that you contribute your Local Advertising Requirement monies to the Fund because you did not fully comply with the advertising requirements, then Perkins may take either of the following courses of action: (a) Perkins spends the contributed Local Advertising Requirement monies on your behalf; or (b) Perkins requires that you spend amounts equal to the contributed Local Advertising Requirement on approved advertising, and then, after Perkins receives from you proof that you made those expenditures as required, Perkins will return to you the Local Advertising Requirement monies that were being held in the Fund for that period.

If you participate in a Virtual Product Offering, your local advertising requirements may differ as they relate to the additional product offerings and resulting sales. At this time, Perkins does not require you to spend on local advertising any specific amounts or percentage of your Net Sales that attributable to the Virtual Product

Offering. Perkins may, however, require that you participate in marketing related to such offering, which may include free delivery and other promotions and incentive. If so, you must pay the costs and expenses related to any and all incentive and promotional programs.

As part of your marketing activities, you must purchase and maintain a "DOT" road sign at all times it is available. If DOT signage is not immediately available when your Franchise opens, you must register on the wait list (if applicable) and purchase the signage at the earliest time it is available to you. Additionally, Perkins may require that you advertise on other billboard signage. Perkins may base its decision to require billboard advertising for your Franchise on the factors it determines relevant, including availability, location and costs. All road signage and billboards must comply with Perkins' then-current standards and specifications. The monies that you spend on approved road signage and billboards will count towards your Local Advertising Requirements.

You must participate in the marketing initiatives that Perkins offers to franchisees and the consuming public. These initiatives may include: advertising through all media channels including on-line social media, electronic media, print, outdoor, digital media and public relations; in-store programs and community programs; frequent customer and loyalty programs, which may include providing discounts or complimentary products or menu items; online ordering and delivery activities; use and promotion of gift certificates and cards; coupons and other promotional programs; and charitable fundraising and donation programs and related activities.

The Franchise Agreement does not require that you become a member of or contribute monies to local or regional advertising cooperatives (which refer to associations formed for the purpose of organized and ongoing collective advertising and which are governed by its members). There may, however, be local or regional coordinated advertising activities from time to time, including participation in designated marketing area activities. These coordinated activities, which have a local or regional focus, may be conducted by and paid for by the Fund. If you and individual franchisees in a particular area elect to coordinate your local advertising efforts (and obtain Perkins's approval for the advertising), then the amounts that you spend on that approved advertising may count towards satisfaction of your Local Advertising Requirement.

Perkins has formed a franchisee advisory council that provides advice to Perkins on various matters, including advertising matters. The franchisee advisory council is currently comprised of franchisees that Perkins selected to serve as members. The franchisee advisory council will advise Perkins on advertising matters, but the council's authority will be advisory only. Perkins has the right to dissolve or change the franchise advisory council.

Grand Opening Promotions.

In addition to (and not in place of) your requirements to contribute to the Fund and your Local Advertising Requirements, you must spend an amount that we designate in your Franchise Agreement, ranging from $4,000 to $10,000 on local promotion and a grand opening event for your unit's initial opening (the "**Grand Opening Program**"), according to Perkins' specifications. The Grand Opening Program will generally occur during the first 60 days from the date you first open for business (the exact dates will be determined as part of the marketing plan that you submit to Perkins for Perkins' review and approval). All materials used in the Grand Opening Program will be subject to Perkins' prior written approval, as described above. Upon Perkins' request, you must pay your Minimum Grand Opening Expenditure to a special bank account that Perkins establishes and maintains and from which you may apply to withdraw funds for the purpose of paying (or reimbursing yourself) for mutually-agreeable local marketing. If you do not conduct the Grand Opening Program as required, Perkins may elect to conduct the Grand Opening Program on your behalf. If Perkins does so, you will be required to pay Perkins for the amounts that it expended on your Grand Opening Program.

Online Sites.

Unless Perkins has otherwise approved in writing, you agree that you will not establish or maintain or permit any other party to establish or maintain an Online Site relating in any manner whatsoever to your Franchise, the Perkins System, or referring to the Marks. The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, World Wide Web, webpages, microsites, social or business networking sites (*e.g.*, Facebook, Twitter, Instagram, LinkedIn, YouTube, Google Plus, Google My Business, Pinterest, Foursquare, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools, etc.), blogs, vlogs, applications to be installed on mobile devices (*e.g.*, iOS or Android apps), business listings, search tools and other applications, etc. Any Online Site relating in any manner whatsoever to your Franchise, the Perkins System, or referring to the Marks will be deemed "advertising" under the Franchise Agreement, and will be subject to (among other things) Perkins' approval. In connection with any Online Site, you agree to the following:

(1) Perkins (directly or through a designee) will have the right, but not the obligation, to establish one or more Online Sites for the Perkins System.

(2) Unless Perkins approves you to do so, you may not establish any Online Site other than to the extent that Perkins provides you with one or more web pages on Perkins' Online Site.

(3) If Perkins permits you, in writing, to have an independent Online Site, then you must comply with all of Perkins' then-current standards and requirements relating to Online Sites (which Perkins may issue periodically in the Manuals or otherwise in writing).

(4) Perkins' standards and requirements relating to Online Sites may include (as an example) submitting samples and other information (regarding both visible and non-visible content) in the form and manner Perkins may require; inclusion of prescribed notices or disclaimers; and making Perkins (or its designee) the sole administrator (or co-administrator or other designee with rights to control the site) of any social networking pages, and providing us with passwords to any such Online Site. Additionally, Perkins may in writing revoke Perkins' approval at any time and require you to discontinue use of, take down, disable connectivity to, and remove content from, any Online Site, including an independent Online Site. (Franchise Agreement Section 8(d))

Point-Of-Sale, Computer and Technology Systems

As described in Item 8, Perkins has the right to designate the Computer System and Required Software and related technology and communication services that you must purchase and use in the operation of your Franchise. You are required to purchase software and certain hardware for the Computer System, including an electronic POS System, according to specifications and standards designated by Perkins, which may include the approval or designation of certain manufacturers and suppliers. Perkins is not a supplier of the POS System or other portions of the Computer System, although Perkins or an affiliate may become a supplier (and may become the sole supplier of this system), and it currently provides certain Help-Desk services (as described below). In connection with the Computer System and Required Software, you must enter and comply with any license, sublicense, service, or maintenance agreement that Perkins or the supplier may require. Perkins may require that you upgrade, or update or replace any of the hardware or software and related programs used in connection with the Computer System, and change designated or approved suppliers. There are no contractual limitations on the frequency or costs associated with this obligation. You must adopt all modifications and additions specified by Perkins and incorporate them into your Computer System within 30 days after notice from Perkins. (Franchise Agreement, Section 7(u)) The information below describes Perkins' current requirements and standards for the computer and related technology systems, which were developed for traditional Units. For a Non-Traditional Unit, the Host Facility may have different computer and technology systems and requirements, which will impact the equipment and services used at a particular Non-Traditional Unit. Perkins will review requests for

modifications as needed for Non-Traditional Units. The fees may be payable directly to the designated supplier, or Perkins may collect these fees for payment to the suppliers.

The components of the current Computer and POS Systems fall into two general categories: "front of the house" and "back of house." The front of the house items include a system that incorporates several touch-screen entry panels and software designed to provide cash register-like functionality, receipt printers, and cash drawers. The back of house software and equipment facilitates unit management functions, a central processing unit, a printer to generate paper reports, and router to transfer data and programs. This equipment also is used to track employees' hours of work (i.e., employees punch in and out using the POS equipment). Other uses include: generation and/or maintenance of production schedules, vendor orders, and inventory lists, food cost analyses, employee records and other collections of data related to the day-to-day operation of your Franchise; credit card acceptance and verification; inventory management, and electronic submission of daily reports to Perkins; and business data analytics. As described before, the software must be configured to include information regarding the recipes and pre-defined menu with pricing. The Computer System may also include a mandatory customer online and mobile ordering system that you must use. You must purchase the POS System and other portions of the Computer System from a third party approved by Perkins, and have the software configured to include this information as Perkins may specify.

You must use the POS System to track individual sales transactions that take place at your Franchise, and you must provide this data to Perkins in a format and manner approved by Perkins. As a means to provide this data, we currently require you to use the Micros POS, however, we are in the process of implementing a new version of the Micros POS system (called Simphony) to be used in the future and expect to implement this new solution for new store openings beginning in the first quarter of calendar 2024. The software currently required is licensed (rather than owned) and, as such, your use of the software items listed above is limited by the intellectual property rights of the companies that produce such software. The software manufacturers' individual license agreements regulate all use of their respective software.

We have negotiated preferred pricing with hardware suppliers that meet our standards and specifications. Also, Perkins may develop custom software for additional tracking purposes and you may be required to enter into a license agreement as a condition of using such software programs. Perkins estimates that the initial cost of purchasing the software and hardware necessary for the Computer System will be approximately $15,000 to $20,000.

Additionally, you must obtain and use cable/DSL broadband communications or suitable connectivity available in your area. You will be responsible for obtaining and properly installing any additional hardware or software necessary to facilitate the use of the cable/DSL broadband communications. PCI compliance is mandatory and additional security measures and a static IP address will be required in order to process those transactions. If you have cable/DSL broadband, you must use PCI compliant security features, including antivirus, anti-spam, managed Firewall and intrusion detection. Perkins estimates that initial set up costs to relating to these standards to be approximately $2,500 to $3,000, although the costs may vary. There will be an additional cost for wiring if a store has not been pre-wired for both data and power to meet Perkins' specifications. In addition to the base costs, you may need additional security services from approved vendors, which are estimated to be approximately $1,000 to $1,500 per year, although the costs may change in the future. You will be responsible for complying with all applicable laws, regulations and rules relating to securing and maintaining credit card and customer identity information.

Though Perkins does not currently have independent access, Perkins has the right to require that you provide independent access to all of the information and data collected through the POS System and may request additional access to (or data from) other portions of the Computer System (including tracking systems). You must securely transmit information to Perkins from your computer system via high speed in the formats and at times as Perkins may specify. Perkins may make the data collected accessible to all franchisees. There are no contractual limitations on Perkins' right to access and use this information and data. All data provided by you,

downloaded from your Computer System, and otherwise collected from your Computer System (excluding consumers' credit card and/or other payment information) is and will be owned exclusively by Perkins, and Perkins has the right to use such data in any manner that Perkins deems appropriate without compensation to you. (Franchise Agreement, Section 7(u)) You must abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (which may include, for example, the California Consumer Privacy Act). (Franchise Agreement, Section 7(u)(x)) In order to prevent disruption to the intended use of this system, no software may be installed on this system unless it appears on the list of approved software or prior written authorization is obtained from Perkins' authorized IT personnel. Your POS System may be monitored for unauthorized applications, which may be subject to removal without notice.

Perkins requires that you obtain use and use certain additional services and tools in connection with the Computer System. You must purchase from, or contract with, Perkins' for help desk services for the software, licensing and maintenance assistance for computer hardware. Perkins estimates that the fees for a "help desk" will, which it collects on a monthly basis, cost approximately $850 per year though this cost is subject to increase in the future. Perkins may decide to have these services provided by third-party suppliers in the future. You must also use a designated a web-based software tool for the franchisee's food and labor cost control system, which currently costs approximately $2,180 per year, per Unit, which includes the second level of support; however the exact costs may vary based on certain selections made by franchisees. As part of this rollout, a PCI compliant Micros version and equipment must be in place. Perkins also requires Units to use a business intelligence tool for unit data analytics, the cost of which is currently $40 per month. You must also use an online learning management system from a designated supplier, which currently costs $425, which is due on an annual basis.

Perkins currently requires that you must obtain a contract for software maintenance services, and optional hardware maintenance contracts are available. Software upgrades are not included as part of the software maintenance agreement that is offered. For the hardware covered by the hardware maintenance agreement (if purchased), defective equipment will be replaced at no charge (provided the defective equipment is returned to the supplier). Perkins estimates that the annual cost of the required software maintenance contract and optional hardware maintenance contract is approximately $3,000 to $3,700.

In addition to the above requirements relating to the Computer System, Perkins has the right to require that you participate in a gift card, customer incentive, convenience programs, and other loyalty programs and online ordering and delivery initiatives that Perkins specifies. For each required program, you must purchase the software, hardware, and other items needed to sell and process gift cards or loyalty cards (and the term "card" may include any electronic "cards" or similar technology that may replace or supplement physical cards) or to otherwise engage in the program, as Perkins specifies in writing. The fees required as part of these programs may include activation fees, monthly and per-swipe/use transaction fees. The following describes Perkins' current programs and initiatives.

- You must participate in a designated gift card program under which you will be charged by a third party for the cards and a cost per transaction, which cannot be reasonably estimated because the rate depends on the volume of transactions.

- Perkins is evaluating customer loyalty programs. The loyalty program currently under a pilot program costs $88 per restaurant per month. After selecting a loyalty program, Perkins plans to introduce loyalty programs system-wide and require that all franchisees participate. There may also be one-time activation fees assessed at time of implementation.

- You must participate in online ordering through Perkins' chosen vendor, currently Mobo Systems, Inc. (Olo). Perkins requires that you participate in Olo online ordering, its Dispatch Delivery service if offered in your area, and in its Rails service which integrates third party delivery providers in its online ordering platform. As of August 2023, the cost per restaurant is $78 per month, plus an initial activation fee of $100 per location, plus $0.50 per Dispatch Delivery transaction plus $0.25 per Rails transaction, plus any other fees charged

by the online platform provider. If you participate in a Virtual Brand Offering concept, additional fees may apply. Currently, if you participate in the Papa Corazón's LPL, there is an additional $30 monthly service fee payable to Olo.

- Perkins has entered into multiple agreements with third party delivery services and requires franchisees to participate with all delivery providers with which Perkins has an agreement and designates for use in your area. The delivery providers that Perkins requires or approves may vary between areas based on factors as Perkins determines appropriate (including vendor performance standards and customer reviews). At this time, the fees charged by the companies providing the delivery services of this type include a commission, which generally ranges between 20% to 35% of the order price, payable by the franchisee. Other fees imposed by the delivery companies may also apply. Perkins is in the process of negotiating commission rates for the Papa Corazón's LPL program. The rates may vary from those described above based on demand of an aggregator's services, availability of aggregators in a service area, and other similar factors.

Perkins may periodically test other technology programs, platforms and services for use in the marketing and promotion of Perkins Restaurants and may require franchisees to participate and pay the associated fees. At this time, some business and location services and social media management services for Perkins Restaurants are paid by the Fund, but in the future, Perkins may require franchisees to pay the fees for their Franchised Restaurants.

Operations Manuals

Additionally, attached as **Exhibit F** is the Table of Contents of the Manuals, including various recipe binders and the Table of Contents of the Online Learning System, as of the date of this Disclosure Document. There are 417 total pages in our Manuals and binders, as of the date of this Disclosure Document. The Manuals may be provided in several volumes or parts. Perkins may provide you with any portion or all of the Operations Manual, as well as other instructional materials, through electronic media, including computer disks, the Internet or an Extranet.

Training

The following describes Perkins' training program as of the end of Perkins most recent fiscal year (which ended May 2, 2023):

Perkins will provide to you and/or your designated manager up to 35 total days of training (and such additional time that Perkins deems necessary) in the operation of your Franchise. (Franchise Agreement Section 4(a)(i)) Before you begin operating your Franchise, you and any managerial personnel that are designated or approved by Perkins personnel (as further described below) must complete to Perkins' reasonable satisfaction all training programs that Perkins reasonably requires. (Franchise Agreement Section 7(i)) If you will be the day-to-day operator, then you must complete Perkins' required initial general manager training program and three additional managers must complete Perkins' required initial manager training program (35 and 25 total days, respectively). If you will not be the day-to-day operator of your Perkins restaurant, then (a) you must send four designated managers to complete this program, and (b) one of your owners will also be required to attend training that Perkins designates for franchisees without an owner who is also a designated manager, which consists of approximately 10 days of training in a Perkins restaurant. As of the date of this Disclosure Document, this classroom time is not required but will be expected in the near future. If any of the required trainees do not satisfactorily complete Perkins' required initial training program, you must designate a substitute trainee. (Franchise Agreement Section 7(i)) If you do not designate a substitute trainee or if the substitute trainee does not satisfactorily complete the training program, Perkins can terminate your Franchise Agreement. (Franchise Agreement Section 7(i)) The pre-opening training program described below will begin approximately 11 weeks prior to the scheduled opening date, and must be complete approximately three weeks prior to schedule opening day, during which time you must hire staff and prepare for opening.

Training is typically conducted at a Perkins restaurant that Perkins designates for use in training. Investor Training programs are not currently required but will be required in the future and will be scheduled on an ad hoc basis and you will be expected to attend. Training may be hosted virtually, through electronic communications, as Perkins designates. Perkins also may conduct training at restaurants operated by franchisees, and for the portions of training designated as classroom training, Perkins may opt to host the training virtually. We do not currently, but in the future may require that you or your designated manager will attend the opening of a new restaurant at a franchisee's unit as part of your training program.

The following table summarizes the subject matter, guidance for the approximate minimum number of hours, and location involved in Perkins' pre-opening training program.

TRAINING PROGRAM

Table 1 – For New Restaurant Openings

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Server and Host Training	20	35	New Restaurant Opening or Perkins Regional Training Unit* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Busperson Training	5	10	New Restaurant Opening or Perkins Regional Training Unit* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Cook Training	20	60	New Restaurant Opening or Perkins Regional Training Unit* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Dishperson Training	5	10	New Restaurant Opening or Perkins Regional Training Unit* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Prep Cook and Baker Training	20	30	New Restaurant Opening or Perkins Regional Training Unit* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Total	60	145	

Table 2 – Investor Training

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Server Training	2	2	Support Center and Perkins Certified Training Restaurant* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Cook Training	2	2	Support Center and Perkins Certified Training Restaurant* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Manager Training – including Administrative, Volume Handling, Managing Unit	16	4	Support Center and Perkins Certified Training Restaurant* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Total	20	8	

Table 3 – Manager Training

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Server, Host and Busperson Training	2.5	40	Perkins Certified Training Restaurants* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Cook, Prep, Bake and Dishperson Training	2.5	60	Perkins Certified Training Restaurants* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Menu Training	3		Perkins Certified Training Restaurants* Company-Owned and/or Franchised Restaurants, as designated by Perkins
Certified Trainer	2	25	Perkins Certified Training Restaurants* Company-Owned and/or Franchised Restaurants, as designated by Perkins

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Manager Training – including Administrative, Volume Handling, Managing Unit	30	85	Perkins Certified Training Restaurants***** Company-Owned and/or Franchised Restaurants, as designated by Perkins
Manager Total	40	210	
General Manager training, including facilities, maintenance, local marketing, and financial impacts	5	95	Perkins Certified Training Restaurants***** Company-Owned and/or Franchised Restaurants, as designated by Perkins
General Manager Total	45	305	

***** Perkins will periodically designate restaurants as "Perkins Certified Training Restaurants" and may also designate additional Company-Owned and/or Franchised Restaurants as suitable locations where training will be conducted. Perkins will determine the locations for training the specific Restaurant locations for training on a case-by-case basis on a variety of factors, including proximity to the location where the Franchised Restaurant will be operated, convenience for both you and Perkins, the status of the Restaurants in the market at that time, the capacity of the Perkins Certified Training Restaurants, availability of managers, and other factors. The locations are subject to change by Perkins. Additionally, classroom training may be conducted virtually as determined by Perkins.

The manager and other personnel that train you at franchised or company-owned restaurants will be experienced in the fields for which they provide training. Robyn Marino has been the Vice President of Learning, Development and Operations Services since February 2023. Ms. Marino has over 20 years of experience in training and operations with *Perkins* restaurants.

In addition to the training described above, Perkins may offer and conduct an orientation program for new franchisees and other franchisees for whom we think the program will be beneficial ("**Franchisee Orientation Program**"). During any times that Perkins does so, Perkins may require that you, and/or your designated manager, attend and successfully complete the Franchisee Orientation Program within a designated period. At this time, Perkins does not conduct an Orientation Program separate from the initial training described above. If a Franchisee Orientation Program is introduced, Perkins may charge a fee for this program but does not currently have plans to charge a fee. If it is implemented and required, Perkins may require that new franchisees attend the program before beginning to operate the Restaurant. Perkins may conduct the program at its headquarters (currently in Atlanta, Georgia) or at other locations that Perkins determines appropriate, or virtually through electronic communications.

Any employee who is replacing your designated manager that was previously trained by Perkins must attend and successfully complete all, or any portion, of training that we specify, for which Perkins may charge a fee. At this time, Perkins provides this training only at Perkins company owned locations and does not charge a fee for training at its locations. The franchisee will be responsible for all expenses relating to franchisee and its personnel attending training, such as travel, room, board and wages. We currently require that a new manager, who is not an internal promotion from within a franchisee's existing personnel, to complete the 35 day training (described in Table 1 above). We currently require that any existing employee who is promoted to manager position to complete Perkins manager training program, unless otherwise approved by Perkins.

Additionally, you and/or your manager and other management employees must also attend additional courses, seminars, and training programs that Perkins reasonably requires from time to time and for which Perkins may impose a fee. At this time, Perkins does not charge for additional training other than for field based training, where Perkins sends a trainer to the franchisee's site, for which the current fee is $300/day/trainer. This training may apply to any franchisees that Perkins determines appropriate, including new franchisees, franchisees opening additional Restaurants, franchisees of transferred Restaurants, and existing franchisees in connection with their ongoing operations. Currently, ServSafe Certification is required of all designated managers. Perkins has partnered with the National Restaurant Associations Educational Foundation to provide ServSafe Food Safety program in the online format at a discounted rate to all its partners (which is currently $90). You and your employees will be responsible for all other expenses that they incur in connection with the courses, including the cost of transportation, lodging, meals, and wages. You will be responsible for all expenses, including tuition, for any training programs required of new or replacement managers, additional courses, seminars, training programs or refresher training programs. (Franchise Agreement Sections 7(i)). At this time, except as described above, Perkins does not have standard fees for these types of additional training and seminars and expects that fees payable to Perkins will be determined based on Perkins' expenses associated with the training that will be provided.

Perkins may also conduct an annual conference for operators of Perkins Units. Perkins may require you (or one of your Owners) to attend the annual conferences. If you or your Owner do not attend a mandatory conference and you did not obtained Perkins' prior written waiver, then you will be in default under your Franchise Agreement and you must pay a non-attendance fee of $2,500.

Additionally, new franchisees are required to use a LogBook program in connection with certain training print materials and resources. At this time, the costs are approximately $110 per year, which will pay directly to the vendor of this service according to the billing terms of the vendor.

ITEM 12. TERRITORY

Franchise Agreement

Grant for a Specific Location. You must operate your Franchise from a specific location, which (for a New Development Unit) must be accepted by Perkins, and you may not relocate your Franchise without Perkins' permission. (Perkins may grant permission for relocation, at its discretion, if the area around a franchisee's site undergoes an extreme change, such as an economic shift or change in demographics.)

Protected Territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that Perkins owns, or from other channels of distribution or competitive brands Perkins controls.

Perkins does, however, provide you with certain protections in your Territory. During the term of the Franchise Agreement, and except as otherwise provided in that agreement (and those exceptions are described in the paragraphs below), Perkins will not establish nor license anyone else to establish, another Perkins Restaurant at any location within the Territory that is designated in your Franchise Agreement. The Territory will be based on a particular area surrounding the Unit. In most prior years, Perkins did not typically offer territories. Perkins expects that the size of the Territories granted for new franchises (except for Non-Traditional Units) will vary from franchise to franchise, but will typically be approximately one-half mile for an urban location, two miles for a suburban location, and up to 3 miles for locations beyond suburban areas. Perkins will determine whether a location is "urban" or "suburban", but an urban location will typically be located in or near a business district of a large metropolitan area, and a suburban location will typically be located near residential areas (that are not part of or included within a central business district) and in or near outdoor strip-malls. Perkins will designate the

Territory after you propose, and we approve, the premises for your Unit. A Non-Traditional Unit will not have a Territory.

Except for the specific rights and territorial protections described in the paragraph above, Perkins retains all other rights. As a result, Perkins and its affiliates (including parents, subsidiaries and related companies) and licensees will have the right (among other things), on any terms and conditions that Perkins deems advisable, and without granting you any rights, to conduct any business activities, under any name, in any geographic area (including within the Territory), and at any location, regardless of the proximity to or effect upon your Franchise, without compensation to you. For example, Perkins has the right to:

- To own, acquire, establish, and/or operate and license others to establish and operate, Perkins Units at any location (a) outside of the Territory, or (b) inside the Territory on food trucks and other mobile units and in arenas, sports stadiums, sports complexes, shopping malls, food courts, department stores, retail stores, convenience stores, hotels, casinos, amusement parks, arcades, theaters, bowling centers, festivals, fairs, schools, colleges, national parks, state and local parks, public beaches, convention centers, conference centers, factories, hospitals, penal institutions, airports, train stations, public transit stations, cruise ship ports, turnpikes, military bases, government buildings, office complexes, high-rise apartment buildings, senior living facilities, Indian reservations, and other premises where the primary activity conducted at the premises is other than the retail sale of food prepared for immediate consumption and venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and other similar environments ("**Non-Traditional Sites**");

- To own, acquire, establish, and/or operate, and license others to operate, businesses under other proprietary marks and/or other systems, whether those businesses are similar to or different from your Unit, at any location within or outside of the Territory;

- To acquire and operate (or be acquired by) any business of any kind, whether located within or outside the Territory, and following such acquisition or other business combination or transaction, such businesses may operate under other marks or may be converted to use Marks and System;

- To sell or distribute at retail or wholesale, directly or indirectly, or license others to sell or distribute, directly or indirectly, any products, such as coffee, under any proprietary marks, including the Licensed Marks: from any location notwithstanding its proximity to, or impact on, your Franchise; to accounts other than Perkins Units (except any located at Non-Traditional Sites) operated inside the Territory (including educational institutions, military bases, public transportation facilities, health care facilities, toll road plazas or highway rest stops, stadiums, casinos, business and industrial complexes, government offices or institutions, contract or institutional food service operators, or national or group accounts); to retail food outlets (including supermarkets, theme parks, truck stops, gourmet shops, and convenience stores); non-food retail stores (including warehouse clubs and book stores); and through catalogs, mail order, toll free numbers for delivery, electronic means (such as the Internet and mobile applications), phone sales, or other distributions means or methods that may be developed after you join the Perkins System to any customer regardless of their location. Neither Perkins nor any of its affiliates has established any other channel of distribution selling or leasing similar products or services under a different trademark at this time.

You may not engage in any of the sales activities described above without our prior written consent.

The continuation of your territory does not depend on the achievement of any particular sales volume or market penetration. It does, however, depend on your compliance with the Franchise Agreement. If you default under the Franchise Agreement three or more times during any twelve-month period, we reserve the right to undertake

certain actions in lieu of termination of the Franchise Agreement, including modifying, or eliminating completely, the Territory.

Perkins does not grant an option, right of first refusal, or similar right to acquire an additional franchise, other than as permitted under the terms of a Market Development Agreement.

Market Development Agreement

Development Area. If you sign a Market Development Agreement, the Market Development Agreement will specify a Development Area, within which you may locate potential sites for Perkins Restaurants, subject to Perkins' acceptance. You will be responsible for identifying potential sites and submitting those sites for Perkins' review, applying Perkins' then-current standards for sites for Perkins Restaurants.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that Perkins owns, or from other channels of distribution or competitive brands Perkins controls. Perkins does, however, provide you with the certain protections in your Development Area. During the Term of the Market Development Agreement, if you comply with the obligations under the Market Development Agreement and Development Schedule and except as otherwise provided in that agreement (and those exceptions are described in the paragraphs below), Perkins will not establish or operate, nor franchise anyone other than you to establish or operate, Perkins Restaurants in the Development Area. The size and scope of the Development Area will be contained in the Market Development Agreement and will be determined on a case by case basis. The factors that Perkins considers in determining the size of a Development Area include current and projected market demand, demographics and population, traffic patterns, location of other Perkins Restaurants, the financial and other capabilities of the developer, and Perkins' development plans. In Perkins' experience, Development Areas have generally been determined on a basis of one town for each Perkins Restaurant to be developed under the Market Development Agreement; although, as described above, various factors (such as the size and population of the relevant areas or towns, and the number of Perkins Restaurants to be developed) may affect the size of a Development Area. As you locate and secure sites for each Perkins Restaurant and enter into a Franchise Agreement for each Unit, the specific Territory for that Unit will be designated in the Franchise Agreement. The Territories will be determined in the manner described above in this Item under "*Protected Territory*."

Except for the specific rights and territorial protections described in the paragraph above, Perkins retains all other rights. As a result, Perkins and its affiliates (including parents, subsidiaries and related companies) and licensees will have the right (among other things), on any terms and conditions that Perkins deems advisable, and without granting you any rights, to conduct any business activities, under any name, in any geographic area (including within the Development Area), and at any location, regardless of the proximity to or effect upon any of your Perkins Restaurants, without compensation to you. For example, Perkins has the right to:

- To own, acquire, establish, and/or operate and license others to establish and operate, Perkins Units at any location (a) outside of the Development Area, or (b) inside the Development Area in or at Non-Traditional Sites;

- To own, acquire, establish, and/or operate, and license others to operate, businesses under other proprietary marks and/or other systems, whether those businesses are similar to or different from any of your Perkins Restaurants, at any location within or outside of the Development Area;

- To acquire and operate (or be acquired by) any business of any kind, whether located within or outside the Development Area, and following such acquisition or other business combination or transaction, such businesses may operate under other marks or may be converted to use Marks and System;

- To sell or distribute at retail or wholesale, directly or indirectly, or license others to sell or distribute, directly or indirectly, any products, such as coffee, under any proprietary marks, including the Marks:

from any location notwithstanding its proximity to, or impact on, any of your Perkins Restaurants; to accounts other than Perkins Units (except any located at Non-Traditional Sites) operated inside the Development Area (including educational institutions, military bases, public transportation facilities, health care facilities, toll road plazas or highway rest stops, stadiums, casinos, business and industrial complexes, government offices or institutions, contract or institutional food service operators, or national or group accounts); to retail food outlets (including supermarkets, theme parks, truck stops, gourmet shops, and convenience stores); non-food retail stores (including warehouse clubs and book stores); and through catalogs, mail order, toll free numbers for delivery, electronic means (such as the Internet and mobile applications), phone sales, or other distributions means or methods that may be developed after you join the Perkins System to any customer regardless of their location. Neither Perkins nor any of its affiliates has established any other channel of distribution selling or leasing similar products or services under a different trademark at this time.

Additionally, if during the term of the Market Development Agreement, Perkins terminates the franchise of any Perkins Restaurant that you developed under the Market Development Agreement, Perkins may operate, or franchise another person or entity to operate, a Perkins Restaurant at the site where your terminated franchised business(es) had been established and operated.

Extensions. The Market Development Agreement does not provide developers with a right to renew the agreement. Perkins does, however, reserve the right in its sole discretion to grant: (a) an option to purchase an extension of the Term of the Market Development Agreement beyond the last date of the Development Schedule (as described in Item 5, this is a "**Term Extension**"); and/or (b) an extension of a deadline of the Development Schedule. As to a Term Extension, Perkins may permit a developer to purchase an extension of the Term of the Development Agreement beyond the last date of the Development Schedule so that the territorial rights granted to the developer under the Development Agreement would continue for an agreed upon period after the developer completes the Development Schedule (so long as the developer continues to comply with its obligations). If Perkins agrees to an Extension Term, the developer must pay Perkins a Term Extension Fee (which is calculated as $7,500 per year added to the Term, per Unit in the Development Schedule). An extension of the Term does not change the Development Schedule. Regarding an extension of a deadline in the Development Schedule, Perkins may, but is not required, to extend a deadline for a particular Unit in the event that a developer has pursued the construction of Units according to the Development Schedule and is otherwise in compliance with the Market Development Agreement, but will not be able to meet a deadline of the Development Schedule. In this type of situation, a developer may apply to Perkins for an extension of a deadline of the Development Schedule. Perkins may require a developer to pay a fee equal to $5,000 per month of the extension (with a maximum extension of six months).

Except as described above regarding an extension of the Term or an extension of a deadline of the Development Schedule, there are no circumstances under which the Market Development Agreement may be altered prior to expiration or termination of the Market Development Agreement. Your territorial protection is not dependent upon achievement of a certain sales volume, market penetration, or other factors, other than compliance with the Market Development Agreement and Development Schedule.

Affiliate and Potential Affiliate Operations. As disclosed in Item 1, there are the businesses that, as of the date of this Disclosure Document, are or may be deemed affiliated with Perkins and that may operate or franchise businesses under a different trademark or sell goods or services similar to those that Perkins' franchisees sell. For each current (and possibly deemed) affiliate, Item 1 describes for its principal business addresses, the type of business operated and goods and services sold, the primary trademark used, and whether the businesses are franchised and/or company-owned. These other businesses, except for HHI, maintain offices and training facilities that are physically separate from Perkins' offices and training facilities maintained at Perkins' headquarters. The Perkins Business will be a separate franchise system operated by Perkins LLC, however, HHI or an affiliate may provide certain support services to Perkins LLC and the Perkins Business. In addition to any current affiliated programs, certain of our parents and/or affiliates (and/or their owners), may invest in other

companies that offer franchises and/or own restaurant enterprises and food service businesses that may compete with the type business being franchised under this Disclosure Document or otherwise sell similar goods or services. Most of the affiliated programs are not direct competitors of Perkins restaurants based on the products or services sold, although some are or may be, as described in Item 1. Because they are separate companies, Perkins does not currently anticipate conflicts arising between franchisees of the affiliated or possibly deemed affiliated brands and those of Perkins regarding territory, customers and/or franchisor support, and as such, do not have an established procedure to resolve perceived conflicts or disputes in the event they arise. However, current and/or future outlets of the affiliated brands - - as well as current and/or future restaurant enterprises and food service businesses owned, operated or invested in by our parents and/or affiliates (and/or their owners) - - may be located in your Territory (including immediately proximate to your Unit location) and may have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make or accept sales within your Territory.

Additional Product and Program Offerings. As described in Item 1, Perkins may, from time to time, offer franchisees the option to participate in supplemental product offerings and programs, including Virtual Product Offerings through which franchisees prepare specific products and menu offerings at their Perkins Restaurants, using the kitchen and preparation space and equipment at the Restaurant for customers to order via select third-party order applications and delivery aggregators under trademarks specific to the additional offerings. Virtual Product Offerings are typically for delivery only, but in some circumstances, Perkins may approve limited in-Unit pickup by customers. Currently, there are two forms of Virtual Product Offerings in which Perkins may participate. These are a third-party program offered by VDC that Perkins has approved for franchisee participation and the Papa Corazón's LPL, which Perkins offers directly to franchisees (through license through its affiliate) (see Item 1 for additional details). At this time, the Papa Corazón's LPL is being offered only through Perkins Restaurant and Huddle House Restaurants, but it may be offered to other restaurants and operators of "ghost" and retail kitchens. The rights to participate in these Virtual Product Offerings are non-exclusive, and you will have no territorial rights or protection with respect to the Virtual Product Offerings or the products offered through them. Perkins and its affiliates may continue to develop, test, operate and license additional restaurant concepts and other means to promote and deliver restaurant products and services to the public.

ITEM 13. TRADEMARKS

The Market Development Agreement does not allow you to use the Marks. The Franchise Agreement, as applicable, will provide you with the right to operate your Franchise under the Marks. The following trademarks, service marks, trade names, logotypes, and other commercial symbols ("Marks") are registered with the United States Patent and Trademark Office on the principal register:

Name of Mark	Registered No.	Registration Date
Perkins in Oval Design	1,203,149	7-27-1982
Perkins (stylized)	1,231,484	3-15-1983
Perkins Restaurant (Design)	1,403,558	7-29-1986
Perkins Restaurant & Bakery (Design)	1,403,560	7-29-1986
Perkins Restaurant & Bakery (Double Oval Design)	1,464,960	11-10-1987

Perkins Restaurant (Double Oval Design)	2,492,247	9-25-2001
PERKINS RESTAURANT & BAKERY	2,490,366	9-18-2001

Perkins owns or otherwise has the right to use and franchise others to use the following Marks in Canada:

Name of Mark	Registered No.	Registration Date
PERKINS	TMA307738	10/25/1985
PERKINS FAMILY RESTAURANT (Design)	TMA443470	06/02/95
PERKINS RESTAURANT & BAKERY	TMA567530	09/17/2002
PERKINS RESTAURANT & BAKERY & MAPLE LEAF Design	TMA570276	11/05/2002
PERKINS RESTAURANT & BAKERY IN DOUBLE OVAL Design	TMA567528	09/17/2002

In connection with the Papa Corazón's LPL, Perkins' affiliate, VBE LLC, has registered the mark listed below with the USPTO.

Name of Mark	Registered No.	Registration Date
PAPA CORAZÓN'S QUESADILLAS (Standard Character)	6,926,326	December 13, 2022

Perkins has filed or will file all required affidavits relating to the marks described above. There are currently no effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark Administrator of this state or any court. There is no pending infringement, opposition, or cancellation proceeding. There is no pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state. Perkins does not know of any infringing uses that could materially affect your use of the Marks in this state or elsewhere. There are no agreements currently in effect which significantly limit the rights of Perkins to use or license the use of any trademark listed in this **Item 13** that are the primary marks of the Perkins Restaurants. In connection with the Papa Corazón's LPL, which is an optional limited product line supplement to the Perkins franchise rather than a primary feature of the franchises, Perkins has a license from its affiliate, VBE LLC, to use and license the Perkins franchisees to use the Papa Corazón's Quesadilla mark in the limited product line being offered as a Virtual Product Offering.

Perkins is not required by the Franchise Agreement or otherwise to protect your right to use the Marks. Perkins is not required by the Franchise Agreement or otherwise to protect you against claims of infringement or unfair competition arising out of your use of the Marks. The Franchise Agreement does not require Perkins to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Marks, or if the proceeding is resolved unfavorably to you.

You must police the use of the Marks and other elements of the Perkins System (such as building designs, color combinations, printed materials, etc.) and must promptly notify Perkins of: any unauthorized use of the Marks; any challenge to the validity of the Marks; any challenge to Perkins' ownership of, right to use and to license others to use, or your right to use, the Marks; and any use or claims that a third party may have of any trademark or service mark that is identical or confusingly similar to any of the Marks or elements of the Perkins System. The Franchise Agreement does not require Perkins to take affirmative action when notified of these uses or claims. Perkins has the right to control any administrative proceedings or litigation in connection with these uses or claims, and you cannot take any action or incur any expenses on Perkins' behalf in connection with any such use or claim without Perkins' prior written approval.

Perkins reserves the right to substitute or use any new, modified or replacement trademark(s) or service mark(s). If Perkins decides to use substitute or new mark(s), you must comply with Perkins' directions and you will be responsible for any associated costs and expenses.

You must not use the Marks (including Perkins' service marks) or the name Perkins Restaurant & Bakery as part of your corporate, partnership, or other legal name, or as part of any e-mail address, domain name, or other identification of you or your Franchise in any electronic medium, unless agreed to in advance, in writing, by Perkins. You must also submit to Perkins, for prior written approval, any corporate, partnership, or other legal name that you propose to use.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

Perkins has no patents (final or pending) that are material to the Franchise.

Copyrights

Perkins claims copyright protection covering various materials used in its business and the operations of Perkins restaurants ("Copyrighted Works"). Perkins has not registered these materials with the United States Registrar of Copyrights, and is not required to do so in order to claim copyright protection. Perkins may authorize you, as a franchisee, to use certain Copyrighted Works, which are the valuable property of Perkins, including the Manuals, advertisements, promotional materials, labels, menus, coupons, gift cards, posters and signs and may include all or part of the Marks, trade dress and other parts of the System.

You must immediately notify Perkins of any actual or apparent infringement of or challenge to any of the Copyrighted Works or claim by any person of any rights in the Copyrighted Works, and you may not communicate with any person other than Perkins and its counsel regarding any such infringement, challenge or claim. Perkins has the sole right to take such action as it deems appropriate in response to the foregoing and the right to exclusively control any settlement, litigation, arbitration, or administrative proceeding arising out of any such alleged infringement, challenge or claim or otherwise with regard to the Copyrighted Works. Perkins is under no obligation to participate in your defense or indemnify you for damages or expenses incurred if you are a party to any administrative or judicial proceeding involving the Copyrighted Works.

If it becomes advisable at any time in Perkins' sole judgment for you to modify or discontinue use of any of the Copyrighted Works, or for you to use one or more additional or substitute copyrighted or copyrightable items, you must immediately comply with Perkins' directions to modify or otherwise discontinue the use of the copyrighted materials or to use one or more substitute materials. There are currently no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works, nor are such proceedings pending, nor are there any effective agreements between Perkins and third parties pertaining to the Copyrighted Works that will, or may, significantly limit your use of the Copyrighted Works. Perkins is not obligated under

the Development Agreement, Franchise Agreement, or otherwise to protect or defend its copyrights. Perkins knows of no infringements of the Copyrighted Works that could materially affect your use of the Copyrighted Works. Perkins has not registered any of the Copyrighted Works.

Confidential Information

During your relationship with Perkins, you will receive confidential materials and learn certain confidential information of Perkins relating to the establishment and operation of your Franchise. Perkins will loan you a copy of the Manuals that you will use to operate the Franchise for the term of your Franchise. You must treat the Manuals, any other materials created for or approved for use in the operation of your Franchise, and the information contained in them, as confidential, and must use reasonable efforts to maintain this information as secret and confidential. You must not reproduce these materials or otherwise make them available to any unauthorized person. The Manuals will remain Perkins' sole property.

Perkins may revise the contents of the Manuals, and you must comply with each new or changed standard. Perkins currently maintains the Manuals in electronic form, and you be allowed access to the Manuals during the term. You are required to maintain a copy for your operations during the term and you must ensure that they are kept current at all times. If there is a dispute as to the contents of the Manuals, the terms of the master copies which Perkins maintains at Perkins' home office will control.

You must not, during or after the term of the agreements you execute, use for the benefit of anyone else any confidential information concerning the Perkins System or the methods of operation of the Franchises. The term "confidential information" is defined in the Franchise Agreement. You may divulge confidential information only to those employees who must have access to it in order to operate your Franchise. Any and all information, knowledge, and other data which Perkins designates as confidential will be deemed confidential.

At Perkins' request, you must obtain and provide us with signed covenants to maintain the confidentiality of information from any or all of the following persons: (1) your managers and any other personnel employed by you who have received or will receive training from Perkins; (2) all of your officers, directors, and holders of a beneficial interest of 5% or more of your securities and of any corporation, partnership, or limited liability company directly or indirectly controlling, controlled by, or under common control with you if you are a corporation, partnership, or limited liability company; and (3) your members, general partners, and any limited partners. These covenants must be in a form Perkins finds satisfactory, and specifically identify Perkins as a third-party beneficiary of these covenants with the independent right to enforce them.

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

Your Franchise must be operated either by you or by a designated manager. Perkins recommends that you personally supervise the operation of your Franchise. Additionally, during the first two months the Franchised Business is open to the public, you or (if the franchisee is an entity) one of your owners with at least 10% equity in the franchisee entity must serve as an on-Premises designated manager for a minimum of 30 peak operating hours per week. Any designated manager must be certified by Perkins as meeting its qualifications, and must satisfactorily complete Perkins' initial training program required for managers within 60 days after you designate him/her to be your manager. Any manager you hire may not establish, participate in the operation of, or own an interest in any other restaurant that serves breakfast at times other than the hours of 6:00 a.m. - 11:00 a.m. while such manager is employed in any capacity with your Franchise. If you become aware that your manager is violating this restriction, you will be in default under your Franchise Agreement, as applicable, unless either such manager completely separates him/herself from the other restaurant within 30 days, or you refrain from using that individual in a managerial role (in which case, you must have another manager operate your Franchise) while the person is violating this restriction.

If you are a corporation or other entity, Perkins will require your shareholders or members holding at least 5% ownership interest, and each of their spouses (if applicable), to execute a Guaranty under which each signing guarantor agrees to jointly and severally guarantee your performance of all of your obligations under the Franchise Agreement and any other agreements (such as leases or option agreements, loans and any other financing documents) that you enter into with Perkins or its affiliates. Perkins may also require that any corporation or entity with a financial interest in you, sign a form of Guaranty for a corporation or entity. The Guaranty forms that Perkins currently uses are attached to this Disclosure Document as Exhibits A-5 and A-7, and additional details are provided in Item 10.

At Perkins' request, you must obtain and provide us with signed confidentiality and non-compete covenants from any or all of the following persons: (1) your designated manager and any other managerial personnel employed by you who have received or will receive training from Perkins; (2) all of your officers, directors, and holders of a beneficial interest of 5% or more of your securities and of any corporation, partnership, or limited liability company directly or indirectly controlling, controlled by, or under common control with you if you are a corporation, partnership, or limited liability company; and (3) your members, general partners, and any limited partners. These covenants must be in a form Perkins finds satisfactory, and specifically identify Perkins as a third-party beneficiary of these covenants with the independent right to enforce them. **Item 14** has additional information regarding Perkins' confidential information and **Item 17** has additional information regarding the non-compete covenants.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must not use the premises of your Perkins Restaurant for any other purpose or activity that is not provided for in the Franchise Agreement. The rights granted to you are limited solely to the premises of your Perkins Restaurant and you may not operate the franchised business or use Perkins' products at any other location without first obtaining Perkins' written consent. You must operate your Franchise in strict conformity with the specifications contained in the Manuals or otherwise in writing. You must not deviate from Perkins' specifications and procedures without first obtaining Perkins' written consent. In connection with Non-Traditional Units, Perkins may deviate from then-current Unit standards and specifications, including to vary the menu items, equipment and supplies to accommodate the non-traditional aspects of the Host Facility and operations non-traditional locations. In all cases, a Non-Traditional Unit must be constructed, improved and operated only in the manner that Perkins authorizes.

You must offer and sell all products designated by Perkins and you may not sell any product (food or non-food) that is not designated by Perkins. Such products must be prepared according to Perkins' prescribed methods of preparation. Perkins can change such authorized products and methods of preparation, and there is no limit on Perkins' right to make such changes, so long as Perkins is acting reasonably and gives reasonable notice of such changes. Additionally, you may not sell or offer any form of alcohol unless you obtains Perkins' written authorization. If are authorized to sell alcoholic beverages at the Premises, you must comply with all standards, specifications, and terms that Perkins may require, including to obtain and maintain additional insurance coverage as Perkins may designate; and sign a written consent agreement as Perkins' may require (Exhibit A-17 includes Perkins' current Consent to Service of Beer and Wine).

You must keep your Perkins Restaurant open and in normal operation during the times that Perkins specifies as mandatory hours of operation, which Perkins may periodically change. Perkins has the right to modify the mandatory hours of operation in the future, including a mandatory 24 hour, 7 days a week, schedule. Perkins reserves the right to require that certain Perkins Restaurants remain open for different hours of operation than others (for instance restaurants may be required to operate drive-through services during different hours than eat-in services). Additionally, Perkins may approve alternative hours of operation for a Non-Traditional Unit depending on the characteristics of the Host Facility.

You may only sell to retail customers from your Perkins Restaurant for consumption on the Premises or for personal carry-out by the customer and for Catering and delivery service within the Territory. You may accept carry-out orders by phone or through on-line ordering systems that Perkins designates or approves in writing. You may not sell products by any other means or channels, including catalog, mailing, or by use of the Internet. You are not restricted as to customers to whom you sell products, except that you cannot, without Perkins' prior written consent, sell any goods bearing or labeled with the Marks or any items designed specifically for use in the Perkins System for the purpose of operating or promoting a restaurant, food service establishment or other business except for sales to another Perkins franchisee in good standing. You may advertise and market the services of your Perkins Restaurant and directly solicit customers only within your Territory. Perkins may establish rules and policies regarding solicitation and advertising that reaches areas with multiple franchisees.

For a description of your restrictions on some purchases, see **Item 8** of this Disclosure Document.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT:

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	3(a); § 3 of the NTU Addendum; §8 of VDC Addendum; and §6 of Product Line Addendum	20 years for a traditional Unit; or possibly less for a Franchise for a Resale Unit depending on the length of time left on Perkins' lease for the premises. 10 years for a Non-Traditional Unit. Optional Virtual Product Offerings may end or be discontinued before the expiration of the Franchise Agreement.
b. Renewal or extension of the term	3(b)	If you have complied with the Franchise Agreement and meet other conditions at the time of each renewal date, you can renew for a 10 year term
c. Requirements for you to renew or extend	3(b) and (c)	Give notice, pay fee, and meet Perkins' terms and conditions, including signing a new agreement (that may have materially different terms and conditions than your original contract), signing a release, and bringing your Franchise up to current standards.
d. Termination by you	Not Applicable except for §3 of the NTU Addendum; and §8 of Product Line Addendum	Not Applicable, except for Non-Traditional Unit. Under Non-Traditional Addendum, you may terminate prior to the expiration the following conditions: (1) if the food service management agreement with the Host Facility is terminated other than for your fault (and provided that you do not control the Food Service Contract), (2) you

Provision	Section in Franchise Agreement	Summary
		provide Perkins with written notification evidencing the termination from the Host Facility, (3) Perkins is able to confirm with the Host Facility the conditions of termination, and (3) you sign a termination agreement with Perkins including general release of Perkins and agree to comply with post-termination requirements. These terms are subject to applicable state law. If you choose to participate in the Papa Corazón's LPL, you may choose to terminate your participation for any reason upon 90 days written notice.
e. Termination by Perkins without cause	Not Applicable	Not Applicable to Franchise Agreement. Regarding the optional Papa Corazón's LPL, Perkins can discontinue the option upon 60 days written notice.
f. Termination by Perkins with cause	14	If you default under the Franchise Agreement, which includes being in default under any other agreement (including the Market Development Agreement or an addendum for a Virtual Product Offering) with Perkins or its affiliates beyond any applicable cure period, including if a Market Development Agreement or other agreement with you or your affiliates is terminated.
g. "Cause" defined – curable defaults	14(c)	You have various cure periods, ranging from 3 days to 10 days, for certain of the defaults listed in Section 14(b) of the Franchise Agreement, which include being in default under other agreements with Perkins or its affiliates beyond any cure periods provided in those agreements.
h. "Cause" defined – non-curable defaults	14(a) and (b)	All defaults listed in Sections 14(a) and 14(b) of the Franchise Agreement, which include the termination of another agreement (including a Market Development Agreement) with Perkins or an affiliate.

Provision	Section in Franchise Agreement	Summary
i. Your obligations on termination/non-renewal	12(c) and 15(a)	Remove sign faces and deliver to Perkins, pay all amounts due, complete de-identification, return of confidential information, assign phone numbers, cease use of advertising materials, and comply with the non-competition obligations (as described below)
j. Assignment of contract by Perkins	13(a)	Freely assignable
k. "Transfer" by you – defined	13(b)	Includes transfer of an interest in the Franchise Agreement, the premises for your Franchise or any equity or voting interest in you
l. Perkins' approval of transfer by you	13(c)	Perkins must approve any proposed transfer, but will not unreasonably withhold approval if certain conditions are met
m. Conditions for Perkins approval of transfer	13(c) and (d)	Restaurant must be in operation before the transfer, transferee meets Perkins' standards (including that the transferee satisfactorily completes all training and management staffing before the transfer), Perkins deems price, terms and conditions to be reasonable, a transfer fee is paid (transfer fee is 25% of the then-current Initial Franchise Fee except for some limited transfers), all required documents are signed, your obligations are satisfied, operating deficiencies are remedied. The required documents to be signed may include a then-current form of Franchise Agreement between the transferee and Perkins, a transfer agreement, and related agreements as Perkins deems necessary or desirable to reflect the terms and conditions of the transfer and Perkins' approval. If Perkins agrees (even though not required) to allow a transfer to proceed before the transferee satisfies all training and/or management staffing requirements, the conditions of Perkins' approval will include terms that it determines appropriate to ensure the proper operations of the Unit until the transferee completes those requirements. The terms may include you remaining obligated for the operation of the Unit, entering into a management agreement (with terms relating to the Unit's operations as are reasonably acceptable to Perkins) with the transferee, and/or entering into escrow arrangements with the transferee until Perkins notifies the parties that all training and staffing

Provision	Section in Franchise Agreement	Summary
		requirements are satisfied. If an escrow arrangement is required, Perkins may require the use of an escrow agreement and/or agent that Perkins designates or approves.
n. Perkins' right of first refusal to acquire your business	13(g), and §16 of the NTU Addendum	Perkins has 30 days to match offer for any interest in the Franchise, the premises for your Franchise, the Franchise Agreement or you; except this right will not apply to the sale of a Non-Traditional Unit when it is being sold as part of a sale of the Host Facility.
o. Perkins' option to purchase your business	13(g) and 15(b)	Perkins has option to acquire, by purchase or lease, your Franchise premises when your Franchise Agreement expires or terminates or upon a default for which Perkins has the right to terminate the Franchise Agreement
p. Your death or disability	7(x), 7(y) and 13(f)	Perkins can manage Franchise for 8% fee; you have 6 months to transfer to approved transferee; replacement manager must be approved within 60 days of removal
q. Non-competition covenants during the term of the franchise	7(cc) and 12(b); and §14 of the NTU Addendum	No involvement in a Competitive Business. A "Competitive Business" means any family style restaurant, pancake house, buffet serving breakfast, or diner, or any other table-service food service operation that sells pancakes or waffles or derives more than 25% of its total sales from sit down breakfast items. These terms are subject to applicable state law. Additionally, for a Non-Traditional Unit, neither the franchisee nor any third-party operator of the Host Facility will display or sell food products that are similar to those which are sold at the Non-Traditional Unit.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	12(c); §15 of the NTU Addendum	For a period of 2 years after the later to occur of termination or expiration, transfer or the date you actually cease operating the Unit and using the Marks, no involvement in any Competitive Business located within 5 miles of (i) the premises of your Franchise, or (ii) any other Perkins Restaurant then in existence or to be developed under then-executed franchise and development agreements (except, if required by the law applicable in your state, the 5-mile restriction will be limited to your premises and to any Perkins Restaurant that exists or is to be developed under franchise and development agreements that exist at the time you sign your Franchise Agreement). These terms are subject to applicable state law. For a Non-Traditional Unit, if you and the owner of the Host Facility are under common control and ownership, or if you are a food service operator for multiple Host Facilities, then the restrictions regarding a "Competitive Business" will only apply to locations within the same Host Facility.
s. Modification of the agreement	7(v), 7(w), 9(b), 19(d) and 24(f)	No modifications of Franchise Agreement except in writing, but Perkins can unilaterally change standards, Perkins System and Manuals
t. Integration/merger clause	24(f)	Only the terms of the Franchise Agreement are binding and any other promises may not be enforceable (other than this Disclosure Document) (subject to applicable state laws)
u. Dispute resolution by arbitration or mediation	Not Applicable	Not applicable. The Franchise Agreement contains provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Section 15. These terms are subject to applicable state law.
v. Choice of forum	22(b)	Fulton County, Georgia or U.S. District Court for Northern District of Georgia (subject to applicable state laws)
w. Choice of law	22(a)	Georgia law applies (subject to applicable state laws); or if a provision is not enforceable under Georgia law, then the law of the state in which premises are located will apply to such provision (including, for example, provisions on the

Provision	Section in Franchise Agreement	Summary
		construction and enforcement of non-competition covenants).

DEVELOPMENT AGREEMENT:

Provision	Section in Market Development Agreement	Summary
a. Length of the agreement term	2	Ends at the earlier of the date the Franchise Agreement is signed by Perkins for last Unit to be developed or last day of Development Schedule. Perkins' existing Market Development Agreements generally have terms that are from one to ten years. We may permit Developers who are in compliance to purchase an extension of the Term of the Development Agreement (see below).
b. Renewal or extension of the term	2(b) and 5(c)(vi)	Extension of Term – For Developers who are in compliance, we may permit the option to purchase an extension of the Term of the Development Agreement beyond the end of the Development Schedule. An extension of the Term does not change the Development Schedule. See Section 2(b) Extension of a Development Schedule Deadline - Perkins can permit extension of a deadline of the Development Schedule in its sole right and discretion, if you have complied with the Market Development Agreement and are pursuing construction in good faith– see Section 5(c)(iv). This is separate from an extension of the Term beyond completion of the Development Schedule.
c. Requirements for you to renew or extend	2(b) and 5(c)(vi)	Extension of Term – You must be in full compliance with the Development Agreement and all other agreements between you and Perkins; give notice of your request to extend at least 6 months before the expiration of the Development Agreement; and pay a Term Extension Fee (see Item 6 for fee calculation). We are not required, but may agree, to the requested extension. Extension of a Development Schedule Deadline - To be eligible to extend a deadline for a

Provision	Section in Market Development Agreement	Summary
		Restaurant that you must develop under the Development Schedule, you must apply in writing to Perkins, specifying the reasons for the requested extension and a proposed revised opening date for the affected Perkins Restaurant. Also, you may be required to pay a fee in an amount equal to $5,000 per month of the extension for a traditional Unit and $2,500 for a Non-Traditional Unit.
d. Termination by you	Not Applicable	Not Applicable. These terms are subject to applicable state law.
e. Termination by Perkins without cause	Not Applicable	Not Applicable
f. Termination by Perkins with cause	8	If you default under the Market Development Agreement, which includes being in default under any other agreement (including the Franchise Agreement) with Perkins or its affiliates beyond any applicable cure period, including if a Franchise Agreement or other agreement with you or your affiliates is terminated.
g. "Cause" defined – curable defaults	8(b)(vi)	You have 10 days to cure defaults not listed in Section 8 of the Market Development Agreement. For any default under any other agreements with Perkins (including a Franchise Agreement), you must cure the defaults as required by the terms of the other agreement.
h. "Cause" defined – non-curable defaults	8	All other defaults listed in Section 8 of the Market Development Agreement, which include the termination of another agreement (including a Market Development Agreement) with Perkins or an affiliate.
i. Your obligations on termination/ non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by Perkins	13(e)	Freely assignable
k. "Transfer" by you-defined	13(a) and (b)	Includes transfer of an interest in the Market Development Agreement or any interest in you if you are an entity

Provision	Section in Market Development Agreement	Summary
l. Perkins' approval of transfer by you	13(a)	Only with Perkins' written consent.
m. Conditions for Perkins' approval of transfer	13(c)	Perkins may condition its approval of a transfer under the Market Development Agreement on, among other factors: any of the conditions (that we deem applicable) as described in the form of Franchise Agreement included in the Disclosure Document provided to you for your Market Development Agreement; payment of a transfer fee ($7,500, except for some limited transfers); the requirement that the proposed transfer is to be made in conjunction with a simultaneous transfer of all comparable interests that you hold under any Franchise Agreements that you have entered into under the Market Development Agreement; and execution of our then-current Market Development Agreement.
n. Perkins' right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Perkins' option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	13(d)	Interest in the Market Development Agreement can be transferred, so long as Perkins approves; approval will not be unreasonably withheld
q. Non-competition covenants during the term of the agreement	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	15(c)	No modification except where agreed to in writing
t. Integration/merger clause	15(i)	Only the terms of the Market Development Agreement are binding and any other promises may not be enforceable (other than this Disclosure Document) (subject to applicable state laws)

Provision	Section in Market Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Not Applicable	The Market Development Agreement contains provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Section 15. These terms are subject to applicable state law.
v. Choice of forum	15(d)	Fulton County, Georgia or U.S. District Court for Northern District of Georgia (subject to applicable state laws)
w. Choice of law	15(e)	Georgia law applies (subject to applicable state laws)

*Note: In addition to the provisions noted in the charts above, the Franchise Agreement and Market Development Agreement contain a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Franchise Agreement Section 22 and Market Development Agreement Section 15. These provisions may not be enforceable under certain state laws. See **Exhibit H** and **Exhibit I** for descriptions of some specific state statutes and regulations. We recommend that you carefully review all of these provisions, and the entire contracts, with a lawyer.

ITEM 18. PUBLIC FIGURES

Perkins does not use any public figure to promote its franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

The tables and corresponding notes below present historical "Net Sales" data of Perkins Restaurants for the three most recent calendar years: 2022, 2021 and 2020. The information for each calendar year is organized to show the results in three categories: (1) combined Franchised Units and Perkins owned Units (each a "**Company-Owned Unit**"); (2) Franchised Units only; and (3) Company-Owned Units only. For each year, the results are divided into four tiers based on Net Sales performance of the Total System (Franchised and Company-Owned). For 2021 and 2022, the four tiers are: top 10%; upper mid-tier between 50% and 90%; lower mid-tier between 10% and 50%; and bottom 10%. For 2020, the results are divided into 25% quartiles of Net Sales of the Total System. The first column in each table reflects the Net Sales ranges applicable to each of the four reported tiers for the respective calendar year. Additionally, for each group, the tables show the highest, average, median and lowest Net Sales results within that group during the respective year. Please review the tables in connection with the Notes following the tables, which provide additional information regarding the Units, the criteria for inclusion in the tables, and results of the Units that did not meet the criteria for inclusion in the tables.

Table 1
Perkins Total System – Calendar Year 2022 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $2,712,000	$3,165,479	$4,891,768	$3,083,397	$2,712,940	27	10 / 37%
$1,850,000 to $2,711,999	$2,180,768	$2,708,177	$2,127,333	$1,854,735	109	46 / 42%
$1,253,000 to $1,849,999	$1,597,876	$1,847,419	$1,605,421	$1,253,153	108	57 / 53%
< $1,252,999	$1,030,121	$1,209,767	$1,030,862	$763,913	27	14 / 52%
Total System	$1,931,939	$4,891,768	$1,854,735	$763,913	271	118 / 44%

Table 2
Perkins Franchised Restaurants – Calendar Year 2022 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $2,532,000	$2,991,635	$3,825,340	$2,863,291	$2,532,696	19	7 / 37%
$1,812,000 to $2,531,999	$2,125,814	$2,513,687	$2,092,564	$1,812,254	77	34 / 44%
$1,150,000 to $1,811,999	$1,541,497	$1,807,035	$1,580,842	$1,150,765	76	45 / 59%
< $1,149,000	$977,179	$1,112,804	$1,004,587	$763,913	19	13 / 68%
Total Franchised Restaurants	$1,865,178	$3,825,340	$1,812,254	$763,913	191	88 / 46%

Table 3
Perkins Company-Owned Restaurants – Calendar Year 2022 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $3,001,000	$3,444,653	$4,891,768	$3,212,523	$3,001,196	8	2 / 25%
$1,971,000 to $3,000,999	$2,334,440	$2,992,289	$2,258,849	$1,971,592	32	15 / 47%
$1,430,000 to $1,970,999	$1,722,111	$1,970,996	$1,754,295	$1,430,134	32	21 / 66%
< $1,429,999	$1,242,470	$1,418,613	$1,239,614	$1,066,751	8	4 / 50%
Total Company-Owned Restaurants	$2,091,333	$4,891,768	$1,971,294	$1,066,751	80	34 / 43%

Table 4
Perkins Total System – Calendar Year 2021 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $2,446,000	$2,891,902	$4,082,632	$2,749,185	$2,447,595	28	11 / 39%
$1,751,500 - $2,431,900	$2,037,968	$2,431,814	$2,013,111	$1,751,593	111	50 / 45%
$1,145,000 - $1,744,900	$1,503,864	$1,744,855	$1,536,398	$1,145,031	109	61 / 56%
<$1,143,500	$918,590	$1,143,465	$974,332	$457,459	28	20 / 71%
Total System	$1,800,106	$4,082,632	$1,753,478	$457,459	276	123 / 45%

Table 5
Perkins Franchised Restaurants – Calendar Year 2021 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $2,446,000	$2,794,604	$3,677,230	$2,653,134	$2,447,595	18	6 / 33%
$1,751,500 - $2,431,900	$2,017,757	$2,431,814	$1,979,381	$1,755,362	73	34 / 47%
$1,145,000 - $1,744,900	$1,485,820	$1,744,855	$1,496,245	$1,145,031	78	41 / 53%
<$1,143,500	$911,919	$1,143,465	$974,332	$457,459	26	18 / 69%
Total Franchised Restaurants	$1,729,246	$3,677,230	$1,702,146	$457,459	195	94 / 48%

Table 6
Perkins Company-Owned Restaurants – Calendar Year 2021 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $2,446,000	$3,067,039	$4,082,632	$2,995,445	$2,119,225	10	4 / 40%
$1,751,500 - $2,431,900	$2,076,794	$2,422,845	$2,026,655	$1,751,593	38	17 / 45%
$1,145,000 - $1,744,900	$1,549,266	$1,743,146	$1,583,624	$1,505,558	31	17 / 55%
<$1,143,500	$1,005,308	$1,074,026	$1,005,308	$936,590	2	1 / 50%
Total Company-Owned Restaurants	$1,970,697	$4,082,632	$1,909,533	$936,590	81	34 / 42%

Table 7
Perkins Total System – Calendar Year 2020 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $1,425,000	$1,711,202	$2,681,814	$1,646,368	$1,427,856	69	25 / 36%
$1,187,000 - $1,425,000	$1,281,009	$1,409,258	$1,276,312	$1,187,155	69	33 / 48%
$938,500 - $1,187,000	$1,054,745	$1,186,804	$1,045,707	$940,499	68	30 / 44%
< $938,500	$759,929	$938,394	$787,909	$273,682	70	40 / 57%

Table 8
Perkins Franchised Restaurants – Calendar Year 2020 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $1,425,000	$1,684,410	$2,681,184	$1,638,406	$1,428,717	39	13 / 33%
$1,187,000 - $1,425,000	$1,287,987	$1,409,107	$1,283,778	$1,187,622	40	18 / 45%
$938,500 - $1,187,000	$1,046,734	$1,186,804	$1,039,863	$940,499	49	22 / 45%
< $938,500	$752,477	$938,394	$787,336	$273,682	63	36 / 57%

Table 9
Perkins Company-Owned Restaurants – Calendar Year 2020 Net Sales

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> $1,425,000	$1,746,032	$2,371,866	$1,648,569	$1,427,856	30	11 / 37%
$1,187,000 - $1,425,000	$1,271,385	$1,409,258	$1,259,454	$1,187,155	29	13 / 45%
$938,500 - $1,187,000	$1,075,405	$1,183,702	$1,050,477	$945,850	19	9 / 47%
< $938,500	$826,992	$938,352	$887,548	$680,668	7	4 / 57%

Notes to Tables 1 - 9

1. The tables above include all Standard Units of any design, including those that have been remodeled, provided that each meets following criteria: (a) the Restaurant was open as of May 2, 2023 (the end of Perkins' most recent fiscal year), and (b) the Restaurant was open at least 50% of the calendar year represented in the respective table. For example, Tables 1-3 include Units that were open as of May 2, 2023, and were open at least 50% of 2022, and Tables 4-6 include Units that were open as of May 3, 2022 and were open at least 50% of 2021.

   There were more Restaurants that reported Sales during the respective calendar years than the number of Restaurants included in tables above. This is due to Restaurants not meeting the criteria described above, which may have occurred because the Restaurants closed during the year, were open less than 50% of the year, or closed prior to May 2, 2023 or prior to the end of the respective fiscal year. The Restaurants excluded from data presented in the Tables are described below.

   Table 1 - 2022 Total System: 10 Units were not included (7 Franchised and 3 Company Owned). The 10 Units with Net Sales in 2022 had an average Net Sales of $695,908, a high Net Sales of $1,461,122, median Net Sales of $575,547, and low Net Sales of $87,525. Of these 10 Units, 4 (40%) exceeded the average.

   Table 2 - 2022 Franchised Units: 7 Units were not included. These Units had an average Net Sales of $684,397, high Net Sales of $1,461,122, median Net Sales of $609,976, and a low Net Sales of $87,525. Of these 7 Units, 3 (43%) exceeded the average.

   Table 3 - 2022 Company-Owned Units: 3 Units were not included. These Units had an average Net Sales of $722,769, high Net Sales of $1,404,030, median Net Sales of $522,399, and a low Net Sales of $241,877. Of these 3 Units, 1 (33%) exceeded the average.

   Table 4 - 2021 Total System: 11 Units were not included (10 Franchised and 1 Company-Owned). These Units had: an average Net Sales of $895,771, a high Net Sales of $1,606,233, median Net Sales of $843,833, and a low Net Sales of $320,529. Of these 11 Units, 5 (46%) exceeded the average.

   Table 5 - 2021 Franchised Units: 10 Units were not included. These Units had: an average Net Sales of $885,775, a high Net Sales of $1,606,233, median Net Sales of $778,317, and a low Net Sales of $320,529. Of these 10 Units, 4 (40%) exceeded the average.

   Table 6 - 2021 Company-Owned Units: 1 Unit was not included. That Unit had Net Sales of $995,731.

   Table 7 - 2020 Total System: 4 Units were not included (4 Franchised and 0 Company-Owned). These Units had: an average Net Sales of $1,145,052, a high Net Sales of $1,529,206, median Net Sales of $1,174,251, and a low Net Sales of $702,499. Of these 4 Units, 2 (50%) exceeded the average.

   Table 8 - 2020 Franchised Units: 4 Units were not included. These Units had: an average Net Sales of $1,145,052, a high Net Sales of $1,529,206, median Net Sales of $1,174,251, and a low Net Sales of $702,499. Of these 4 Units, 2 (50%) exceeded the average.

   Table 9 - 2020 Company-Owned Units: No Company-Owned Units were excluded.

2. In 2020 and 2021, the coronavirus outbreak caused disruptions in the restaurant industry. Government agencies in some states and local jurisdictions have imposed restrictions on how food service businesses operate due to the coronavirus outbreak. Some of these restrictions have included temporary closures of restaurants, orders that operations be limited to carry-out or delivery services, or limitations on the

capacity of in-person dining. These restrictions were first implemented during spring of 2020. During the portions of 2020, approximately 75% of Perkins units operated offering only carry-out or delivery for at least some portion of the year.

3. Net Sales is Sales excluding promotions, discounts, employee meals, voids, and sales tax. The term "Net Sales" is explained in greater detail in Item 6 of this disclosure document. As described in Item 6, a Unit's Sales includes all orders taken in and from the Unit, including Catering and delivery activities, and if a Unit elects to participate in a Virtual Product Offering, the revenues generated by its sales of those product offerings are included in its total Net Sales.

   For Units that participated in Virtual Product Offerings during any portion of 2022, the revenues from their virtual product sales are reflected in the Net Sales used in computing Tables 1 – 3 above. In 2022, a total of 117 Perkins Restaurants participated in one or more Virtual Product Offerings, as described below.

   Participating Franchised Perkins Units:
   - 36 Units participated in the VDC Product Offering, with the following reported Net Sales attributed to VDC products: an average of $35,803, a median of $28,392, a high of $122,969, and a low of $510. Of these 36 Units, 15 (41.7%) exceeded the average; and
   - 0 Units that participated in the Papa Corazón's LPL.

   Participating Company-Operated Perkins Units:
   - 62 Units participated in the VDC Product Offering, with the following reported Net Sales attributed to VDC products: an average of $64,289, a median of $53,023, a high of $208,620, and a low of $2,743. Of these 62 Units, 24 (38.7%) exceeded the average; and
   - 68 Units participated in the Papa Corazón's LPL, with the following reported Net Sales attributed to Papa Corazón's products: an average of $17,708, a median of $15,222, a high of $53,422, and a low of $3,076. Of these 68 Units, 29 (42.6%) exceeded the average.

4. The term "Median" restaurant used in this Item 19 means the restaurant with the middle result. For example, if there are 35 restaurants, then the 18th restaurant is the median. If there are 36 restaurants, then the 18th and 19th restaurant's average is the median.

5. The data in the Tables above for Company-Owned Units was prepared from Perkins' internal operating records. The franchisee information reflected in the Tables was prepared using financial information provided to us by franchisees. The franchisees' financial information is not audited.

6. The data in the Tables above for Franchised Units includes a limited number of Units located in Canada (2 in 2020, and 7 in 2021 and 2022), which operate under the Perkins system and standards. The revenue of the Canadian units is converted from Canadian dollars to US dollars at the time each weekly royalty report and payment is made, using the exchange rate in effect for each such reporting period, as published by a designated source (currently published at https://www.exchangerates.org.uk/Dollars-to-Canadian-Dollars-currency-conversion-page.html).

* * * * *

Additional Notes to Item 19

Please note that this Item 19 includes financial performance information relevant to Perkins' standard Perkins Restaurants.

Some Perkins Restaurants have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Among other things, Perkins recommends that you make your own independent investigation and evaluation of the potential performance of your Perkins Restaurant, and consult with your attorney, accountant and other advisors before signing any franchise agreement. Perkins suggests that you develop and review with your professional advisors a pro forma cash flow statement, balance sheet and income statement, and that you make your own financial projections regarding sales, costs, customer base, and business development for your own Perkins Restaurant.

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

Other than the preceding financial performance representation, Perkins does not make any financial performance representations. Perkins also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Perkins Restaurant, however, Perkins may provide you with the actual records of that Perkins Restaurant. If you receive any other financial performance information or projections of your future income, you should report it to Perkins management by contacting Melissa Rothring, 5901-B Peachtree Dunwoody Rd NE, Suite 450, Sandy Springs, GA 30328 (phone: 770.325.1372; fax: 770.325.1316; email: mrothring@AscentHM.com), the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2020 to 2022

Column 1 **Outlet Type**	Column 2 **Year**	Column 3 **Outlets at the Start of the Year**	Column 4 **Outlets at the End of the Year**	Column 5 **Net Change**
Franchised	2020	224	205	-19
	2021	205	197	-8
	2022	197	191	-6
Company-Owned	2020	89	85	-4
	2021	85	82	-3
	2022	82	81	-1
Total Outlets	**2020**	**313**	**290**	**-23**
	2021	**290**	**279**	**-11**
	2022	**279**	**272**	**-7**

Notes to Table 1

1. These Tables reflect PMC's fiscal years (not calendar years):
   - 2022 = May 4, 2022 to May 2, 2023
   - 2021 = April 28, 2021 to May 3, 2022
   - 2020 = April 29, 2020 to April 27, 2021

2. The Franchised units listed in Table 1 include the following number of units in Canada as of the end these years: 7 for 2020, 7 for 2021, and 7 for 2022.

3. In 2021, Perkins began testing Virtual Product Offerings at some Company-Operated Restaurants and allowing qualifying franchisees to participate in the Virtual Product Offerings from their Perkins Restaurants. As of the date of this Disclosure Document, there are two forms of Virtual Product Offerings available for franchisee participation. These are the VDC Virtual Product Offering, which is licensed to franchisees by Virtual Dining Operations, LLC, and the "Papa Corazón's Quesadillas" limited product line (or Papa Corazón's LPL) that is offered by Perkins. Item 1 includes additional information regarding the Virtual Product Offerings. As of the end of our most recent fiscal year, there were a total of 128 Perkins Restaurants participating in at least one of the current Virtual Product Offerings, of which 82 were Company-Operated Restaurants and 46 were Franchised Perkins Restaurants. For additional details regarding the Perkins Restaurants participating in each state, see the notes to Table 3 for franchised Restaurants and Table 4 for Company-Operated Restaurants. Additionally, Exhibit D of this Disclosure Document identifies the Perkins Restaurants that were participating in a Virtual Products Offering as of the end of the last fiscal year.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2020 to 2022

State	Year	Number of Transfers
Florida	2020	0
	2021	1
	2022	0
Idaho	2020	0
	2021	1
	2022	0
Minnesota	2020	0
	2021	2
	2022	2
Wyoming	2020	1
	2021	0
	2022	0
Total	**2020**	**1**
	2021	**4**
	2022	**3**

Notes to Table 2

1. These Tables reflect PMC's fiscal years (not calendar years):
   - 2022 = May 4, 2022 to May 2, 2023
   - 2021 = April 28, 2021 to May 3, 2022
   - 2020= April 29, 2020 to April 27, 2021

2. States not listed above had no transfers during 2020, 2021 or 2022.

Table No. 3

Status of Franchised Outlets
For years 2020 to 2022

Column 1 **State**	Column 2 **Year**	Column 3 **Outlets at Start of Year**	Column 4 **Outlets Opened**	Column 5 **Terminations**	Column 6 **Non-Renewals**	Column 7 **Reacquired By Franchisor**	Column 8 **Ceased Operations Other Reasons**	Column 9 **Outlets at End of the Year**
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arkansas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Colorado	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Delaware	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	12	1	0	0	0	0	13
	2021	13	1	0	0	0	0	14
	2022	14	0	0	0	0	0	14
Georgia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Idaho	2020	4	0	0	0	0	0	4
	2021	4	0	0	1	0	0	3
	2022	3	0	0	0	0	0	3
Indiana	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Iowa	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7

Column 1 **State**	Column 2 **Year**	Column 3 **Outlets at Start of Year**	Column 4 **Outlets Opened**	Column 5 **Terminations**	Column 6 **Non-Renewals**	Column 7 **Reacquired By Franchisor**	Column 8 **Ceased Operations Other Reasons**	Column 9 **Outlets at End of the Year**
Kansas	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Maryland	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Minnesota	2020	28	0	0	0	0	2	26
	2021	26	0	0	0	0	4	22
	2022	22	0	0	0	0	0	22
Missouri	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Montana	2020	6	0	0	0	0	1	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	2	3
Nebraska	2020	9	0	0	0	0	1	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
New Jersey	2020	9	0	0	2	0	1	6
	2021	6	0	0	0	0	1	5
	2022	5	0	0	0	0	0	5
New York	2020	7	0	0	0	0	0	7
	2021	7	0	1	0	0	0	6
	2022	6	0	0	0	0	0	6
North Dakota	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

Column 1 **State**	Column 2 **Year**	Column 3 **Outlets at Start of Year**	Column 4 **Outlets Opened**	Column 5 **Terminations**	Column 6 **Non-Renewals**	Column 7 **Reacquired By Franchisor**	Column 8 **Ceased Operations Other Reasons**	Column 9 **Outlets at End of the Year**
Ohio	2020	20	0	0	0	0	1	19
	2021	19	0	0	0	0	0	19
	2022	19	0	1	1	0	0	17
Pennsyl-vania	2020	38	0	0	1	0	0	37
	2021	37	1	0	0	0	0	38
	2022	38	0	0	0	0	0	38
South Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Dakota	2020	13	0	0	0	0	0	13
	2021	13	0	1	0	0	0	12
	2022	12	0	0	0	0	0	12
Tennessee	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	2	5
	2022	5	0	0	0	0	0	5
Utah	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Virginia	2020	2	0	0	1	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Washington	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
West Virginia	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

Column 1 **State**	Column 2 **Year**	Column 3 **Outlets at Start of Year**	Column 4 **Outlets Opened**	Column 5 **Terminations**	Column 6 **Non-Renewals**	Column 7 **Reacquired By Franchisor**	Column 8 **Ceased Operations Other Reasons**	Column 9 **Outlets at End of the Year**
Wisconsin	2020	21	0	0	1	0	8	12
	2021	12	0	0	0	0	0	12
	2022	12	0	1	0	0	1	10
Wyoming	2020	6	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Totals US	**2020**	**217**	**1**	**0**	**5**	**0**	**15**	**198**
	2021	**198**	**2**	**2**	**1**	**0**	**7**	**190**
	2022	**190**	**0**	**2**	**1**	**0**	**3**	**184**
CANADA								
Ontario	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Saskatche-wan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals US	**2020**	**224**	**1**	**0**	**5**	**0**	**15**	**205**
& Canada	**2021**	**205**	**2**	**2**	**1**	**0**	**7**	**197**
	2022	**197**	**0**	**2**	**1**	**0**	**3**	**191**

Notes to Table 3

1. These Tables reflect PMC's fiscal years (not calendar years):
   - 2022 = May 4, 2022 to May 2, 2023
   - 2021 = April 28, 2021 to May 3, 2022
   - 2020= April 29, 2020 to April 27, 2021

2. There are no franchised outlets located in any state not listed above.

3. The totals of the franchised units listed in Table 3 include the following number of units in Canada as of the end these years: 7 for 2020, 7 for 2021, and 7 for 2022.

4. As of the end of our most recent fiscal year, a total of 46 Franchised Perkins Restaurants participated in the current Virtual Product Offerings (some Units participated in both offerings), as follows:
   - 43 franchised Units participated in the VDC Virtual Product Offering in 16 states: 1 in Arizona, 6 in Florida, 1 in Idaho, 4 in Indiana, 2 in Kansas, 4 in Minnesota, 4 in Nebraska, 1 in New Jersey, 3 in New

York, 4 in Ohio, 3 in Pennsylvania, 1 in South Carolina, 2 in South Dakota, 1 in Tennessee, 2 in Wisconsin, and 4 in Wyoming; and

- 6 franchised Units participated in the Papa Corazón's LPL in 6 states: 1 in Arizona, 1 in Florida, 1 in Kansas, 1 in Minnesota, 1 in Tennessee, and 1 in Washington (state).

Exhibit D of this Disclosure Document identifies the participating Units as of the end of the last fiscal year.

Table No. 4

Status of Company-Owned Outlets
For years 2020 to 2022

Column 1 **State**	Column 2 **Year**	Column 3 **Outlets at Start of the Year**	Column 4 **Outlets Opened**	Column 5 **Outlets Reacquired From Franchisee**	Column 6 **Outlets Closed**	Column 7 **Outlets Sold to Franchisee**	Column 8 **Outlets at End of the Year**
Colorado	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
Florida	2020	18	0	0	1	0	17
	2021	17	0	0	1	0	16
	2022	16	0	0	0	0	16
Illinois	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Iowa	2020	15	0	0	0	0	15
	2021	15	0	0	0	0	15
	2022	15	0	0	0	0	15
Minnesota	2020	28	0	0	1	0	27
	2021	27	0	0	1	0	26
	2022	26	0	0	0	0	26
Missouri	2020	5	0	0	0	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
North Dakota	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3

Column 1 **State**	Column 2 **Year**	Column 3 **Outlets at Start of the Year**	Column 4 **Outlets Opened**	Column 5 **Outlets Reacquired From Franchisee**	Column 6 **Outlets Closed**	Column 7 **Outlets Sold to Franchisee**	Column 8 **Outlets at End of the Year**
Oklahoma	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Tennessee	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Wisconsin	2020	9	0	0	0	0	9
	2021	9	0	0	0	0	9
	2022	9	0	0	0	0	9
Totals	**2020**	**89**	**0**	**0**	**3**	**1**	**85**
	2021	**85**	**0**	**0**	**2**	**1**	**82**
	2022	**82**	**0**	**0**	**1**	**0**	**81**

Notes to Table 4

1. These Tables reflect PMC's fiscal years (not calendar years):
   - 2022 = May 4, 2022 to May 2, 2023
   - 2021 = April 28, 2021 to May 3, 2022
   - 2020= April 29, 2020 to April 27, 2021

2. There are no company owned outlets located in any state not listed above.

3. As of the end of our most recent fiscal year, a total of 82 Company-Operated Restaurants participated in the current Virtual Product Offerings (some Units participated in both offerings), as follows:
   - 63 Company-Operated Restaurants participated in the VDC Virtual Product Offering in 10 states: 1 in Colorado, 13 in Florida, 12 in Iowa, 3 in Illinois, 20 in Minnesota, 5 in Missouri, 1 in North Dakota, 1 in Oklahoma, 1 in Tennessee, and 6 in Wisconsin; and
   - 70 Company-Operated Restaurants participated in the Papa Corazón's LPL in 9 states: 13 in Florida, 12 in Iowa, 4 in Illinois, 22 in Minnesota, 5 in Missouri, 3 in North Dakota, 1 in Oklahoma, 2 in Tennessee, and 8 in Wisconsin.

   Exhibit D of this Disclosure Document identifies the participating Units as of the end of the last fiscal year.

Table No. 5

Projected Openings as of May 3, 2022

State	Franchise Agreements Signed by Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year*	Projected New Company-Owned Outlet in the Next Fiscal Year
Florida	1	0	0
Nebraska	1	0	0
Colorado	1	1	0
Ohio	1	1	0
Totals	**4**	**2**	**0**

Notes to Table 5

1. The projections above are for Perkins' current fiscal year, which began on May 4, 2023 and ends April 30, 2024.

2. There are no projected openings or pending outlets to be located in any state not listed above.

The names, addresses and telephone numbers for each of Perkins' current Standard Unit franchisees are listed in **Exhibit D** of this Disclosure Document. The name, city and state, and current business telephone number (or last known home telephone number) for each of the Standard Unit franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with Perkins during the most recently completed fiscal year and/or has not communicated with Perkins within the past 10 weeks are also listed in **Exhibit D** of this Disclosure Document.

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

In some instances during the last three fiscal years, current and former franchisees have signed provisions during the last three years that would restrict 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.

Perkins does not sponsor or endorse trademark-specific franchisee organizations and, as of the date of this Disclosure Document, no independent franchisee association has requested to be included in this Item 20.

ITEM 21. FINANCIAL STATEMENTS

Attached as **Exhibit E** are the audited consolidated financial statements for Perkins LLC as of May 2, 2023 and May 3, 2022, and for each of the three years ending April 27, 2021. **Exhibit E** also contains the Independent Auditors' Reports.

ITEM 22. CONTRACTS

Attached as **Exhibit A** are Perkins' standard contracts, and certain acknowledgments and receipts, including:

A-1 Franchise Agreement
A-2 Market Development Agreement
A-3 Acknowledgements
A-4A Corporate Resolution
A-4B Certificate of Members (LLC)
A-5 Guaranty (Individual)
A-6A Shareholders Guaranty and Agreement
A-6B Members Guaranty and Agreement
A-7 Guaranty (Entity)
A-8 Training Agreement
A-9 Lease Agreement Perkins Lessor
A-10 Sublease Agreement - Perkins Sublandlord
A-11 Collateral Assignment of Lease
A-12 Promissory Note
A-13 Non-Disturbance, Subordination and Attornment Agreement
A-14 Non-Traditional Addendum to Franchise Agreement
A-15 Addendum for Participation with VDC
A-16 New Product Line Addendum
A-17 Consent to Service of Beer and Wine

ITEM 23. RECEIPTS

Exhibit K of this Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to us.

EXHIBIT A

PERKINS STANDARD CONTRACTS

A-1 Franchise Agreement
A-2 Market Development Agreement
A-3 Acknowledgements
A-4A Corporate Resolution
A-4B Certificate of Members (LLC)
A-5 Guaranty (Individual)
A-6A Shareholders Guaranty and Agreement
A-6B Members Guaranty and Agreement
A-7 Guaranty (Entity)
A-8 Training Agreement
A-9 Lease Agreement Perkins Lessor
A-10 Sublease Agreement - Perkins Sublandlord
A-11 Collateral Assignment of Lease
A-12 Promissory Note
A-13 Non-Disturbance, Subordination and Attornment Agreement
A-14 Non-Traditional Addendum to Franchise Agreement
A-15 Addendum for Participation with VDC
A-16 New Product Line Addendum
A-17 Consent to Service of Beer and Wine

PERKINS

FRANCHISE AGREEMENT

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PERKINS LLC

Franchisee: FRANCHISEE NAME
a STATE ENTITY TYPE

Principal business address: FRANCHISEE STREET ADDRESS FOR NOTICES
FRANCHISEE CITY, STATE 00000

Perkins Unit Number: _____

Unit City, State: _____, _____

Effective Date of this Franchise Agreement: _____

FRANCHISE AGREEMENT

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Exhibit A	Legal Description of Premises
Exhibit B	Premises Location, Territory, Franchise Fee, Training Fee, Grand Opening Fee
Exhibit B-1	Territory Map (if applicable)
Exhibit C	Special Stipulations
Exhibit D	ADA Certification
Exhibit E	Site Selection Addendum

FRANCHISE AGREEMENT

TABLE OF DEFINED TERMS

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FRANCHISE AGREEMENT

1. PARTIES AND RECITALS

This Franchise Agreement ("**Agreement**") is entered into as of the effective date shown on the cover page of this Agreement (the "**Effective Date**") by and between PERKINS LLC, a Delaware limited liability company, with its principal place of business at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Fulton County, Georgia 30328 ("**Company**"), and the individual or legal entity identified as the franchisee on the cover page of this Agreement ("**Operator**" or "**Franchise Owner**"), whose principal place of business is set forth on the cover page.

(a) Licensed Marks. Company owns or has the sole and exclusive right to license certain trade names, trademarks, service marks, logos, symbols and other indicia of origin (the "**Licensed Marks**"), including but not limited to, "Perkins Restaurant & Bakery", "Perkins" and such other trade names, trademarks, service marks, associated logos and symbols as are now designated by Company (and as may hereafter be designated by Company in writing).

(b) The Perkins System. Company has developed and owns a distinctive system relating to retail food sales and restaurant operations, which system as it presently exists is identified by the Licensed Marks and includes methods, standards and specifications that Company specifies from time to time, including regarding site evaluation and selection, equipment selection and layouts, accounting methods, merchandising, advertising, sales and promotional techniques, personnel training, and other matters relating to the operation and promotion of the restaurants that operate in buildings that display Company's exterior and interior trade dress and the Licensed Marks (hereinafter collectively referred to as the "**Perkins System**" or "**System**"). Each restaurant operating under the "Perkins System" or "System" is referred to as a "**Perkins Unit**".

(c) Acceptance of License. Operator desires, upon the terms and conditions set forth herein, to obtain a license to operate a business which will utilize the Perkins System (the "**Franchised Business**"). Operator understands and acknowledges the importance of Company's high standards of quality, cleanliness, appearance, and service and the necessity of operating the Franchised Business in conformity with Company's standards and specifications.

2. GRANT OF FRANCHISE

(a) Right to Utilize Perkins System. Subject to all of the terms and conditions herein, Company hereby licenses to Operator the non-exclusive right, and Operator agrees to undertake the obligation, to operate one Franchised Business at one facility that Company finds acceptable (hereinafter "**Unit**"), solely at the address set forth in Exhibit B hereto (the "**Premises**") and upon the real property more particularly described in Exhibit A hereto. If, as of the date on which the parties enter into this Agreement, the address of the Premises is not agreed-upon and specified in Exhibit B, then instead, Operator agrees to identify and secure a site to be the Premises under the terms of Sections 7(a)(i) through 7(a)(iv) below and the Site Selection Addendum attached to this Agreement as Exhibit E (the "**Site Selection Addendum**").

(b) Franchised Business Limited to Premises. Operator acknowledges and agrees that:

(i) The rights granted herein relate solely to the Premises and the Unit thereon, and afford Operator no right to construct or operate any additional, expanded or modified facilities on the Premises, nor any right to construct or operate the Franchised Business at any location other than the Premises. Operator further acknowledges and agrees that this Agreement shall not give Operator the right

to enter into subfranchise, contract manager or similar agreements regarding the operation of any unit utilizing the Perkins System.

(ii) Operator shall only sell to retail customers from the Unit for consumption on the Premises or for personal carry-out consumption by the customer and for catering services provided at off-Premises locations ("**Catering**"), and/or delivery service in the Territory (as defined below) or other pre-approved geographic areas, but only in accordance with the terms and conditions stated in this Agreement and in Company's Manuals, which are more fully described in Section 9 hereof, or otherwise in writing by the Company. All Catering and delivery activities shall be subject to the terms of Sections 16 and 18 below. Operator shall not sell any products (*e.g.,* food items, novelty items, sauces, etc.) by or through any other means or channels, including, without limitation, catalogs, direct mail, toll-free numbers or by use of the internet.

(iii) Operator may advertise and market the services of the Franchised Business and directly solicit customers only within the Territory. Operator is not permitted to: (a) advertise or market the services of the Franchised Business outside of the Territory; or (b) directly solicit customers outside of the Territory. "**Direct solicitation**" includes solicitation in person, by telephone, by mail, by email or other electronic means, advertising, marketing, and by distribution of brochures, business cards or other materials. Company may periodically establish rules and policies regarding solicitations that may reach areas with multiple franchisees. Company does not have any obligation to enforce such rules or policies, nor does Company represent or guarantee to Operator that other Perkins Units will always abide by advertising rules, and Company will have no liability to Operator if that occurs.

(c) Territorial Protection. While this Agreement is in effect, unless stated otherwise in an addendum to this Agreement and except as otherwise provided in Sections 2(d) and 2(e) below, Company shall not establish or operate, or franchise others to establish or operate, a Perkins Unit at any location within the "Territory." The "**Territory**" is specified in Exhibit B.

(d) Company's Retained Rights and Exclusions from Territorial Protection. Except as expressly provided in Section 2(c) above, Company and its affiliates (including parents, subsidiaries and related companies) have the right to conduct any business activities, under any name, in any geographic area, and at any location, on any terms and conditions Company deems advisable without compensation or granting any rights to Operator. Among other things (and without limiting Company's rights under the previous sentence), this means that Company and its affiliates have the right to do any or all of the following:

(i) To own, acquire, establish, and/or operate and license others to establish and operate, Perkins Units under the Perkins System at any location (a) outside of the Territory, or (b) inside the Territory on food trucks and other mobile units and in arenas, sports stadiums, sports complexes, shopping malls, food courts, department stores, retail stores, convenience stores, hotels, casinos, amusement parks, arcades, theaters, bowling centers, festivals, fairs, schools, colleges, national parks, state and local parks, public beaches, convention centers, conference centers, factories, hospitals, penal institutions, airports, train stations, public transit stations, cruise ship ports, turnpikes (and other travel related facilities), military bases and establishments, government buildings, office complexes, high-rise apartment buildings, senior living facilities, Indian reservations, and other premises where the primary activity conducted at the premises is other than the retail sale of food prepared for immediate consumption and venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and other similar environments ("**Non-Traditional Sites**"), notwithstanding such Perkins Unit's proximity to, or impact on, the Franchised Business;

(ii) To own, acquire, establish, and/or operate, and license others to operate, businesses under other proprietary marks and/or other systems, whether such businesses are the same as, similar to, or different from the Franchised Business, at any location within or outside of the Territory, notwithstanding such business' proximity to, or impact on, the Franchised Business;

(iii) To acquire and operate (or be acquired by) any business of any kind, whether located within or outside the Territory, and following such acquisition or other business combination or transaction, such businesses may operate under other marks or may be converted to use Licensed Marks and System;

(iv) To sell or distribute at retail or wholesale, directly or indirectly, or license others to sell or distribute, directly or indirectly, any products, such as coffee, under any proprietary mark(s), including the Licensed Marks: from any location notwithstanding such location's proximity to, or impact on, the Franchised Business; at and/or to accounts other than Perkins Units (except any located at Non-Traditional Sites) operated inside the Territory (including without limitation educational institutions, military bases and establishments, public transportation facilities, health care facilities, toll road plazas or highway rest stops, stadiums, casinos, business and industrial complexes, government offices or institutions, contract or institutional food service operators, or national, international, or group accounts); to retail food outlets (including without limitation supermarkets, theme parks, truck stops, gourmet shops, and convenience stores); non-food retail stores (including without limitation warehouse clubs and book stores); and through catalogs, mail order, toll free numbers for delivery, electronic means (such as the internet and mobile applications), phone sales, or other distributions means or methods that may be developed following the date of this Agreement to any customer regardless of their location; and

(v) To create, place, and/or distribute or authorize others to create, place, and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Territory.

(e) Loss of Territorial Protection. If Operator receives three (3) or more written notices from Company for violations of this Agreement during any twelve (12) month period, whether or not Operator cured the defaults after notice from Company, Company shall have the right to eliminate or reduce the Territory granted under Section 2(c) above by providing Operator with written notice of such action. Nothing in this Section 2(e) shall limit or otherwise modify Company's rights with respect to enforcement against Operator for any of Operator's defaults, including Company's rights to terminate this Agreement under Section 14.

3. TERM

(a) Initial Term. Except as provided herein, the initial term of this Agreement ("**Initial Term**") shall commence on the Effective Date, and unless sooner terminated in accordance with the provisions hereof, shall expire twenty (20) years from the Effective Date or as otherwise set forth on Exhibit B hereof if a predetermined date.

(b) Renewal Term. Provided Operator is not in default under this Agreement or any other agreements with Company, both at the time of notice and prior to renewal, and has complied with all of their provisions during the Initial Term, including without limitation the timely payment of all fees, Operator may renew the rights to operate the Franchised Business for an additional term of ten (10) years (the "**Renewal Term**"). Prior to the first day of the Renewal Term, Operator shall pay to Company a renewal fee equal to twenty-five percent (25%) of the then current initial franchise fee charged by Company and comply with Company's then current terms and conditions for granting renewal franchises, which may include: (i) execution of Company's then current form of franchise agreement which will supersede this

Agreement in all respects (except that any renewal provisions in such agreement shall not create options for any renewal periods beyond those provided in this Agreement), and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and marketing contribution or other changes in the fee structure; (ii) a requirement that Operator perform such remodeling, repairs, replacements and redecoration in and upon the Premises, and upon the equipment and furnishings of the Unit to conform to then current standards; (iii) demonstrating to Company that Operator has the right to remain in possession of the Premises for the duration of the Renewal Term, or that it has been able to secure and develop an alternative site acceptable to Company; and (iv) in consideration of such renewal, Operator shall execute a release in the form and substance satisfactory to Company, releasing any and all claims (except for claims which cannot be released pursuant to an applicable franchise law statute, if any) against Company and its affiliates, officers, directors, employees and agents. Company will not be obligated to offer or grant Operator an additional renewal franchise agreement upon the expiration (or termination) of any renewal franchise agreement with Company following the renewal terms specified above.

(c) Election to Renew. Operator must exercise its option to seek renewal by giving Company written notice of Operator's election to renew not less than six (6) nor more than twelve (12) months prior to the expiration of the Initial Term, if Operator is exercising its renewal option. In the event that Operator does not elect to exercise its option to renew, Company may elect to exercise its options, if the Premises are owned by and/or leased by Operator, under the terms and conditions of Section 15 below.

4. OPERATING ASSISTANCE

(a) Assistance Prior to Commencement of Business. Prior to Operator's commencement of business, Company (directly or indirectly by an affiliate or one or more third parties) will provide Operator with the following:

(i) Up to thirty five (35) days of training (or such other amount of time as Company may deem appropriate, in its sole right and discretion) in the operation of the Franchised Business prior to its opening for Operator and/or its designated managerial personnel selected by Operator and approved by Company. Such training shall be conducted exclusively by Company or its designee at a site to be designated by Company; provided, however, Operator shall: (1) pay Company's then current initial training fee or tuition, which is due in full to Company before Operator begins construction of the Unit at the Premises; and (2) be responsible for and pay all costs and living expenses during and in connection with such training;

(ii) Such on-Premises pre-opening or opening assistance by Company or its representative(s) in the initial operation of the Franchised Business as Company may, in its discretion, deem appropriate, but in any event not to exceed twenty one (21) days;

(iii) Company may at reasonable times, and subject to the availability of Company personnel, upon the request of, and at no charge to Operator (except as otherwise expressly provided in this Agreement), furnish certain counseling and advisory services to Operator with respect to the site selection, construction, and pre-opening activities related to the operation of Perkins Units; and

(iv) One (1) set of the Manuals (as hereinafter defined).

(b) Assistance During Term. During the term hereof, Company shall continue its efforts to maintain standards of quality, appearance and service at all Perkins Units, thereby maintaining the public image and reputation of the Perkins System and the demand for the products and services provided thereunder, and to that end Company (directly or indirectly by an affiliate or one or more third parties) may

in its sole right and discretion, provide Operator with such of the following as Company shall deem appropriate:

(i) Information concerning operating problems, new techniques or operating methods disclosed by reports submitted to or evaluations made by Company;

(ii) Information with respect to new and improved methods of operation or business procedures, use of the Manuals, management materials, promotional materials, and the Licensed Marks;

(iii) So long as Operator is not in default under this Agreement, or any other agreement with Company and its affiliates, the opportunity to participate in group purchasing programs for inventory, supplies, insurance and equipment that Company may use, develop, sponsor or provide and upon such terms and conditions as may be determined solely by Company; and

(iv) Periodic evaluations of the Premises and other Perkins Units and of the products and services they offer.

(c) Reservation of Rights to Vary Assistance. Company specifically reserves the right, in its sole right and discretion, to vary:

(i) the standards throughout the Perkins System as set forth in Section 7 of this Agreement; and

(ii) the services and assistance that Company provides to some franchisees based upon the peculiarities of a particular site or circumstance, business potential, existing business practices, or any other factor that Company deems to be important to the successful operation of any Perkins Unit or the Perkins System. Operator shall have no recourse against Company on account of any variation to any franchisee and shall not be entitled to require Company to provide Operator with a like or similar variation hereunder.

5. FEES

(a) Initial Franchise Fee. The initial franchise fee shall be the amount set forth on Exhibit B hereof, which is paid in consideration of the franchise granted herein. The initial franchise fee, payment of which is hereby acknowledged, is fully-earned and non-refundable upon Operator executing this Agreement in consideration of administrative and other expenses incurred by Company in entering into this Agreement, for the lost or deferred opportunity of Company to enter into this Agreement with others, and Operator's immediate access to Company's confidential trade secrets, Licensed Marks, and the Perkins System. Operator may receive a partial refund of the initial franchise fee pursuant to Section 7(i) of this Agreement in the event Operator or its designated managerial personnel shall fail to complete initial training to the reasonable satisfaction of Company.

(b) Continuing Fee-Royalty. In return for the rights and licenses granted under this Agreement and the continuing services of Company, at all times after the commencement of operation by Operator, Operator shall pay to Company a weekly royalty fee equal to four percent (4.0%) of the Net Sales (as hereinafter defined). Operator acknowledges and agrees that the foregoing continuing royalty is fully earned by Company upon payment, and is actual and necessary for Operator's use of the Perkins System and Licensed Marks.

(c) Manner of Payment. Unless otherwise provided, all fees and other amounts due to Company hereunder shall be paid in the manner designated by Company in the Manuals, and such payments

shall be accompanied by the statement required under Section 11 of this Agreement. In no way limiting the foregoing, Company requires Operator to establish an arrangement for electronic funds transfer or deposit of any payments required hereunder, and shall execute such authorization form as Company may prescribe.

(d) Interest and Service Charges on Overdue Amounts and Rejected Payments. All monies to be paid to Company are due according to the terms stated by Company, which may change from time to time. Entitlement to interest or service charges, as described below, shall be in addition to any other remedies Company may have. If any fee, royalty, rent, or any other amount due under this Agreement or any other Agreements with Company is not paid within five (5) days after such payment is due, or if any attempted payment is rejected, the following terms and conditions shall apply:

(i) For any overdue royalty, fee, or any other amount due except for rent payment, Operator shall pay Company immediately upon demand, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, (i.e. eighteen percent (18%) per annum), or the maximum rate permitted by law, whichever is less;

(ii) For any overdue rent payable to Company, Company shall have the right to charge a monthly service charge of five percent (5%) of such overdue amount(s), and this five percent (5%) service charge shall be added to the amount due to Company for each subsequent month that payment, including any compounded service charges, is late; and

(iii) If any payment due from Operator to Company is rejected (for insufficient funds or the payment otherwise fails for any other reason), then for each such rejected payment Operator shall, immediately upon demand, pay to Company the Company's then current rejected payment fee, which may include, without limitation, amounts to reimburse Company for all of Company's costs associated with such rejected payment (as of the Effective Date, Company's rejected payment fee is $100 per occurrence).

(e) Net Sales. The term "**Net Sales**", as used in this Agreement, shall mean the entire amount of the actual sales price, less any cash discounts or coupon discounts, whether wholly or partly for cash, of all merchandise and services sold and all other receipts by sale, barter or otherwise of all business conducted in and from the Premises, including, without limitation, all deposits not refunded to purchasers, all sales to employees or agents of the Operator and all orders taken in and from the Premises, including Catering and delivery activities, and all monies from any vending, electronic, or coin operated vending, game, or music machines (except for cigarette machines, for which Company does not collect royalties or other payments) located on the Premises. There shall be excluded from "Net Sales" any sums collected and paid out for any sales tax or excise tax based upon the sale or sales of merchandise and required by law, whether now or hereafter in force, to be paid by the Operator or collected from its customers to the extent that such taxes have been included in the actual sales price. The term "Net Sales" shall not include the amount of any cash refund made upon any sale where the merchandise sold, or some part thereof, is returned by the purchaser to and accepted by the Operator.

(f) Application of Payments. All payments by Operator pursuant to this Section 5 shall be applied in such order as Company may designate from time to time. Operator acknowledges and agrees that Operator may not designate an order for application of any fees different from that designated by Company and expressly acknowledges and agrees that Company may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed.

(g) Extraordinary Expenses. Operator shall pay all expenses incurred in the preparation of franchise documents, other legal documents and all other matters which are incurred due to the use of

attorneys or others, who are not employees of Company and are utilized by Company, in its sole right and discretion, for the preparation of documents and other matters done specifically for Operator's franchise, such documents or other matters being peculiar to Operator's franchise.

(h) Advertising Fund-Marketing Contribution. Company has established an advertising fund, as defined in Section 8(b). Operator shall be required to make a continuing weekly contribution to the Fund, which contribution shall be made as and when the weekly royalty fee required under Section 5(b) is paid, in an amount equal to three percent (3.0%) of the Net Sales. The amount of such contribution under Section 8(b) may increase, at Company's discretion, to an amount not to exceed four percent (4.0%) of the Net Sales; provided, however, that the amount shall not increase by more than one percent (1%) of Net Sales during a consecutive twelve (12) month period.

(i) Assistance with Computer System. In the event that Operator obtains from Company monthly services for the maintenance of, and assistance in operating, the Computer System, as described in Section 7(u), Operator shall pay to Company a monthly maintenance fee and/or help desk fee for such services.

(j) Reinstatement Fee for Purchases from Company. In the event that Operator purchases items from Company as described in Section 7(k), but fails to satisfy all payment requirements for such purchases, Company may discontinue further sales to Operator without liability to Company for discontinuing sales due to Operator's non-compliance. Additionally, if Operator thereafter requests to make new purchases from Company, Company may require Operator pay Company's then current reinstatement fee for ongoing purchases as a condition to Company resuming any sales to Operator. In no way limiting the foregoing, Company may establish such purchase and payment terms for Operator's purchases of products and services from Company, as Company deems appropriate. The purchase and payment terms may include, without limitation, the right to require that Operator pre-pay in full any or all purchases from Company before such purchase will be delivered to Operator in the event that Operator is not in full compliance with any of its obligations, financial or otherwise, under this Agreement or any other agreements with Company. Company's rights under this Section 5(j) shall be in addition to all other rights and remedies of Company set forth in this Agreement.

(k) Non-Participation and Non-Reporting Fees. Company may, and as of the Effective Date does, require that Operator participate in various programs and activities and comply with the operating and reporting standards that Company designates in the Manuals as generally required for Perkins Units. Such programs and standards will vary from time to time and may include without limitation: sources of products and services and purchasing arrangements; advertising, marketing and promotions under Sections 7(gg) and 8 below; menu pricing guidelines (as provided in Section 7(ii) below); operational standards and training (including any Quality Evaluation Program under Section 7(p) below); computer systems and technology as further described in Section 7(u) below; financial and related reporting obligations. In the event that Operator does not participate in and/or comply with a Perkins System program or standard, then upon notice from Company, Company may require Operator pay to Company a fee equal to: (i) One Hundred Dollars ($100) for the first month in which Operator is not in compliance under this Agreement for the Unit; (ii) Two Hundred Dollars ($200) for the second month during which Operator is not in compliance under this Agreement; and (iii) Three Hundred Dollars ($300) for the third month and any subsequent months during which Operator is not in compliance under this Agreement. Operator must make the payment to Company of such fees immediately upon demand by Company. Payment of fees under this Section 5(k) is an independent obligation under this Agreement and will be assessed, in part, in consideration of the potential effects of the inconsistency to the System, lack of reported information available to Company, and additional efforts for Company's administration of its standards. Payment of fees under this paragraph will not constitute a cure of the underlying default or a penalty to Operator, and Operator shall remain obligated to cure the default according to the terms of this Agreement. Company's

right to demand payment of fees under this paragraph shall be in addition to all other remedies of Company set forth in this Agreement; except that with respect to a delinquent or missing report, Company shall have the right to assess either a monthly fee under this Section 5(k) or a per document fee under Section 11(f) below.

(l) Central Billing Fees. In connection with any program and service that Company designates in the Manuals as generally required for Perkins Units, Company shall have the right, but not obligation, to collect from Operator the fees or other amounts that are charged by the supplier(s) in connection with Operator's participation in the program and/or purchases from the service provider. If Company elects to do so, Company shall have the right to charge a reasonable fee, which will not exceed ten percent (10%) of the amounts due to the supplier, for the central billing and payment management functions provided by Company.

6. LICENSED MARKS

(a) Ownership of Licensed Marks. Operator expressly acknowledges that Company is the sole and exclusive licensor of the Licensed Marks and agrees not to represent in any manner that Operator has acquired any ownership rights in the Licensed Marks. Operator agrees not to use any of the Licensed Marks or any marks, names or indicia which are or may be confusingly similar in its own corporate or business name and specifically agrees that at no time shall Operator incorporate the names "Perkins Restaurant and Bakery", "Perkins", or any part thereof (including any abbreviations), in its own corporate name or business name, or as part of any email address, domain name, or other identification of Operator in any medium. Operator further acknowledges and agrees that any and all goodwill associated with the Perkins System and identified by the Licensed Marks shall inure directly and exclusively to the benefit of Company and that, upon the expiration, non-renewal, or termination of this Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with Operator's use of the Licensed Marks.

(b) Right to Use Licensed Marks. Operator understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Company's prior written consent, is an infringement of Company's rights therein and that the right to use the Licensed Marks granted herein does not extend beyond the termination, non-renewal, or expiration of this Agreement. Operator expressly covenants that, during the Initial Term, the Renewal Term (if any), and thereafter, Operator shall not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Company's right to use the Licensed Marks or take any other action in derogation thereof.

(c) Obligation to Police the Use of Licensed Marks. Operator acknowledges an obligation to police the use of the Licensed Marks and all printed materials, building designs, color combinations, design specifications and other characteristic physical embodiments of the Perkins System ("**trade dress**") and agrees to do so. Operator shall promptly notify Company of any claim, demand or cause of action that Company may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Licensed Marks or trade dress of the Perkins System, any colorable variation thereof, or any other mark, name or indicia in which Company has or claims a proprietary interest. Operator shall assist Company, upon request and at Company's expense, in taking such action, if any, as Company may deem appropriate to halt such activities, but shall take no action nor incur any expenses on Company's behalf without Company's prior written approval. If Company undertakes the defense or prosecution of any litigation relating to the Licensed Marks or trade dress of the Perkins System, Operator agrees to execute any and all documents and to do such acts and things as may, in the opinion of Company's legal counsel, be reasonably necessary to carry out such defense or prosecution.

(d) Limitations on Use of Licensed Marks. Operator further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Company; to adopt and use

the Licensed Marks solely in the manner prescribed by Company; to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Company to liability therefore; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefore a statement that Operator's use of the Licensed Marks is limited by the terms of this Agreement, and to provide Company with a copy of any such application and other registration document(s); to observe such requirements with respect to trademark and service mark registrations and copyright notices as Company may, from time to time, require, including, without limitation, affixing "SM", "TM", or "®" adjacent to all such Licensed Marks in any and all uses thereof; and, to utilize such other appropriate notice of ownership, registration and copyright as Company may require. Operator hereby covenants and agrees that it will affix in a conspicuous location at the Franchised Business a sign containing the following notice: "This business is owned and operated independently by (name of franchisee) who is an authorized licensed user of the trademark "PERKINS", which trademark is owned by Perkins LLC."

(e) New, Modified or Replacement Licensed Marks. Company reserves the right, in its sole right and discretion, to designate one or more new, modified, substituted, or replacement Licensed Marks (including, without limitation, as part of re-branding activities) for use by franchise owners and to require the use by Operator of any such new, modified, substituted, or replacement Licensed Marks in addition to or in lieu of any previously designated Licensed Marks. Any expenses or costs associated with the use of Operator of any such new, modified, substituted, or replacement Licensed Marks shall be the sole responsibility of Operator.

7. STANDARDS OF OPERATION

For the purpose of enhancing the public image and reputation of businesses operating under the Perkins System and for the purpose of increasing the demand for services and products provided by franchise owners and Company, the parties agree as follows:

(a) Documents to be Submitted and Requirements Prior to Leasing, Purchase, or Construction. Before commencing leasing, purchase, or construction, if any, of the Franchised Business whether as owner or lessee, Operator shall, at its expense, comply with the requirements described in the following paragraphs of this Section 7(a).

(i) Operator is responsible, at its own expense, for finding and then acquiring a suitable site to be the Premises. As set forth in Section 2(a) above, if the parties have not agreed upon the Premises and noted that location in Exhibit B when this Agreement is signed, then Operator must sign the Site Selection Addendum (see Exhibit E to this Agreement). Operator must then, at its own expense and according to the terms of the Site Selection Addendum, identify and obtain the right to use a site as the Premises for the Unit. In no way limiting the terms of the Site Selection Addendum, Operator acknowledges and agrees that a proposed site for the operation of the Unit must comply with such site selection criteria as Company may prescribe from time to time which may include, but is not limited to, the requirement that an environmental audit be performed on such site. If Company determines that such site requires an environmental audit, Operator warrants to Company that such site shall have been examined and certified to be environmentally clean. Operator acknowledges and agrees that Company shall incur no liability by reason of its denial or acceptance of any site and that the acceptance of a site by Company shall not be deemed to be a guarantee of success or a recommendation of such site by Company. Company is under no obligation to accept any proposed site and has no liability to Operator for any site denial.

(ii) Operator shall, at its sole expense, have prepared all preliminary plans and final plans and specifications to be used for site improvement and for renovating, constructing, and equipping the Unit (together, "**Unit Plans**"). Based on the build-out, design and other elements that Company

considers important to the development and functioning of Restaurants, Operator agrees that it shall contract with one of the licensed architects designated in writing by Company (in the Manuals or otherwise designated in writing) to prepare for Operator all Unit Plans. Operator must submit all Unit Plans (including all changes and modifications) to Company, for Company's review and written approval prior to their use. In renovating, constructing, and equipping the Unit, Operator shall comply with all of the applicable provisions of the Americans with Disabilities Act (the "**ADA**") and shall not discriminate against anyone on the basis of disability. Operator understands and acknowledges that any standard plans and specifications provided by Company shall not contain the requirements of any federal, state or local law, code or regulation, including those concerning the ADA or similar rules governing public accommodations for persons with disabilities. Additionally, Company's review and approval of Unit Plans shall be limited to evaluating the compliance of the Unit Plans with the Perkins System standards for Units, including such items as trade dress, presentation of Licensed Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Units. Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Operator. There shall be no liability on the part of Company to Operator or to any present or future owner of the Franchised Business or to any party in interest because Company has accepted any Unit Plans in connection with assessing compliance with System standards. Two sets of final plans with respect to each proposed Unit must be sent to Company, one of which will be returned to Operator stamped "ACCEPTED" if such plans have been accepted. An identical set must be retained at the job site for the proposed Unit.

(iii) Operator must have a written lease for the Premises, including in circumstances in which the Premises are owned by Operator itself, or by any of its Interest Holders (as defined in Section 11(g) of this Agreement), or by any entities that are under common control with or affiliated with Operator (each an "**Affiliated Lessor**"). Prior to Operator's execution of a lease, a copy of the actual lease agreement or sublease to be executed for the Premises must be accepted in writing by Company. If requested by Company, before entering into any lease, Operator shall pay an amount up to Two Thousand Five Hundred Dollars ($2,500) to Company, or a third party designated by Company, for review of the proposed lease or sublease by an attorney with experience in commercial lease transactions. Such review may include a review of the general business and financial terms of the proposed lease and for inclusion of terms required by Company. Any lease agreement for the Premises must include: (a) terms that provide Company the right to enter the Premises to make any modifications necessary to protect the Licensed Marks; and (b) a "**Collateral Assignment of Lease**" in the form acceptable to Company, executed by Operator and the lessor of the Premises. The Collateral Assignment of Lease must provide: that Company will be provided notice of Operator's default of the lease; a right (but not an obligation) to cure such default; and the right to assume the lease with the right to sublease to a Perkins Unit franchise owner; and contain other provisions required by Company including the right to assume the lease upon: (1) a default under this Agreement or under any document or instrument securing this Agreement or financing for the Franchised Business, and/or (2) in the event this Agreement is not renewed, expires or is terminated for any reason. In lieu of the Collateral Assignment of Lease, such lease may provide Company, at Company's option, with the right to act as prime lessee under the lease and to sublease such site to Operator. Any lease or sublease of the Premises shall be for a term which, with renewal options exercisable by Operator, are coterminous with the Initial Term and any Renewal Terms under Section 3(b) of this Agreement. Company's acceptance of the lease agreement or sublease is an indication only that the agreement meets Company's criteria for leases. Company's acceptance of a lease or sublease does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the lease for Operator's success or for any other purpose.

(iv) In addition to the terms of Section 7(a)(iii) above, in circumstances where Operator's lease for the Premises is with an Affiliated Lessor, the Collateral Assignment of Lease must specify that, if Company exercises its rights to take over the Premises, the rent payable by Company to the Affiliated Lessor for the Premises will be fair market rent value, provided that in no event will the rent

exceed eight percent (8%) of Net Sales per month based on the average monthly Net Sales of the Unit during the previous twelve (12) months (and to the extent the rent otherwise to be charged exceeds the fair market value, then Operator shall be responsible for payment of the amount in excess of the fair market value). If Company and Affiliated Lessor have not agreed upon a fair market value within seven (7) days of Company's notice of its intent to exercise its rights to take over the Premises, then by mutual agreement of Company and Affiliated Lessor within seven (7) days of the expiration of such period, Company may appoint an appraiser to determine fair market rent. If Company and Affiliated Lessor cannot mutually agree upon one appraiser, Company, within seven (7) days thereafter, shall notify Operator of the names of two appraisers or firms having the capacity to perform or engage others to appraise the fair market rent for the Premises. Affiliated Lessor shall select, within seven (7) days after such notification by Company, one of such appraisers or firms to be responsible for determining fair market rent value; otherwise, Company shall select one such appraiser or firm to be responsible for determining fair market value and such appraiser's or firm's decision shall be binding. Company and Affiliated Lessor shall divide equally the cost of any appraiser or firm. Within ten (10) days after Company has been notified of the fair market rent value, Company may exercise its option to rent the Premises by notice to Operator.

(v) Operator must obtain the written acceptance of Company for its general contractor before construction or renovation may begin on the Unit; and if, prior to Operator engaging a general contractor, Company has implemented a requirement to use only general contractors designated by Company, Operator must engage one of the general contractors designated by Company. Further, Operator must obtain the written acceptance of Company for its final Unit Plans, as described in Section 7(a)(iv) above, before construction may begin on the Unit. If the Operator begins construction or renovation of the Unit prior to obtaining the above required written acceptances then the Operator will be in default under the terms of Section 14 of this Agreement at the sole right and discretion and exclusive option of Company.

(vi) Operator shall submit, as soon as possible, to Company bona fide and complete copies of all contracts with contractors and suppliers pertaining to the construction and equipping of the Premises and Unit for use as a Perkins System restaurant.

(vii) Any reviews that Company conducts under this Section 7(a) and Sections 7(b) through 7(d) are only for Company's benefit. Operator acknowledges that Company's review and acceptance of a site, lease, sublease, Unit Plans, permits, and/or certifications for a Franchised Business do not constitute a recommendation, endorsement, or guarantee of the suitability of that location or the terms of the lease, or sublease, or purchase agreement, or that such are all required permits and certifications for the Franchised Business. Operator is solely responsible for compliance with all such laws and regulations; and Company's acceptance is not, and will not be deemed to be, an assessment as to whether or not Operator has complied with those laws and regulations. Additionally, and notwithstanding any other term of this Agreement, Operator acknowledges that Company may provide templates, generic design plans, or specifications for branding and imaging compliance purposes, but Operator shall not rely on these for compliance with any applicable law, ordinance, best practice, or regulation.

(b) Permits and Certifications. At least ten (10) days prior to the commencement of business to the public, Operator shall submit to Company all applicable permits and certifications as may be required for the lawful operation of the Franchised Business, together with copies of any building inspection reports and certifications from all regulatory or governmental authorities having jurisdiction over the Premises and the Franchised Business that all necessary permits have been obtained and that all requirements for construction and operation have been met**.**

(c) Fixtures, Equipment, Supplies and Signs. All fixtures, equipment and supplies for the Franchised Business selected by Operator must meet the quality System standards set forth in Company's Manuals or otherwise in writing, subject to compliance with applicable laws and regulations. Subject to

any applicable local zoning or regulatory requirements, Operator shall acquire by lease or purchase all signs as required by Company at any time and from time to time for use at or in connection with the Franchised Business including signs containing or displaying the Licensed Marks including new, modified, substituted, or replacement Licensed Marks.

(d) Completion of Construction and Commencement of Operations. Operator, whether as owner or lessee, shall complete construction of the Unit at the Premises in accordance with the then approved site and building plans and shall make no changes to such plans without the written consent of Company. Operator shall open the Franchised Business to the public not later than the earlier to occur of the following events: (i) the date on which Operator's lease of the Premises requires Operator to commence its business; (ii) three hundred (300) days after (a) execution of the lease by all parties thereto if the lease for the Premises was not signed prior to the Effective Date, or (b) the Effective Date hereof if the lease for the Premises was signed prior to the Effective Date (the applicable deadline for opening the Franchised Business is the "**Opening Deadline**"). Operator shall secure to Company and its agents the right to inspect the construction at any reasonable time although Company has no obligation to do so; shall correct, upon request and at Operator's expense, any deviation from the accepted site layout and plan; and shall furnish to Company a copy of the certificate of completion and obtain Company's acceptance of the completed construction prior to opening all or any part of the Franchised Business for operation. Additionally, prior to opening the Unit and prior to renovating the Unit after the initial opening of the Unit, Operator shall execute an ADA Certification in the form attached to this Agreement as Exhibit D that certifies in writing to Company that the Unit and any proposed renovations comply with the ADA. In the event Operator receives any complaint, claim, or other notice alleging a failure to comply with the ADA, Operator shall provide Company with a copy of such notice within five (5) days after receipt thereof. As provided in Section 18(a) below, Operator shall indemnify Company and the officers, directors, and employees of Company in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Operator's compliance with the ADA, as well as the costs, including attorneys' fees, related to the same.

(i) Operator acknowledges that Company has the right to terminate this Agreement if either: (i) construction on the Unit has not commenced within sixty (60) days of the earlier to occur of (a) execution of the lease for the Premises by all parties thereto if the lease for the Premises was not signed prior to the Effective Date, or (b) the Effective Date if the lease for the Premises was signed before the parties entered into this Agreement; or (ii) the Franchised Business is not open to the public by the Opening Deadline, unless Operator has been granted an extension in accordance with Section 7(d)(ii) below.

(ii) Company reserves the right to grant extensions of the Opening Deadline at Company's sole right and discretion in the event that Operator has complied (in Company's opinion) with all of the terms and conditions herein and has, in good faith, diligently pursued the construction of the Unit according to the terms of this Agreement. Additionally, Operator may apply to Company, in writing, for an extension of the Opening Deadline. Operator 's written application for an extension must be submitted not fewer than thirty (30) days in advance of the Opening Deadline and specify the reasons for the requested extension and specify a proposed revised opening date for the Unit, which shall not exceed six (6) months. Operator has no rights to receive an extension of the Opening Deadline, and Company will have the right to determine whether to grant an extension. No extension will be effective unless and until Company provides its written approval, and Operator has paid to Company an extension fee in an amount equal to Five Thousand Dollars ($5,000) per month of the extension period granted by Company. Company's decision to extend the Opening Deadline shall not, absent a written agreement, renew or extend any deadline with respect to any other Perkins Unit that Operator (or any affiliate) may develop under other agreements with us.

(e) [*Reserved.*]

(f) Authorization to Open Unit Required. The Franchised Business shall not be opened to the public until authorized in writing by Company. The date on which the Franchised Business first opens for business to the public as a Perkins® restaurant is the "**Opening Date**".

(g) Management of Unit. Operator agrees that at all times during this Agreement the Franchised Business shall only be operated directly by Operator, if Operator is an individual, or by at least one Owner or employee of Operator (the "**designated manager**") who meets all of the following criteria:

(i) The individual must be principally responsible for the operation of the Franchised Business on a full-time, in-person basis at the Perkins Unit. During any period that an individual will serve as the designated manager for the Franchised Business, his or her activities must be dedicated to the Franchised Business and not shared with any other business activity; and

(ii) The individual must have attended and satisfactorily completed such training, retraining or refresher training program as Company may require, in its sole right and discretion, at such times and places prior to the expiration of this Agreement as Company may reasonably designate.

(iii) In addition to the above requirements that will apply through the Term, during the first two (2) months the Franchised Business is open to the public, Operator (if the Operator is an individual) or (if the Operator is an entity) one Owner with at least ten percent (10%) equity in Operator must serve as an on-Premises designated manager for a minimum of thirty (30) peak operating hours per week. The parties agree that this Section 7(g)(iii) is a condition of the grant of this Agreement in order to facilitate Operator's restaurant experience, and not as a labor or employment requirement. The in-store experience is material to the grant of this Agreement to ensure that Operator has the operational familiarity, business management and compliance with all of Company's standards. The individual serving as the designated manager under this Section 7(g)(iii) must meet all qualifications and training requirements of this Agreement relating to designated managers, including subsections 7(g)(i) and 7(g)(ii) above and Sections 7(h), and 7(i) below.

(h) Designation of Managers. Prior to opening the Franchised Business to the public, if Operator is an entity, Operator will advise Company if any Owner (as defined in Section 12(k) of this Agreement) will serve as a designated manager. Prior to opening the Franchised Business to the public, three (3) designated managers (one of which may be Operator if Operator is an individual) shall have been certified by Company as meeting Company's qualifications for management of the Unit. Also, at any time during this Agreement within sixty (60) days after Operator designates an employee as manager of the Unit, such employee shall satisfactorily complete Company's training program(s) required for managers. It shall be the responsibility of the Operator to initiate requests for training of its designated managers and to make such managers available to receive all training required.

(i) Training Program.

(i) Prior to the commencement of business to the public, three (3) managerial personnel (one of whom may be Operator if Operator is an individual) who are acceptable to Company shall complete, to Company's reasonable satisfaction, any and all training programs as Company may reasonably require. Additionally, if either (a) Operator is an individual but will not become trained and certified as a designated manager, or (b) Operator is an entity and none of its Owners will become trained and certified as a designated manager as described above, then Perkins may require that at least one (1) Owner must attend the initial training program designated by Company for non-manager operators, which

as of the Effective Date consists of approximately one (1) day of training at or in a Perkins Unit designated by Company and three (3) days of classroom training at Company's headquarters.

(ii) If any trainee fails to complete the required initial training program to Company's satisfaction, Company shall notify Operator of such failure and Operator shall designate a substitute trainee. If Operator fails to designate a substitute trainee, or if the substitute trainee fails to complete the training to Company's satisfaction, Company may, at its sole right and discretion, elect to terminate this Agreement, in which event Operator shall be entitled to receive a refund of the initial franchise fee less an amount equal to (i) fifty percent (50%) of the initial franchise fee paid by Operator and received by Company, plus (ii) any costs and expenses incurred by Company in training Operator and its managerial personnel or any expenses incurred by Company in connection with its review, acceptance and supervision of the development of such Unit, which in no event shall be less than Two Thousand Five Hundred Dollars ($2,500). Any such refund shall be in full and complete satisfaction of Company's obligations to Operator. Furthermore, Operator acknowledges and agrees that the refund to Operator, as described above, is conditioned upon Operator's execution of a general release in a form prescribed by Company, of any claims or causes of action that Operator may have against Company and its affiliates, officers, directors, employees, and agents under or pursuant to this Agreement or otherwise.

(iii) At any time during the term of this Agreement, Company may at its option require others of Operator's initial and subsequent management employees to attend and satisfactorily complete all or any part of such training programs and any other courses, seminars, refresher and/or additional training that Company may develop or designate. All expenses incurred in training, including, without limitation, costs of travel, room, board and wages of the person(s) receiving such training shall be borne by Operator. Operator shall also bear the cost of any additional training which may be required by Company, which may include, without limitation, tuition or other fees for such training.

(iv) In addition to the initial training described above, Company has the right to conduct an orientation program for new franchisees and/or existing franchisees as Company determines appropriate ("**Franchisee Orientation Program**"). During any periods that Company does so, Company has the right to require that Operator, and such of its managerial personnel as designated or accepted by Company, attend and successfully complete the Franchisee Orientation Program within such time period as Company designates, which may be before Operator is authorized to begin operating the Franchised Business if Operator has not yet commenced operations. Company may conduct the Franchisee Orientation Program at Company's headquarters or such other location(s) as Company may designate. Company has the right to charge Operator a fee for the Franchisee Orientation Program, and Operator will bear all expenses associated with participation, including, without limitation, costs of travel, room, board and wages of the person(s) attending the program. As of the date of this Agreement, Company required that, after the time Operator has secured a site that Company has accepted to be the Premises and before Operator begins any site design, Operator will travel to Company's headquarters (or such other support center as Company may specify) and participate in a one day meeting to review Company's new restaurant opening guidelines and complete initial project timelines and checklists, as Company may then require, with Company's construction and design and operations personnel. Company does not charge a fee for this session, but Operator will be responsible for and pay all travel and related costs and expenses that Operator incurs in connection with such session.

(j) Use of Premises. Operator agrees to use the Premises solely for the operation of the Franchised Business in the manner and pursuant to the System standards prescribed herein, in the Manuals or otherwise in writing, and to refrain from using or permitting the use of the Premises for any other purpose or activity at any time. Without limiting the generality of the foregoing, Operator agrees that no alcoholic beverages shall be sold, consumed or possessed on the Premises unless Operator obtains written approval from Company in accordance with Section 7(q)(v) herein. Additionally, as described in Section 2(b)

herein, Operator may engage in Catering and delivery, but only in accordance with the terms and conditions stated in this Agreement and in the Manuals, or as otherwise in writing by the Company.

(k) Purchases From Approved Sources. Operator shall purchase or lease all fixtures, furnishings, signs, equipment (including without limitation the Computer System described in Section 7(u)), inventory, uniforms, advertising materials, operational and support services and other supplies, products and materials required for the operation of the Franchised Business solely from suppliers (which term, as used in this Agreement, refers to manufacturers, vendors, distributors, and other sources of supply) who demonstrate, to the continuing satisfaction of Company, the ability to meet Company's standards and specifications for such items (including services); who possess adequate quality controls and capacity to supply Operator's needs promptly and reliably; and who have been approved for such items in writing by Company and not thereafter disapproved. If Operator desires to purchase or lease any items from an unapproved supplier, Operator shall submit to Company a written request for such approval in accordance with procedures which may be prescribed from time to time by Company in the Manuals, the Food Purchasing Manual, or otherwise in writing. As a condition of its approval, Company may require that Company be allowed access to inspect the facilities of the proposed supplier and that samples of the proposed products and/or services be delivered, or otherwise provided, to Company or Company's designee for testing. Operator shall pay a fee to Company for such testing. Such fee shall be equal to, but shall not exceed, an amount equal to all of Company's costs incurred for such testing. If thirty (30) days should pass without Company having given written approval for such purchase or lease, it shall be deemed to have been disapproved. Notwithstanding anything above to the contrary, Company reserves the right to disapprove proposed or existing suppliers based on its desire to achieve purchasing efficiencies for the Perkins System and/or to consolidate Perkins System purchases through a single supplier (which could be Company or its affiliates) or fewer suppliers. Company has the right to designate itself or its affiliates as an approved supplier of various items (and in some instances, Company or its affiliate may be the sole approved supplier) and, if it does so, Company may earn a profit from the sale or lease of such items to Operator; however, Company is not required to be an approved supplier to the Perkins System and, if it becomes a supplier, it may thereafter discontinue being an approved supplier at any time. Operator acknowledges and agrees that Company has the right, without restriction, to collect and retain, and in connection therewith Operator assigns to Company (or its designee) any interests that Operator may have in, all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits offered by suppliers to Operator or to Company (or its affiliates) based upon Operator's purchases from approved sources under this Agreement. Company reserves the right, at its option, to reinspect the facilities and products and services of any such approved supplier from time to time and to revoke approval for any product, service, or supplier upon the failure of the product, service, or supplier to continue to meet any of Company's then current criteria, or to change suppliers for any other reason. Operator shall discontinue purchasing any product or service for which, or from any supplier for whom, Company has revoked its approval. Nothing in the foregoing provisions shall be construed to require Company to approve any particular product, service, or supplier, or to require Company to make available to prospective suppliers, standards and specifications for formulas that Company, in its sole right and discretion, deems confidential.

(l) Operation of Unit. Operator agrees to operate the Franchised Business in an ethical and professional manner at all times, including providing prompt and courteous service to all customers and treating all of its employees, invitees, and Company representatives with respect and professionalism. In particular, Operator shall use, adopt, maintain, and comply with the System standards of quality, appearance and operation for the Franchised Business as Company has or may establish and modify from time to time. Operator shall at all times staff the Franchised Business with such number of employees and otherwise operate the Franchised Business diligently so as to maximize the revenues and profits therefrom. Operator shall at all times sell food products designated on the standard Company menu prepared from time to time by Company and shall not, without the prior written consent of Company, at any time sell any product (food or non-food) which does not appear on such menu. Operator shall, at all times, conform strictly to the

method of preparation designated by Company, including, without limitation, food preparation, cooking and serving, maintenance and cleaning procedures, bookkeeping methods and similar items. All paper goods and pre-packaged good items unique to the Perkins System and used by Operator which can be seen by the public shall bear an approved Licensed Mark as required by Company in its sole right and discretion. No part of the Premises shall be leased by the Operator to any other party without Company's prior written consent.

Operator shall keep the Unit open and in normal operation for such hours and days as Company may from time to time specify in the Manuals or as Company may otherwise designate or approve in writing which may be all hours of each day, during all days of the week. Operator further agrees that: (a) failure to keep the Unit open and in normal operation during all times (other than permitted closure hours as approved for Operator on case by case basis, which may be modified or eliminated by Company at any time) is a default under this Agreement; and (b) if Operator commits such default, Company may, in addition to any other remedies Company may have, require that Operator pay Company the amount equal to One Thousand Dollars ($1,000) for each day during which Operator did not operate the Unit during all required times.

(m) Approval of Advertising and Other Materials. In no way limiting the terms of Section 8, Operator shall use only business stationery, business cards, marketing materials, advertising materials, printed materials or forms that have been approved in advance by Company. Operator shall not employ any person to act as a representative of Operator in connection with local promotion of the Franchised Business in any public media without the prior written approval of Company. Any and all supplies or materials purchased, leased or licensed by Operator shall always meet those standards specified by Company.

(n) Identification as Franchised Unit. In all advertising displays and materials and at the Premises, Operator shall, in such form and manner as may be specified by Company in the Manuals or otherwise in writing, notify the public that Operator is operating the business licensed hereunder as a franchise owner and independent operator of Company and shall identify its business location in the manner specified by Company in the Manuals, or otherwise in writing by Company.

(o) Response to Customer Complaints. Operator shall promptly respond to customer complaints and shall take such other steps as may be required to ensure positive customer relations.

(p) Evaluation of Unit. Operator acknowledges each of the terms below in this Section 7(p).

(i) Operator hereby grants to Company and its agents the right to enter upon the Premises, without notice, at any time for the purpose of conducting evaluations of the Premises, Operator's books, records and register tapes to ensure compliance with this Agreement, the Manuals and any other written materials, and for the purpose of inspecting and examining the operations and facilities (including, but not limited to, testing, sampling and inspecting ingredients and products used by Operator and the products sold by Operator, as well as the storage and preparation of such ingredients and products), and Operator agrees to render such assistance as may reasonably be requested and to take such steps as may be necessary immediately to correct any deficiencies detected during such an evaluation upon the request of Company or its agents. In conducting such evaluations and inspections, Company may take such actions as it deems appropriate to memorialize the conditions, including without limitation to take pictures and make video recordings.

(ii) Operator shall permit Company's agents or representatives to remove from the Premises samples of any ingredients, products, materials, supplies, and expendables without payment therefor in amounts reasonably necessary for testing, review and evaluation by Company or an independent certified laboratory to determine whether such samples meet Company's then current standards and

specifications, with no liability to Operator for any damage to such samples as a result of such testing, review and evaluation. In addition to other remedies that Company may have under this Agreement, Company may require Operator to bear the cost of such testing, review and evaluation if the supplier from which such ingredients and products were acquired has not been approved by Company or if the sample fails to conform to Company's specifications. Upon notice from Company or its agents, Operator shall take such steps as may be necessary immediately to correct any deficiencies detected during any inspection or by such testing, review and evaluation, without limitation, immediately ceasing to use any methods, ingredients, products or advertising materials which do not conform to Company's then current specifications, standards or requirements.

(iii) Company and/or its agents have the right to develop and maintain a quality assurance program that Company may use to monitor customer satisfaction and the operations, facilities and services at Perkins Units (a "**Quality Evaluation Program**"). As part of a Quality Evaluation Program, Company may, among other things: (a) establish minimum operational standards and standards for quality service, customer satisfaction; performance benchmarks relating to ratings, surveys and customer feedback, and standards and guidelines for addressing customer complaints; (b) require Operator to present to customers such evaluation forms as are periodically prescribed by Company and to participate and/or request its customers to participate in any surveys performed by or on behalf of Company; (c) interview existing and/or prospective customers of the Franchised Business at any time and at any location, including at the Unit, without prior notice to Operator; and (d) require Operator to use and permit the use by Company of "mystery shopper" services to evaluate its compliance with customer service requirements and other Company standards. For any mystery shopper program, the cost of which shall be borne by Operator, the service provider will be authorized to provide reports of the results of the mystery shopper programs to Company. Operator's mystery shopper programs shall be conducted in accordance with any mystery shopper methods or protocols set forth in the Manuals. Operator acknowledges and agrees that, during any periods that a Quality Evaluation Program is in effect, Operator will fully participate in the Quality Evaluation Program in the manner specified in the Manuals and that a failure to satisfy minimum standards that may be established under the Quality Evaluation Program will be a default under this Agreement and subject to Section 14(c)(xi).

(iv) If Operator fails two or more consecutive inspections or reviews under the Quality Evaluation Program, then beginning with the second consecutive failed inspection or report, Operator must pay Company a re-evaluation fee in the amount of Three Hundred Fifty Dollars ($350) for each failure until such time as Operator achieves a satisfactory score during Company's re-evaluation(s). Nothing in this paragraph shall limit or otherwise modify Company's rights with respect to enforcement against Operator for any of Operator's defaults upon the first failed inspection or report, including Company's rights to terminate this Agreement under Section 14. Company shall have the right to conduct re-evaluations, but is not required to do so, independent from any other actions permitted under this Agreement.

(q) Conformity to System Standards and Specifications. Operator understands and acknowledges that every detail of the System and the Perkins Units is essential to Operator, Company, and other System franchisees in order to (i) develop and maintain quality and Company's operating standards, (ii) increase the demand for the products and services sold by all franchisees operating under the System, and (iii) protect Company's reputation and goodwill. Operator shall maintain Company's high standards with respect to facilities, services, products, and operations. As such, Operator agrees that in operating the Franchised Business, Operator shall use, adopt, participate in and comply with the System standards, including System rules, methods, standards and specifications as Company may from time to time prescribe in its Manuals, the Food Purchasing Manual, or otherwise in writing to ensure that Company's required degree of quality, service and image is maintained; and to refrain from deviating therefrom and from otherwise operating in any manner which adversely reflects on Company's name and goodwill, or on the Licensed Marks. Without limiting the generality of the foregoing, Operator specifically agrees:

(i) To purchase and install, at Operator's expense, all such fixtures, furnishings, signs and equipment as may be required by Company, and meet the specifications of the accepted site layout and plan, Company's parking lot lighting specifications, and all other such items as Company may prescribe from time to time; and to refrain from installing, or permitting to be installed, on or about or in connection with the Premises or the Franchised Business, any such item not meeting Company's standards and specifications;

(ii) To maintain in sufficient supply, and use at all times, only operating products, materials, supplies and expendables, including paper goods, as conform with Company's then current standards and specifications, and to refrain from using non-conforming items without Company's prior written consent;

(iii) To sell and to offer for sale all such products, goods and services as Company may, from time to time require, and only those which Company may, from time to time approve, and which are not subsequently disapproved, as meeting its quality standards and specifications. In addition to any remodeling, repairs, replacement and redecoration required by Section 7(s) hereof, in order to introduce new products or services, Operator may be required to expend additional amounts on new, different or modified equipment or fixtures necessary to offer such new services or products. In such event, Operator shall immediately complete any modifications necessitated by the introduction of such new products and services if the additional amount expended to introduce such new products and services is less than Five Thousand Dollars ($5,000), and if such amount is greater than Five Thousand Dollars ($5,000), Operator shall have up to three (3) months to complete any modifications necessitated by the introduction of such new products and services;

(iv) With respect to any products, menu items or services that Company designates as mandatory offerings to customers, or with respect to any equipment, supplies, or materials that Company designates for use in providing or promoting and advertising mandatory product offerings to customers (any such product, menu item, service, equipment, supply and/or material designated as mandatory, whether on a temporary or permanent basis, is a "**Mandatory Item**"), Company shall have the right to: (a) require that Operator purchase such Mandatory Items from designated vendors pursuant to Section 7(k) above; and (b) place purchase and/or shipment orders on behalf of Operator with the designated suppliers for such Mandatory Items, according to the terms negotiated with, or specified by, the designated supplier for each such Mandatory Item. To the extent that Company places purchase and/or shipment orders of Mandatory Items for Operator, Company or the designated supplier will provide Operator with an invoice for the purchase and shipment costs of the Mandatory Items. Operator agrees to accept such orders and deliveries and to make timely payment for the invoiced amounts. Company may designate suppliers for Mandatory Items in accordance with Section 7(k) above; and

(v) In no way limiting the foregoing, Operator shall not sell, offer to sell, or permit any other party to sell, or offer to sell any form of alcohol unless and until Operator requests and obtains Company's written authorization, which Company is not obligated to provide. Operator acknowledges and agrees that alcoholic beverages are optional products and, if Operator requests and Company grants authorization for the sale of alcohol at the Premises, Operator shall: (a) be responsible for complying with all laws and regulations relating to alcoholic beverages and alcohol service or preparation; (b) comply with all standards, specifications, and terms that Company may issue relating to the offer, sale, and presentation of alcoholic beverages; (c) obtain and maintain such additional insurance coverage as Company may require; and (d) sign such written consents or acknowledgments as Company may require relating to this additional product authorization; and

(vi) Any requirements or specifications that Company conducts under this Section 7(q) are for purposes of complying with Company's standard for brand image and Perkins System standards, and are not specified for purposes of compliance with applicable laws and regulations.

(r) Maintenance and Appearance of Premises. Operator agrees to maintain the Unit and the Premises, including but not limited to site improvements, the parking lot, landscaping, all fixtures, furnishings, signs and equipment thereon, in conformity with Company's then current standards at all times during the Initial Term and Renewal Term of this Agreement, if any and to make such additions, updates, repairs and replacements thereto as Company may reasonably require. Without limiting the generality of the foregoing, Operator specifically agrees:

(i) To keep the Franchised Business at all times in a high degree of sanitation, repair, order and condition, including, without limitation, such periodic repainting of the exterior and interior of the Unit, such maintenance and repairs to all fixtures, furnishings, uniforms, signs and equipment as Company may from time to time reasonably direct;

(ii) To meet and maintain at all times all Perkins System rules, methods, standards and specifications as Company may from time to time prescribe in its Manuals or otherwise in writing for the operation of the Franchised Business; and

(iii) To cause its employees to wear apparel which conforms strictly to the specifications, design, color and style approved by Company from time to time.

In the event that Operator fails to perform its obligations under this Section 7(r), such failure shall constitute a default under the terms of this Agreement. In addition to its other remedies hereunder, in such event Company shall have the right at its election (without being obligated to do so) to correct the deficiency or cause the deficiency to be corrected at the cost and expense of Operator, and Operator shall promptly pay to Company all costs and expenses advanced on its behalf together with interest at the rate of twelve percent (12%) per annum. In the event that Company determines, in its sole right and discretion, that Operator's default under this Section 7(r) involves conditions which are unsafe, unhealthy, or hazardous to its customers, employees, or to the public, Company shall have the right to require that Operator, upon notice from Company, immediately suspend operations of the Franchised Business until such time as Company determines that said conditions have been cured. Company is specifically permitted to force shutdown in this case. The foregoing shall not affect Company's ability to terminate this Agreement as set forth in Section 14(c)(x).

(s) Remodeling. Operator agrees that, in order to maintain a modern, progressive, sanitary and uniform image, Company shall have the right, at any time and from time to time or at any time upon the transfer or renewal of the Franchise, to require Operator to perform such remodeling, repairs, replacements and redecoration in and upon the Premises, and upon the equipment and furnishings used by Operator as Company shall reasonably deem necessary and practical to bring the Premises, including equipment and fixtures, up to the then current standards of newly developed Perkins Units. Notwithstanding new equipment may be required earlier for products and services in accordance with Section 7(q)(iii).

(t) Replacement of Equipment. In no way limiting Company's rights under any other provision of this Agreement, upon Company's request, Operator agrees to install, update or replace any equipment (including without limitation the Computer System described below), and to utilize equipment of the kind and in such manner as is specified by Company from time to time.

(u) Technology, POS, and Communication and Information Systems. Company has the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by, between, or among Perkins Units, and in accordance with Company's standards, including without limitation: (1) back office and management systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Perkins Units, between or among Perkins Units, and between and among the Operator and Company or its designee; (2) computer based point of sale systems, including cash registers or other computer components with locked totaling device (a "**POS System**"), which may include, or be supplemented by, related technology, equipment, and services for customer online and mobile ordering systems and services, customer loyalty programs, and third-party delivery services; (3) physical, electronic, and other security systems; (4) printers and other peripheral devices; (5) archival back-up systems; and (6) internet access mode (*e.g.,* form of telecommunications connection) and speed (collectively including with the POS System, the "**Computer System**"). Additionally, the terms provided below in this Section 7(u) apply with respect to the Computer System.

(i) Operator shall purchase or lease from Company, or from a supplier approved by Company in the Manuals or otherwise in writing, before commencing operation of the Franchised Business, the Computer System and shall thereafter comply with Company's requirements, specifications and policies concerning the use of technology, as they may be specified in this Agreement, or specified or modified in the Manuals or otherwise in writing.

(ii) Company shall have the right, but not the obligation, to develop or have developed for Company, or to designate: (a) computer software programs and accounting system software that Operator must use in connection with the Computer System ("**Required Software**"), which Operator must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Operator must install; (c) the tangible media upon which Operator must record data; and (d) the database file structure of Operator's Computer System. If Company requires Operator to use any or all of the above items, then Operator agrees that it will do so.

(iii) In connection with the Computer System and Required Software, Operator shall execute any license, sublicense, or maintenance agreement required by Company or any other approved licensor of such software programs and comply with their terms, including making payments to those suppliers according to the terms of those arrangements.

(iv) Operator shall obtain and maintain throughout the term of this Agreement, a contract with one or more suppliers, approved by Company in the Manuals or otherwise in writing, for services, as may be specified by Company from time to time, for the maintenance of, and assistance (including a help desk) in operating the Computer System and/or designated components and functions of the Computer System. Additionally, Company or its affiliate may be an approved supplier of such services, and if Operator obtains these services from Company or its affiliate, then Operator shall pay to Company or its affiliate each month the maintenance fee and help desk fee specified by Company for such services. Additionally, Company may from time to time develop proprietary software programs for use in the Perkins System, which Operator may be required to purchase and use in connection with the Franchised Business.

(v) Operator shall maintain, at its own expense, all aspects of the Computer System. Operator also shall upgrade and update its computer hardware and software within thirty (30) days of any notice from Company requiring such upgrade or update, and any such upgrade or update shall be at Operator's cost and expense.

(vi) Operator shall promptly enter into its Computer System and maintain all information required to be entered and maintained by this Agreement and the Manuals, or otherwise in writing by Company, and shall permit Company to access Operator's Computer System at all times via

modem or other means specified by Company from time to time. Operator shall cooperate with Company and shall execute all documents required by Company to permit access to Operator's Computer System and data contained therein. All data provided by Operator, downloaded from Operator's Computer System, and otherwise collected from Operator's Computer System by Company (excluding consumers' credit card and/or other payment information), and/or provided to Company is and will be owned exclusively by Company, and Company shall have the right to use such data in any manner that Company deems appropriate without compensation to Operator. In no way limiting the above, with respect to the POS System, Company shall have right, but not the obligation to exercise, full access to, and authority to use and take actions regarding, any data, including terminal key information, that is entered into or otherwise maintained on or for the POS System, including software, hardware, applications, physical connections or any other device or technology, in connection with configurations, updates, modifications, monitoring, verifications of compliance, an emergency, investigation of possible breach, and/or possible remediation activities. In connection with the foregoing, Company may take actions, without liability to Operator, as it deems appropriate, which may include installing, disabling or removing software, hardware, applications, physical connections or any other device or technology.

(vii) Company shall have the right, but not the obligation, to establish a website or other electronic system providing private and secure communications (*e.g.,* an extranet) between Company, Operator, other franchisees, and other persons and entities as determined by Company, in its sole right and discretion. If required by Company, Operator shall establish and maintain access to the extranet in the manner specified by Company, including frequency of use, and shall from time to time execute such agreements and/or acknowledge and agree to comply with, such policies concerning the use of the extranet as Company may require.

(viii) In no way limiting any other requirement of Operator pursuant to Section 7(u)(vi), Operator must maintain an internet service that allows Operator an unlimited internet connection, email and online communication abilities as Company requires. Operator must dedicate a high-speed broadband or frame relay connection for the sole purpose of supporting Operator's computer system. Company must approve any other technology options, such as satellite or cellular, before Operator orders service with a provider. Company may require Operator to use an internet service provider Company approves. Company may require Operator to purchase services that meet certain performance criteria (Example: upload/download speeds, security, etc.). Operator must maintain a valid email address to receive communications from Company. Operator must immediately notify Company of Operator's email address and of any changes Operator later makes to Operator's email address. Operator must access and review all emails received at Operator's email address in accordance with the standards that Company specifies from time to time, including requirements as to frequency in reviewing emails and other communications (which will be no less frequent than once per day).

(ix) Operator acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Operator agrees that Company will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Operator agrees to abide by those reasonable new standards Company establishes as if this Section 7(u) were periodically revised by Company for that purpose.

(x) In no way limiting Section 17(a) below, Operator must abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("Privacy Laws"). Operator must comply with such standards and policies pertaining to the privacy of consumer, employee, and transactional information that Company may establish. If there is a conflict between Company's standards and policies and Privacy Laws, Operator must: (a) comply with the requirements of Privacy Laws; (b) immediately give Company written notice of such conflict; and (c) promptly and fully cooperate with

Company and its counsel in determining the most effective way, if any, to meet Company's standards and policies pertaining to privacy within the bounds of Privacy Laws. Operator must not publish, disseminate, implement, revise, or rescind a data privacy policy without Company's prior written consent as to such policy.

(v) Reservation of Right to Vary Standards. Because complete and detailed uniformity under many varying conditions may not be possible, practical, or desirable, Company specifically reserves the right and privilege, in its sole right and discretion and as Company may determine, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which Company deems to be of importance. Operator shall have no recourse against Company on account of any variation from standard specifications and practices granted to any franchise owner and shall not be entitled to require Company to grant Operator a like or similar variation hereunder. Additionally and notwithstanding any other provision contained in this Agreement, Company may: (i) use in its right and discretion one or more Perkins Units, including that of the Operator, to test market new or different products or services, (ii) authorize or require the use of new, modified, substituted, or replacement Licensed Marks in its discretion at one or more Perkins Units without incurring any obligation to authorize or require the use of such new, modified, substituted, or replacement Licensed Marks on a system-wide basis (including, without limitation, as part of re-branding and/or re-imaging activities), and (iii) engage in any type of business activity apart from the Perkins System, including, without limitation, the creation of or participation in any other franchise system without incurring any obligation to allow Operator to utilize all or any part of such system.

(w) Changes to System. Operator acknowledges that the Perkins System must continue to change in order to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the Perkins System may be required from time to time in order to preserve and enhance the public image of the Perkins System and to ensure the continuing operational efficiency of Perkins Units generally. Accordingly, Operator agrees that Company may from time to time hereafter, upon reasonable notice, and acting reasonably, add to, subtract from, modify, substitute, or otherwise change the Perkins System, including, without limitation, the adoption and use of new, substituted, or modified Licensed Marks, products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of food products and services. Operator agrees to promptly accept, implement, use and display in the operation of the Franchised Business all such additions, modifications and changes at its sole cost and expense.

(x) Death or Incapacity of Operator or Managing Interest Holder. Upon the death, physical incapacity, or mental incompetency (as reasonably determined by an independent third party such as a medical doctor) of an individual Operator or of any Interest Holder (as defined in Section 11(g)), who is managing the Unit on behalf of Operator, a replacement for such person must be approved by Company in accordance with Section 13(f)(ii).

(y) Management of Unit by Company. Operator hereby grants to Company the right, but not the obligation, to immediately take such steps as are necessary to manage the Franchised Business for the account of Operator in the event of the death of, or reasonable determination by an independent third party (such as a medical doctor) as to the physical incapacity or mental incompetency of the Operator or the Interest Holder who is managing the Unit on behalf of Operator, until such time as Operator has satisfied the conditions set forth in Sections 7(x) and 13(g) of this Agreement. Operator agrees to hold Company and its respective directors, officers, agents, employees, attorneys and shareholders harmless from all claims or damages arising out of or connected with Company's management of the Franchised Business. Operator shall pay Company in addition to all other amounts due pursuant to the terms of this Agreement a fee of

eight percent (8%) of the Net Sales, plus costs during the period in which the Franchised Business is so managed by Company.

(z) Equipment. Operator hereby agrees that only new or high quality refurbished equipment will go into the Unit to be covered by this Agreement. Operator agrees that all equipment that goes into the Unit shall be mechanically and cosmetically in excellent condition so as to meet the standards and specifications of Company. If the equipment is not new or is not up to the standards and specifications of Company then the Unit covered by this Agreement cannot open or continue operations until the equipment is brought into compliance with Company's standards and specifications.

(aa) Signage and Creation of Sign Lien. Operator agrees that in the construction of signage for the Unit covered by this Agreement Operator will use only new signage and will not use signage that has already been in use at other locations. If the signage is not new and does not meet the standards and specifications of Company, then the Unit covered by this Agreement cannot open until the signage is brought into compliance with Company's standards and specifications. Operator agrees that this Agreement shall constitute a lien upon all exterior signage bearing any Licensed Marks which are to be displayed on the exterior of the Premises, and in the event of any termination, non-renewal, or expiration of this Agreement, Operator agrees to remove immediately such signage bearing any of the Licensed Marks from the Premises. Furthermore, if requested by Company, Operator must, even if Operator is the owner, turn over all signage immediately to Company upon the occurrence of either the termination or non-renewal of this Agreement or natural expiration of this Agreement. At Company's sole election, Company may compensate Operator for the reasonable depreciated value of the signage upon receipt of such signage from the Operator. If Operator fails to make such alterations within fifteen (15) days after termination, non-renewal, or expiration of this Agreement, Operator agrees that Company or its designated agents may enter upon the Premises at any time to make such alterations, at Operator's sole risk and expense, without liability for trespass or otherwise. Operator's obligations under this paragraph for signage installed and maintained at the Unit are separate from, and in addition to, any requirements that Company may impose on Operator for purchasing DOT (or equivalent) road signs and billboard advertising under Section 8(a)(vii) below.

(bb) Sale of Company Goods by Operator. Operator may not under any circumstances, without prior written consent from Company, sell, give, loan, etc., for the purpose of operating or promoting a restaurant or food service establishment, any "Perkins" labeled goods or items designed specifically for use in the Perkins System, to include such items as signs, food, equipment, uniforms, menus, paper goods, or any other supplies or goods of any kind or nature purchased from Company or any other vendor, to anyone other than to an Operator currently licensed by Company, who is operating under a franchise agreement with Company, which has not been terminated and is not then in default under the terms of the franchise agreement or any other agreements with Company.

(cc) Managers Used by Operator. Operator will not allow any manager, or other person with management authority in the operation of the Franchised Business, employed in the Unit to either establish and/or participate in the operation of, or own an interest in, another restaurant which serves breakfast at times other than the hours of 6:00 a.m. - 11:00 a.m. while employed in any capacity with the Franchised Business. Operator shall obtain, and upon request of Company shall furnish to Company, covenants executed by all such persons setting forth such restrictions. Every covenant required by this Section 7(cc) shall be in a form approved by Company, including specific identification of Company as a third-party beneficiary of such covenants with the independent right to enforce them. When Operator becomes aware of such, by whatever means, Operator will give the manager and/or employee written notice that they must separate themselves completely from the other restaurant(s) within thirty (30) days or else Operator must refrain from using that individual in a managerial role. In the event the manager and/or employee has failed to comply with this separation at the end of this thirty (30) day period, then in that event, Operator agrees

to immediately refrain from using such person in a managerial role. Operator's failure to comply with such requirements shall be an event of default in accordance with Section 14 of this Agreement.

(dd) Staffing of the Unit. Operator acknowledges that it is of significant importance to the future sales capability of the Franchised Business to have an adequate staff of employees with which to open and continue to operate the Franchised Business. Operator hereby agrees that prior to the opening of the Franchised Business and throughout the term of this Agreement to hire and retain such number of restaurant employees as needed to diligently operate the Franchised Business so as to maximize the revenues and profits therefrom and to provide service according to the standards or specifications for customer service, brand standards and business generation as Company may specify in the Manuals or otherwise in writing. Operator acknowledges that failure to employ an adequate number of employees will be both sufficient cause for withholding approval to open the Franchised Business to the public and will be considered an event of default. However, Company reserves the sole and exclusive right to waive Operators' compliance with this Section 7(dd) if, in Company's sole and reasonable determination, the unique conditions in any individual labor market prevent compliance with this covenant. Operator shall be solely responsible for all employment decisions and functions, including, without limitation, those related to recruitment, hiring, firing, establishing remuneration, personnel policies, benefits, disciplining, supervising, scheduling, record keeping, employee relations and labor matters, regardless of whether Operator has consulted with Company on these subjects. Under no circumstances shall Operator's managerial personnel or other employees be deemed to be employees of Company.

(ee) Change in Ownership. Operator agrees to advise Company of any change in ownership of assets used in conjunction with the Franchised Business that are owned or controlled by Operator. An asset includes, without limitation, the equipment, signs, building, land or easement regardless of ownership. Failure of Operator to perform the above shall result in an event of default in accordance with Section 14 of this Agreement.

(ff) Notification of Actions. Operator will notify Company in writing within ten (10) days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree, of or by any court, agency or other governmental instrumentality, which may adversely affect Operator's financial condition or ability to meet its obligations hereunder.

(gg) Gift Cards and Loyalty Programs. Company has the right to implement gift card (the term "card" includes any physical card or certificate and any electronic "cards" or similar technology that may replace or supplement physical cards and certificates), customer incentive, convenience programs, and/or other loyalty programs (together "**Gift Cards and Incentives**"), and if Company does so, Company has the right to require that Operator participate in these programs. For any programs that Company designates as mandatory, Operator agrees to offer for sale, and to honor for purchase by customers, all Gift Cards and Incentives (including programs that Company or a third-party vendor operates); and Operator agrees to do all things in compliance with Company's standards and procedures for such Gift Card and Incentives programs. In order to participate, Operator may be required, among other things, to: purchase software, hardware, and other items needed to sell and process gift cards, and to contract with the gift card supplier or processing services; and pay monthly or per transaction fees as may be required by the vendors of the gift card system or by us, including additional fees. Operator agrees not to sell, issue, or redeem coupons, gift cards other than gift cards Company designates and/or approves in writing. Operator shall conduct all activities relating to Gift Cards and Incentives in compliance with all applicable laws.

(hh) PCI Compliance and Credit Cards. With respect to Operator's acceptance and processing of customer payments by credit and debit cards, Operator agrees to do all of the following:

(i) Operator agrees to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Credit Card Vendors**") that Company may periodically designate as mandatory;

(ii) Operator agrees not to use any Credit Card Vendor for which Company has not given prior written approval or for which Company has revoked Company's earlier approval. Company has the right to modify Company's requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke Company's approval of any service provider;

(iii) Operator agrees to comply with all of Company's policies regarding acceptance of payment by credit and/or debit cards, including for example minimum purchase requirements for a customer's use of a credit card (Company may set these requirements in the Manuals); and

(iv) Operator agrees to comply with Company's requirements concerning data collection and protection, which may include requirements for Operator to install and maintain security measures and devices to protect data from unauthorized access, disclosure or loss, according to industry-standards or such other standards and specifications that Company may designate in the Manuals. Without limiting the foregoing, Operator agrees to comply with the then current Payment Card Industry Data Security Standards ("**PCI Standards**") as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor or equivalent organization or standards that Company may reasonably specify. Among other things, Operator agrees to implement the enhancements, security requirements, and other changes to the PCI Standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. Operator acknowledges that compliance with PCI Standards is a minimum requirement, and that compliance does not guarantee that no security breach will occur. In the event of a security breach (including a suspected security breach), Operator agrees to: promptly notify the Company; promptly comply with applicable laws and any instructions that Company may issue regarding data security and data breaches, including regarding responses to customers or the general public to a security breach (which guidance and instructions may be provided in the Manuals or directly to Operator in the event of a breach); and to fully cooperate with, and respond to, any investigations by Company relating to the breach. Without limiting the foregoing, Operator acknowledges and agrees that Company shall have the right, but not the obligation, to directly, or through a designated service provider, conduct any investigations regarding the security breach. Operator acknowledges and agrees that any claims, losses or expenses incurred by Company arising from or related to a security breach will be subject to Company's indemnification obligations under Section 18(a) of this Agreement.

(ii) Prices. Company may provide guidance on the pricing of the products and services sold by Operator. Additionally, to the extent permitted by applicable law, Company has the right to establish maximum and/or minimum pricing guidelines that Operator must follow for products and services. Except for any such maximum or minimum prices specified by Company, Operator will not be required to follow suggested prices. However, if Operator elects to establish pricing different than Company's suggested prices, Operator will be responsible for any additional costs incurred by Company or Operator to produce marketing and promotional materials for Operator containing the prices established by Operator.

(jj) Conferences. Company may conduct an annual conference or periodic system wide or regional conferences, seminars, or meetings (collectively "**Conference(s)**") at such place as Company designates for operators of Perkins Units. Operator, an Owner or an individual designated by Operator and approved by Company must, at Operator's expense attend any Conference Company may specify as mandatory. If Operator, an Owner, or other approved individual fails to attend a mandatory Conference

and Operator does not obtain Company's prior written waiver of attendance at such Conference, Operator agrees to pay to Company a fee of Two Thousand Five Hundred Dollars ($2,500) for non-attendance at such Conference. The fee will be due and payable at the same time as Operator's weekly royalty fee under Section 5(b) for the week immediately following the missed Conference. The required fee is in addition to any remedy that Company has for Operator's default under this Agreement for failing to attend the mandatory Conference.

(kk) Crisis Situations. In the interest of protecting the Perkins brand, Marks and the Perkins System, Company has the sole and absolute right, but not the obligation, to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and Operator agrees to comply with and implement Company's directions in response to a Crisis. For avoidance of doubt and notwithstanding the foregoing, Operator acknowledges and agrees that this Section does not impose an obligation on Company to determine a response in a Crisis, does not impose any liability on Company for any response implemented by Company or Operator, and Operator shall not expect and/or rely on Company to determine such a response. "**Crisis**" means an event or development that negatively impacts the Perkins brand in such a way that Company determines may cause substantial harm or injury to the Licensed Marks, Perkins System, reputation or image.

8. ADVERTISING AND MARKETING

(a) Advertising Program.

(i) Operator may develop an advertising program, so long as it is in conformance with Company's standards and approval requirements as described further in Section 8(a)(iii) below. Upon request from Company, Operator will change or cease to use any of its advertising programs, copy, and materials.

(ii) Company and/or its agents have the right at any time without prior notice to Operator to conduct interviews of existing and/or prospective customers as described in Section 7(p)(iii) above, and to conduct market research at the Units and elsewhere, including surveys and focus groups involving customers and prospective customers of the Units, and any other market research and customer satisfaction evaluation deemed appropriate by Company.

(iii) All advertising and marketing by Operator must be in such media, and of such type and format as Company may approve; must be conducted in a dignified manner; and must be in strict accordance and conformity with the standards, formats and specimens contained in the Manuals or as otherwise provided by Company. In the event the Operator wishes to depart from the materials and/or type and format approved in the Manuals, the Operator must submit, in each instance, the proposed marketing, advertising or promotional plans and advertising copy and materials to Company for its prior written approval, which may be granted in its sole right and discretion. Company's approval will expire after six (6) months. Therefore, Operator must submit for reapproval prior to the end of the six (6) months if Operator plans on continuing to use the same materials beyond the six (6) month approval limit. In no event shall the Operator's advertising contain any statement or material which may be considered: (a) in bad taste or offensive to the public or to any group of persons; or (b) defamatory of any person or an attack on any competitor. All advertising submitted to Company for approval shall become the property of Company and may be used by Company and other authorized franchisees of Company, without any payment to Operator. Company's review of any proposed marketing and promotional plans, materials, and/or medium for dissemination of such advertising and marketing will be limited to reviewing the trademarks and the content of the proposed advertising from a branding, promotional, and trademark protection perspective, and Company will not evaluate proposed materials or plans for compliance with applicable legal requirements.

(iv) Operator shall spend on a quarterly basis (or such other time period as Company may reasonably specify) at least one percent (1.0%) of the Net Sales on local advertising and promotional activities (the "**Local Advertising Requirement**"), except during any periods that Company requires Operator contribute these monies to the Fund as described in Sections 8(a)(v) and 8(a)(vi) below. Operator shall account for such expenditures on a routine basis and shall prepare and maintain, in accordance with the schedules and procedures specified by Company from time to time, detailed reports describing the amount of money expended on local advertising and promotion during such period. Operator shall submit, on or before the tenth (10th) day of the following quarter, all such statements, reports and records as Company may specify to evidence Operator's compliance with the Local Advertising Requirement. The term "local advertising and promotional activity" shall refer to advertising and promotion related directly to the Franchised Business, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), approved DOT (or equivalent) road signs and billboard advertising, and such other activities and expenses as Company may specify. Company may provide to Operator, in the Manuals or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising and promotional activities," including the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations which do not qualify.

(v) Company has the right, at any time(s) during the Initial Term and Renewal of this Agreement, if any, to require that, in lieu of Operator directly spending monies on local advertising to satisfy the Local Advertising Requirement, Operator will instead contribute such amounts to the Fund for use under the terms of Section 8(b) below. If Company makes such an election, Company will notify Operator in writing at least thirty (30) days in advance of such change. Company and Operator agree that: (a) Company has the right to make an election under this Section 8(a)(v) on a temporary or permanent basis; (b) amounts that Operator must contribute to the Fund under this Section 8(a)(v) are in addition to contributions that Operator must make to the Fund under Sections 5(h) and 8(b) for the same period(s); and (c) during any periods that Operator makes contributions under this section as required by Company, Operator will not be required to make expenditure under the Local Advertising Requirement for the same period(s), except as described in Section 8(a)(vi) below. If Operator was in default of its Local Advertising Requirement at the time that Company elects to require contributions to the Fund under this section, Operator shall also contribute to the Fund the monies Operator had failed to spend to satisfy the Local Advertising Requirement, which amounts will permanently become part of the Fund.

(vi) Operator acknowledges and agrees that Company may exercise its rights under Section 8(a)(v) above with respect to Operator alone, without any similar requirement being imposed on other franchises, in the event that Operator fails to fully comply with all of its Local Advertising Requirement (including any requirements relating to approval of advertising and allocation of the required amounts among approved advertising). If Company exercises its right to have Operator contribute its Local Advertising Requirements monies to the Fund due to Operator's non-compliance, Company shall have the right (in addition to the terms of Section 8(a)(v) above) to either: (A) spend the contributed Local Advertising Requirement monies on Operator's behalf; or (B) hold the contributed Local Advertising Requirement and require that Operator spend amounts equal to the contributed Local Advertising Requirement on approved advertising, and then, upon receiving from Operator proof of Operator's compliance, return the contributed Local Advertising Requirement to Operator. Upon Company's request, Operator must pay the amount of the Local Advertising Requirement as required under this Section 8(a)(vi) to a special bank account that Company establishes and maintains and from which Operator may apply to withdraw funds for the purpose of paying (or reimbursing Operator) for mutually-agreeable local marketing as specified in this Section 8(a)(vi).

(vii) Operator must, at its sole expense, purchase and maintain a "DOT" (or equivalent) road sign at all times if one is available that meets Company's standards, in Company's sole right and discretion. If DOT (or equivalent) signage is not immediately available at the Opening Date, Operator must register on the wait list (if applicable) and purchase the signage at the earliest time it becomes available to Operator. Company may also require that Operator, at its sole expense, purchase advertising on other billboard signage, and Operator agrees to purchase such billboard advertising upon Company's request. All road signage and billboard advertising must comply with Company's then current standards and specifications. Operator's expenditures on approved DOT (or equivalent) road signage and billboard advertising will count towards Operator's Local Advertising Requirements for the periods that Operator maintains such signage and billboard advertising.

(b) Advertising Fund. Company has established an advertising fund (the "**Fund**") to meet the costs of conducting advertising, marketing, and promotional activities designed to promote the Perkins System. The Fund is maintained and administered as described below in this Section 8(b).

(i) Company shall choose and determine, in its sole right and discretion, the type, quantity, timing, placement and choice of media, areas of coverage, and the agencies and services that may be used to conduct advertising or promotional activities. Operator acknowledges and agrees that the Fund will be administered by Company to promote general public recognition and awareness of the Perkins System, and that Company has no obligation to administer the Fund to ensure that any particular franchisee, including Operator, benefits directly or pro rata from amounts contributed to the Fund by Operator. In no way limiting the above, Company may elect for the Fund to include Perkins Units located within and outside of the United States, or Company may establish other advertising funds for Perkins Units located outside of the United States, and in any circumstance Company may comingle the funds and/or make collective or coordinated use of the Fund and the advertising funds for international Perkins Units, and Company may from time to time revise its policies to merge or segregate the Fund and any other funds.

(ii) The Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing marketing, advertising, public relations, and/or promotional programs and materials, and any other activities that Company believes will promote and enhance the image of the Perkins System and general public awareness of and favorable support for the Perkins System. This includes, among other things, the costs of preparing and conducting marketing campaigns through media advertising (such as television, radio, magazine, newspaper, outdoor, digital, social, email, direct mail); market surveys; developing and maintaining our website and affiliated websites; employing advertising personnel (in-house) or retaining third-party agencies to support marketing, advertising and public relations; consumer and product research and development; marketing technology; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; providing promotional and other marketing related materials and services to Perkins Restaurants; sponsorship of organizations and events, including meetings for the Perkins System; developing and maintaining Online Sites (as defined in Section 8(c) below) (except for the portion, if any, specifically relating to soliciting franchisees); purchasing promotional items; conducting and administering in-store promotions; product research and other surveys; providing promotional and other marketing materials and services; and providing rebates or reimbursements to franchisees for local expenditures on products, services, or improvements as approved by Company. The Fund shall be responsible for the administrative costs incurred in relation to the management of the Fund, including the costs of Company's employees, accounting expenses, and other internal or third-party expenses attributable to the management and implementation of the Fund. The coverage of any advertising or promotion paid for by the Fund is determined by Company in its sole right and discretion, and Company chooses and determines, in its sole right and discretion, the concepts, materials and media used in any advertising or promotional activities paid for by the Fund.

(iii) Operator shall contribute to the Fund by separate payment to Company, or to its designee as directed by Company, which shall be made by electronic funds transfer unless otherwise specified in writing by Company. All sums paid by Operator to the Fund shall be accounted for separately and shall not be used to defray any of the expenses of Company, except for such reasonable costs and overhead, if any, as Company may incur in activities reasonably related to the direction and implementation of the Fund and marketing programs for Company's franchisees and the Perkins System, including costs of personnel and pro-rata office expenses for creating and implementing marketing, advertising, and promotional programs. The Fund and any earnings from it shall not otherwise inure to the benefit of Company. Company shall maintain separate bookkeeping accounts for the Fund. If any amounts contributed to the Fund are not spent in the year in which they are contributed, they will be spent in the following year.

(iv) Upon written request from Operator, Company shall provide to Operator an unaudited statement within one hundred twenty (120) days from Company's fiscal year end of how the amounts contributed to the Fund were used in Company's most recent fiscal year. Company maintains the right to terminate the Fund. Upon termination, Company will disburse the remaining funds for the purposes authorized under this Agreement.

(c) Grand Opening Promotion. In addition to and not instead of Operator's marketing contributions to the Fund or Local Advertising Requirements, Operator agrees to spend at least the amount specified on Exhibit B as the "Minimum Grand Opening Expenditure" on local promotion and a grand opening event conducted in conjunction with the unit's initial opening (the "**Grand Opening Program**"), in accordance with Company's specifications. The Grand Opening Program will generally be conducted during the first sixty (60) days from the date on which the Unit first opens for business, provided however that exact beginning and end dates of the Grand Opening Program will be determined as part of the marketing plan that Operator must submit to, and have approved by, Company. All materials used in the Grand Opening Program will be subject to Company's standards and prior written approval under Sections 8(a) above. Operator must submit to Company receipts and such other proof as Company may request documenting the amounts Operator spent on the Grand Opening Program. Upon Company's request, Operator must pay the Minimum Grand Opening Expenditure to a special bank account that Company establishes and maintains and from which Operator may apply to withdraw funds for the purpose of paying (or reimbursing itself) for mutually agreeable local marketing as specified in this Section 8(c). In the event Operator should fail to conduct the Grand Opening Program as required, Company shall have the right, at its election, without being obligated to do so, to conduct the Grand Opening Program on Operator's behalf. If Company elects to conduct the Grand Opening Program, Operator shall, upon demand from Company, pay to Company all amounts that Company expended on the Grand Opening Program.

(d) Online Sites and Electronic Communications. Unless Company has otherwise approved in writing, Operator agrees to not establish, use, maintain, sponsor, or permit any other party to establish or maintain an Online Site (as defined below) that relates in any manner whatsoever to the Franchised Business or that in any way refers to the Licensed Marks, Company, and/or the Perkins System. Operator specifically acknowledges and agrees that any Online Site shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Company's approval under the provisions of Section 8(a) above. As used in this Agreement, the term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the internet, world wide web, webpages, microsites, social or business networking sites (*e.g.,* Facebook, Twitter, Instagram, LinkedIn, YouTube, Google Plus, Google My Business, Pinterest, Foursquare, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools, etc.), blogs, vlogs, applications to be installed on mobile devices (*e.g.*, iOS or Android apps), business listings, search tools and other applications, etc. Additionally, the terms provided below in this Section 8(d) apply to any Online Site.

(i) Company shall have the right, but not the obligation, to establish and maintain one or more Online Sites, which may, without limitation, promote the Licensed Marks, any or all of the Products, Perkins Units, the franchising of Perkins Units, and/or the Perkins System. Company shall have the sole right to control all aspects of any Online Sites, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Company shall also have the right to discontinue operation of Online Sites.

(ii) Unless approved in writing by Company, Operator shall not establish or use a separate Online Site. Company shall have the right, but not the obligation, to designate one or more webpage(s) to describe Operator and/or the Unit, with such webpage(s) to be located within Company's Online Site or any other Online Site that Company approves.

(iii) If Company approves, in writing, a separate Online Site for Operator, then each of the following provisions shall apply:

(a) before establishing any Online Site, Operator shall submit to Company, for Company's prior written approval, a sample of the proposed Online Site domain name, format, visible content (including, but not limited to, proposed screen shots), and non-visible content (including, but not limited to, meta tags), or such other information about the proposed Online Site in the form and manner Company may reasonably require; and Operator shall not use or modify such website without Company's prior written approval as to such proposed use or modification;

(b) in addition to any other applicable requirements, Operator shall comply with Company's standards and specifications for Online Sites as prescribed by Company from time to time in the Manuals or otherwise in writing;

(c) if required by Company, Operator shall establish such hyperlinks to Company's Online Site(s) and others as Company may request in writing;

(d) Company may revoke its approval at any time, in writing, and require that Operator discontinue use of, take down, disable connectivity to, and remove content from, any separate Online Site; and

(e) Company may require Operator to make Company the sole administrator (or co-administrator or other designee with rights to control the site) of any social networking pages that Operator maintains or that are maintained on Operator's behalf, and Company will have the right (but not the obligation) to exercise all of the rights and privileges that an administrator (or co-administrator or other designee with rights to control the site) may exercise, and may require that Operator relinquish passwords relating to any Online Site promoting the Franchise Business or otherwise relating to or using the Licensed Marks.

(iv) In no way limiting the foregoing, Operator further agrees not to transmit or cause any other party to transmit advertisements or solicitations by telephone, email, text message, instant message, social networking website, VoIP, streaming media, or other electronic media without first obtaining Company's written consent as to: (a) the content of such advertisements or solicitations; (b) the type of media intended to be used; and (c) vendor to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Franchised Business must be in the form prescribed by Company. If Company approves the use of an electronic medium (which Company is not obligated to approve), Company may later revoke its approval and Operator shall immediately discontinue any further use.

(v) Company shall have the right to modify the provisions of this Section 8 relating to Online Sites as Company shall solely determine is necessary or appropriate for the best interests of the Perkins System.

(e) Participation in System-wide Programs, Marketing and Advertising. In no way limiting any other obligation of Operator under this Section 8, Operator must participate in all Perkins marketing initiatives that Company offers to, or designates for, franchisees and the consuming public. These initiatives may include: advertising through all media channels including, but not limited to, on-line social media, electronic media, print, outdoor, digital media and public relations; promotional activity including, but not limited to, in-store programs and community programs; programs and services for frequent customers, loyalty programs, which may include providing discounts or complimentary products or menu items; discounts or other offers communicated to customers via any distribution method; online ordering and delivery activities; use and promotion of Gift Cards and Incentives (as provided in Section 7.3(gg) above), coupons and other promotional programs; and charitable fundraising and donation programs and related activities. In no way limiting the foregoing, Operator will follow Company's requirements and guidelines concerning the use, acceptance and reimbursement of Gift Cards and Incentives, coupons and other promotional programs as Company sets forth from time to time in the Manuals or otherwise communicates. Company may use, or require Operator to use, designated third-party service providers to carry out such programs (which may include, without limitation, required payment of fees and purchase and use of additional equipment and services). Company may periodically formulate, develop, produce, and conduct, in its sole right and discretion, marketing or promotional programs in such form and media as Company determines to be most effective and Operator is required to participate.

9. CONFIDENTIAL OPERATIONS MANUALS AND FOOD PURCHASING MANUAL

(a) Operation in Accordance With Manuals. In order to protect the reputation and goodwill of the businesses operating under the Perkins System and to maintain standards of operation under the Licensed Marks, Operator shall conduct the Franchised Business operated under the Perkins System in accordance with various written instructions and confidential manuals, each of which may be set forth in several volumes, including such amendments thereto, as Company may publish from time to time (hereinafter and previously referred to as the "**Manuals**" and, as applicable, the "**Food Purchasing Manual**"), all of which Operator acknowledges belong solely to Company and shall be on loan from Company during the Initial Term and Renewal Term of this Agreement, if any. Additionally, Operator acknowledges and agrees that Company may provide a portion or all (including updates and amendments) of the Manuals, Food Purchasing Manual, and other instructional information and materials in, or via, electronic media, including without limitation, through the use of computer disks, the internet or an extranet. Operator shall at all times use reasonable safeguards to ensure that these materials, both in electronic and other formats, are kept confidential and secure. When any provision in this Agreement requires that Operator comply with any standard, specification or requirement of Company, unless otherwise indicated, such standard, specification or requirement shall be such as is set forth in this Agreement or as may, from time to time, be set forth by Company in the Manuals and the Food Purchasing Manual, or otherwise in writing by the Company. As used in this Section 9(a), the phrase "otherwise in writing by the Company" is deemed to include all written or recorded communications made by the Company through any means including, but not limited to, letters, pamphlets, forms, memoranda, flyers, handouts, promotional materials, and the like, whether presented in hard-copy printed materials or via electronic formats; and all such items will become part of the Manuals and/or Food Purchasing Manual, as applicable, upon issuance by Company.

(b) Revision of Manuals. Operator understands and acknowledges that Company may, from time to time, revise and/or supplement the contents of the Manuals and/or the Food Purchasing Manual to implement new or different requirements and/or standards for the operation of the Franchised Business, and

Operator expressly agrees to comply with all such changed requirements which are by their terms mandatory. The implementation of such requirements may require the expenditure of money by Operator.

(c) Dispute as to Contents. Operator shall at all times ensure that its copy of the Manuals and the Food Purchasing Manual are kept current and up to date and, in the event of any dispute as to the contents thereof, the terms of the master copy thereof maintained by Company at its principal place of business shall be controlling.

10. CONFIDENTIAL INFORMATION

(a) Designation of Confidential Information. Operator shall at all times during the Initial Term and Renewal Term of this Agreement (if any), and thereafter keep the Manuals, the Food Purchasing Manual, the Computer System, and any other "**Confidential Information**" as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. For purposes of this Agreement, "Confidential Information" shall mean any and all information, knowledge and know-how about the Perkins System and Company's products, services, standards, procedures, techniques communicated to Operator (whether communicated in writing, orally, electronically, by inspection, by sample, exhibit, training, demonstration, or otherwise), any and all manuals, materials, goods and information created or used by Company and designated by Company for confidential use within the Perkins System, and such other information or material as Company reasonably considers to be material that is not generally known by the public.

(b) Nondisclosure. Operator shall not communicate directly or indirectly, divulge to or use for its benefit or the benefit of any other person or legal entity (except as is necessary in the operation of the Franchised Business), any Confidential Information, and shall limit access to employees of Operator on a need-to-know basis. Operator acknowledges that the unauthorized use or disclosure of Company's Confidential Information will cause irreparable injury to Company and that damages are not an adequate remedy. Operator accordingly covenants that Operator shall not during the Initial Term and Renewal Term of this Agreement, if any, without Company's prior written consent, disclose, use, permit the use thereof (except as may be required by applicable law or authorized by this Agreement), copy, duplicate, record, transfer, transmit or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source.

11. STATEMENTS AND RECORDS

(a) Maintenance of Records. Operator shall maintain for Company's inspection and copying at any reasonable time original, full and complete register tapes, other records, accounts, books, data, licenses, contracts and product supplier invoices which shall accurately reflect all particulars relating to Operator's business and such statistical and other information or records as Company may require and shall keep all such information for not less than three (3) years. Also, Operator acknowledges that:

(i) Upon Company's request, from time to time, Operator shall furnish Company with copies of any or all product supply invoices reflecting purchases by the Franchised Business. In addition, upon the request of Company, Operator shall compile and provide to Company any statistical or financial information regarding the operation of the Franchised Business, the products sold by it, or data of a similar nature as Company may reasonably request for purposes of evaluating or promoting the Franchised Business or the Perkins System in general;

(ii) Company and its designated agents shall have the right to examine and audit such records, accounts, books and data at all reasonable times to ensure that Operator is complying with the terms of this Agreement. If such inspection discloses that the Net Sales during any month actually exceeded

the amount reported by Operator as its Net Sales by an amount equal to one and one-half percent (1.5%) or more of the Net Sales originally reported to Company, Operator shall bear the cost of such inspection and audit. In any event, Operator shall pay any such deficiency discovered by the audit with interest from the date due at the lesser of twelve percent (12%) per annum of such overdue amount or the highest rate permitted by applicable law, immediately upon the request of Company. This interest payment shall be in lieu of the service charge specified in Section 5(d) hereof. Otherwise, entitlement to such interest shall be in addition to any other remedies Company may have. In addition, but without limitation, Operator hereby consents to Company obtaining, using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Company or disclosed to Company in accordance with this Agreement; and

(iii) Operator shall notify Company of any investigation or audit initiated by any agency, regulatory, or other governmental instrumentality concerning the financial operation or reporting of sales or taxes paid pursuant to the operation of the Franchised Business and will allow Company access to the results of any such investigation or audit. In the event such investigation or audit should indicate that Operator shall have under-reported its Net Sales to Company in an amount greater than one and one-half percent (1.5%) then, and in that event, Company shall be entitled to all remedies available under the terms of this Agreement or applicable Law for such under-reporting.

(b) Weekly Reports. No later than the designated day of each week, Company shall have received from Operator by the method and on forms prescribed by Company, statements stating the fees due to Company during the preceding week itemized by revenue producing activity as specified from time to time by Company, the Net Sales at the Premises for the prior week, the gross amount of items sold including the amount of sales generated by each and all such items sold in or from the Franchised Business and such other information as Company may require, all signed and certified as true and correct by an authorized agent of Operator. In addition, Company may require additional reports pertaining to the Franchised Business by telephone or other means of communication.

(c) Tax Returns. Upon Company's request, Operator shall furnish Company with a copy of each of its reports and returns of sales, use and gross receipt taxes and complete copies of any state or federal income tax returns covering the operation of the Franchised Business including, without limitation, Form 941-Employers Quarterly Federal Tax Returns or other tax returns or forms from which it may be possible to determine the amount of income reported, and insurance premiums and other expenses incurred, all of which Operator shall certify as true and correct.

(d) Profit and Loss Statements. Operator shall prepare and deliver to Company on a monthly basis, no later than the twentieth day of each month, an unaudited profit and loss statement in a form satisfactory to Company acting in its sole and subjective discretion covering Operator's business for the prior month and such additional reports as Company may require, all of which shall be certified by Operator as true and correct. In the event that Operator operates additional businesses utilizing the Perkins System and the Licensed Marks pursuant to other franchise or license agreements between Operator and Company, Operator shall also prepare and deliver to Company a consolidated Profit and Loss Statement in a form satisfactory to Company covering all of such franchised or licensed businesses. Operator shall also submit to Company by March 1 and September 1 of each year during the Initial Term and Renewal Term of this Agreement, if any, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the preceding December 31 and June 30, respectively. In addition, Operator, as well as any individual or entity guaranteeing Operator's obligations under this Agreement or in connection with the Franchised Business (each a "**Guarantor**"), shall, within sixty (60) days after request from Company, deliver to

Company a financial statement, certified as correct and current, in a form which is satisfactory to Company and which fairly represents the total assets and liabilities of Operator and any such Guarantor(s).

(e) Annual Financial Statements. In addition to the foregoing statements, within sixty (60) days after the close of each calendar year, Operator shall furnish to Company, at Operator's expense, a statement of income and retained earnings of Operator for such calendar year and a balance sheet of Operator as of the end of such calendar year, all prepared in accordance with generally accepted accounting principles.

(f) Delinquent Reports. Operator does hereby acknowledge that failure to deliver to Company any report required hereunder promptly when due (or any report hereafter required by Company), or failure to forward to Company when requested any documents or forms as described herein shall result in delay and confusion in Company's books and records systems, a decrease in the efficiency of preparing Company's books and records and additional expense and damage to Company. In as much as the amount of expense and damage to pay to Company is difficult to compute, it is hereby agreed that Operator shall pay to Company the sum of Ten Dollars ($10) per report, document or other form as above said for each day that such report, document or other form remains unfiled.

(g) Ownership Interest in Operator and Assets. Operator shall provide Company with a report in such form as Company may reasonably require listing all holders of direct or indirect equity and voting interest of record in Operator, the Franchised Business, the Unit, or this Agreement ("**Interest Holders**") and their respective present direct or indirect interests, and listing the spouses of any individuals who are Interest Holders. Additionally, Operator shall provide Company additional reports as needed to advise Company of any change. Operator shall also provide Company with copies of any security agreements, liens, or other forms of encumbrances relating to the assets of the Franchised Business (including, but not limited to, fixtures, furnishings, signs, equipment, POS System, Computer System, and inventory of the Franchised Business), whether existing as of the Effective Date or subsequently arising in connection with the Franchised Business.

12. COVENANTS

(a) Full Time Efforts. Operator covenants that during the Initial Term and Renewal Term of this Agreement, if any, except as Company has otherwise approved in writing, Operator (or one of Operator's designated management employees who will assume primary responsibility for the franchise operations and who Company has previously approved in writing) must devote full time, energy, and best efforts to the management and operation of the business franchised hereunder.

(b) Understandings. Operator acknowledges and agrees that: (a) pursuant to this Agreement, Operator will have access to valuable trade secrets, specialized training and Confidential Information from Company and Company's affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the Perkins System; (b) the Perkins System and the opportunities, associations and experience Company has established and that Operator will have access to under this Agreement are of substantial and material value; (c) in developing the Perkins System, Company and Company's affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) Company would be unable to adequately protect the Perkins System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in the Perkins System if franchisees were permitted to hold interests in any Competitive Business (as defined below); and (e) restrictions on Operator's right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder Operator's activities. "**Competitive Business**" is defined as any family style restaurant, pancake house, buffet serving breakfast, or diner, or any other table-service food

service operation that sells pancakes or waffles or derives more than twenty five percent (25%) of its total sales from sit down breakfast items.

(c) Covenant Not to Compete or Engage in Injurious Conduct. In recognition of the points that are described above in this Section 12, Operator covenants and agrees that during the Initial Term and Renewal Term of this Agreement, if any, including any extension or renewal thereof, and for a continuous period of two (2) years after the later to occur of (1) the expiration including nonrenewal or termination of this Agreement, (2) a transfer as contemplated in Section 13 below, or (3) the date on which Operator actually ceases its operations of the Unit and its use of the Licensed Marks (the "**Post-Term Period**"), Operator will not directly, indirectly, for itself, or through, on behalf of, or in conjunction or participation with any party, in any manner whatsoever, do any of the following:

(i) Divert or attempt to divert any actual or potential business or customer of any Perkins Unit to any Competitive Business or otherwise take any action injurious or prejudicial to the goodwill associated with the Licensed Marks and the Perkins System;

(ii) Solicit any person who is (or has been within the prior year) a customer or a prospective customer of the Franchised Business (or a customer or prospective customer of any other Perkins Unit) with respect to (or on behalf of) a Competitive Business; and

(iii) Own, control, maintain, develop, operate, engage in, franchise or license, have financial interest in, make loans to, lease real or personal property to, and/or have any other interest whatsoever in, or render services or give advice to, any Competitive Business.

(d) Where Restrictions Apply. During the Initial Term and Renewal Term of this Agreement, if any, including any extension thereof, there is no geographical limitation on the restrictions set forth in Section 12(c) above. During the Post-Term Period, these restrictions will apply only within a five (5) mile radius of the Premises of the Franchised Business and also within a five (5) mile radius of any Perkins Unit then-existing or to be developed under franchise agreements or development agreements executed by such time (provided, that if required by applicable law in the state where Operator is located, the five (5) mile radius restriction will apply only to the Premises and as to any other Perkins Units operating or to be developed under franchise agreements and development agreements that are in existence as of the date this Agreement is executed by Operator and Company), except as Company may otherwise approve in writing. These restrictions will not apply to any Perkins Unit that Company (or Company's affiliates) have franchised to Operator (or affiliates of Operator) pursuant to a valid franchise agreement.

(e) Application to Transfers. Operator further covenants and agrees that during the Post-Term Period, Operator will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction or participation with any person, firm, partnership, corporation, or other entity, sell, assign, lease or transfer the Premises to any person, firm, partnership, corporation, or other entity that Operator knows, or has reason to know, intends to operate a Competitive Business at the Premises. Operator, by the terms of any conveyance selling, assigning, leasing or transferring Operator's interest in the Premises, must include these restrictive covenants as are necessary to ensure that a Competitive Business that would violate this Section 12 is not operated at the Premises for this two (2) year period, and Operator must take all steps necessary to ensure that these restrictive covenants become a matter of public record.

(f) Periods of Non-Compliance. If, at any time during the Post-Term Period, Operator fails to comply with Operator's obligations under this Section 12, then the Post-Term Period will be tolled during any period of noncompliance and will not be credited toward Operator's satisfaction of the Post-Term Period obligation as specified above.

(g) Publicly Held Entities. Section 12(c) above will not apply to ownership by Operator of less than one percent (1%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "publicly held corporation" will be deemed to refer to a corporation which has securities that have been registered under the Federal Securities Exchange Act of 1934.

(h) Personal Covenants. At Company's request, Operator must require and obtain execution of covenants similar to those set forth in Sections 6(a), 10, 13, 15, and this Section 12 (as modified to apply to an individual) from any or all of the following persons: (1) the designated manager and any other managerial personnel that attend the Company's training course; (2) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Operator, and of any corporation directly or indirectly controlling Operator, if Operator is a corporation; and (3) the general partners (including any corporation, and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general partner), if Operator is a partnership. Every covenant required by this Section 12(h) must be in a form satisfactory to Company, including, without limitation, specific identification of Company as a third party beneficiary of such covenants with the independent right to enforce them. Operator's failure to obtain execution of a covenant required by this Section 12(h) will constitute a default under Section 14(c) below.

(i) Construction. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Company is a party, Operator expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

(j) Claims Not a Defense. Operator expressly agrees that the existence of any claims Operator may have against Company, whether or not arising from this Agreement, will not constitute a defense to Company's enforcement of the covenants in this Section 12. Operator agrees to pay all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) Company incurs in connection with the enforcement of this Section 12.

(k) Covenant as to Anti-Terrorism Laws. Operator and the owners of Operator's business ("**Owners**") agree to comply with and/or to assist Company to the fullest extent possible in Company's efforts to comply with Anti-Terrorism Laws (as defined below), and further agree to require that any Operator Related Party (as defined below) also complies with and/or assist Company in Company efforts to comply with Anti-Terrorism Law. In connection with such compliance, Operator and the Owners certify, represent, and warrant that none of their, or any Operator Related Parties' respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither Operator nor any of the Owners or Operator Related Parties are in violation of any of the Anti-Terrorism Laws. Operator also agrees not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war. The term "**Operator Related Party**" as used in this Section 12(k) means any spouse of an Owner, any Guarantor, and any other person or entity under common control with or affiliated with Operator or any Owner.

(l) Defaults. Operator acknowledges that Operator's violation of the terms of this Section 12 would result in irreparable injury to Company for which no adequate remedy at law may be available, and Operator accordingly consents to the issuance of a temporary, interim, interlocutory, preliminary or permanent injunction and/or other specific performance without Company proving actual damages or

posting of bond, or seeking other security, prohibiting any conduct in violation of the terms of this Section 12.

13. TRANSFER AND ASSIGNMENT

(a) Assignment of Agreement by Company. This Agreement and all rights and duties hereunder and all related agreements and all rights and duties thereunder may be freely assigned or transferred by Company and shall be binding upon and inure to the benefit of Company's successors and assigns.

(b) Restrictions on Transfers. Operator understands and acknowledges that the rights and duties created by this Agreement are personal to Operator, and that Company has granted this franchise in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Operator and Operator's principals. Accordingly, neither Operator nor any individual, partnership, corporation, limited liability company, or any other legal entity owning any direct or indirect interest therein, shall, without Company's prior written consent given prior to the proposed transfer, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber (collectively, "**transfer**") any interest in this Agreement or any portion or aspect thereof, the Premises, the Unit, the Franchised Business, any beneficial, equity or voting interest in Operator, or the assets of the Franchised Business (collectively, "**Interest**").

(c) Consent by Company to Proposed Transfer. Operator understands and acknowledges the vital importance of the performance of Operator to the market position and overall image of Company. Operator also recognizes the many subjective factors that comprise the process by which Company selects a suitable franchise owner. The consent of Company to a transfer by Operator of any Interest shall remain a subjective determination of Company, and shall not be unreasonably withheld; provided, however, that prior to any proposed transfer, Company may in its sole right and discretion require, without limitation, that any of the following conditions be met:

(i) The proposed transferee is a person or entity which meets Company's standards of qualification then applicable with respect to all new applicants for similar Perkins System franchises and possesses a good moral character, business reputation, solid financial position, and satisfactory credit rating;

(ii) The proposed transfer is at the price and upon such terms and conditions as Company, in its sole judgment, shall deem reasonable;

(iii) The proposed transferee and Operator shall execute and deliver to Company all documents that Company shall require (*e.g.,* tax returns, financial statements, lender approval, etc.), including all documents Company then requires new franchisee applicants to provide to Company including the Company's then current form of franchise agreement, the terms and conditions of which may differ materially from those in this Agreement. Company shall have the right to communicate with the proposed buyer (and its counsel) and to: truthfully answer their questions about the System, Company, and Operator's operations; exchange information; and seek information from the buyer about their qualifications and characteristics. The proposed transferor(s) and the proposed buyer(s) must cooperate with Company in this regard for the purpose of evaluating and providing approval of the transfer;

(iv) As of the effective date of the proposed transfer, all obligations of Operator hereunder and under any other agreements between Operator and Company are fully satisfied;

(v) As of the effective date of the proposed transfer, all obligations of the proposed transferee to Company under all other agreements, franchise agreements, and leases between the proposed transferee and Company must be fully satisfied;

(vi) That any transferor shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement; or related agreements to the Franchised Business;

(vii) That any transferor must acknowledge and agree that the transferor shall remain bound by any covenants that survive the termination, non-renewal, or expiration of this Agreement (including those applicable to Operator under Section 12 and to other transferors under covenants executed pursuant to Section 12(h) of this Agreement), and must execute and deliver to Company any and all instruments Company may reasonably request to evidence such liability;

(viii) If required by Company, those requirements found in Section 13(d);

(ix) Prior to the effective date of the proposed transfer, Operator acknowledges and agrees to take whatever actions as may be necessary immediately to correct any and all deficiencies in the standards of operation and to assure compliance with the operating standards as defined in Section 7 of this Agreement, including, but not limited to, the maintenance of or quantity of equipment and signs or to any remodeling of the Premises as Company may require;

(x) As of the date of the proposed transfer, the Unit must be open and in operation, unless Operator is making an assignment pursuant to Section 13(h) of this Agreement; and

(xi) Operator shall submit to Company prior to any proposed transfer a list of all Interest Holders, as defined in Section 11(g), reflecting their respective present and proposed interests.

(d) Transfer of Majority Interest. Company may require, as a condition of its approval of any proposed transfer, satisfaction of the additional requirements set forth in this Section 13(d) in the event Operator is a partnership, privately-held corporation, limited liability company, or other legal entity, and the proposed transfer, alone or together with all other previous, simultaneous and/or proposed transfers, would have the effect of reducing to less than fifty-one percent (51%) the percentage of equity and voting interest owned in Operator by the initial equity and voting owners, or in the event Operator is a natural person and the proposed transfer, alone or together with other simultaneous or proposed transfers, would have the effect of reducing Operator's equity or voting interest in the transferee to less than fifty-one percent (51%). The additional requirements for all such transfers are as described below in the following provisions of this Section 13(d):

(i) Operator must provide Company with information sufficient to enable Company to cause the prospective transferee to be provided in a timely manner with Company's current form of disclosure document required by the Federal Trade Commission's Trade Regulation Rule on Franchising and/or other applicable state franchise registration/disclosure laws, and receipt for same shall be delivered to Company. Operator acknowledges that Company shall not be liable for any representations other than those contained in such disclosure document;

(ii) There shall have been paid to Company, together with the application for consent to the transfer, a transfer fee in an amount equal to twenty-five percent (25%) of the initial franchise fee being charged to new Perkins franchise owners at the time of the Transfer;

(iii) The Operator shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement;

(iv) Any covenants that survive the termination, non-renewal, or expiration of this Agreement (including those applicable to Operator under Section 12 and to other transferors under covenants executed pursuant to Section 12(h) of this Agreement), and Operator and any other transferors must execute and deliver to Company any and all instruments that Company may reasonably request to evidence such liability;

(v) That Operator and any other transferor must acknowledge and agree that the Operator, and if applicable any other transferor, shall remain bound by any covenants that survive the termination or expiration (and non-renewal) of this Agreement (including those applicable to Operator under Section 12 and to other transferors under covenants executed pursuant to Section 12(h) of this Agreement) and that Operator will comply with the post-termination obligations in Section 15(a) of this Agreement;

(vi) That any Operator shall remain liable for all of the obligations to Company in connection with the Franchised Business that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Company to evidence such liability;

(vii) The transferee shall at Company's request execute the then current standard form of Perkins franchise agreement (the terms and conditions of which may differ materially from those in this Agreement) and all related agreements, provided that an initial franchise fee shall not be required to be paid by such transferee and that the term of such agreement(s) shall be for the balance of the term of this Agreement, or at Company's request shall enter into a written assignment, under seal, and in a form satisfactory to Company, assuming and agreeing to discharge all of Operator's obligations under this Agreement. Additionally, if the transferee is other than a sole proprietor, the owners of a beneficial interest in the transferee shall, at the request of Company, execute guaranty(s) of the performance of all such obligations in writing in a form satisfactory to Company;

(viii) The transferee shall demonstrate to Company's sole satisfaction that it meets all of Company's requirements for becoming a franchise owner, including, without limitation, that it meets Company's managerial and business standards then in effect for similarly situated franchise owners; meets all other then-effective requirements of Company relative to the issuance of a franchise; and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise);

(ix) The transferee and/or its designated managerial personnel shall have completed, or will complete in the time frame specified by Company, all of Company's then current instruction and training requirements, to Company's satisfaction;

(x) Without limiting the above, in order to carry out a transfer under this Section13(d), and regardless of whether Company requires the transferee to sign a new form of franchise agreement or

permits the transferee to assume this Agreement under Section 13(d)(vii) above, Operator and the proposed transferee shall execute, at Company's election, an assignment agreement and/or any other documents as Company may deem necessary or desirable to reflect the terms and conditions of the transfer and the manner in which Operator and/or the proposed transferee will satisfy all conditions required for Company's approval of the transfer under this Section 13. Operator further acknowledges and agrees that if, notwithstanding Company's right to withhold approval of a transfer unless and until the transferee has completed all training and management staffing requirements of Sections 13(d)(viii) and (ix) to Company's full satisfaction, Company, in its sole determination, agrees to permit the transfer to proceed prior to the transferee's satisfaction of all training and/or management staffing requirements, the conditions that Company may impose on its approval will include such terms as Company deems appropriate to ensure the proper operations of the Unit until such time as transferee completes all such requirements to Company's satisfaction. Such additional terms may include, without limitation: Operator remaining obligated for proper operation of the Unit until the transferee satisfactorily completes all such training and management staffing requirements; the transferee entering into a management agreement with Operator (or such Owners of Operator as who are fully trained and approved as managers by Company) with terms relating to the Unit's operation as are reasonably acceptable to Company; and/or Operator and transferee entering into escrow arrangements relating to the transfer until such time as Company provides written notice that such training and management requirements have been completed to Company satisfaction. If an escrow arrangement is required pending the completion of the transfer conditions, Company may require the use of an escrow agreement and/or agent that Company designates or approves in writing.

(e) Bankruptcy or Transfer by Operation of Law. If Operator, or any person holding any interest (direct or indirect) in Operator, as provided by Section 11(g) or otherwise, or this Agreement, or the Franchised Business becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, or is subject to receivership, it is the parties' understanding and agreement that any such transfer of Interest, as defined in Section 13(b), shall be subject to all of the terms of this Section 13 of this Agreement. Operator acknowledges and agrees that Company holds the exclusive right to license the Licensed Marks, and, as such, Company may restrict any voluntary or involuntary assignment or transfer of this Agreement and the use of the Licensed Marks thereunder as Company so elects in any bankruptcy proceeding or otherwise.

(i) Public Offerings. All materials for an offering of stock or partnership interests in Operator or any affiliate of Operator which are required by federal or state law shall be submitted to Company for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to Company for such review prior to their use. No offering by Operator or any affiliate of Operator shall imply (by use of the Licensed Marks or otherwise) that Company is providing legal or accounting advice; that Company is participating in an underwriting, issuance, or offering of the securities of Operator or Operator's affiliates; that Company has undertaken due diligence to verify the accuracy of the statements in the materials, except that Company has reviewed the materials solely with respect to the relationship between Company and Operator and any subsidiaries and affiliates, if applicable; that Company has determined that the securities are a suitable investment for the potential investors to which the securities are offered. Any review of the offering materials and approval by Company to conduct the offering, shall be for Company's sole benefit, and are not intended for the benefit of any other party, including, but not limited to, the offeror and any prospective investor. At its option, Company may require the offering materials to contain written statements or disclaimers prescribed by Company including, but, not limited to, any limitations stated above in this section. Operator (and the offeror if not Operator), the Interest Holders, and all other participants in the offering must fully indemnify Company, its affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering. For each proposed offering, Operator shall pay Company a non-refundable fee of Ten Thousand Dollars ($10,000) or such greater amount as is necessary to reimburse Company for its reasonable costs

and expenses (including legal and accounting fees) for reviewing the proposed offering. Operator shall give Company written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 13(e) commences. Any such offering shall be subject to all of the other provisions of this Section 13; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to Company's approval as to the structure and voting control of the offeror (and Operator, if Operator is not the offeror) after the financing is completed.

(f) Transfers Upon Death or Incapacity of Operator.

(i) Upon the death, physical incapacity or mental incompetency (as reasonably determined by an independent third party such as a medical doctor) of any person with any direct or indirect interest in Operator the ("**Deceased/Incapacitated Interest Holder**"), the executor, administrator, or personal representative of the Deceased/Incapacitated Interest Holder shall appoint a third party approved by Company within one hundred twenty (120) days after the death, incapacity or incompetency of the Deceased/Incapacitated Interest Holder, to administer the ownership rights of the Deceased/Incapacitated Interest Holder until a final disposition of his ownership interest can be transferred subject to the terms of this Agreement, or this Agreement and all related agreements shall at the option of Company be terminated. Such transfers shall be subject to the same conditions as any inter vivos transfer and shall be subject to the terms and conditions of Section 13 of this Agreement. If the executor, administrator, or personal representative of any such person is unable to fulfill the obligations of Operator, and/or the proposed transferee(s) does not meet the conditions, set forth in Sections 13 (c) and 13(d) hereof, Company may terminate this Agreement.

(ii) If the Deceased/Incapacitated Interest Holder was involved in management of the Unit, Operator must obtain Company's approval for a replacement for such person. If such Deceased/Incapacitated Interest Holder was part of a corporation, partnership, limited liability company, or other legal entity, then Operator must obtain Company's approval of the shareholder or partner who will actively manage the Unit. The replacement individual approved by Company must, within sixty (60) days after the death or incapacitation of the Deceased/Incapacitated Interest Holder, successfully complete the Training Program, as set forth by Company at the time of the training, before permanently taking over management of the Unit. In the event the replacement individual has previously completed the Training Program, such person shall only be required to complete such portions of the Training Program deemed by Company necessary to train that person to then current standards. Non-compliance with this section by the replacement individual will be considered an event of default hereunder. Until such time as the requirements of this Section 13(f)(ii) have been satisfied, Company may, but is not obligated to, exercise its rights under Section 7(y) to manage the Unit for the account of Operator.

(g) Right of Offer and Right of First Refusal. If Operator or any person or entity holding any direct or indirect interest in Operator, this Agreement, the Franchised Business, the Unit or the Premises ("**seller**") is preparing to sell or transfer for value, any such interest, Operator shall first notify Company in writing of such offer to sell or transfer such interest to Company upon the terms and conditions set forth in such notice, net of any applicable real estate and/or business brokerage commissions, or the cash equivalent thereof, at Company's option. Company shall have the irrevocable right and option, exercisable within thirty (30) days after receipt of the written transfer request, to send written notice to the seller that Company intends to purchase the seller's interest on the same terms and conditions offered by seller or the cash equivalent thereof. In the event the parties cannot agree within a reasonable time on the cash equivalent, the cash equivalent for such interest shall be as established by an appraiser selected by both parties. In the event the parties cannot agree on an appraiser, each party shall choose its own appraiser, and the two appraisers shall together determine the cash equivalent of such interest. Each party shall pay one half (1/2) of all cost associated with the appraiser(s). If Company elects to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to

purchase by Company, or, if longer, on the same timetable as contained in the offer. If Company elects not to purchase the seller's interest, seller may sell or transfer such interest to a bona fide third party; provided that:

(i) such sale or transfer is made within one hundred eighty (180) days after the expiration of any offer to Company;

(ii) such sale or transfer is made at a net price and on terms no more favorable than those offered in writing to Company. Any material change in the terms of the offer, including any negotiated terms, between seller and a third party shall constitute a new offer and Company shall have a right of first refusal with respect to the new offer to the third party, subject to the same conditions as apply in the case of Company's right of offer (including, but not limited to, Company's right to request and receive information and the time period during which Company may exercise its right of first refusal); and

(iii) all applicable requirements of Section 13 hereof are met, and in connection with such sale or transfer, that the Premises shall continue to be operated pursuant to the Perkins System.

Failure of Company to exercise the right of offer or right of first refusal afforded by this Section 13(g) shall not constitute a waiver of any other provision of this Agreement, including all requirements of this Section 13, with respect to a proposed transfer. However, if the sale to the third party does not take place, then Company's right of offer and right of first refusal will apply to each and every such situation as outlined hereinabove in the future.

In the event Company seeks to enforce its purchase rights, as set forth herein, in a bankruptcy, receivership or other insolvency-related proceeding, Operator agrees and consents to forever waive any objection to any sale, including a sale conducted under Section 363 of the Bankruptcy Code.

(h) Limited Assignment Right. Notwithstanding the foregoing, for a period up to one (1) year after the Effective Date, it is understood that Operator (if an individual) may, subject to the conditions of this Section 13, assign and delegate this Agreement and Operator's rights and obligations hereunder on one occasion to a legal entity (*e.g.,* a privately-held corporation, limited liability company, partnership or other legal entity) provided that (i) the entity is organized by Operator for that purpose only, (ii) at least fifty-one percent (51%) of all the issued and outstanding shares of voting stock and/or membership interests of the entity shall be owned and voted continuously by Operator, and (iii) if the proposed transfer is to a legal entity in which Operator will not own one hundred percent (100%) of all of the issued and outstanding shares of voting stock and/or membership interests, Company, prior to such transfer, shall have the right to approve any other shareholders and/or members, and such approval shall be subject to the terms and conditions of Section 13. Company shall be given prior written notice of such proposed assignments, and upon such notification and approval of any minority Interest Holders, if any, all parties involved will execute such documents as Company may require, and in the form approved by Company, to effectuate the assignment, including without limitation any amendments to this Agreement and personal guarantees by Operator's owners, and Operator shall pay the transfer fee, if any, due under this Section 13(h). If the transfer under this Section 13(h) is to an entity that is one hundred percent (100%) owned by Operator, there will be no fee due for this transfer. If the transfer under this Section 13(h) is to an entity in which Operator owns less than one hundred percent (100%) but at least fifty-one percent (51%) of the ownership interests, then Operator shall pay to Company a Fee of Two Thousand Dollars ($2,000) for the additional expense Company has expended for this Assignment. Upon completion of the transfer conditions required by Company, such entity shall have all of said rights and obligations, and the term "**Operator**" as used herein shall refer to said entity; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Operator," who shall remain fully bound by and responsible for the performance of all of such obligations, jointly and severally with such corporation. Such

entity shall at no time engage in any business or activities other than the exercise of the rights herein granted to the Operator and the performance of its obligations as Operator hereunder.

(i) Consent to Transfer Not Constituting Waiver. Company's consent to a transfer of any interest in the Operator granted herein shall not constitute a waiver of any claims Company may have against the transferring party, nor shall it be deemed a waiver of Company's right to demand exact compliance with any of the terms of this Agreement by the transferee.

(j) Legend on Stock or Membership Certificate. If Operator is a corporation or limited liability company, all shares or membership certificates of Operator, whether already or hereafter issued by Operator, shall from and after the date hereof bear a legend sufficient under applicable law to constitute notice of the restrictions on such stock or membership certificates contained in this Agreement and to allow such restrictions to be enforceable. Such legend shall appear in substantially the following form:

> "The sale, transfer, pledge or hypothecation of this stock is restricted pursuant to Section 13 of a Franchise Agreement dated MONTH _____, YEAR, between Perkins LLC, its successors and assigns, and the issuer of these shares."

(k) Corporate or Partnership Resolution. If Operator is a corporation, partnership, limited liability company, or other legal entity, Operator agrees to deliver to Company a certified copy of resolutions adopted by Operator's board of directors or controlling partners in a form acceptable to Company. The certified copy of the resolutions shall be delivered to Company no later than thirty (30) days after: (i) the Effective Date of this Agreement, or (ii) the date of Operator's incorporation, whichever is later.

(l) Guaranty. If Operator is a corporation, partnership, limited liability company, or other legal entity, each present and future shareholder, partner, or member holding at least five percent (5%) ownership interest, and each of their spouses (if applicable) shall execute a guaranty, in the form required by Company, under which each signing guarantor agrees to jointly and severally guarantee Operator's performance of all of Operator's obligations under this Agreement, including during any extensions, renewals hereof, and any other agreements that Operator enters into with Company or Company's affiliates.

14. DEFAULT AND TERMINATION

(a) Events of Default and Grounds for Automatic Termination (Without Notice or Opportunity to Cure). Operator shall be in default under this Agreement, and all rights granted to Operator shall automatically terminate without notice to Operator or opportunity to cure upon the occurrence of any of the following events:

(i) Operator becomes insolvent or makes a general assignment for the benefit of creditors, or if a bankruptcy petition is filed by Operator, or an involuntary petition is filed against Operator, or if a bill in equity or other proceeding for the appointment for a receiver of Operator or other custodian for Operator's business or assets is filed and consented to by Operator, or if a receiver or other custodian (permanent or temporary) of Operator's assets or property, or any part thereof, is appointed, or Operator is adjudicated insolvent by any judicial or administrative proceedings;

(ii) Operator abandons the Premises or ceases to operate all or any part of the Franchised Business conducted under this Agreement for three (3) or more days in any ninety (90) day period for reasons other than acts of God or natural disaster, then at the option of Company this Agreement shall terminate and be at an end without any notice to the Operator;

(iii) The termination, non-renewal, or expiration of Operator's Interest in the Premises or right to possess the Premises as determined by the landlord of the Premises, including the termination of Operator's Interest in any lease or sublease of the Premises as determined by the landlord of the Premises, or the issuance of any notice of taking or condemnation of the Premises by a governmental authority; and

(iv) If Operator's assets, property or interests are "blocked" under any law, ordinance or regulation relating to terrorist activities or if Operator is otherwise in violation of any such law, ordinance or regulation.

(b) Events of Default and Grounds for Termination Upon Notice (Without Opportunity to Cure). Operator shall be in default under this Agreement, and Company shall have the right to terminate this Agreement and all rights granted hereunder, without affording Operator any opportunity to cure the default, effective immediately upon Company's delivery of written notice to Operator (in the manner set forth under Section 15 below), upon the occurrence of any of the following events:

(i) If Operator fails to commence operation of the Franchised Business as required by Section 7(d) hereof;

(ii) If Operator makes, or has made, any materially false statement or report to Company, or takes or has taken any dishonest, misleading or fraudulent action or inaction, in connection with this Agreement or application therefor;

(iii) If Operator or any person owning an interest in the Franchised Business is convicted of a felony, an indictable offense, a crime of moral turpitude, or any other crime or offense relating to the operation of the Franchised Business, or engages in any type of conduct, behavior or action that may negatively impact the goodwill and reputation of the Company, the Licensed Marks, the brand and/or the Perkins System;

(iv) If Operator violates any covenant of confidentiality or non-disclosure or non-competition contained in Section 12 of this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, including the Manuals, materials, goods or information created or used by Company and designated for confidential use within the Perkins System without Company's prior approval or otherwise breaches its obligations under Section 10 of this Agreement;

(v) If there is any violation of any transfer and assignment provision contained in Section 13 of this Agreement; or

(vi) Upon written notice to Operator, if Operator receives from Company three (3) or more notices of default of this Agreement during any twelve (12) month period (whether or not such defaults were cured after notice) or six (6) or more notices of default of this Agreement during the Initial Term and Renewal Term of this Agreement, if any (whether or not such defaults were cured after notice).

(c) Events of Default and Grounds for Termination Upon Notice and Opportunity to Cure. Company may terminate this Agreement prior to the expiration of its Initial Term or Renewal Term (if any) upon the occurrence of any event of default described below which remains uncured after the cure period, if any, as specified below or as specified by Company in its written notice of default provided to Operator if no such period is provided below or such longer time as applicable law may require. Upon the expiration of such cure period, as applicable, Company may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Operator's rights hereunder and all related agreements and all of Operator's rights thereunder effective

immediately upon the expiration of the applicable cure period, if any. The occurrence of any one or more of the following events shall constitute an event of default and grounds for termination, in the manner described above in this paragraph, of this Agreement and all related agreements by Company:

(i) If Operator or its designated managers fails to complete to Company's reasonable satisfaction any of the training required pursuant to Section 7(i) of this Agreement within ninety (90) days of the Effective Date hereof;

(ii) If Operator fails to construct, maintain or remodel the Franchised Business in accordance with the terms of this Agreement and Company's plans and specifications, or fails to equip the Franchised Business in accordance with the terms of this Agreement and Company's standards and specifications, or fails to put up signs in accordance with Company's standards and specifications, and then fails to cure such default within ten (10) days of the date on which Company gives written notice of Operator's noncompliance;

(iii) If Operator fails to pay any financial obligation pursuant to this Agreement, or under any financing or loan documents relating to the Franchised Business, within three (3) days of the date on which Company gives written notice that such payment is delinquent, as described above;

(iv) If Operator fails, for a period of three (3) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

(v) If Operator fails to correct conditions which Company deems, in its sole right and discretion, are unsafe, unhealthy, or hazardous to its customers, employees, or to the public, within twenty-four (24) hours of the date on which Company gives written notice to correct such conditions, and/or if Operator fails to immediately suspend operations of Franchised Business in order to correct (within the required time period) the foregoing conditions upon receipt of written notice from Company as set forth in Section 7(r);

(vi) If Operator defaults under any loan, mortgage, deed of trust or lease with Company or any third party relating to the Franchised Business or the Premises as determined solely by Company or any other such third party, and Company or such third party treats such act or omission as a default, and Operator fails to cure such default to the satisfaction of Company or such third party, as determined in Company's or such third party's sole discretion, within any applicable cure period granted Operator by Company or such third party;

(vii) If Operator or any of its principals, or Guarantor(s) hereof, or any entities that are under common control with or affiliated with Operator or its Interest Holders or Guarantors, defaults on any other agreement with Company, or any affiliate or parent corporation of Company, or any lender to Operator relating to the Franchised Business, including, without limitation, any franchise agreement, sign lease, equipment lease, premises lease, or financing document, and such default is not cured in accordance with the terms of such other agreement. Operator hereby also agrees that any such other agreement may be terminated at the election of Company in the event any default on this Agreement is not cured in accordance with the terms of this Agreement, and that Company may elect to so terminate any one or more of such agreements while choosing not to terminate other such agreements. The remedies provided hereunder shall be in addition to any other remedies Company may have regarding such other agreements;

(viii) If Operator fails to pay its suppliers, trade creditors, employees and other creditors within three (3) days of the date on which Company gives written notice that payments to such persons or entities are delinquent. Operator must at all times pay its suppliers, trade creditors, employees and other

creditors promptly as the debts to such persons become due and failure to do so shall constitute a breach of this Agreement. In the event Operator shall fail to pay any such obligations promptly as the debts to such persons or entities become due, Company shall in addition to its other remedies provided in this Agreement have the right, at its election and without being obligated to do so, to pay such obligations and the amount or amounts paid therefor shall be paid by Operator to Company with the next succeeding payment due Company under this Agreement together with interest at the rate of twelve percent (12%) per annum for all amounts so advanced by Company for Operator's benefit;

(ix) If Operator shall fail within five (5) days of the date on which Company gives written notice to submit to Company the financial or other information required hereunder;

(x) If Operator fails to cure any default under this Agreement arising from Operator's purchase of any food product that is not approved by Company, that is from a supplier not approved by Company, or that does not otherwise conform to Company's standards and specifications, by: (i) immediately ceasing use of, and removing from the Restaurant, the unauthorized product; and (ii) if required by Company, replacing the unauthorized product with product(s) that comply with Company's specifications and supplier requirements within three (3) days of the date on which the Company gives written notice to Operator of such default; or

(xi) If Operator fails to perform or breaches any covenant (other than those set forth in this Section 14(b)), obligation, term, condition, warranty or certification contained herein in this Agreement or fails to operate the Franchised Business as specified by Company or in the Manuals or the Food Purchasing Manual and fails to cure such non-compliance or deficiency within ten (10) days after Company's written notice thereof.

(d) Liquidated Damages. Upon termination of this Agreement by Company due to an event of default, Operator shall pay the Company upon demand, as liquidated damages and not as a penalty and to compensate the Company for damages caused by such termination, the greater of the following: (a) the sum of Three Hundred Thousand Dollars ($300,000); or (b) an amount equal to three (3) years of estimated weekly continuing fees (royalty and marketing contributions), which shall be calculated by Company by using the average weekly continuing fees due by Operator during the preceding twenty-four (24) full months (or, if Operator has been operating the Unit for a shorter period, then for the full months that Operator operated the Unit). It is agreed by the parties that it will be impracticable to determine precisely the actual damages such early termination would cause the Company in that such early termination would, among other things, hurt the cash flow upon which the Company makes its budgets due to Company's inability to collect future weekly continuing fees, hurt the reputation (and therefore the goodwill) of the Company and the value to the Company of the Licensed Marks with its actual and potential customers, and would impair the Company's ability to obtain new operators. The liquidated damages amount set forth herein above is the genuine bona fine pre-estimate made by the parties hereto of such damages and is for the purpose of compensating the Company for all such damages. The liquidated damages amount set forth herein above shall be in addition to all other sums due the Company through the date of termination whether due pursuant to the terms of this Agreement or otherwise. Liquidated damages are a non-exclusive remedy and Company's right to receive other amounts due under this Agreement is not affected by an actual or attempted enforcement of Company's right to liquidated damages. Operator further acknowledges that payment of the liquidated damages shall not relieve Operator, or any of its owners, from any of their respective obligations pursuant to Sections 12 and 15 of this Agreement.

(e) Applicable Law. If applicable law requires notice or an opportunity to cure greater than that otherwise provided for in this Agreement, Company shall give such notice and such opportunity to cure.

15. POST-TERM OBLIGATIONS

(a) Obligations of Operator Upon Expiration or Termination. Upon the expiration or termination of this Agreement, Operator shall immediately comply with the following (the parties agree that, as used in this Section 15, the terms "expire" or "expiration" refer to the circumstances when Operator's rights to operate the Franchised Business expire and are not renewed):

(i) Cease to be a franchise owner of Company under this Agreement and cease to operate the former Franchised Business under the Perkins System. Operator shall not thereafter, directly or indirectly, represent to the public that Operator, or as applicable, the then-former Franchised Business is or was operated or in any way connected with the Perkins System or hold itself out as a present or former franchise owner of Company;

(ii) Pay all sums owing to Company and its affiliates under this Agreement and all related agreements and any other agreements between Operator and Company. Upon termination for any default by Operator, such sums shall include actual and consequential damages, costs and expenses (including reasonable attorneys' fees) incurred by Company as a result of the termination. Operator also will immediately pay and satisfy all of its obligations to suppliers, trade creditors, regulator and governmental agencies;

(iii) Return to Company the Manuals, the Food Purchasing Manual, and all other trade secrets and confidential materials, equipment and other property owned by Company, and all copies thereof and all signage bearing any Licensed Marks and other materials, though owned by the Operator, which bear the Licensed Marks or utilize the trade dress, designs or colors of Company. Operator shall retain no copy or record of any of the foregoing; provided Operator may retain its copy of this Agreement, any correspondence between the parties, and any other document which Operator reasonably needs for compliance with any applicable provision of law;

(iv) Take such action as may be required by Company to transfer and assign to Company or its designee all telephone numbers, white and yellow page telephone references and advertisements, and all trade and similar name registrations and business licenses, domain names, websites, email addresses, and any other print and electronic identifiers (whether or not Company has authorized them) that Operator used while operating the Franchised Business, and to cancel any interest which Operator may have in the same, provided, however, that Company shall have no obligation to accept such transfers or assignments and that the obligations of Operator pursuant to Section 15(a)(iv) hereof may only be invoked by Company by giving written notice to Operator which specifically refers to Section 15(a)(iv) hereof; and

(v) Cease to use in advertising, or in any manner whatsoever, the Manuals, the Food Purchasing Manual, any methods, procedures or techniques associated with the Perkins System in which Company has a proprietary right, title or interest; cease to use the Licensed Marks and any other marks and indicia of operation associated with the Perkins System and remove all trade dress, signage, and other indications of operation under the Perkins System from the Premises. Additionally, Operator agrees to make such modifications or alterations to the Premises operated under this Agreement as may be necessary to distinguish the appearance of said Premises from that of other Perkins Units, including any specific additional changes thereto as Company may require for that purpose. Operator agrees that Company or a designated agent may enter upon the Premises at any time to make such changes at Operator's sole risk and expense and without liability for trespass.

Nothing in this Section 15(a) or elsewhere in this Agreement shall be deemed to relieve any obligations incurred by the Operator prior to, at the time of, or extending beyond the time of termination. Additionally,

unless otherwise stated herein, the termination, non-renewal or expiration of this Agreement shall not terminate any written leases, collateral assignments or option agreements between the parties or their affiliates.

(b) Company's Option for Premises. Due to the unique nature of the Perkins System, there may be certain locations that Company believes are irreplaceable, and vital to the Perkins System, resulting from development and growth patterns or otherwise, and which locations Company believes must remain as Perkins Units. If, upon termination, non-renewal or expiration of the Agreement or upon a default by Operator for which Company has the right to terminate this Agreement, Company in good faith believes the Premises are vital to the Perkins System, and if the Premises would not otherwise remain a Perkins Unit (*e.g.,* by way of renewal or transfer to a new franchise owner), and if Company is willing to acquire such Premises, either by purchase or lease, for fair market value, then Company, its successors and assigns, or its nominee shall have the right, at its option, upon notice to Operator within thirty (30) days after termination, non-renewal or expiration of this Agreement to state its preliminary intent to either purchase for cash or to lease, upon such terms as agreed upon, Operator's interest in the Premises at the fair market value. For purpose of this Section 15(b), the term "fair market value" shall refer to, as applicable based on Company's election regarding the Premises: (a) the fair market purchase price for the Premises in the event Company intends to purchase Operator's ownership interest in the Premises; or (b) the fair market rental price for the Premises in the event Company intends to lease the Premises from Operator or to assume Operator's leasehold interest in the Premises. If Company and Operator have not agreed upon a fair market value within the thirty (30) day period and cannot, by mutual agreement within seven (7) days of the expiration of such period, appoint an appraiser to determine fair market value, Company, within seven (7) days thereafter, shall notify Operator of the names of two appraisers or firms having the capacity to perform or engage others to perform appraisals of the Premises. Operator shall select, within seven (7) days after such notification by Company, one of such appraisers or firms to be responsible for determining fair market value; otherwise, Company shall select one such appraiser or firm to be responsible for determining fair market value and such appraiser's or firm's decision shall be binding. Each party shall divide equally the cost of any appraiser or firm. Within ten (10) days after Company has been notified of the fair market value, Company may exercise its option to acquire, by purchase or lease as specified in Company's notice to Operator, with closing on the purchase or lease to be held no sooner than fifteen (15) days from the date Company exercises its option and no later than ninety (90) days thereafter; otherwise such option shall expire. Operator acknowledges and agrees that Company's rights and Operator's obligations under this Section 15(b) will apply in the event that Operator, or any other entity under common control with Operator, controls in any fashion, directly or indirectly, the Premises, and that Operator will take such actions, and execute such documents, as may be needed to implement this Section 15(b). Operator further acknowledges and agrees that nothing herein will limit or otherwise reduce Company's rights under any Collateral Assignment of Lease as set forth in Section 7(a). The purchase price and fair market value shall take into account the termination, non-renewal or expiration of this Agreement. In no event shall the purchase price and fair market value include any consideration or factor for trademarks, service marks, reputation, good will or other "going concern" value. Company may exclude from its purchase any furniture, fixtures, equipment, signage or inventory which do not meet Company's then current standards and specifications, or for which Operator cannot deliver clean title and a bill of sale.

16. INSURANCE

(a) Obligation of Operator to Procure Insurance. Operator shall, at its expense and no later than Opening Deadline contemplated by this Agreement, procure and maintain in full force and effect throughout the Initial Term and Renewal Term of this Agreement, if any, including any extensions thereof, the types of insurance enumerated in the Manuals or otherwise in writing by Company which shall be in such amounts as may from time to time be required by Company, underwritten by a reputable insurance carrier approved by Company, which shall contain such endorsements and stipulations as Company may require and which shall designate Company as an additional insured with respect to liability arising out of the operations of the named insured or the performance of this Agreement, including, without limitation, the following:

(1) Employer's liability and workers' compensation insurance as prescribed by law;

(2) Comprehensive general liability insurance covering the operation of the Franchised Business;

(3) Business interruption insurance;

(4) Automobile liability;

(5) Coverage insuring the Premises, contents and sign; and

(6) Employment practices liability insurance.

As of the Effective Date, Company recommends, but does not require, that Operator maintain policies with umbrella liability coverage and cyber liability and network data breach coverage.

(b) Certificates of Insurance. Operator shall make timely delivery of certificates of all required insurance to Company, each of which shall contain statements by the insurer that the policy will not be canceled or materially altered without at least thirty (30) days' prior written notice to Company, that Operator waives its rights of subrogation against Company for any reasons whatsoever, and that the insurer expressly waives any right of subrogation against Company for any reasons whatsoever to the extent permitted by applicable laws.

(c) Liability of Operator. The procurement and maintenance of such insurance shall not relieve Operator of any liability to Company under the indemnity requirements of this Agreement.

(d) Right of Company to Procure Insurance for Operator. In the event Operator should fail when required to obtain, renew or keep in force any of the insurance required by this Agreement or the Manuals, such failure shall constitute a breach of this Agreement. In such event Company shall have the right, at its election, without being obligated to do so, to procure, renew or keep in force such insurance, and the amount or amounts paid therefore shall be paid by Operator to Company with the next payment of the weekly royalty fee required by Section 5(b) of this Agreement together with interest at the daily equivalent of twelve percent (12%) per annum or the highest rate then permitted by applicable law.

17. COMPLIANCE WITH LAWS, TAXES, PERMITS, AND INDEBTEDNESS

(a) Compliance with Laws. Operator shall comply with all federal, state and local laws, rules and regulations (including without limitation health and sanitation, employment, Fair Labor Standards Act, Americans With Disabilities Act, food and beverage, gift cards, fictitious name registrations, fire

clearances, privacy, anti-spam, and any other laws applicable to the operation of restaurants) and timely obtain any and all permits, certificates and licenses for the full and proper conduct of the Franchised Business.

(b) Obligation to Pay Taxes. Operator shall promptly pay when due any and all federal, state and local taxes including, without limitation, unemployment, use and sales taxes, rental taxes, levied or assessed with respect to any services or products furnished, used or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Operator in the operation of the Franchised Business. Operator will provide Company, upon request, with timely verification of payment of all such taxes, levies or assignments.

(c) Responsibility for Debts. Operator hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts, obligations and expenses incurred in the operation of the Franchised Business.

18. INDEMNIFICATION AND INDEPENDENT CONTRACTOR

(a) Indemnification. During and after the term of this Agreement, Operator agrees to protect, defend, indemnify, and hold Company, and its respective directors, officers, employees, representatives, agents, attorneys and shareholders, jointly and severally, harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including without limitation attorneys' and accountants' fees) as a result of, arising out of, or connected with this Agreement and/or the operation of the Franchised Business.

(b) Independent Contractor Status. In all dealings with third parties including, without limitation, employees, suppliers and customers, Operator shall disclose in an appropriate manner acceptable to Company that Operator is an independent entity licensed by Company. Operator shall be solely responsible for compliance with all federal, state and local laws, rules and regulations, and for Operator's policies, practices, and decisions relating to the operation of the Franchise Business. Nothing in this Agreement is intended by the parties hereto to create a fiduciary relationship between them nor to constitute Operator an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of Company for any purpose whatsoever. It is understood and agreed that Operator is an independent contractor and is in no way authorized to make any contract, warranty or representation or to create any obligation on behalf of Company. Operator further acknowledges and agrees that: (i) Operator is the only party that employs Operator's employees (even though Company may provide Operator with advice, guidance, and training); (ii) the guidance that Company provides and requirements under which Operator will operate are intended to promote and protect the value of the Perkins System and the Licensed Marks; (iii) when forming and in operating Operator's business, Operator had to adopt standards to operate that business, and that instead of developing and implementing Operator's own standards (or those of another party), Operator contracted to adopt and implement Company's operational standards for Operator's business (including, but not limited to, the Perkins System and the requirements under this Agreement); and (iv) Operator has made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming Operator's entity, operating Operator's business, hiring employees and employment matters, engaging professional advisors, and all other facets of Operator's operation.

19. WRITTEN APPROVALS, WAIVERS AND AMENDMENT

(a) Requests for Company Approval. Whenever this Agreement requires Company's prior approval, Operator shall make a timely written request. Unless a different time period is specified in this Agreement, Company shall respond with its approval or disapproval within thirty (30) days of receipt of

such request. If Company has not specifically approved a request, in writing, within such thirty (30) day period, such failure to respond shall be deemed a disapproval of any such request.

(b) Non-Waiver. No failure of Company to exercise any power reserved to Company by this Agreement or to insist upon strict compliance by the Operator as to any obligation or condition hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Company's right to demand exact compliance with any of the terms herein or of any related agreements. A waiver or approval by Company of any particular default by Operator or acceptance by Company of any payments due hereunder shall not be considered a waiver or approval by Company of any preceding or subsequent breach or default by Operator of any term, covenant or condition of this Agreement, or of any of the related agreements nor shall any delay or omission by Company to exercise any rights arising from a default affect or impair Company's rights as to said default or any subsequent default.

(c) No Warranties or Representations. No warranty or representation is made by Company that all Perkins System franchise agreements heretofore or hereafter issued by Company do or will contain terms substantially similar to those contained in this Agreement. Further, Operator recognizes and agrees that Company may, in its reasonable business judgment, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other Perkins System franchise owners in a non-uniform manner.

(d) No Oral Modifications. No amendment, change or variance from this Agreement shall be binding upon either Company or Operator except by mutual written agreement, provided, however, that Company may unilaterally and in writing lessen or reduce any obligation imposed on Operator hereunder including, but not limited to, the covenants described in Section 12 of this Agreement. If an amendment of this Agreement is executed at Operator's request, any legal fees or costs of preparation in connection therewith shall be paid by Operator.

20. ENFORCEMENT

(a) Evaluation of Premises and Inspection of Records. In order to ensure compliance with this Agreement and to enable Company to carry out its obligations under this Agreement, Operator agrees that Company and its designated agents shall be permitted, with or without notice, full and complete access during all business hours to evaluate the Premises and inspect all records thereof including, but not limited to, records relating to Operator's customers, trade creditors, suppliers, employees and agents. Operator shall cooperate fully with Company and its designated agents requesting such access.

(b) Injunctive Relief. Company or its designee shall be entitled to obtain, without bond, declarations or other security, temporary, interim and interlocutory or permanent injunctions, and orders of specific performance, in order to enforce the provisions of this Agreement relating to Operator's use of the Licensed Marks, the obligations of Operator during this Agreement and upon termination or expiration (and non-renewal) of this Agreement, or with respect to any transfer contemplated under Section 13, or to prohibit any act or omission by Operator or its employees that constitutes a violation of any applicable law or regulation, is dishonest or misleading to prospective or current customers or any business operated under the Perkins System, constitutes a danger to other franchise owners, employees, customers or the public, or may impair the goodwill associated with the Licensed Marks or the Perkins System.

(c) Attorneys' Fees. If (i) either Company or Operator commences any action or proceeding, whether in court, arbitration, or otherwise, against the other, and Company prevails wholly or partially on such efforts, or (ii) any amounts due from Operator to Company are, at any time, collected by or through an attorney at law or collection agency, Operator shall be liable to, and promptly reimburse, Company for

all of costs and expenses that Company incurred in connection therewith, including, but not limited to, court costs and reasonable attorneys' fees.

21. NOTICES

Any notice required or permitted hereunder shall be in writing and shall be either mailed by certified or registered mail, return receipt requested, or delivered by a nationally recognized courier service. Notices to Operator shall be addressed to Operator at the address listed on Exhibit B to this Agreement. Notices to Company shall be addressed to Company at the address listed in Section 1 of this Agreement, Attention, President and Legal Department, if delivered by a recognized courier service, or if mailed by certified or registered mail addressed to it at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328, Attention: President and Legal Department. Any notice complying with the provisions hereof shall be deemed to be received on the date of delivery if by courier or three (3) days from the postmark date if mailed. A "**recognized courier service**" shall be deemed to include, without limitation, Federal Express. Each party shall have the right to designate any other address for such notices by providing notice thereof in the foregoing manner, and in such event, all notices to be mailed or delivered after receipt of such notice shall be sent to such other address. In lieu of the foregoing method of providing notice to Operator, Operator hereby also appoints as its agent to receive service of all notice the person in charge of the Premises or occupying the Premises, then such service or notice may be deemed received by Operator when the same is delivered to the Premises. If the latter method of providing notice to Operator is used, a copy of all such notices shall also be mailed to Operator's last known address, if different from the Premises. All such notices to Operator may be provided by Company or its attorney.

22. GOVERNING LAW

(a) Choice of Law. This Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict; provided, however, (i) any provision not enforceable under Georgia law shall be construed in accordance with the laws of the State(s) where such restriction(s) is(are) to apply, and (ii) any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

(b) Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers. The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree to each of the terms provided below in this Section 22(b).

(i) Operator consents and agrees that the following courts shall have personal jurisdiction over Operator in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Operator may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts; and (B) all the United States District Courts sitting within the State of Georgia.

(ii) Operator consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Operator may have of improper venue in any such lawsuits filed in these courts: (A) the Superior Court of Fulton County, Georgia; and (B) the United States District Court for the Northern District of Georgia, Atlanta Division. In the event any of these courts are abolished, Operator agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter

jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by Operator against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit, such lawsuit may be filed in any court in Georgia having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Company against Operator may be filed in any of the courts named in this Section 22(b) or in any court in which jurisdiction and venue are otherwise proper.

(iii) In all lawsuits relating to or arising out of the Agreement and related agreements, Operator consents and agrees that Operator may be served with process outside the State of Georgia in the same manner as service may be made within the State of Georgia by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Operator hereby waives any defense Operator may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

(iv) Company and Operator irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other.

(v) Any and all claims and actions arising out of or relating to this Agreement, the relationship of Operator and Company (or Company's affiliates), or Operator's operation of the Franchised Business, brought by either party hereto against the other shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

(vi) Company and Operator hereby waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other, except for punitive or exemplary damages authorized by applicable federal law.

(c) No Class or Consolidated Actions. Any litigation between the Company and Operator, and any of their respective affiliates, directors, officers, or agents shall be conducted on an individual basis, and not as part of a consolidated, common, group, or class action.

23. SEVERABILITY AND CONSTRUCTION

(a) Severability. Should any part of this Agreement, for any reason, be declared invalid by a court of competent jurisdiction, such decision or determination shall not affect the validity of any remaining portion and such remaining portion shall remain in full force and effect as if this Agreement has been executed with the invalid portion eliminated; provided, however, that in the event of a declaration of invalidity, the provision declared invalid shall not be invalidated in its entirety, but shall be observed and performed by the parties to the extent such provision is valid and enforceable. The parties hereby agree that any such provision shall be deemed to be altered and amended to the extent necessary to affect such validity and enforceability. Additionally, the parties agree that each of the covenants described in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. Should any part of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of any or all thereof, Operator and Company agree to be bound by any promise or covenants imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and

unenforceable in a final decision to which Company is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

(b) Existence of Cause of Action Against Company. Operator expressly agrees that the existence of any claim or cause of action of the Operator against Company whether predicated on this Agreement and its covenants and conditions, or otherwise, shall not constitute a defense to the enforcement by Company of the terms of this Agreement, including any covenant contained herein, or executed in connection with this Agreement.

(c) Execution of Agreement; Counterparts Electronic Signatures.

(i) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties.

(ii) The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

(d) Headings and Captions. The headings and captions contained herein are for the purpose of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

24. ACKNOWLEDGMENTS

(a) Success Dependent Upon Operator's Efforts. Operator understands and acknowledges that the business licensed under this Agreement involves business risks and that Operator's volume, profit, income and success is primarily dependent upon Operator's ability and efforts as an independent business operator.

(b) No Warranties or Guarantees. Company expressly disclaims the making of, and Operator acknowledges that Operator has not received from any party, any representations, promise, condition, warranty or guarantee, express, implied or collateral, legal, contractual, oral or written, as to the actual or potential volume, profit, income, sales, revenues, or success of the business licensed under this Agreement except as stated (if at all) in the Company's franchise disclosure document described in Section 24(c) below.

(c) Franchise Disclosure Document. OPERATOR ACKNOWLEDGES THAT COMPANY HAS PROVIDED OPERATOR WITH A FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT OR PAYMENT OF ANY CONSIDERATION. CERTAIN STATE LAWS REQUIRE THAT THE OPERATOR RECEIVE THE FRANCHISE DISCLOSURE DOCUMENT NO LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A FRANCHISE, TEN (10) BUSINESS DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, OR TEN (10) BUSINESS DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION. (WE SUGGEST THAT YOU SPEAK WITH YOUR ATTORNEY ABOUT THESE STATE REGULATIONS.) OPERATOR ACKNOWLEDGES

THAT IT HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT AS REQUIRED BY THE APPLICABLE STATE AND FEDERAL REGULATIONS. OPERATOR FURTHER ACKNOWLEDGES THAT OPERATOR HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT, ITS EXHIBITS AND AMENDMENTS, AND UNDERSTANDS ITS CONTENTS.

(d) Receipt of Completed Documents. OPERATOR ACKNOWLEDGES THAT COMPANY HAS PROVIDED OPERATOR WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, AT LEAST SEVEN (7) DAYS PRIOR TO OPERATOR'S EXECUTION OF THE AGREEMENT AND AFTER THE OCCURRENCE OF ANY UNILATERAL CHANGES TO THIS AGREEMENT MADE BY THE FRANCHISOR, WHEN APPLICABLE.

(e) Opportunity to Consult Attorney. Operator acknowledges that Operator has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Company have not advised or represented Operator with respect to this Agreement or the relationship thereby created.

(f) Entire Agreement. Operator acknowledges that this Agreement, the exhibits attached to this Agreement, and the documents referred to in this Agreement, shall be construed together and constitute the entire, full and complete agreement between Company and Operator concerning the subject matter hereof, and supersede all prior agreements between the parties concerning the same subject matter. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Operator to waive reliance on any representation that Company has made in the most recent Disclosure Document (including its exhibits and amendments) that Company delivered to Operator or its representative. This Agreement and all related agreements may not be modified except in writing signed by both parties. Any inducements, representations, promises or commitments, oral or otherwise, not embodied herein or in any of the related agreements or in the Disclosure Document, in writing, signed by both parties, shall be of no force and effect.

(g) Special Stipulations. Insofar as the special stipulations, if any, on Exhibit C, attached hereto and made a part hereof by reference, conflict with any of the foregoing provisions, the special stipulations shall control.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first written above.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT A

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF PROPERTY IS INSERTED HERE

EXHIBIT B

1. Premises Address: **UNIT LOCATION STREET ADDRESS**
UNIT CITY, STATE 00000

2. Expiration Date: _____

3. Initial Franchise Fee: $_____

Standard fees are:
$40,000.00 - standard initial franchise fee for new franchises; or
$30,000.00 - for franchisee who is an existing "Perkins" franchisee in good standing; and
$30,000.00 – for franchisee who qualifies for the veteran discount under Company's "Patriot Program" for veterans; or
$15,000 - for a "Non-Traditional Unit"

4. Security Deposit: Not applicable

5. Training Fee: **$40,000**

6. Territory: _____
_____
_____(to be completed once Premises known). The Territory is depicted on the attached Exhibit B-1, incorporated by reference herein.

7. Minimum Grand Opening Expenditure: $**10,000.00**

8. Address to give notice to Operator:

FRANCHISEE NAME
FRANCHISEE STREET ADDRESS FOR NOTICES
FRANCHISEE CITY, STATE 00000
(555) 555-5555

EXHIBIT B-1

Map of Territory

EXHIBIT C

SPECIAL STIPULATIONS

(SPECIAL STIPULATIONS ARE INSERTED HERE)

EXHIBIT D

ADA CERTIFICATION

Perkins LLC, a Delaware limited liability company ("**Company**"), and the party identified as Operator in the signature block below ("**Operator**") are parties to the Perkins LLC Franchise Agreement (the "**Franchise Agreement**") concerning the operation of the "Perkins" Restaurant Unit identified below (the "**Unit**") located on the real property described on Exhibit A attached to the Franchise Agreement and made a part hereof by reference and (hereinafter the "**Premises**"). In accordance with Sections 7(a) and 7(d) of the Franchise Agreement, Operator certifies to Company that, to the best of Operator's knowledge, the Unit and its adjacent areas comply, or will be completed in a manner that complies, with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Operator acknowledges that it is an independent contractor and the requirement of this certification by Company does not constitute ownership, control, leasing or operation of the Unit. Operator acknowledges that Company has relied on the information contained in this certification. Furthermore, Operator agrees to indemnify Company and the officers, directors, and employees of Company in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Operator's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

For Perkins® Restaurant Unit Number: ____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT E

SITE SELECTION ADDENDUM

Perkins LLC, a Delaware limited liability company ("**Company**"), and the party identified as Operator in the signature block below ("**Operator**") have entered into a franchise agreement of this same date (the "**Franchise Agreement**") and desire to supplement its terms as set out below in this Site Selection Addendum (the "**Site Selection Addendum**").

The parties hereto agree as follows:

1. Site Standards. Company will furnish Operator with Company's minimum standards for the location of a "Perkins" restaurant. These requirements may include standards and specifications regarding accessibility, available parking, and minimum square footage. Company may vary its standards and specifications depending on factors that Company determines appropriate. Company, in its discretion, may offer assistance in site selection as Company determines appropriate. Except as described in this Site Selection Addendum, Company is not required to provide any other assistance in selecting or securing a site.

2. Summary of Dates and Deadlines. This Site Selection Addendum sets forth certain time frames and deadlines for actions that Operator must make to locate and secure an acceptable site in the manner described in this Site Selection Addendum. As used in this Site Selection Addendum, "Effective Date" refers to the Effective Date of the Franchise Agreement. The following is a summary of such time frames and deadlines:

Action to be Completed	**Deadline**
Submission of proposed site Operator must have submitted a written request to Company for acceptance of a proposed site (in the manner required by Section 4 of this Addendum).	90 days after Effective Date
Submission of alternate site If Company rejects a site proposed by Operator, Operator must submit another proposed site (in the manner required by Section 4 of this Addendum).	30 days after notice of Company's rejection of previous proposed site
Sign lease and/or purchase Accepted Site (and sign lease with Affiliate Lessor) Operator must sign a lease with a third-party or a purchase agreement for the proposed site accepted by Company and enter into a lease with the Affiliate Lessor (see Section 5 below) (the lease must comply with lease requirements of Franchise Agreement).	30 days after Company's written acceptance of proposed site
Secure Accepted Site and Expiration of Site Selection Addendum Operator has secured Accepted Location for Premises (in manner required by 4 below).	210 days after Effective Date

3. Time to Locate Site and Default.

a. Within two hundred ten (210) days after the Effective Date (the "**Site Selection Period**"), Operator must acquire or lease/sublease, at its expense, commercial real estate that is properly zoned for use as a "Perkins" restaurant that Operator will operate under the Franchise Agreement (the "**Unit**") at a site that Company accepts as described in this Addendum. In no event may the Site Submission and Evaluation process and actions under "Lease Responsibilities" set forth in this Site Selection Addendum exceed the Site Selection Period.

b. If Operator fails to identify and secure a site that Company accepts for the Unit within the Site Selection Period or fails to comply with the deadlines set forth in this Site Selection Addendum for submitting a proposed site as provided in Section 4 of this Site Selection Addendum, Operator will be in default under the Franchise Agreement and this Site Selection Addendum, and Company will have the right to terminate the Franchise Agreement and this Addendum pursuant to the terms of Section 14(b)(i) of the Franchise Agreement.

4. Site Submission and Evaluation. Within ninety (90) days after the Effective Date, Operator must notify Company of the proposed site and submit a written request for acceptance of a site (including such information and items that Company may require to evaluate the proposed site, which may include an option contract, letter of intent, or other evidence satisfactory to Company that describes Operator's favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials that Company may require). Company will have fifteen (15) days after receipt of all required information and materials from Operator to evaluate the proposed site as the location for the Premises. Company may, but is not obligated to, conduct on site evaluation of any proposed sites, and Company will not perform any on-site review until Company receives a completed site approval form for such site. If Company conducts any in-person visit for site evaluation purposes, then Company will have the right to require Operator to reimburse Company for Company's reasonable costs of travel, lodging, wages, and meals with any such on-site evaluation(s). Until Company has given its written acceptance, a site will not be "accepted." If Company does not accept in writing the proposed site, Operator must, within thirty (30) days after Company rejection of the proposed site, submit an additional site for Company's review and acceptance. Operator may not lease or otherwise acquire the right to occupy the proposed site without Company's prior written acceptance.

5. Lease Responsibilities. Operator will be solely responsible for securing the site Company accepts as the Premises of the Unit by entering into a lease for the Premises (the duration of which must be the same as the Initial Term of the Franchise Agreement) or a binding agreement to purchase the site Company has accepted, and Operator must do so within thirty (30) days after Company provides its written acceptance of a proposed site. Additionally, if Operator, or any of Operator's Interest Holders (as defined in Section 11(g) of the Franchise Agreement), or any entities that are under common control with or affiliated with Operator (each an "Affiliated Lessor") purchase the Premises, Operator must also enter into a written lease the Affiliated Lessor for the Premises. In all circumstances, Operator must have a written lease for the Premises and comply with the terms of Sections 7(a)(iii) and (iv) of the Franchise Agreement regarding the submission, acceptance and execution of any lease and the terms and conditions of any lease, and Collateral Assignment of Lease, that Company may require. Operator must comply with such requirements and obtain Company's acceptance of such lease documents before entering into any lease.

6. Accepted Location as Premises. Upon Company's written acceptance of a site under Section 3 of this Addendum, and after Operator secures the site pursuant to Section 5 of this Addendum and Sections 7(a)(iii) and (iv) of the Franchise Agreement, such site, as identified in Company's acceptance letter, will be the "Premises" under the Franchise Agreement. Company and Operator agree that the specific address of the Premises, as set forth in Company's site acceptance letter will be incorporated by reference

into Exhibit A of the Franchise Agreement. Operator acknowledges and agrees that, if Company has recommended, accepted or given Operator any assistance or information with respect to locating or selecting a site for the Premises, that is not a representation, warranty, or guaranty of any kind, express or implied, of the suitability of the site for a "Perkins" restaurant or any other purpose, or the success of a restaurant. Company's acceptance indicates only that Company believes that the site meets Company's then acceptable criteria. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from Company's criteria could change, altering the potential of a site and premises. The uncertainty and changeable nature of these criteria and factors are beyond Company's control, and Company is not responsible if a site and premises Company accepts fail to meet Operator's expectations. Operator acknowledges and agrees that Operator's acceptance of the obligation to develop the Unit is based on Operator's own independent investigation of the suitability of the site for the Unit.

7. Defaults. Upon any default by Operator of Operator's obligations under this Site Selection Addendum, Company may terminate this Site Selection Addendum and the Franchise Agreement by giving written notice of termination (in the manner set forth under Section 21 of the Franchise Agreement) stating the nature of such default to Operator at least ten (10) days prior to the effective date of termination; provided, however, that Operator may avoid termination by immediately initiating a remedy to cure such default, curing it to Company's satisfaction, and by promptly providing proof thereof to Company within the ten (10) day period. If any such default is not cured within such time (or such longer period as applicable law may require), this Site Selection Addendum and the Franchise Agreement will terminate without further notice to Operator, effective immediately upon the expiration of the ten (10) day period or such longer period as applicable law may require.

8. Entire Agreement. This Addendum is an integral part of the Franchise Agreement, and the terms of this Addendum will be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined in this Addendum will have the same meaning as used in the Franchise Agreement. Except as modified or supplemented by this Addendum, Operator and Company ratify and confirm the terms of the Franchise Agreement.

(signature page follows)

For Perkins® Restaurant Unit Number: _____

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

MARKET DEVELOPMENT AGREEMENT

This Market Development Agreement ("**Agreement**") is entered into as of the Effective Date shown on the signature page of this Agreement (the "**Effective Date**") by and between **PERKINS LLC**, a Delaware limited liability company, with its principal place of business at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Fulton County, Georgia 30328 ("**Company**"), and the individual or legal entity identified as the Developer on the signature page of this Agreement, whose principal place of business is set forth on the signature page ("**Developer**").

WHEREAS, Company owns or has the sole and exclusive right to license certain trade names, trademarks, service marks, logos, symbols and other indicia of origin (the "**Licensed Marks**"), including but not limited to, "Perkins Restaurant and Bakery", "Perkins" and such other trade names, trademarks, service marks, associated logos and symbols as are now designated by Company (and as may hereafter be designated by Company in writing); and

WHEREAS, Company, at a substantial expenditure of time, effort and money, has developed a distinctive system relating to retail food sales and restaurant operations, which system as it presently exists is identified by the Licensed Marks and includes methods, standards and specifications that Company specifies from time to time, including regarding site evaluation and selection, equipment selection and layouts, accounting methods, merchandising, advertising, sales and promotional techniques, personnel training, and other matters relating to the operation and promotion of the restaurants, both by Company and the franchisees of Company that operate in buildings that display Company's exterior and interior trade dress and the Licensed Marks (hereinafter collectively referred to as the "**Perkins System**"); and

WHEREAS, Company has acquired knowledge and experience in the composition, distribution, advertising and sale of food products by restaurants under the Perkins System (each a "**Perkins Restaurant**"), and has successfully established a reputation, demand and goodwill for the products sold by such Perkins Restaurants; and

WHEREAS, Developer recognizes the value of uniformity in the Perkins System and Developer further recognizes the value of Company's knowledge and experience gained through the operation of Perkins Restaurants, and the value of the trade names, trademarks, service marks and other distinctive features of Perkins Restaurants; and

WHEREAS, Developer acknowledges Company's sole and exclusive ownership of any rights to Company's current and future trade names, trademarks and service marks and to all current and future related practices, procedures, methods, devices, techniques, recipes and systems; and

WHEREAS, Developer desires to open and operate one or more Perkins Restaurant franchises to be located within that certain geographic area described on Exhibit 1 to this Agreement (the "**Development Area**") and to secure the agreement of Company that, during the Term (as defined in Section 2 below), except as set forth in this Agreement, Company will not grant any other franchise license that authorizes the establishment of a Perkins Restaurant in the Development Area or otherwise establish any Perkins Restaurant in the Development Area; and

WHEREAS, Company is willing to grant Developer certain Perkins Restaurant franchise license(s) and the protected right to establish one or more Perkins Restaurants within the Development Area in accordance with the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual promises stated herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by both Company and Developer, the parties hereby agree as follows:

1. Grant. Company hereby grants to Developer, subject to the terms and conditions of this Agreement, the right to open and operate the number of Perkins Restaurants specified in Exhibit 1 (the "**Required Number of Units**") within the Development Area during the period of the Development Schedule set forth in Exhibit 2 (the "**Development Schedule**"). In accordance with the Development Schedule, Developer shall develop and construct the Required Number of Units, shall perform all actions necessary to construct and open for retail operation, and shall operate each Perkins Restaurant at a site accepted by Company within the Development Area pursuant to a separate franchise agreement (each a "**Franchise Agreement**") to be entered into between Developer and Company for the operation of a Perkins Restaurant.

a. Rights in Development Area. During the Term, except as provided in this Agreement (including Section 1(b) below) and so long as Developer is in full compliance with the terms of this Agreement and all other agreements between Developer and Company, Company shall not, without the consent of Developer, grant options for or license others to operate, nor shall Company operate, any new or additional traditional Perkins Restaurants at locations within the Development Area.

b. Company's Retained Rights and Exclusions from Development Area. Developer expressly acknowledges and agrees that, except as expressly provided in Section 1(a) above, Company and its affiliates (including parents, subsidiaries and related companies) have the right to conduct any business activities, under any name, in any geographic area, and at any location, on any terms and conditions Company deems advisable without compensation or granting any rights to Developer. Among other things (and without limiting Company's rights under the previous sentence), this means that Company and its affiliates have the right to do any or all of the following:

(i) To own, acquire, establish, and/or operate and license others to establish and operate, Perkins Restaurants under the Perkins System at any location (a) outside of the Development Area, or (b) inside the Development Area on food trucks and other mobile units and in arenas, sports stadiums, sports complexes, shopping malls, food courts, department stores, retail stores, convenience stores, hotels, casinos, amusement parks, arcades, theaters, bowling centers, festivals, fairs, schools, colleges, universities, educational institutions, national parks, state and local parks, public beaches, convention centers, conference centers, factories, hospitals, penal institutions, airports, train stations, public transit stations, cruise ship ports, turnpikes, military bases and establishments, government buildings, office complexes, high-rise apartment buildings, senior living facilities, Indian reservations, and other premises where the primary activity conducted at the premises is other than the retail sale of food prepared for immediate consumption and venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and other similar environments ("**Non-Traditional Sites**"), notwithstanding such Perkins Unit's proximity to, or impact on, any of Developer's Perkins Restaurants;

(ii) To own, acquire, establish, and/or operate, and license others to operate, businesses under other proprietary marks and/or other systems, whether such businesses are the same, similar to, or different from a Perkins Restaurant, at any location within or outside of the Development Area, notwithstanding such business' proximity to, or impact on any of Developer's Perkins Restaurants;

(iii) To acquire and operate (or be acquired by) any business of any kind, whether located within or outside the Development Area, and following such acquisition or other business combination or transaction, such businesses may operate under other marks or may be converted to use Licensed Marks and Perkins System;

(iv) To sell or distribute at retail or wholesale, directly or indirectly, or license others to sell or distribute, directly or indirectly, any products, such as coffee, under any proprietary mark(s), including the Licensed Marks: from any location notwithstanding such location's proximity to, or impact on, any of Developer's Perkins Restaurants; at and/or to accounts other than Perkins Restaurants (except any located at Non-Traditional Sites) operated inside the Development Area (including without limitation educational institutions, military bases, public transportation facilities, health care facilities, toll road plazas or highway rest stops, stadiums, casinos, business and industrial complexes, government offices or institutions, contract or institutional food service operators, national or international or group accounts); to retail food outlets (including without limitation supermarkets, theme parks, truck stops, gourmet shops, and convenience stores); non-food retail stores (including without limitation warehouse clubs and book stores); and through catalogs, mail order, toll free numbers for delivery, electronic means (such as the internet and mobile applications), phone sales, or other distributions means or methods that may be developed following the date of this Agreement to any customer regardless of their location; and

(v) To create, place, and/or distribute or authorize others to create place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Development Area.

c. Operation of Terminated Franchised Business. Notwithstanding anything stated to the contrary in Section 1(a) above, if during the Term (defined below), Company terminates the franchise of, or if the franchise expires and is not renewed for, any Perkins Restaurant developed pursuant to this Agreement by Developer, Company shall have the right to operate, or to franchise another person or entity to operate, a Perkins Restaurant at the site where each such terminated franchised business had been established and operated.

2. Term.

a. Term. Unless earlier terminated as provided herein, or unless the parties agree to a Term Extension (defined below) pursuant to Section 2(b) below, the term of this Agreement (the "**Term**") begins on the Effective Date and shall expire on the earlier to occur of (a) the date of execution by Company of the Franchise Agreement for the last of the Perkins Restaurants then required to be opened and operated pursuant to this Agreement, or (b) the date that the last Perkins Restaurant is required to be opened pursuant to the Development Schedule.

b. Extension of Term. Company has the right in its sole discretion to offer Developer an option, on the terms and conditions described in this Section 2(b), to purchase an extension of the Term beyond the date this Agreement would expire under Section 2(a) above (a "**Term Extension**"). Company has no obligation to grant a Term Extension.

i. The following terms and conditions apply to any requests for a Term Extension: (a) unless otherwise agreed by the parties, if Company agrees to a Term Extension, the Term Extension will not grant Developer the right to develop additional Perkins Restaurants beyond the number required under the Development Schedule, nor will it extend any deadlines in the Development Schedule; (b) Developer shall pay a fee (the "**Term Extension Fee**") calculated as described in Section 2(b)(iii) below; and (c) if Developer wishes to purchase a Term Extension after the Effective Date, Developer must be in full compliance with the terms of this Agreement and all other agreements between Developer and Company and give notice of its request to extend no fewer than six (6) months prior to the expiration of the Term.

ii. If the parties agree to an extension of this Agreement pursuant to this Section 2(a), then the "Term" will include the period of the Term Extension. Exhibit A of this Agreement indicates if

Developer has, as of the Effective Date, purchased an Extension Term and the modified period of the Term. If Developer purchases the Term Extension after the Effective Date, Developer and Company will amend this Agreement to reflect the new expiration of the Term.

iii. The Term Extension Fee is calculated as: Seven Thousand Five Hundred Dollars ($7,500) per additional year to be added to the Term (with each additional year measured as twelve months from the last date of the Development Schedule) multiplied by the Required Number of Units. The Term Extension Fee is due in full when Company and Developer agree upon the Term Extension and is fully earned and non-refundable at the time of payment.

3. Development Fees. Developer shall pay to Company the following:

a. Development Fees. In consideration of the development rights granted by Company to Developer herein, the development fees ("**Development Fees**") shall be the amount specified in Section 2 of Exhibit 1 hereto. The Development Fees shall be calculated as the total of (i) Forty Thousand Dollars ($40,000) for the first unit to be developed and (ii) Twenty Thousand Dollars ($20,000) for every additional unit that is part of the Required Number of Units; except that if any of the Required Number of Units is to be operated by Developer as an approved Perkins non-traditional Unit (a "**Non-Traditional Unit**"), the Development Fee attributable to any such Non-Traditional Unit will be Fifteen Thousand Dollars ($15,000) for the first Non-Traditional Unit and Seven Thousand Five Hundred Dollars ($7,500) for any additional Non-Traditional Unit in the Development Schedule. The Development Fees are separate from the initial franchise fees that will be due under the Franchise Agreement for each Perkins Restaurant (for each Unit, this is the "**Initial Franchise Fee**"), as further described in Section 7 of this Agreement; provided, however that they may be credited towards the Initial Franchise Fees pursuant to Section 3.b below. The Development Fees, receipt of which are hereby acknowledged, are fully earned and non-refundable in consideration of Company's lost or deferred opportunities to enter into a development or franchise agreement with others pertaining to the Development Area, and for administrative and other expenses incurred by Company.

b. Development Credit Towards Initial Franchise Fees. If Developer is in full compliance with the Development Schedule and is not in default under other terms of this Agreement or any other Franchise Agreement between Developer (or its affiliates) and Company, then as Developer enters into Franchise Agreements for the Perkins Restaurants developed pursuant to this Agreement, Company shall credit the portion of Development Fee actually paid by Developer pursuant to Section 3(a) above for the applicable Perkins Restaurant toward the Initial Franchise Fee payable under each such Franchise Agreement (see Exhibit 1 of this Agreement). The total amount of the credits that Company may grant to Developer under this Section 3(b) during the Term will not exceed the total Development Fees that Developer has actually paid to Company.

4. Development Schedule. Developer shall build, open and operate properly licensed Perkins Restaurants in accordance with the Development Schedule. In the event that Developer opens and continuously operates a greater number of Perkins Restaurants in the Development Area than required during any interim period of the Development Schedule, the requirement of the succeeding period(s) shall be deemed satisfied to the extent of such excess number of restaurants, up to the total number of restaurants specified in the Development Schedule.

5. Conditions Precedent to Exercising of Franchises for Perkins Restaurants. The following shall be conditions precedent to the right of the Developer to open and operate any franchised business within the Development Area under the Perkins System pursuant to this Agreement:

a. Location of Restaurants. Developer is responsible for locating proposed sites for any Perkins Restaurant contemplated within the Development Area. Developer shall use its best efforts to locate suitable sites to fully comply with the Development Schedule. Company, in its discretion, may (directly or indirectly by an affiliate or one or more third parties) offer assistance in site selection. In no event, however, shall Company be obligated to loan money, guarantee leases, provide financing or otherwise become directly involved and/or obligated to Developer or to any third party in respect of such site selection or development; these activities and undertakings, financially and otherwise, shall be the exclusive responsibility of Developer.

b. Site Acceptance.

i. Upon selection by Developer of a proposed site for a Perkins Restaurant, Developer promptly shall submit to Company such specific site data and demographic and other information concerning the site as may be reasonably required by Company, utilizing such forms as may be required by Company. Company shall either accept or reject such site in accordance with Company's then-current site selection policies and procedures. To be effective, any acceptance must be in writing. Developer understands and acknowledges that Company may reject any proposed site, in which event Developer will not proceed at the rejected site, but will seek to locate an acceptable site. Developer acknowledges that in the event Developer should submit site(s) to Company that are not accepted by Company, such non-acceptance will not constitute a defense for nonperformance according to the Development Schedule by Developer. The acquisition in any manner of any proposed site prior to acceptance by Company shall be at the sole risk and responsibility of Developer and shall not obligate Company in any way to accept such site or to enter into a Franchise Agreement for operation of a Perkins Restaurant at such site.

ii. As a condition for obtaining Company's acceptance of a proposed site, Developer must comply with all requirements of Company's then-current form of Franchise Agreement (including any applicable Site Selection Addendum) relating to the purchase (if Developer proposes to purchase the proposed site) and lease of the premises for a Perkins Restaurant. If Developer, or any Owner (as defined in Section 8.b.iii below) of Developer, or any entities that are under common control with or affiliated with Developer (each an "Affiliated Lessor") purchase the premises, Developer must also enter into a written lease the Affiliated Lessor for the premises. In all circumstances, Developer must have a written lease for the premises and comply with the terms of the Franchise Agreement regarding the submission, acceptance and execution of any lease and the terms and conditions of any lease, and Collateral Assignment of Lease that Company requires. Operator must comply with such requirements and obtain Company's acceptance of such lease documents before entering into any lease. Developer understands and acknowledges that a site acceptance may be conditioned on such matters and that if Developer does not wish to, or cannot, satisfy the pertinent conditions within a reasonable time, the site will be deemed rejected.

iii. In executing this Agreement, accepting a proposed site, giving acceptance or advice or providing services or assistance in connection with this Agreement, Company does not guarantee the suitability of an accepted site or the success of any particular Perkins Restaurant established at any such site. Company expressly disclaims any warranties, express or implied, with respect to the suitability of any site or the success of any restaurant. Developer understands that the suitability of a site and the success of any restaurant depend on many factors outside the control of either Company or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic trends and the general economic climate), but principally depend on Developer's efforts in the operation and management of the restaurant.

c. Restaurant Construction.

i. Following execution of a Franchise Agreement as provided in Section 5(d), below, and upon receiving acceptance for a proposed site, Developer shall proceed promptly to secure control of the accepted site and to obtain necessary zoning and building approvals and permits. Following acceptance of any site, Company shall provide Developer with approved standard architectural plans and specifications for a prototype Perkins Restaurant. Such prototype plans shall not contain the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act ("**ADA**") or similar rules governing public accommodations for persons with disabilities, nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Perkins Restaurant. Developer shall be solely responsible for compliance with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Perkins Restaurant. After a site is accepted but before commencing construction of any Perkins Restaurant contemplated by this Agreement, Developer shall, if requested by Company, at Developer's expense, furnish to Company for Company's acceptance, the following:

ii. A proposed preliminary site plan for the Perkins Restaurant which, if accepted, shall not thereafter be changed without Company's prior written consent; and

iii. A copy of Developer's plans and specifications for construction of the Perkins Restaurant in proposed final form, which plans and specifications shall have been adapted, at Developer's expense, from Company's then standard plans and specifications and which, if accepted, shall not thereafter be changed without Company's prior written consent. Company's approval shall be limited to review of such plans to assess compliance with Company's design standards for Perkins Restaurants, including such items as trade dress, presentation of the License Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Perkins Restaurants. Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Developer. In addition, upon request by Company, Developer shall furnish Company information as Company may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and permanent financing, the name, address and contact with respect to each lender, the name and address of the contractor, together with a copy of the construction contract.

iv. Thereafter, Developer shall commence construction of the particular Perkins Restaurant in accordance with the accepted site plan and building plans and specifications as soon as possible and shall complete all the construction thereof, including the acquisition and installation of all equipment specified by Company, and have the restaurant(s) ready to open for business within the time(s) specified in this Agreement. Company and its agents shall have the right to inspect the construction at any reasonable time. Developer agrees to give Company at least ten (10) days' notice prior to pouring the concrete slab for any Perkins Restaurant to be opened pursuant to this Agreement and to give Company notice immediately after completion of the electrical and mechanical rough-ins to enable Company to inspect the construction at such times. Developer shall correct, upon request and at Developer's expense, any deviation from any approved site plan or plans and specifications. Company assumes no responsibility for the quality of any construction because of any inspections made by it or any reports or recommendations made as a result of such inspections.

v. In the event Developer either (a) fails to open any Perkins Restaurant within the time periods set forth in this Agreement, except for any delay due in material part to war, strikes, lock-outs, governmentally imposed building moratoriums, or similar causes beyond the control of Developer (which do not include general construction delays) or unless Developer has been granted an extension in

accordance with Section 5(c)(vi) below, or (b) commences construction of any Perkins Restaurant according to plans and specifications not accepted by Company or alters such accepted site plan or plans and specifications without Company's approval, then, Company, at its option, may cancel and terminate this Agreement, by written notice to Developer, in which case any Development Fee paid to Company pursuant to the terms hereof shall be retained by Company as liquidated and agreed damages and no further Franchise Agreements will be issued under this Agreement for any proposed Perkins Restaurants. The liquidated damages amount set forth hereinabove is a genuine bona fide pre-estimate made by the parties hereto of such damages and is for the purpose of compensating for all such damages and not a penalty. The liquidated damages amount set forth herein above shall be in addition to all other sums due to Company through the date of termination whether due pursuant to the terms of this Agreement or otherwise. Liquidated damages are a non-exclusive remedy and Company's right to receive other amounts due under this Agreement is not affected by an actual or attempted enforcement of Company's right to liquidated damages.

vi. Company reserves the right to grant extensions or renewals of this Agreement at Company's sole right and discretion in the event that Developer has complied (in Company's opinion) with all of the terms and conditions herein and has, in good faith, diligently pursued the construction of the Perkins Restaurants according to the Development Schedule. Additionally, if Developer will not be able to comply with the Development Schedule for any particular Perkins Restaurant to be constructed and opened, then Developer may apply to Company, in writing, not fewer than thirty (30) days in advance of the applicable deadline under the Development Schedule for an extension of the Development Schedule relating to such Perkins Restaurant. Developer's written application for an extension must specify the reasons for the requested extension and specify a proposed revised opening date for the effected Perkins Restaurant. Developer has no right to receive an extension of a deadline in the Development Schedule, and Company will determine, in its sole right and discretion, whether to grant an extension of a deadline in the Development Schedule. No extension of a deadline will be effective unless and until Company provides its written approval, and Developer has paid to Company a fee in an amount equal to Five Thousand Dollars ($5,000) per month (or partial month) of the extension granted by Company (unless the Perkins Restaurant to be developed for such deadline is a Non-Traditional Unit, in which case the extension fee shall be Two Thousand Five Hundred Dollars ($2,500) per month (or partial month)). Company's decision to extend a deadline of the Development Schedule for a particular Perkins Restaurant(s) shall not, absent a written agreement, renew or extend the Development Schedule with respect to any other Perkins Restaurant to be developed. Developer agrees that any such extensions shall in no way be construed as a waiver or modification of Company's rights hereunder or as a limitation of Company's right to terminate this Agreement for Developer's failure to adhere to the Development Schedule. An extension of a deadline of the Development Schedule under this Section 5(c)(vi) is separate from, and does not grant Developer, an extension of the Term as described in Section 2(b) above.

d. Franchise Agreements

i. With respect to each Perkins Restaurant contemplated by this Agreement, upon the due performance by Developer within all applicable time periods of all of the requirements of this Agreement (including, without limitation, payment of the Development Fees) and prior to signing any lease for the proposed site and/or commencing the construction of such Perkins Restaurant or undergoing any training required under this Agreement and the Franchise Agreement, Company and Developer shall execute and deliver Company's standard form of Franchise Agreement for the operation of a Perkins Restaurant. The Franchise Agreement for each Perkins Restaurant to be developed under this Agreement shall be the then-current form of Franchise Agreement (the terms and conditions of which may differ materially from those in the current form of Franchise Agreement), and the Initial Franchise Fee for such Perkins Restaurant shall be due and payable as described in Section 7 below. Any such Franchise Agreement or other agreement executed in connection therewith may include certain lease or purchase

options, either from Developer or any other owner of the real property upon which the restaurant is to be constructed and operated, in favor of Company.

ii. As a condition of Company's execution of any Franchise Agreement, Company may require Developer and/or its principals to provide a personal guaranty, letter of credit or corporate guaranty in a form acceptable to Company to secure payment of continuing and other fees required to be paid to Company or its affiliates under such agreement, or otherwise. Developer shall comply with Company's then-current franchising policies and procedures with respect to each franchise developed hereunder. Company shall be under no obligation to execute a Franchise Agreement for any such franchise unless Developer has complied in a timely manner with all terms and conditions of this Agreement and has satisfied all requirements set forth herein with respect to such franchise. In addition, Company shall be under no obligation to execute any Franchise Agreement if Developer is in breach or default of any other Franchise Agreement, market development agreement, or any other agreement between Company (and its affiliates) and Developer, or if Developer is not eligible for expansion pursuant to Company's then-current criteria for expansion. If and when any Franchise Agreement contemplated in this Agreement is executed by Company, it shall supersede this Agreement and govern the relations between the parties with respect to the particular restaurant.

6. Advisory Services and Training.

a. Advisory Services. Company shall at reasonable times during the Development Schedule, and subject to the availability of Company personnel, upon the request of, and at no charge to Developer (except as otherwise expressly provided in this Agreement), furnish certain counseling and advisory services to Developer with respect to the site selection, construction, and pre-opening activities related to the operation of Perkins Restaurants.

b. Training. As required by the Franchise Agreements therefor, Developer and its employees shall attend and conduct such training programs as Company may reasonably require in order to train Developer's personnel properly to operate the Perkins Restaurants contemplated by this Agreement.

7. Initial Franchise Fee. Upon execution by Company of a Franchise Agreement for any Perkins Restaurant contemplated by this Agreement, Developer shall pay to Company an Initial Franchise Fee. The Initial Franchise Fee for each Perkins Restaurant shall be the amount set forth in the then-current form of Franchise Agreement to be signed for that Perkins Restaurant. The Initial Franchise Fee for each Perkins Restaurant must be paid in full upon Developer’s execution of such Franchise Agreement, less any credit that may be applied pursuant to Section 3(b) above. Each Initial Franchise Fee is fully earned by Company upon execution of the Franchise Agreement and thereafter shall be non-refundable.

8. Termination.

a. Automatic Termination. Developer shall be in default under this Agreement, and all rights granted to Developer shall automatically terminate without notice to Developer upon the occurrence of any of the following events: Developer becomes insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Developer, or such a petition is filed against and consented to by Developer; or if a bill in equity or other proceeding for the appointment for a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed.

b. By Company. Company may terminate this Agreement prior to the expiration of the Term upon the occurrence of any event of default described below. Upon the occurrence of any event of default which remains uncured after the cure period specified, if any, Company may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Developer's rights hereunder. Company, at its option, may terminate this Agreement immediately upon notice to Developer, upon the occurrence of any of the following:

i. failure to open any Perkins Restaurant within the time period(s) specified in this Agreement, unless Company granted Developer's request for an extension made in accordance with Section 5(d), above;

ii. the assignment of this Agreement without the prior written approval of Company;

iii. if Developer is a corporation, partnership, limited liability company, trust, or other association or entity (each an "**Entity**"), the transfer of any equity or other ownership interest in such Entity during the Term of this Agreement without the prior written approval of Company; or, in the event that any shareholder, partner, member or other holder of an ownership or equity interest (each, an "**Owner**") of Developer is an Entity, the transfer of any equity or other ownership interest in such Owner during the Term without the prior written approval of Company;

iv. the discovery by Company of any material misrepresentation in any of the information or documents submitted to Company by or on behalf of Developer;

v. Developer fails to take any action required herein (including but not limited to, construction, execution of Franchise Agreements, and payment of Initial Franchise Fees) to establish the Required Number of Units, and any additional restaurants agreed upon by Developer and Company, within the times established in the Development Schedule;

vi. any other violation by Developer of any provision of this Agreement if such violation shall continue for ten (10) days after Company gives written notice of such material violation to Developer or if such material violation cannot be reasonably corrected within such ten (10) day period, then if such material violation is not corrected within such additional time as may be required in the reasonable opinion of Company, provided that Developer proceeds with reasonable diligence; provided, however, that such written notice and a reasonable time to correct material violations shall not be required if Developer has committed more than three (3) such violations during any one-year period (and has been notified by Company of each such violation); or

vii. Developer or any of its Owners or guarantors, or any entities that are under common control with or affiliated with Developer or its Owners or guarantors, defaults on any other agreement with Company, or any affiliate or parent corporation of Company, or any lender to Developer relating to the Perkins Restaurants to be developed under this Agreement, and such default is not cured in accordance with the terms of such other agreement.

9. Effect of Expiration or Termination. Upon expiration of this Agreement (and this Agreement is not renewed), or upon its termination for any reason, any and all rights granted to Developer hereunder shall immediately terminate. Company shall be under no further obligation whatsoever to grant any additional franchise license(s) to Developer, and Company thereafter shall have the right to operate or license others to operate Perkins Restaurants within the Development Area, except as limited by the provisions of any other then effective agreements between Developer and Company.

10. Restrictions. Company is engaged in the business of developing and franchising Perkins Restaurants on a national and international basis. Developer acknowledges that the appropriation or duplication of Perkins Restaurants, the Perkins System, or any part thereof for a purpose other than to operate a Perkins Restaurant pursuant to a Franchise Agreement with Company would damage the franchising business of Company. Developer acknowledges that Company owns "**Confidential Information**" which includes any and all information, knowledge and know-how about the Perkins System and Company's products, services, standards, procedures, techniques communicated to Developer, and such other information or material which Company reasonably considers to be material which is not generally known by the public. Developer acknowledges and agrees that it shall not, during the Term or thereafter, communicate, directly or indirectly, divulge to or use for its benefit or the benefit of any other person or legal entity (except in the necessary operation of the businesses) any Confidential Information and that Developer shall limit access to Confidential Information by Developer's employees on a need-to-know basis. Developer acknowledges that the unauthorized use or disclosure of Company's Confidential Information will cause irreparable injury to Company and that damages are not an adequate remedy. Company shall be entitled to obtain injunctive relief in addition to any other legal or equitable remedies it may have if Developer fails to comply with the provisions contained herein.

11. Use of Licensed Marks. Developer acknowledges that until a Franchise Agreement has been issued for a specified site, Developer shall not have or be entitled to exercise any of the rights, powers and privileges granted by such Franchise Agreement, including without limitation the right to use the Licensed Marks; that the execution of this Agreement shall not be deemed to grant any such rights, powers or privileges to Developer; and that Developer may not under any circumstances commence operation of any Perkins Restaurant prior to execution by Company of a Franchise Agreement for the particular location.

12. No Right to Sub-Franchise. Developer acknowledges that this Agreement does not contemplate, authorize or permit Developer to operate or function as a sub-franchisor or franchise broker of Company.

13. Transfer.

a. Consent to Transfer Required. Developer understands and acknowledges that Company has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Developer or the Owners, if Developer is not an individual. Accordingly, Developer shall not directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber its rights and obligations hereunder or suffer or permit any such assignment, transfer or encumbrance to occur by operation of law (collectively, "**Transfer**") without the prior express written consent of Company. In the event Developer is an Entity, the Owners, beneficiaries, or investors, as the case may be of any such Entity, may not effectuate a Transfer of any equity or voting interest in such Entity without the prior written consent of Company. Furthermore, in the event that any Owner of Developer is an Entity, the interests of the shareholders, limited partners, trustees, beneficiaries, partners or investors, as the case may be, in such Owner, may not effectuate a Transfer of any equity or voting interest in such Entity without the prior written consent of Company. Any purported assignment or Transfer without the written consent of Company shall be null and void and shall constitute a material breach of this Agreement, for which Company may immediately terminate this Agreement without opportunity to cure.

b. Limited Transfer Right. Notwithstanding the foregoing, for a period of one (1) year from the Effective Date, if Developer is an individual, Developer may, subject to the conditions of this Section 13, assign this Agreement and Developer's rights and obligations hereunder on one occasion to one Entity (as defined in Section 8(b)(iii) of this Agreement) provided that (i) the Entity is organized by Developer for that purpose only; (ii) at least fifty-one percent (51%) of all the issued and outstanding shares of voting stock and/or membership interests of the Entity shall be owned and voted continuously by Developer, and (iii) if the proposed transfer is to a legal entity in which Developer will not own one hundred percent (100%)

of all of the issued and outstanding shares of voting stock and/or membership interests, Company, prior to such transfer, shall have the right to approve any other shareholders and/or members, and such approval shall be subject to the terms and conditions of Section 13. Developer must give Company prior written notice of such proposed assignment, and if approved by Company, all parties involved will execute such documents as Company may require, and in the form approved by Company, to effectuate the assignment, including without limitation any amendments to this Agreement and personal guarantees by Developer's owners, and Developer shall pay the transfer fee, if any, due under this Section 13(b). If the transfer under this Section 13(b) is to an entity that is one hundred percent (100%) owned by Developer, there will be no fee due for this transfer. If the transfer under this Section 13(b) is to an entity in which Developer owns less than one hundred percent (100%) but at least fifty-one percent (51%) of the ownership interests, then Developer shall pay to Company a Fee of Two Thousand Dollars ($2,000) for the additional expense Company has expended for this Assignment. Upon completion of all conditions required by Company, such Entity will have all of said rights and obligations under this Agreement, and the term "Developer" as used herein shall refer to said Entity; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Developer," who shall remain fully bound by and responsible for the performance of all of such obligations, jointly and severally with such Entity. Further, Developer must acknowledge that no such assignment will relieve Developer from the cross default or any other provisions of this Agreement (which shall continue to apply to any entities that are under common control with Developer). In addition to agreements executed pursuant to the terms of this Agreement, Developer shall not effectuate a Transfer any of Developer's ownership or control in such an Entity without the prior written consent of Company.

c. Conditions. Developer acknowledges and agrees that it shall be reasonable for Company to condition its consent to a Transfer on any or all of the conditions and requirements for transfers set forth in the Franchise Agreement which was included in the Franchise Disclosure Document provided to Developer in connection with this Agreement, that Company deems applicable to a proposed transfer under this Agreement. Additionally, Company may further condition its consent on, among other factors: the requirement that the proposed Transfer under this Agreement is to be made in conjunction with a simultaneous transfer to the same transferee of all comparable interests held by the transferor under all the Franchise Agreements executed pursuant to this Agreement; transferee's execution of Company's then-current form of market development agreement (as updated to reflect the remaining development rights under this Agreement); and payment to Company by Developer of a non-refundable transfer fee in the amount of Seven Thousand Five Hundred Dollars ($7,500), which amount shall be due at the time the transferor submits its application to Company requesting Company's consent to the transfer.

d. Death of Developer. In the event of the death of Developer, or if Developer is an Entity, then in the event of the death of any Owner of Developer, Company shall not unreasonably withhold its consent to a Transfer of Developer's interest herein, or if Developer is an Entity, the Transfer of the deceased Owner's interest in such Entity, to a descendant, heir or legatee of the decedent, so long as, in the sole judgment of Company, such successor is capable of performing the duties and obligations of the decedent hereunder (or of the decedent as an Owner of Developer) and under any Franchise Agreement to which the decedent (or of the decedent as an Owner of Developer) is a party, or to a responsible bona fide purchaser acceptable to Company. Any approval by Company of such Transfer shall be subject to the assignee's agreement in writing to assume and perform all of Developer's (or the decedent's as an Owner of Developer) duties and obligations hereunder and under any Franchise Agreement to be issued pursuant to this Agreement, and with respect to this Agreement and each such Franchise Agreement, all conditions for Transfer set forth in such agreement shall be met.

e. Assignment by Company. Company shall have the right to assign all or any part of its rights or obligations hereunder to any person or entity.

14. Notices. All notices, requests, and demands to or upon the respective parties hereto shall be deemed to have been given or made when mailed by registered or certified mail or nationally recognized overnight courier, postage prepaid, addressed as follows:

If to Developer, at the "Notice Address" listed on the signature page.

If to Company, at:

PERKINS LLC
Attn: Legal Department
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328

or to such other address as may be designated hereafter in writing by the respective parties hereto.

15. Miscellaneous Provisions.

a. Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.

b. Headings. Captions and section and paragraph headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

c. Modification. Neither this Agreement, nor any provision of this Agreement, may be changed, waived, discharged, modified, or terminated orally, but may be modified only by an instrument in writing signed by the party against whom enforcement is sought.

d. Choice of Law. This Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict; provided, however, (i) any provision not enforceable under Georgia law shall be construed in accordance with the laws of the State(s) where such restriction(s) is(are) to apply, and (ii) any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

e. Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers. The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree to each of the terms provided below in this Section 15(e).

(i) Developer consents and agrees that the following courts shall have personal jurisdiction over Developer in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Developer may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts; and (B) all the United States District Courts sitting within the State of Georgia.

(ii) Developer consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Developer may have of improper venue in any such lawsuits filed in these courts: (A) the Superior Court of Fulton County, Georgia; and (B) the United States District Court for the Northern District of Georgia, Atlanta Division. In the event any of these courts are abolished, Developer agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by Developer against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit, such lawsuit may be filed in any court in Georgia having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Company against Developer may be filed in any of the courts named in this Section 15(e) or in any court in which jurisdiction and venue are otherwise proper.

(iii) In all lawsuits relating to or arising out of the Agreement and related agreements, Developer consents and agrees that Developer may be served with process outside the State of Georgia in the same manner as service may be made within the State of Georgia by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Developer hereby waives any defense Developer may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

(iv) Company and Developer irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other.

(v) Any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Company (or Company's affiliates), or Developer's operation of the Franchised Business, brought by either party hereto against the other shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

(vi) Company and Developer hereby waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other, except for punitive or exemplary damages authorized by applicable federal law.

f. No Class or Consolidated Actions. Any litigation between the Company and Developer, and any of their respective affiliates, directors, officers, or agents shall be conducted on an individual basis, and not as part of a consolidated, common, group, or class action.

g. Confidentiality. Developer agrees not to disclose any provision of this Agreement to any party or entity without the prior written consent of Company.

h. Counterparts. This Agreement may be executed in several counterparts, and signature pages may be exchanged by fax, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

i. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto as to the matters stated herein. Any modification or amendment of this Agreement shall not be binding upon the parties unless in writing and signed by all parties hereto, and there are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties that

have been relied upon by either party other than those set forth herein. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Company has made in the most recent Disclosure Document (including its exhibits and amendments) that Company delivered to Developer or its representative. No agreement of any kind relating to the matters covered by this Agreement shall be binding upon either party unless and until the same is made in writing and executed by both parties.

j. Waiver. The failure of either party to exercise any power or remedy hereunder or to insist upon strict compliance with the terms of this Agreement shall not be deemed to be a waiver of the right of such party to demand strict compliance with the exact terms of this Agreement in the future.

k. Time. Time is of the essence of this Agreement.

l. Severability. Should any part or clause of this Agreement, for any reason, be declared by a court of competent jurisdiction to be invalid, void or unenforceable, then that part or clause shall be deemed to be severed and the remainder of this Agreement shall remain in full force and effect. Additionally, if any part of or clause of this Agreement is found to be unenforceable but part of such is capable of being made enforceable by reduction of any or all thereof, Developer and Company agree to be bound by any promise or covenants imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Company is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

16. Developer's Acknowledgments.

a. Developer understands and acknowledges that there are significant risks in any business venture and that the primary factor in Developer's success or failure under this Agreement will be Developer's own efforts. IN ADDITION, DEVELOPER ACKNOWLEDGES THAT COMPANY AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS TO DEVELOPER OTHER THAN OR INCONSISTENT WITH THE MATTERS SET FORTH IN THE FRANCHISE DISCLOSURE DOCUMENT PROVIDED TO DEVELOPER AND THAT DEVELOPER HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON THE MATTERS SET FORTH IN THE FRANCHISE DISCLOSURE DOCUMENT AND DEVELOPER'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE.

b. Developer and its Owners agree to comply with and/or to assist Company to the fullest extent possible in Company's efforts to comply with Anti-Terrorism Laws (as defined below), and further agree to require that any Developer Related Party (as defined below) also complies with and/or assist Company in Company efforts to comply with Anti-Terrorism Law. In connection with such compliance, Developer and the Owners certify, represent, and warrant that none of their, or any Developer Related Parties' respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither Developer nor any of the Owners or Developer Related Parties are in violation of any of the Anti-Terrorism Laws. Developer also agrees not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Developer shall be solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws. Developer further acknowledges and agrees that any

violation of the Anti-Terrorism Laws by a Developer, or Developer's employees or any "blocking" of a Developer Related Party's assets under the Anti-Terrorism Laws shall constitute grounds for immediate termination of this Agreement and any other agreement Developer shall have entered with Company or its affiliates, in accordance with the termination provisions of this Agreement. The term "**Developer Related Party**" as used in this Section 17(b) means any Owner or guarantor ("**Guarantor**") of Developer's obligations under this Agreement, or the immediate family member (spouse, child, sibling, or parent) of an Owner or Guarantor, and any other person or entity under common control with or affiliated with Developer or any Owner.

IN WITNESS WHEREOF, the parties hereto have affixed their hands the date and year first above written.

COMPANY
PERKINS LLC
a Delaware limited liability company

By:_____

Name: _____

Title: _____

Effective Date of this Agreement: _____

DEVELOPER
DEVELOPER_NAME,
a [STATE] [ENTITY TYPE]

By: _____
DEVELOPER SIGNATORY1, TITLE

By: _____
DEVELOPER SIGNATORY2, TITLE

OR

_____
NAME, Individually

Developer Principal Place of Business:
[DEVELOPER ADDRESS
DEVELOPER CITY,
DEVELOPER COUNTY,
DEVELOPER STATE, DEVELOPERZIP]

Developer Notice Address:
«Developer»
«Developer_Address_Line_1»
«City», «State» «Zip»

EXHIBIT 1

DEVELOPMENT AREA, FEES, AND TERM

1. Development Area. The Development Area shall consist of the following cities (or parts of cities) in the State of DEVELOPMENT AREA_STATE_NAME (see sixth Whereas clause):

LIST OF CITIES HERE

2. Development Fees.

Development Fees - The Development Fees shall be the total of (a) $40,000.00 for the first unit to be developed and (b) $20,000.00 for every additional unit to be developed pursuant to this Agreement to satisfy the Required Number of Units. The total fees due under this Agreement at the time of signing are:

Calculation of Development Fees	
Required Number of Units:	_____ (insert # of Units)
Development Fees calculation: For First Unit: Per additional unit	 $40,000.00* $20,000.00* (per ___ additional units)
Development Fees (total):	$_____ (insert total Development Fees here)

*As provided in Section 7, if any of the Required Number of Units will be operated by Developer as a Non-Traditional Unit, the Development Fee attributable to such Restaurant will be $15,000 for the first Non-Traditional Unit and $7,500 for any additional Non-Traditional Unit in the Development Schedule. This amount will also be credited towards the Initial Franchise Fee due for such Non-Traditional Unit.

3. Initial Franchise Fees and Potential Credits.

The Initial Franchise Fees are separate from any other pre-opening fees, such as Security Deposit, that may be required under each Franchise Agreement. See Sections 3 and 7 of this Agreement for details.

Initial Franchise Fees:	**Initial Franchise Fee Due** (note A)	**Portion of Development Fees as Potential Credit towards Initial Franchise Fee** (notes B and C)
First Unit	$40,000*	$40,000*
Second Unit	Company's then-current Initial Franchise Fee	$20,000*
Each Additional Unit in Required Number of Units	Company's then-current Initial Franchise Fee	$20,000*

A. See Section 7 of this Agreement. (See * above for fee for Non-Traditional Units.)

B. This credit will apply at the time Developer signs the Franchise Agreement for each of the Required Number of Units provided that Developer (and affiliates) are in compliance as set forth in Section 3(b) of this Agreement.

C. The total amount of the credits that Company grants to Developer towards Initial Franchise Fees will not exceed the total Development Fees that Developer actually paid to Company.

3. Term Extension Fees and Effective Date. As described in Section 2(b) of this Agreement, Company may in its sole right and discretion offer Developer an opportunity to purchase an extension of the Term. The parties acknowledge and agree that, as of the Effective Date (check applicable box):

☐ Developer has not paid a Term Extension Fee and has not purchased any Term Extension. Accordingly, as of the Effective Date, the Term will expire as set forth in Section 2(a) of this Agreement.

☐ Developer has paid Term Extension Fees in the amount of $_____, which will extend the Term for a period of ____ year[s]. Accordingly, as of the Effective Date, the Term will expire ____ year[s] from the date on which the Term would otherwise expire under Section 2(a) of this Agreement.

EXHIBIT 2

[SAMPLE] DEVELOPMENT SCHEDULE

All Perkins Restaurants developed under this Development Schedule will be standard Perkins Restaurants. Property must be acquired, a Franchise Agreement for each such Perkins Restaurant must be signed, construction must be completed, all fees must be paid and the Perkins Restaurants must be in operation no later than the following dates in order to comply with the material terms of this Agreement:

Restaurant under this Agreement	**Deadline to Sign Franchise Agreement**	**Deadline for Restaurant Opening**	***Total Number of Restaurants Open as of Opening Deadline**
First	**MONTH DAY, YEAR**	**MONTH DAY, YEAR**	1
Second	**MONTH DAY, YEAR**	**MONTH DAY, YEAR**	2
Third	**MONTH DAY, YEAR**	**MONTH DAY, YEAR**	3

*Developer understands and agrees that Developer's obligations under the Development Schedule are cumulative, and that by each "Opening Deadline" listed above, Developer must have open and in operation the number of Perkins Restaurants listed in the column "Total Number of Restaurants Open as of the Opening Deadline."

ACKNOWLEDGMENTS

These Acknowledgments are executed in connection with Perkins® Restaurant Unit described on the signature page of these Acknowledgments ("Unit").

ACKNOWLEDGMENT AS TO SEVEN DAY DISCLOSURE

I hereby acknowledge that: (Initial One Choice)

_____There have been no unilateral changes to the documents listed below since the date of receipt of the Franchise Disclosure Document on _____. The documents listed below are changed only by the completion of filling in the blanks for the date and name information, and the like. Additionally, I have reviewed all aspects of all documents, taken those steps necessary to arrive at a complete understanding of same, and do completely understand all aspects of these documents. The Company has not pressured, hurried or coerced me in any way, and I have executed this document as my free act and deed.

_____I have had a copy of the documents listed below in my possession for a period of at least seven (7) days after the unilateral changes made by Perkins LLC ("Company"), and that I have reviewed all aspects of all documents, taken those steps necessary to arrive at a complete understanding of same, and do completely understand all aspects of these documents. The Company has not pressured, hurried or coerced me in any way, and I have executed this document as my free act and deed.

ACKNOWLEDGMENTS
FRANCHISE AGREEMENT
PROMISSORY NOTE (if applicable)
REVITALIZATION AMENDMENT (if applicable)
TRAINING AGREEMENT
CERTIFICATE OF MEMBERS
GUARANTY
MEMBERS' GUARANTY AND AGREEMENT
CERTIFICATE OF SECRETARY
CORPORATE RESOLUTION
SHAREHOLDER'S GUARANTY AND AGREEMENT
CORPORATE GUARANTY AND AGREEMENT
COLLATERAL ASSIGNMENT OF LEASE
ANCILLARY DOCUMENTS (BEVERAGE, EQUIPMENT LEASE, LOYALTY SYSTEMS)
MEMORANDUM OF PREMISES, EQUIPMENT & SIGN OPTION AGREEMENTS
ACKNOWLEDGMENT OF SECURITY AGREEMENT

ACKNOWLEDGMENT AS TO ENVIRONMENTAL MATTERS

I do hereby acknowledge that Company recommends, but does not generally require, an Environmental Assessment incident for approval of a franchise. I also acknowledge that current federal and state laws impose severe penalties for waste cleanup, which penalties can be assessed against innocent parties based upon their having an interest in contaminated real property. If such matters have been of concern to me, I have sought independent legal advice. I hereby release Company, and its officers,

shareholders, directors, attorneys and employees, in their corporate and individual capacities, from and against any liability arising out of or related to environmental contamination of the restaurant site; and indemnify and hold said parties harmless with regard to any action, cause of action, suit, claim, or liability of any nature whatsoever arising out of or in any way connected with environmental contamination of the restaurant site.

ACKNOWLEDGMENT AS TO EQUIPMENT PURCHASE

I do hereby acknowledge that I have purchased or leased the personal property listed on Exhibit B of the Lease, said Agreement made a part hereof by reference, after having had a comparison on the open market. No person has required me to purchase said personal property from Company, nor has anyone put any pressure on me to do so. I specifically state that neither Company nor any person or persons affiliated with Company has required me to so purchase or put any pressure on me to do so.

ACKNOWLEDGMENT AS TO EMPLOYMENT PRACTICES

I hereby acknowledge that, as Operator, I shall be the sole employer of the employees in my franchised restaurant and solely responsible for the labor relations and employment practices in the franchised restaurant location. I agree that the employees in my franchised restaurant shall not be employees of Company and that Company shall have no control or liability concerning decisions related to the hiring, promotion, discipline, termination, amount of wages, benefits or scheduling of the employees in my franchised restaurant. I agree to indemnify and hold harmless Company from any and all liability, including costs, attorneys' fees, or other monetary damages or equitable relief, which results directly or indirectly from my employees or independent contractors or other persons working on behalf of my franchised restaurant.

Perkins® Restaurant Unit Number: _____

OPERATOR:
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Date: _____

CERTIFICATE OF SECRETARY
OF FRANCHISEE NAME

I, as the undersigned Secretary, do hereby certify that I am the duly elected, qualified and acting Secretary of the entity listed in the "**Franchisee Data**" on the signature page, a corporation duly organized, existing and in good standing under the laws of the State identified in "Franchisee Data" as the state of incorporation (the "**Corporation**"), and in such capacity I have custody and control of the corporate seal and records of the Corporation and the authority to execute this Certificate on behalf of the Corporation. Accordingly, on behalf of the Corporation and in my capacity as Secretary, I certify as follows:

1. That attached hereto as Schedule A is a true and correct copy of the Articles of Incorporation of the Corporation together with all Articles of Amendment thereto, and the same having been duly adopted and filed in the office of the Secretary of State of the State of Incorporation, are in full force and effect, and have not been amended, modified or rescinded except as set forth therein.

2. That attached hereto as Schedule B is a true and correct copy of the By-laws of the Corporation together with all amendments thereto, and the same are in full force and effect and have not been amended, modified, or rescinded, except as set forth therein.

3. That the persons named in the "Franchisee Data" below as "**Officers**" are and have been duly elected and qualified and are currently acting in their respective corporate capacities as set forth below and that the signature of each Officer affixed above their respective name is a true and genuine signature of such person.

4. That the persons listed in the "Franchisee Data" below as "**Directors**" are the duly elected and presently acting directors of the Corporation.

5. That the information listed in the "Franchisee Data" below as "**Shareholders**" is a true, complete and accurate list of all of the legal and equitable owners of all the Corporation's outstanding and issued stock, their current addresses and the number of shares owned by each and that all such issued stock is fully paid and non-assessable.

6. That the following is a true, complete and correct copy of certain resolutions which were adopted by the shareholders of the Corporation in accordance with the By-laws, effective on or before the Effective Date of the Franchise Agreement referenced below and that such resolutions are in full force and effect, have not been modified, amended, altered or repealed, and are in conformity with and do not violate the Articles of Incorporation or the Shareholders Management Agreement of the Corporation.

RESOLVED that the Shareholders of the Corporation hereby approve the execution and delivery by the Corporation of a franchise agreement concerning the operation of the Perkins® Restaurant Unit described below in "Franchisee Data" (the "**Franchise Agreement"**) located on the real property described on Exhibit A attached to the Franchise Agreement, which is as of even date herewith and made a part hereof by reference and (hereinafter called "**Premises**"); and

FURTHER RESOLVED that the undersigned President and Secretary are hereby authorized to cause the Corporation to execute and any and all agreements, contracts, leases, real and personal, easements, assignments, financing statements, vending machine agreements, any modifications and amendments to such documents, and to expend such sums, make and deliver security or other deposits and establish any necessary escrows, all as may be contemplated in the Franchise Agreement, required by Perkins LLC or its counsel or deemed necessary by the President and Secretary of the Corporation's counsel in order to effect the purposes of the foregoing Resolutions; and

FURTHER RESOLVED, that the Shareholders, in accordance with the terms and conditions of the Franchise Agreement, hereby directs the officers of the Corporation to cause a legend to be placed on the back of all share certificates of the Corporation, in the following form:

> "The sale, transfer, pledge or hypothecation of this stock is restricted pursuant to Section 13 of the Franchise Agreement between Perkins LLC, its successors and assigns, and the issuer of these shares."

FURTHER RESOLVED, that any and all action heretofore taken by any officer or officers of the Corporation to execute and deliver any of the agreements, instruments, documents, authorized by the foregoing Resolutions are hereby approved, ratified and confirmed in all respects.

(signature page follows)

IN WITNESS WHEREOF, I have affixed my hand on the date written below.

_____
FRANCHISEE SIGNATORY2, Secretary

The undersigned, President of the Corporation, hereby certifies that FRANCHISEE SIGNATORY2 is the duly and validly elected and qualified Secretary of the Corporation and the signature appearing above is her/his true and genuine signature.

_____
FRANCHISEE SIGNATORY1, President
Date: _____

Franchisee Data:

Corporation: FRANCHISEE NAME
State of Incorporation: STATE

For Perkins® Restaurant Unit Number: _____

Officers:

President: _____
FRANCHISEE SIGNATORY1

Secretary: _____
FRANCHISEE SIGNATORY2

Directors:

FIRST PRINCIPAL
SECOND PRINCIPAL

Shareholders - Name, address and number of shares:

FIRST PRINCIPAL - __ shares
PRINCIPAL 1 STREET ADDRESS
PRINCIPAL 1 CITY, STATE 00000

SECOND PRINCIPAL – __ shares
PRINCIPAL 2 STREET ADDRESS
PRINCIPAL 2 CITY, STATE 00000

SCHEDULE A TO CORPORATE RESOLUTION

SUBSTITUTE ARTICLES OF INCORPORATION

SCHEDULE B TO CORPORATE RESOLUTION

SUBSTITUTE BY-LAWS

CERTIFICATE OF THE MEMBERS
OF FRANCHISEE NAME

The undersigned hereby certify that they are all of the members of the entity listed in "**Franchisee Data**" on the signature page, a limited liability company duly organized, existing and in good standing under the laws of the state of identified in "Franchisee Data" as the "**State of Organization**" (the "**Company**"), and in such capacity they are authorized to execute this Certificate on behalf of the Company and:

1. That attached hereto as Schedule A is a true and correct copy of the Articles of Organization of the Company together with all Articles of Amendment thereto, and the same having been duly adopted and filed in the office of the Secretary of State of Organization, are in full force and effect, and have not been amended, modified or rescinded except as set forth therein.

2. That attached hereto as Schedule B is a true and correct copy of the Operating Agreement of the Company together with all amendments thereto, and the same are in full force and effect and have not been amended, modified, or rescinded, except as set forth therein.

3. That the persons named in the "Franchisee Data" below as "**Members**" are the members of the Company, and that the signature set forth above his or her name is his or her signature.

4. That the following is a true, complete and correct copy of certain resolutions which were duly adopted by the Members of the Company in accordance with the Operating Agreement, effective on or before the Effective Date of the Franchise Agreement referenced below and that such resolutions are in full force and effect, have not been modified, amended, altered or repealed, and are in conformity with and do not violate the Articles of Organization or the Operating Agreement of the Company:

RESOLVED that the Members of the Company hereby approve the execution and delivery by the Company of a franchise agreement concerning the operation of the Perkins® Restaurant Unit described below in "Franchisee Data" (the "**Franchise Agreement**") located on the real property described on Exhibit A attached to a Franchise Agreement, which is as of even date herewith and made a part hereof by reference and (hereinafter the "**Premises**").

FURTHER RESOLVED that the Members are hereby authorized to cause the Company to execute and deliver any and all agreements, contracts, leases, real and personal, easements, assignments, financing statements, vending machine agreements, any modifications and amendments to such documents, and to expend such sums, make and deliver security or other deposits and establish any necessary escrows, all as may be contemplated in the Franchise Agreement, required by Perkins LLC or its counsel or deemed necessary by the President and Secretary of the Corporation's counsel in order to effect the purposes of the foregoing Resolutions.

FURTHER RESOLVED, that any and all action heretofore taken by any Member or Members of the Company to execute and deliver any of the agreements, instruments, and documents, authorized by the foregoing Resolutions are hereby approved, ratified and confirmed in all respects.

(signature page follows)

IN WITNESS WHEREOF, I have affixed my hand as of the date written below.

MEMBERS

_____
FIRST PRINCIPAL

_____
SECOND PRINCIPAL

Date: _____

Franchisee Data:

Company: FRANCHISEE NAME
State of Organization: STATE

For Perkins® Restaurant Unit Number: _____

Members:

_____
FIRST PRINCIPAL
PRINCIPAL 1 STREET ADDRESS
PRINCIPAL 1 CITY, STATE 00000

_____
SECOND PRINCIPAL
PRINCIPAL 2 STREET ADDRESS
PRINCIPAL 2 CITY, STATE 00000

SCHEDULE A TO LLC RESOLUTION

ARTICLES OF ORGANIZATION

SCHEDULE B TO CORPORATE RESOLUTION

OPERATING AGREEMENT

GUARANTY

As an inducement to PERKINS LLC ("**Company**") to execute the Perkins Unit Franchise Agreement with the individual or legal entity identified as the Operator on the signature page of this Guaranty ("**Operator**") concerning the operation of the Perkins® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith (the "**Agreement**") and made a part hereof by reference (hereinafter called "**Premises**"), the undersigned (if more than one, jointly and severally) do hereby agree to be bound by all terms of the Agreement and any amendments, extensions and renewals thereof, and supplements thereto, including all addenda, schedules and exhibits and any agreements between Operator and Company (or its affiliates) relating to Operator's financing, now or hereafter existing, and irrevocably, unconditionally and personally guarantee to Company, its affiliates, successors and assigns, that all of Operator's obligations thereunder will be punctually paid and performed. The undersigned waive, to the extent permitted by applicable law, notice of acceptance, notice of default, presentment and demand. Upon default by Operator and receipt of written notice from Company, the undersigned will immediately make each payment and perform or cause to be performed each obligation of Operator under the Agreement and related agreements as described above. Company may to the extent permitted by applicable law (without affecting any obligation of any of the undersigned) waive any Operator default, extend any Operator cure period, or settle, adjust, compromise or release any indebtedness of or claims against Operator. The undersigned waive notice of amendment of the Agreement, and demand for payment or performance by Operator. The undersigned further waive the defenses of novation, increase in risk, release or compounding of any other guarantor, or any requirement that Company first exhaust other remedies, resort to any collateral, or proceed to collect any amounts due from Operator, this Guaranty being a primary obligation of the undersigned and guarantee of payment and performance, not of collection. Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty with respect to any defaults existing at the time of death, and, if more than one, the obligations of the other undersigned guarantors will continue in full force and effect without change.

This Guaranty, the Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

(a) The following courts shall have personal jurisdiction over Operator and the undersigned in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreement and related agreements and the parties hereby waive any defense of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts; and (B) all the United States District Courts sitting within the State of Georgia.

(b) The undersigned consent and agree that venue shall be proper in any of the following courts in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreement and related agreements and hereby waive any defense of improper venue in any such lawsuits filed in these courts: (A) the Superior Court of Fulton County, Georgia; and (B) the United States District Court for the Northern District of Georgia, Atlanta Division. In the event any of these courts are abolished, Operator and the undersigned each agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by Operator or the undersigned against Company relating to or arising out of this Guaranty, the Agreement and all related agreements shall be filed in one of these

courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Company against Operator or the undersigned may be filed in any of the courts named in this Section (b) or in any court in which jurisdiction and venue are otherwise proper.

(c) In all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreement and all related agreements, Operator and the undersigned consent and agree that they may be served with process outside the State of Georgia in the same manner as service may be made within the State of Georgia by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Operator and the undersigned hereby waive any defense of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

The undersigned agrees to comply with and abide by the restrictive covenants and non-disclosure provisions contained in Section 12 of the Agreement to the same extent as and for the same period of time as Operator is required to comply with and abide by such covenants and provisions. These obligations of the undersigned shall survive any expiration or termination of this Guaranty or the Agreement. The undersigned acknowledges that he or she is one of the owners of the Operator and is serving in a managerial capacity in the operation of the Franchised Business (as defined in the Agreement).

Operator: FRANCHISEE NAME
a STATE ENTITY TYPE

For Perkins® Restaurant Unit Number: _____

GUARANTORS:

_____ _____
[FIRST PRINCIPAL], individually

_____ _____
[SECOND PRINCIPAL], individually

Date: _____

SHAREHOLDERS' GUARANTY AND AGREEMENT

This Shareholders' Guaranty and Agreement ("**Guaranty**") made as of even date as the Agreements referenced below, for the benefit of Perkins LLC (hereinafter known as "**Company**"), by the undersigned (if more than one, jointly and severally) (hereinafter collectively known as "**Shareholders**").

WITNESSETH:

WHEREAS, Shareholders desire to induce Company to enter into a Franchise Agreement and related documents with the individual or the legal entity identified as the Operator on the signature page of this Guaranty, (hereinafter known as "**Operator**"), concerning the operation of the Perkins® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith and made a part hereof by reference (hereinafter called "**Premises**"), said Franchise Agreement and related documents being hereinafter collectively known as "**Agreements**", and

WHEREAS, Company is willing to enter into said Agreements only if Shareholders agree to comply with the terms and conditions of this Guaranty.

NOW THEREFORE, for and in consideration of the sum, of Ten Dollars ($10.00) paid to Company by Shareholders, for the purpose of inducing Company to enter into the Agreements with Operator and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties, it is agreed and contracted as follows:

1. Shareholders hereby jointly and severally unconditionally guarantee the prompt and complete performance by Operator of all the covenants and conditions contained in the Agreements and the payment of all damages, costs and expenses which by virtue of the Agreements might become recoverable by Company from Operator.

2. Shareholders hereby jointly and severally covenant and agree that they shall not sell, assign, mortgage, pledge or otherwise hypothecate, make a gift or otherwise dispose of any or all of their shares of the capital stock of Operator without the written consent of Company.

3. Shareholders do hereby covenant and agree that they shall cause a reference to this restriction to appear on each and every share of capital stock of Operator owned by them.

4. Shareholders do hereby covenant and agree to comply with and abide by the restrictive covenants and non-disclosure provisions contained in Section 12 of the Agreement to the same extent as and for the same period of time as Operator is required to comply with and abide by such covenants and provisions. These obligations of Shareholders shall survive any expiration or termination of this Guaranty or the Agreement. Shareholders acknowledge that he or she is one of the owners of the Operator and is serving in a managerial capacity in the operation of the Franchised Business (as defined in the Agreement).

5. Shareholders do hereby acknowledge a financial interest in Operator and do represent that as to them the Agreements constitutes a benefit.

6. This Guaranty shall continue in full force and effect so long as the Agreements remain in force and effect, including during any extensions or renewals thereof, and Shareholders shall not be released from their obligations hereunder so long as any claim of Company against Operator is not settled or discharged in full.

7. It is agreed that Company shall have the full right, in its sole discretion, and without any notice to or consent from the Shareholders, from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, the liability of Shareholders hereunder:

(a) To make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreements;

(b) To extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreements;

(c) To settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against Operator or any other Shareholders or Operator's debts or transactions, or any collateral or security held by Company; and

(d) To enter into any alteration or modification of the Agreements regardless of whether said alteration or modification would increase the extent of Shareholders' obligations hereunder, or make performance by Operator or Shareholders more difficult.

8. Shareholders waive presentment, demand, notice of dishonor, protest and all other notices whatsoever and agree that Company, may proceed by suit against any or all Shareholders hereunder, or Operator and without first or contemporaneously suing such other person or persons, or otherwise seeking or preceding to collect from them.

9. The term "Shareholders" as used in this Guaranty or any pronoun used in place thereof shall include male, female, singular and plural, corporation, partnership, or individual as may fit the particular party.

10. This Guaranty shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, executors and successors, shall be construed equally between the parties.

11. This Guaranty, the Agreement, and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

(a) Operator and Shareholders consent and agree that the following courts shall have personal jurisdiction over Operator and Shareholders in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreements, and related agreements and hereby waives any defense of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts; and (B) all the United States District Courts sitting within the State of Georgia.

(b) Operator and Shareholders consent and agree that venue shall be proper in any of the following courts in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreements, and related agreements and hereby waive any defense of improper venue in any such lawsuits filed in these courts: (A) the Superior Court of Fulton County, Georgia; and (B) the United States District Court for the Northern District of Georgia, Atlanta Division. In the event any of these courts are abolished, Operator and Shareholders agree that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these

courts which are not so abolished. All lawsuits filed by Operator or Shareholders against Company relating to or arising out of this Guaranty, the Agreements, and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Company against Operator or Shareholders may be filed in any of the courts named in this Section (b) or in any court in which jurisdiction and venue are otherwise proper.

(c) In all lawsuits and actions for equitable relief relating to or arising out of this Guaranty, the Agreements, and related agreements, Operator and Shareholders consent and agree that they may be served with process outside the State of Georgia in the same manner as service may be made within the State of Georgia by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Operator and Shareholders hereby waive any defense of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

For Perkins® Restaurant Unit Number: _____

Operator: FRANCHISEE NAME
a STATE ENTITY TYPE

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement on the date written below.

SHAREHOLDERS

_____
FIRST PRINCIPAL, individually

_____
SECOND PRINCIPAL, individually

Date: _____

MEMBERS' GUARANTY AND AGREEMENT

This Members' Guaranty and Agreement ("**Guaranty**") made as of even date as the Agreements referenced below, for the benefit of PERKINS LLC (hereinafter known as "**Company**"), by the undersigned (if more than one, jointly and severally), (hereinafter collectively known as "**Members**").

WITNESSETH:

WHEREAS, Members desire to induce Company to enter into a Franchise Agreement and related documents with the individual or the legal entity identified as the Operator on the signature page of this Guaranty (hereinafter known as "**Operator**"), concerning the operation of the Perkins® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith and made a part hereof by reference and (hereinafter called "**Premises**"), said Franchise Agreement and related documents being hereinafter collectively known as "**Agreements**", and

WHEREAS, Company is willing to enter into said Agreements only if Members agree to comply with the terms and conditions of this Guaranty.

NOW THEREFORE, for and in consideration of the sum, of Ten Dollars ($10.00) paid to Company by Members, for the purpose of inducing Company to enter into the Agreements with Operator and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties, it is agreed and contracted as follows:

1. Members hereby jointly and severally unconditionally guarantee the prompt and complete performance by Operator of all the covenants and conditions contained in the Agreements and the payment of all damages, costs and expenses which by virtue of the Agreements might become recoverable by Company from Operator.

2. Members hereby jointly and severally covenant and agree that they shall not sell, assign, mortgage, pledge or otherwise hypothecate, make a gift or otherwise dispose of any or all of their ownership interest in Operator without the written consent of Company.

3. Members do hereby covenant and agree that they shall cause a reference to this restriction to appear on each and every certificate of ownership of Operator owned by them.

4. Members do hereby covenant and agree to comply with and abide by the restrictive covenants and non-disclosure provisions contained in Section 12 of the Agreement to the same extent as and for the same period of time as Operator is required to comply with and abide by such covenants and provisions. These obligations of Members shall survive any expiration or termination of this Guaranty or the Agreement. Members acknowledge that he or she is one of the owners of the Operator and is serving in a managerial capacity in the operation of the Franchised Business (as defined in the Agreement).

5. Members do hereby acknowledge a financial interest in Operator and do represent that as to them the Agreements constitute a benefit.

6. This Guaranty shall continue in full force and effect so long as the Agreements remain in force and effect, including during any extensions or renewals thereof, and Members shall not be released from their obligations hereunder so long as any claim of Company against Operator is not settled or discharged in full.

7. It is agreed that Company shall have the full right, in its sole discretion, and without any notice to or consent from the Members, from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, the liability of Members hereunder:

(a) To make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreements;

(b) To extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreements;

(c) To settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against Operator or any other Members or Operator's debts or transactions, or any collateral or security held by Company; and

(d) To enter into any alteration or modification of the Agreements regardless of whether said alteration or modification would increase the extent of Members' obligations hereunder, or make performance by Operator more difficult.

8. Members waive presentment, demand, notice of dishonor, protest and all other notices whatsoever and agree that Company, may proceed by suit against any Members hereunder, or Operator and without first or contemporaneously suing such other person or persons, or otherwise seeking or preceding to collect from them.

9. The term "Members" as used in this Guaranty or any pronoun used in place thereof shall include male, female, singular and plural, corporation, partnership, or individual as may fit the particular party.

10. This Guaranty shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, executors and successors, shall be construed equally between the parties.

11. This Guaranty, the Agreements, and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

(a) Operator and Members consent and agree that the following courts shall have personal jurisdiction over Operator and Members in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreements, and related agreements and hereby waives any defense Members may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts; and (B) all the United States District Courts sitting within the State of Georgia.

(b) Operator and Members consent and agree that venue shall be proper in any of the following courts in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreements, and related agreements and hereby waive any defense of improper venue in any such lawsuits filed in these courts: (A) the Superior Court of Fulton County, Georgia; and (B) the United States District Court for the Northern District of Georgia, Atlanta Division. In the event any of these courts are abolished, Operator and Members agree that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts

which are not so abolished. All lawsuits filed by Operator or Members against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Company against Operator or Members may be filed in any of the courts named in this Section (b) or in any court in which jurisdiction and venue are otherwise proper.

(c) In all lawsuits and actions for equitable relief relating to or arising out of the Agreement and related agreements, Operator and Members consent and agree that they may be served with process outside the State of Georgia in the same manner as service may be made within the State of Georgia by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Operator and Members hereby waive any defense of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

Operator: FRANCHISEE NAME
a STATE ENTITY TYPE

For Perkins® Restaurant Unit Number: _____

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement on the date written below.

MEMBERS

_____
FIRST PRINCIPAL, individually

_____
SECOND PRINCIPAL, individually

Date: _____

STATE OF GEORGIA

COUNTY OF FULTON

GUARANTY AGREEMENT

This Guaranty Agreement ("**Guaranty**") is made as of even date as the Agreements referenced below, for the benefit of PERKINS LLC (hereinafter known as "**Company**"), by the undersigned (hereinafter known as "**Guarantor**").

WITNESSETH:

WHEREAS, Guarantor desires to induce Company to enter into a Franchise Agreement and related documents with the individual or the legal entity identified as the Operator on the signature page of this Guaranty (hereinafter known as "**Operator**"), concerning the operation of the Perkins® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith and made a part hereof by reference (hereinafter called "**Premises**"), said Franchise Agreement and related documents being hereinafter collectively known as "**Agreements**", and

WHEREAS, Company is willing to enter into said Agreements only if Guarantor agrees to execute and comply with the terms and conditions of this Guaranty; and

WHEREAS, Guarantor desires to execute and deliver this Guaranty because Guarantor has a substantial interest in Operator and will receive a direct benefit by Company entering into the Agreements with Operator;

NOW THEREFORE, for and in consideration of Company to entering into the Agreements with Operator and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties, it is agreed and contracted as follows:

1. Guarantor hereby unconditionally guaranties the prompt and complete performance by Operator of all the covenants and conditions contained in the Agreements and the payment of all damages, costs and expenses which by virtue of the Agreements might become recoverable by Company from Operator (the "**Guarantied Obligations**").

2. Guarantor does hereby acknowledge that this Guaranty constitutes a legal, valid and binding obligation of Guarantor, and is fully enforceable according to its terms.

3. Guarantor does hereby acknowledge a financial interest in Operator and does represent that as to them the Agreements constitute a benefit.

4. Guarantor does hereby acknowledge that its liability under this Guaranty is present, absolute, unconditional, continuing, primary, direct and independent of the obligations of Operator. Company shall not be required to pursue any other remedies before invoking the benefits of this Guaranty, including, without limitation, its remedies under the Agreements. With regard to any rights which may accrue to Company under or in connection with the Agreements, Company may, at its option, look to Guarantor for the performance of the Guarantied Obligations to the extent provided herein, without having first commenced any action or proceeding against Operator or any other party, and without having first obtained any judgment against Operator or any other party.

5. The liability of Guarantor shall remain and continue in full force and effect notwithstanding (a) the non-liability of Operator for any reason whatsoever of payment or performance of the Guarantied Obligations or any part thereof, (b) the release of Operator from the observance of any of the covenants, terms, or conditions contained in the Agreements by operation of law, (c) any defenses or rights of set off or counterclaims which Operator may assert, (d) any failure of Company to inform Guarantor of any facts Company may now or hereafter know about Operator, the Agreements or the franchise contemplated in connection therewith, it being understood and agreed that Company has no duty to so inform; it being the intention that Guarantor shall remain liable hereunder until the Guarantied Obligations of Operator shall have been fully paid, performed and observed by Operator.

6. It is agreed that Company shall have the full right, in its sole discretion, and without any notice to or consent from the Guarantor, from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, the liability of Guarantor hereunder:

(a) To make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreements;

(b) To extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreements;

(c) To settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against Operator or any other party or Operator's debts or transactions, or any collateral or security held by Company;

(d) To enter into any alteration or modification of the Agreements regardless of whether said alteration or modification would increase the extent of Guarantor’s obligations hereunder, or make performance by Operator or Guarantor more difficult; and

(e) To take other guarantees, collateral or security with respect to the Guarantied Obligations.

7. Guarantor hereby waives (a) any right to require Company to proceed against Operator or to pursue any other remedy or collateral to which Company may be entitled, as Guarantor agrees that Company may proceed by suit against Guarantor or Operator, and without first or contemporaneously suing such other person or persons, or otherwise seeking or preceding to collect from them, (b) notice of acceptance, presentment, demand, protest, nonpayment, default, dishonor and all other notices whatsoever, and (c) the defenses of novation, increase in risk, release or compounding of any other guarantor.

8. Guarantor hereby covenants and agrees to comply with and abide by the restrictive covenants and non-disclosure provisions contained in Section 12 of the Agreement to the same extent as and for the same period of time as Operator is required to comply with and abide by such covenants and provisions. These obligations of Guarantor shall survive any expiration or termination of this Guaranty or the Agreement. Guarantor acknowledge that it is owner or affiliate of the Operator and is serving in a managerial capacity in the operation of the Franchised Business (as defined in the Agreement).

9. No failure, omission or delay on the part of Company in exercising any rights hereunder or in taking any action to collect or enforce performance of the Guarantied Obligations or in enforcing performance of any covenant, term or condition to be performed under the Agreements, either against Operator or any other party, shall operate as a waiver of any such right or in any manner prejudice the rights of Company against Guarantor.

10. The term "Guarantor" as used in this Guaranty or any pronoun used in place thereof shall include male, female, singular and plural, corporation, partnership, or individual as may fit the particular party.

11. This Guaranty shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, executors and successors, shall be construed equally between the parties.

12. This Guaranty, the Agreements, and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

13. The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

(a) The following courts shall have personal jurisdiction over Guarantor in all lawsuits relating to or arising out of this Guaranty and the Agreements and hereby waives any defense Guarantor may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts; and (B) all the United States District Courts sitting within the State of Georgia.

(b) Venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Guaranty and the Agreements and Guarantor hereby waives any defense it may have of improper venue in any such lawsuits filed in these courts: (A) the Superior Court of Fulton County, Georgia; and (B) the United States District Court for the Northern District of Georgia, Atlanta Division. In the event any of these courts are abolished, Guarantor agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by Guarantor against Company relating to or arising out of this Guaranty, the Agreements, and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Company against Guarantor may be filed in any of the courts named in this subparagraph (b) or in any court in which jurisdiction and venue are otherwise proper.

(c) In all lawsuits relating to or arising out of this Guaranty and the Agreements, Guarantor consents and agrees that it may be served with process outside the State of Georgia in the same manner as service may be made within the State of Georgia by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Guarantor hereby waives any defense it may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

(d) Guarantor shall pay all reasonable attorneys' fees and associated costs incurred by Company in the enforcement of this Guaranty.

14. No provision hereof shall be modified or limited except by written agreement signed by Company and Guarantor.

15. In case any one or more provisions of this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Operator: FRANCHISEE NAME
a STATE ENTITY TYPE

For Perkins® Restaurant Unit Number: _____

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement on the date written below.

GUARANTOR

[ENTITY NAME],
a [STATE] [ENTITY TYPE]

By:_____
FRANCHISEE SIGNATORY, TITLE

Date: _____

TRAINING AGREEMENT

THIS TRAINING AGREEMENT (the "Agreement") is entered into as of the Effective Date of the Franchise Agreement, which is described below, by and between PERKINS LLC, a Delaware limited liability company, (hereinafter known as "**Company**") and the individual or legal entity identified as the Operator on the signature page of this Agreement (hereinafter known as "**Operator**").

W I T N E S S E T H:

WHEREAS, the Operator has entered into or is about to enter into a Perkins Franchise Agreement with Company (the "**Franchise Agreement**"), pursuant to which Company will authorize Operator to operate the Perkins® Restaurant Unit Number identified on the signature page of this Agreement.

WHEREAS, pursuant to such Franchise Agreement, the Operator agrees to participate in a training program (the "**Training Program**") conducted by Company to provide training to the Operator and/or its designated manager (the "**Employees**"); and

WHEREAS, in order to conduct the Training Program, Company will permit the Employees to work and/or participate in the operation of a restaurant either owned and operated by Company or by another franchisee of Company (the "**Third Party Franchisee**"); and

WHEREAS, Company and the Operator desire to clarify the status of such Employees while they are working and/or participating in such restaurant operations; and

WHEREAS, Company desires to confirm that Operator has been satisfactorily trained by Company's Training Program to operate its licensed restaurant and Company seeks Operator's acknowledgment of the same;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Operator and Company hereby agree as follows:

1. Indemnification. The Operator shall be responsible for all loss or damage originating from, or in connection with, the activities of the Employees while participating in the operation of any restaurants owned and/or operated by Company or a Third Party Franchisee and for all claims or demands for damages to property or for the injury, illness, or death of persons directly or indirectly resulting therefrom. The Operator agrees to defend, indemnify, and hold harmless Company and any Third Party Franchisee from and against any and all losses, liabilities, damages, costs, expenses (including, but not limited to, any reasonable attorneys' fees incurred by Company or any such Third Party Franchisee) and claims arising from injury or damage to (which shall include, without limitation, the loss of) any person or property occasioned by any act or acts, omissions, or commissions of the Operator or any of its employees, agents, or contractors (including, but not limited to, the Employees) with respect to, or arising out of, or related to, the activities, presence, or participation in such restaurant operations by the Employees at restaurants owned and/or operated by Company and any Third Party Franchisee, including, but not limited to, claims by any of the Employees for injuries, wages, or benefits. The obligation of the Operator to defend, indemnify, and hold Company or a Third Party Franchisee harmless as set forth in this Section 1 shall survive the termination of the training pursuant to this Agreement and shall survive the termination of this Agreement.

2. Insurance. With respect to the activities, presence, or participation in restaurant operations by the Employees that are restaurants owned and/or operated by Company or a Third Party Franchisee, the Operator agrees to obtain a commercial general liability policy at its own cost with such limits as the

Operator shall from time to time determine, which limits shall be not less than One Million Dollars ($1,000,000) per each Occurrence and Two Million Dollars ($2,000,000) General Aggregate, Two Million Dollars ($2,000,000) Products/Completed Operations Aggregate, One Million Dollars ($1,000,000) Personal Injury and Advertising Injury, and Fifty Thousand Dollars ($50,000) for property damage, which shall further specifically insure the Operator's obligation to indemnify Company and any Third Party Franchisee under this Agreement. The Operator hereby agrees that Company and any Third Party Franchisee shall be named as additional insureds under each of such policies and the Operator shall provide to Company, prior to the commencement of training of the Operator's Employees pursuant to this Agreement, an insurance certificate specifying Company and Third Party Franchisee as additional insureds with respect to liability arising out of the operations of the named insured or the performance of this Agreement. All such policies shall contain endorsements requiring the insurance company to give Company and any Third Party Franchisee at least thirty (30) days' written notice before terminating, canceling, or altering the terms of any such policy. The Operator also shall obtain, at its own cost, the worker's compensation insurance policy covering the Employees as required by applicable law. If the Operator at any time fails or refuses to maintain any insurance coverage required by Company or to furnish satisfactory evidence thereof, Company, at its option and in addition to its other rights and remedies, may obtain, but shall not be obligated to obtain, such insurance coverage on behalf of the Operator, and the Operator shall reimburse Company on demand for any costs and premiums incurred by Company in connection with obtaining such insurance. Notwithstanding the existence of any insurance, the Operator, as agreed above, is and shall be responsible for all loss or damages originating from or in connection with the activities, presence, or participation in restaurant operations of the Operator's Employees at restaurants owned and/or operated by Company or a Third Party Franchisee, and for all claims or demands for damages to property or for injury, illness, or death of persons directly or indirectly resulting therefrom.

3. Training Fees and Reimbursement to Company. Operator agrees to pay Company's then-current training fee, which amount is non-refundable and due in full to Company before Operator's Employees begin to participate in the Training Program. The Operator hereby agrees to reimburse Company or a Third Party Franchisee for any costs and expenses paid or advanced by Company or a Third Party Franchisee in connection with the training of the Operator's Employees hereunder, including, without limitation, wages, F.I.C.A., federal withholding taxes, and any other taxes or payments withheld from or required to be paid with respect to wages.

4. Acknowledgment of Training. The Operator hereby agrees that upon completion of the Training Program, Operator shall execute an Acknowledgment of Training stating that Operator has received satisfactory training to operate its licensed restaurant. If Operator believes that it has not been adequately trained pursuant to the Training Program, Operator agrees that it will notify Company of the same immediately upon completion, or premature termination, of the Training Program and that it will either (i) repeat the Training Program or (ii) designate a substitute individual to attend the Training Program.

5. Employee Benefits. The Operator hereby agrees and acknowledges that the Operator is solely responsible for obtaining and providing any and all employee benefits for the Employees including, but not limited to, health and disability insurance, life insurance, and any other employee benefits. Neither Company nor any Third Party Franchisee shall have any responsibility in that regard.

6. Default; Termination. The failure of the Operator to perform any of its agreements or covenants contained in this Agreement shall constitute a default under this Agreement and the Franchise Agreement and any further obligation of Company hereunder or under the Franchise Agreement may be terminated by Company, provided, however, that the obligations of the Operator pursuant to Sections 1 through 5 hereof shall survive termination of this Agreement and shall continue to be binding upon the Operator in consideration of Company's agreement to enter into this Agreement and the Franchise Agreement.

7. Validity of Provisions. In the event any provision or term of this Agreement should be determined to be invalid or unenforceable, all other provisions and terms of this Agreement and the application thereof to all persons and circumstances subject thereto shall remain unaffected and in full force and effect to the extent permitted by law. If any application of any provision or term of this Agreement to any person or circumstance should be determined to be invalid or unenforceable, the application of such provision or term to other persons and circumstances shall remain unaffected to the extent permitted by law.

8. Construction. As herein used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, unless the context would clearly not admit such construction. This Agreement shall be construed and interpreted in accordance with the laws of the State of Georgia. Section or paragraph headings are employed herein solely for convenience of reference, and such headings shall not in any way affect the meaning, validity, or enforceability of any term or provision of this Agreement. All references herein to "section" or "paragraph" shall mean the appropriate numbered section or paragraph of this Agreement except where reference is particularly made to some other instrument or document.

9. Binding Effect. This Agreement shall be binding upon the parties hereto and their successors and assigns. Any Third Party Franchisee is an intended third party beneficiary of this Agreement.

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the matters addressed herein and supersedes all prior agreements, either written or oral, that may have existed between them. No representation, promise, condition, warranty, or understanding, either express or implied, other than herein set forth, shall be binding upon any of the parties hereto. None of the provisions of this Agreement shall be waived, altered, or amended except in a writing signed by the party to be bound thereby; provided, however, the Employees covered by this Agreement may be identified by notice from Company to Operator without the requirement of Operator's signature.

For Perkins® Restaurant Unit Number: _____

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

LEASE AGREEMENT

THIS LEASE, effective the _____ (hereinafter called "**Effective Date**") between PERKINS LLC, a Delaware limited liability company, First Party (hereinafter called "**Lessor**"); and [FRANCHISEE NAME] Second Party (hereinafter called "**Lessee**").

WITNESSETH:

1. Premises Leased. Lessor does hereby rent and lease to the Lessee the building which is located on the real property more particularly described on Exhibit A attached hereto and made a part hereof by reference, and commonly known as [UNIT NO. AND ADDRESS WITH COUNTY] (hereinafter called "**Premises**"). Premises includes the [land, building, equipment, signs] or [except for equipment and signs] together with any improvements thereon. [Said equipment and signs are more particularly described in Exhibit D attached hereto.]

2. Term of Lease. The Lease shall commence on the "**Commencement Date**", being the date hereof [or the date improvements to the Premises as specified herein are properly and substantially completed and any Certificates of Occupancy required by local governmental authorities have been issued and received]. The initial term of the Lease shall end at 11:59 p.m. on [DATE], twenty (20) years after the last day of the month of the Commencement Date.

3. Renewal. If Lessee is not in default hereunder, it shall have the right to renew and extend this Lease for an additional one (1) ten (10) year period, upon the same terms and conditions as herein stated except as provided herein, if Lessee also on each occasion exercises any right it may have to renew the Perkins® Unit Franchise Agreement dated the [CLOSING DATE], by and between Lessee and Lessor (the "**Franchise Agreement**"), upon the same terms and conditions as herein stated. Written notice of Lessee's election to exercise this option shall be given to Lessor not less than six (6) months prior to the date of termination of the initial term or the date of termination of any renewal period hereof.

4. Rental. Lessee shall pay to Lessor at Lessor's office at the address for notices set forth below promptly on the first day of each month in advance, during the initial term of this Lease and during the term of any renewal term of this Lease, a monthly base rental ("Rent") as measured from the last day of the month of the Commencement Date, during years

YEARS	**MONTHLY RENT**

In addition, Lessee shall pay common area maintenance fees, management fees, apportioned Lessor costs of maintaining the Premises, capital improvements, expenditures and the like (collectively "**CAM**") each month when Rent is due, calculated by Lessor in installments equal to the estimated CAM charges for the current year. On or before the thirtieth (30th) day following the end of each calendar year and, on or before the thirtieth (30th) day following the expiration or earlier termination of this Lease, Lessor and Lessee shall make an adjustment to the CAM paid for any actual reconciliation.

Lessee shall pay a "Late Charge" of 5% of any rental due that is not paid within three (3) days of when due.

5. Covenant of Quiet Enjoyment. Lessee, upon payment of the rent herein reserved and upon the performance of all of the terms of this Lease, shall at all times during the lease term and during any extension or renewal term, peaceably and quietly enjoy the Premises without any disturbance from Lessor or from any other person claiming through Lessor.

6. Use of Premises. Premises shall be used solely for the operation of a Perkins® Restaurant pursuant to the Franchise Agreement and shall be operated subject to the terms and conditions of the Franchise Agreement. Premises shall not be used for any illegal purposes nor in violation of any valid regulation of any governmental body, nor in any manner to create any nuisance or trespass; nor in any manner to vitiate the insurance or increase the rate of insurance on Premises. Lessee agrees not to abandon or vacate Premises during the period of this Lease, and agrees to use said Premises for the purpose herein leased until the expiration hereof.

7. Repairs. Lessee agrees at his own expense to keep and maintain the Premises, and appurtenances and every part thereof in good order and repair during the term hereof, and Lessor shall not be responsible or liable for any repairs or replacements. Upon Lessee taking possession, Lessee shall be conclusively presumed to have accepted the Premises, in its then condition, as being suited for Lessee's use. Thereafter, Lessee shall effect and bear the expense of all necessary repairs, maintenance, operation and replacements. Lessee's obligation to repair and maintain shall include but shall not be limited to the following:

a. The keeping of the heating, air conditioning, water, sewer, electrical and sprinkler systems (if any) together with all fixtures pertaining thereto in good order and repair; and

b. The proper oiling of all equipment on the Premises and the replacement of Freon and filters; and

c. The cleaning, keeping in good order and repair, and striping of the parking lot and driveway pavement; and

d. All other repairs, maintenance, replacements, cleaning and upkeep of Premises of any kind or nature whatsoever.

e. Lessor may inspect the Premises at any time for compliance with this provision. Within two (2) weeks from the termination, expiration, non-renewal, abandonment by Lessee, or any other reason the Lease is no longer in force or the Lessee is no longer open and operating at the Premises, Lessor will inspect ("Final Inspection") the Premises and notify Lessee of any deficiencies or default of this provision within two (2) weeks of performing the Final Inspection. Lessee will pay Lessor for the actual cost of any repairs, maintenance, and replacements for which Lessee is responsible pursuant to this provision within three (3) days of receiving said notice.

Lessee shall at all times maintain the Premises in a clean and sanitary condition, making or causing to be made, all repairs and performing all maintenance, painting, repairing and cleaning procedures as Lessor may reasonably deem necessary and proper. In the event that at any time, Lessee shall fail to maintain the Premises as herein required, such failure shall constitute a default under the terms of this Lease. In such event, Lessor shall have the right, at its election, (without being obligated to do so) to cause such work to be performed as it may deem reasonably necessary and proper and Lessee shall promptly pay the cost of such work to Lessor, together with interest at the rate of 12% per annum for all amounts so advanced. Lessee shall not attach, affix or exhibit, or permit to be attached, affixed or exhibited, on the Premises or any part thereof any articles of a permanent character or any signs without the written consent of Lessor. Lessee shall not make any changes or alterations in the Premises without the written consent of Lessor.

Lessee shall be responsible for and shall pay all costs and expenses of every kind and character resulting from, necessary to and/or arising out of the installation and connection of all restaurant equipment in the building on the Premises. Said costs shall include but shall not be limited to plumbing and electrical expenses.

8. Taxes.

a. In addition to base rent, Lessee shall pay, bear and discharge all federal, state, county and city taxes (including but not limited to ad valorem taxes, use tax, special assessments, governmental charges, sanitary, sewer, school district and fire district levies) upon Premises, and any improvements or additions thereto or thereon. In the event the Premises are less than the entire property assessed for such tax for any such tax year, then the tax for any such year applicable to the Premises shall be determined by proration on the basis that the area of the Premises bears to the area of the entire property assessed. If the first or final year of this Lease fails to coincide with the tax year, then said taxes shall be reduced by the prorata part of such tax before or beyond the Lease term. Should Lessee fail to pay said taxes within fifteen (15) days after notice of same being due, the said failure to pay shall be a default hereunder and Lessor may, at its option take such action as is herein provided for failure to pay rent hereunder.

b. In order to assure that Lessee complies with its obligations under sub-paragraph a. hereof, Lessee shall pay to Lessor a sum equal to all State, County and City taxes (including, but not limited to, ad valorem taxes, use taxes, special assessments an governmental charges and levies) imposed upon the Premises, and any improvements or additions, thereto or thereon, next due or accrued and as same shall accrue from tax period to tax period, divided by the number of months to elapse before one month prior to the date when such taxes will become delinquent, such sums to be held by Lessor to pay said taxes, payments shall be based on the taxes for the previous taxing period. Appropriate adjustments shall be made when the proper amount is known.

c. If the total of the payments made by Lessee under subparagraph b. above shall exceed the amount of payments actually made by Lessor for taxes, such excess shall be credited by Lessor on subsequent payments sufficient to pay the taxes when same shall become due and payable. If Lessee underpays the taxes made by Lessee under subparagraph b. above, then Lessee shall pay to Lessor any amount necessary to make up the deficiency, on or before the date when payment of such taxes be due.

d. Failure of Lessee to make the payments required by this section shall have the same consequences as failure to pay rent promptly when due.

e. PRIOR TO THE TIME PAYMENT OF TAXES IS ACTUALLY MADE BY LESSOR, THE LESSOR SHALL BE ENTITLED TO INTERMINGLE SUCH DEPOSITS WITH ITS OWN FUNDS AND TO USE SUCH SUMS FOR SUCH PURPOSES AS THE COMPANY MAY DETERMINE. THE LESSEE SHALL NOT BE ENTITLED TO ANY INTEREST ON THE TAX PAYMENT DEPOSIT.

9. Tax Contest. Lessee shall have the right, at its own costs and expense, and for its sole benefit, to initiate and prosecute any proceedings permitted by law for the purpose of obtaining an abatement of or otherwise contesting the validity or amount of taxes or charges assessed to or levied upon the demised Premises and required to be paid by Lessee hereunder and to defend any claim for lien that may be asserted against Lessor's estate, and, if required by law, Lessee may take such action in the name of Lessor, as agent of Lessor who shall cooperate with the Lessee to such extent as the Lessee may require to the end that such proceedings may be brought to a successful conclusion. Lessor shall also have the right to initiate and prosecute any proceedings permitted by law for the purpose of obtaining an abatement of or otherwise contesting the validity or amount of taxes or charges assessed to or levied upon the demised Premises and required to be paid by Lessee hereunder and to defend any claim for lien that may be asserted against Lessor's estate. Lessee agrees to reimburse the reasonable expenses of Lessor incident to such proceedings.

10. Insurance. Lessee agrees that he shall at all times during the term hereof, at his own expense, and in the name of and for the protection of himself, the Lessor, and such other persons as Lessor may designate, keep policies of insurance with an insurance company approved by the Lessor as follows:

a. The Premises and all additions, buildings and improvements thereon shall be fully insured against loss or damage by fire, lightning, windstorm and other casualties.

b. Public liability insurance in the usual form indemnifying the aforesaid parties against loss or damage occasioned by any incident or casualty occurring in, upon or about the Premises or the sidewalks, alleys or other property adjacent thereto and against any loss or damage resulting from events covered under the usual form of food and product liability insurance. Such policy or policies shall provide at least the following limits of coverage:

$2,000,000.00	with respect to any injury to any one person;
$2,000,000.00	with respect to injury resulting from any one occurrence giving rise to liability; and
$ 750,000.00	with respect to damage to property resulting from any one occurrence.

c. Lessor shall be named as an additional insured with respect to liability arising out of the operations of the named insured or the performance of this Lease under the aforementioned policies and Lessee shall furnish Lessor with the policies or duly executed certificates of all required insurance, together with satisfactory evidence of the payment of the premiums therefor and upon renewals of such policies, not less than fifteen (15) days prior to the expiration of the term of such coverage. Lessee shall use its best efforts to see that all policies contain an undertaking by the insurers to notify Lessor in writing not less than thirty (30) days before any material change affecting the Premises, reduction in coverage, cancellation, or other termination thereof. If Lessee fails to procure and maintain said insurance, Lessor may, but shall not be obligated to obtain and procure the same, at the expense of Lessee.

11. Destruction of or Damage to Premises. If all or any part of the Premises is damaged or destroyed by fire, storm or other casualty, the Lessor shall repair and rebuild the Premises with reasonable diligence. It is provided, however, that if the Premises are damaged to the extent of fifty percent (50%) or more of the then replacement value thereof, during the last two (2) years of the initial term or any renewal term, Lessor may either elect to repair the damage or may cancel this Lease by notice of cancellation within sixty (60) days after such event, and thereupon this Lease shall expire, and Lessee shall vacate and surrender the Premises to Lessor. Lessor's obligations to repair and rebuild shall require the restoration of the Premises to substantially the same condition as existed prior to such casualty, inclusive of any alterations to, additions to, and improvements of the Premises. In every instance, the Lessee shall pay the deductible portion of expenses and assign to Lessor any and all rights the Lessee may have under insurance policies carried by the Lessee or by the Lessor with respect to such damage or destruction, as well as any rights the Lessee may have to be reimbursed for such damage or destruction pursuant to insurance coverage carried by others, if any, to the extent necessary to reimburse the Lessor for any sum or sums expended by Lessor for such repair or rebuilding.

12. Utility Bills. Lessee shall pay all bills including but not limited to water, gas, electricity, fuel, light, heat or power for Premises or used by Lessee in connection therewith. If Lessee does not pay the same, Lessor may, but shall not be required to, pay the same and such payments shall be added to the rental of Premises. In the event Lessee should fail to timely pay sums due hereunder, such failure shall constitute a breach of this Agreement. In such event Lessor shall have the right, at its election, without being obligated to do so, to pay said sums, and the amount or amounts paid therefore shall be paid immediately by Lessee to Lessor with interest at the daily equivalent of twelve percent (12%) per annum or the highest rate then permitted by applicable law.

13. Compliance with Requirements of Public Authorities. Lessee agrees at its own expense to promptly comply with all requirements of any legally constituted public authority made necessary by reason of Lessee's occupancy of Premises.

14. Indemnification. Lessee shall indemnify Lessor and hold it harmless from any claims, demand, liabilities, actions, suits or proceedings asserted by third parties for damages to persons or property and arising out of the operation of Lessee's business or by reason of the use of the Premises or by reason of the occupancy of the Premises, and all expenses incurred by Lessor because thereof including attorney's fees and court costs.

15. Condemnation.

a. If the whole of the Premises shall be taken for any public or any quasi-public use under any statute or by right of eminent domain, or by private purchase in lieu thereof, then this Lease shall automatically terminate as of the date that title shall be taken. If any part of the Premises shall be so taken as to render the remainder thereof unusable for the purposes for which the Premises were leased, then the Lessee shall have the right to terminate this Lease on thirty (30) days' notice to the Lessor given within ninety (90) days after the date of such taking. In the event that this Lease shall terminate or be terminated, the rental shall be accounted for between Lessor and Lessee as of the date of such notice.

b. If any part of the leased property shall be so taken and this Lease shall not terminate or be terminated under the provisions of subparagraph a. of this paragraph, then the rental shall be equitably apportioned according to the space so taken, and the Lessor shall, at its own cost and expense, restore the remaining portion of the Premises to the extent necessary to render it reasonably suitable for the purposes for which it was leased, and shall make all repairs to the Premises necessary to constitute the building thereon a complete architectural unit.

c. The provisions of subparagraphs a. and b. of this paragraph shall be without prejudice to the rights of either Lessor or Lessee to recover compensation and damage caused by the taking or condemnation. It is understood and agreed that neither the Lessee nor Lessor shall have any rights in any award to the other by any condemnation authority.

16. Assignment and Sublease.

a. By Lessee: Lessee shall not allow or permit any transfer of this Lease or any interest hereunder by operation of law, or assign, convey, mortgage, pledge or encumber this Lease or any interest hereunder or permit the use of the Premises or any part thereof by anyone other than Lessee, or sublet the Premises or any part thereof without in each case obtaining the prior written consent of Lessor. No assignment (with or without Lessor's consent) shall release Lessee from any of its obligations hereunder. Upon the death, physical incapacity or mental incompetency (as reasonably determined by an independent third party such as a licensed medical doctor) of Lessee or of any person with any direct or indirect interest in Lessee, the executor, administrator, or personal representative of Lessee shall transfer his interest to a third party approved by Lessor within six (6) months after the death, incapacity, or incompetency. Such transfer shall by subject to the same conditions as any inter vivos transfer of the franchise, in connection with which the Premises is to be used, as set forth in the Franchise Agreement. If the executor, administrator, or personal representative is unable or unwilling to meet the conditions set forth in the Franchise Agreement, Lessor may terminate this Lease.

b. By Lessor: Lessor may assign all its rights, title and interest in and to the Premises, this Lease and monies due and to become due to the Lessor hereunder. In such event, all the provisions of this Lease for the benefit of the Lessor shall inure to the benefit of and may be exercised by or on behalf of such

assignee, and all rental payments due and to become due under this Lease and assigned to such assignee shall be paid directly to such assignee, and the right of such assignee to the payment of assigned rentals hereunder shall not be subject to any defense, counterclaim, or set off which the Lessee may have against the Lessor, but shall be limited to any defense the Lessee or the Lessor may have against such assignee.

17. Subrogation Waiver. To the extent that they may lawfully do so, Lessor and Lessee hereby expressly waive and release any cause of action or right of recovery which either may have hereafter against the other for any loss or damage to the leased Premises or the contents thereof belonging to either, caused by fire, explosion or other risk covered by the standard form of fire and extended coverage policy (whether or not carried). The Lessor, to the extent it may lawfully do so, shall obtain a waiver from any insurance carrier, if any, with which Lessor carries fire insurance and/or extended coverage insurance covering the building and other improvements releasing its subrogation rights as against Lessee.

18. Right of Entry. Lessor shall have the right to enter upon the Premises to inspect the same, to see that Lessee is complying with Lessee's obligation hereunder, and to show the Premises to prospective Lenders or Purchasers at any and all times and from time to time beginning with the date possession of the Premises is accepted by Lessee.

19. Contents of Lease Confidential. Lessee does acknowledge that the contents of this Lease Contract are confidential in nature and does accordingly covenant and agree not to divulge the contents hereof to any third party, except Lessor's attorneys, financial advisors and lenders, without the written consent of the Lessor.

20. Easement. Lessor does hereby grant and convey to Lessee an easement for ingress, egress and parking over, upon and through all that tract or parcel of land of which Premises is a part, all of the real property which adjoins the Premises, and all the real property which adjoins the tract of land of which the Premises is a part; and which is owned or controlled by Lessor, if any, for the purpose of ingress and egress to and from each and every roadway that services or adjoins the Premises or the tract of land of which the Premises is a part if owned by Lessor and for the purpose of parking.

21. Default. If Lessee defaults for three (3) days after written notice thereof in paying Rent or any other amounts due under this Lease; or if Lessee defaults for five (5) days after written notice thereof in performing any other of his obligations hereunder; or if the Franchise Agreement expires and is not renewed or is terminated; or if Lessee fails to open within one hundred twenty days (120) from the Execution Date or fails to conduct business in the Premises as required by the Lease; or if Lessee abandons (defined as not being open for business full business hours for three (3) consecutive days); or if Lessee or any guarantor hereunder ("Guarantor") is adjudicated a bankrupt; or if a permanent receiver is appointed for Lessee's property, including Lessee's interest in Premises, and such receiver is not removed within forty five (45) days after written notice from Lessor to Lessee to obtain such removal; or if, whether voluntarily or involuntarily, Lessee or any Guarantor takes advantage of any debtor relief proceedings under any present or future law, whereby the Rent or any part thereof is, or any amount due under this Lease, or is proposed to be, reduced or payment thereof deferred; or if Lessee makes an assignment for benefit of creditors; or if Premises or Lessee's effects or interest therein should be levied upon or attached under process against Lessee, not satisfied or dissolved within five (5) days after such levy; then, any in any of said events, Lessor may at its option pursue any one or more of the following remedies, and any and all other rights or remedies accruing to Lessor by law or otherwise, without any notice or demand: commence dispossessory, or forcible detainer proceedings with or without the termination of this Lease; with or without terminating the lease, commence proceedings against Lessee for all amounts owed by Lessee to Lessor, whether as Rent, other amounts due under this Lease, damages or otherwise; terminate the term of this Lease, in which event Lessee shall immediately surrender the Premises to Lessor and immediately pay Lessor all loss and damage which Lessor may suffer by reason of the termination of the term under this Section or otherwise which

loss and damage shall include, without limitation, an amount which, at the date of termination, represents the present value, as computed using and eight percent (8%) per annum discount rate, of the excess, if any of (i) the Rent and all other amounts which would have otherwise been payable hereunder during the remainder of the term of this Lease over (ii) the aggregate reasonable net rental value of the Premises for the same period, after deducting all expenses expected to be incurred in re-letting the Premises. Upon acceleration of such amounts, Lessee agrees to pay the same at once, in addition to all other Rent and any other amounts theretofore due; provided, however, that such payment shall not constitute a penalty or forfeiture, but shall constitute liquidated damages for Lessee's failure to comply with the terms and provisions of this Lease (Lessor and Lessee agreeing that Lessor's actual damages in such event are impossible to ascertain and that the amount set forth above is a reasonable estimate thereof); with or without termination of this Lease, terminate Lessee's right of possession of the Premises and relet all or a portion of the Premises (either alone or together with additional space) on behalf of Lessee and receive directly the rent by reason of the releting. Lessee agrees to pay Lessor on demand any deficiency that may arise by reason of any releting of the Premises and Lessee agrees to reimburse Lessor upon demand for any expenditures made by it for remodeling or repairing in order to relet the Premises and for all other expenses incurred in connection with such releting, including brokerage commissions and attorney's fees. Lessor shall use reasonable efforts to relet the Premises but shall have no obligation to treat preferentially the Premises compared to other Premises Lessor has available for lease, shall not be obligated to expend any efforts or any monies beyond those Lessor would expend in the ordinary course of leasing space, and shall be entitled to consider the term, rental, use and the reputation, experience and financial standing of prospective Lessees in evaluating a prospective releting. Provided Lessor has used such reasonable efforts, Lessor shall not be liable for any failure to relet the Premises, in whole or in part, nor for any failure to collect any rent due from any such releting; enter upon and take possession of the Premises, without being liable for prosecution of any claim for damages or for trespass or other tort. In the event that Lessor shall have taken possession of the Premises pursuant to the authority herein granted, then Lessor shall have the right to keep in place and use any additions, alterations and improvements thereto. Lessor shall also have the right to remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration, or other legal process, all or any portion of such furniture, trade fixtures, equipment, and other personal property located thereon and place same in storage at any premises within the county in which the Premises is located. In such event, Lessee shall be liable to Lessor for the reasonable costs incurred by Lessor in connection with such removal and storage and shall indemnify and hold Lessor harmless from all loss, damage, cost, reasonable expense, and liability in connection with such removal and storage; do or cause to be done whatever Lessee is obligated to do under the terms of this Lease, in which case Lessee agrees to reimburse Lessor on demand for any and all costs or expenses which Lessor may thereby incur. Lessee agrees that Lessor shall not be liable for any damages resulting to Lessee from Lessor's effecting compliance with Lessee's obligations under this subsection, whether caused by the negligence of Lessor or otherwise; enforce the performance of Lessee's obligations hereunder by injunction or other equitable relief (which remedy may be exercised upon any breach or default or any threatened breach or default of Lessee's obligations hereunder).

Anything hereinbefore contained to the contrary notwithstanding, if any default shall occur, other than the payment of money, which cannot with due diligence be cured within a period of ten (10) days, the Lessee prior to the expiration of ten (10) days from and after the giving of notice as aforesaid, commences to eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default, then Lessor shall not have the right to declare the said term ended by reason of such default as long as such default is cured as soon as possible.

22. Reletting by Lessor. Lessor, as Lessee's agent, without terminating this Lease, upon Lessee's breach of this Lease, in such a manner as to authorize termination as provided herein, may at Lessor's option enter upon and rent Premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Lessor deems proper. Lessor may, but shall not be required to,

make efforts to relet the Premises. Lessee shall be liable to Lessor for the deficiency, if any, between Lessee's rent hereunder and the price obtained by Lessor on reletting.

23. Effect of Termination of Lease. No termination of this Lease prior to the normal ending thereof by lapse of time or otherwise shall affect Lessor's right to collect rent for the period prior to termination thereof.

24. Removal of Fixtures. Lessee may (if not in default hereunder) prior to the expiration of this Lease or any renewal thereof, remove all equipment which Lessee has placed in Premises, which is the property of Lessee, provided Lessee restores Premises to their condition at the installation thereof and repairs all damages to the Premises caused by such removal. However, Lessee shall not place any furniture, fixtures or equipment on the Premises without the express written consent of the Lessor.

25. Surrender of Premises. At the expiration or termination of this Lease, Lessee shall surrender Premises and keys thereof to Lessor in the same condition as at commencement of term, natural wear and tear only excepted.

26. Holding Over. If Lessee remains in possession after expiration of the term hereof, with Lessor's acquiescence and without any express agreement of parties, Lessee shall be a tenant at will; and there shall be no renewal of this Lease by operation of law. The monthly rental during such holdover period shall be the greater of (i) the amount calculated if Lessee had exercised an option to renew, or (ii) 150% of the last full month's rental due in the immediately preceding term of the Lease.

27. Entry for Carding, etc. Lessor may card Premises "For Rent" or "For Sale" thirty (30) days before the termination of this Lease. Lessor may enter the Premises at any and all times to exhibit same to prospective purchasers or tenants; to inspect Premises to see that Lessee is complying with all his obligations hereunder; and to make repairs required of Lessor under the terms hereof, if any, or repairs to Lessor's adjoining property, if any.

28. Compliance with Required Action. If Lessee should fail to complete any action required of Lessee in this Lease within the time specified or within five (5) days if no time in terms of days is specified, Lessor may, but shall not be required to do so, take such action as may be possible for it to take and add the cost thereof to the payment of Rent or other payments due to Lessor under the terms of this Lease. This provision shall be cumulative and not restrictive of such other and further remedies as may be available to Lessor at law. It is further agreed that Lessee shall indemnify and save harmless the Lessor against all claims for damages, to persons or property and all expenses incurred by Lessor including attorney's fees and court costs arising out of the required action and/or the failure to take same from the time the condition which necessitates said action comes to the knowledge of the Lessor until such action is complete.

29. Attorney's Fees and Homestead. If any rent or other payments owing to Lessor under this Lease is collected by or through an attorney at law, Lessee agrees to pay fifteen (15%) percent thereof as attorneys' fees. Lessee waives all homestead rights and exemptions which Lessee may have under any law as against any obligation owing under this Lease. Lessee hereby assigns to Lessor his homestead and exemption.

30. No Estate in Land. This contract shall create the relationship of landlord and tenant between Lessor and Lessee; no estate shall pass out of Lessor; Lessee has only a usufruct, not subject to levy and sale.

31. Notice. If at any time after the execution of this Lease, it shall be required or become necessary or convenient for one of the parties hereto to serve any notice demand or communication upon the other party, such notice, demand or communication shall be in writing, signed by the party serving the same, sent by

nationally recognized courier, or deposited in registered or certified United States Mail, return receipt requested, postage prepaid and;

(A) if intended for Lessor, shall be addressed to:

Perkins LLC
Attn: Legal Dept.
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328
(770) 325-1300

and;

(B) if intended for Lessee, shall be addressed to:

Franchisee name
Franchisee notice address
Franchisee notice address line 2
FRANCHISEE CITY, FRANCHISEE STATE
FRANCHISEE ZIP CODE
FRANCHISEE TELEPHONE NUMBER

or, to such other addresses as either party may have furnished to the other in writing in the manner set forth herein as a place for service of notice.

32. Captions. The captions used in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Lease, nor in any way affect this Lease.

33. Grammatical Use. In construing this Lease, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms, shall be substituted for singular and singular for plural in any place in which the context so requires.

34. Definitions. "Lessor" as used in this Lease shall include Lessor, its, representatives, assigns, and successors in title to Premises; "Lessee", if this Lease shall be validly assigned or sublet, shall include his assignees and sublessees. Lessor and Lessee include male and female, singular and plural, corporations, partnership, or individual, as may fit the particular parties.

35. All Rights Cumulative. All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative but not restrictive of those given by law.

36. Equal Construction and Time of Essence. This Lease shall be construed equally between the parties and time is of the essence of this contract.

37. Severability. If any provision of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect.

38. Rule Against Perpetuities. If this Lease has not been previously terminated pursuant to the terms and provisions contained herein, and the term of this Lease and/or the accrual of rent hereunder shall not have commenced within ten (10) years from the date of this Lease, then and in that event this Lease shall thereupon become null and void and shall have no further force and effect whatsoever in law or equity.

39. Entire Agreement. This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect. No failure of Lessor to exercise any power given Lessor hereunder, or to insist upon strict compliance by Lessee of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's right to demand exact compliance with the terms hereof.

40. Special Stipulation. Insofar as the special stipulations more particularly set forth in Exhibit B attached hereto and incorporated herein by reference conflict with any of the foregoing provisions, the special stipulations shall control.

41. Security Deposit. Simultaneously with Lessee's execution of this Lease, Lessee shall deposit with Lessor, a security deposit equal to Lessee's monthly base rental applicable in the first year, which shall be security for the performance by Lessee of all of Lessee's obligations, covenants, conditions and agreements under this Lease. Lessor shall not be required to maintain such security deposit in a separate account. Except as may be required by law, Lessee shall not be entitled to interest on the security deposit. Provided Lessee is not in default under this Lease, within ninety (90) days after the expiration or termination of this Lease or Lessee's vacating the Premises, Lessor shall return such security deposit to Lessee, less such portion thereof as Lessor shall have appropriated to satisfy any of Lessee's obligations, or any default by Lessee, under this Lease. If there shall be any default by Lessee under this Lease, then Lessor shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the security deposit for the payment of any (a) base rental, additional rent or any other sum as to which Lessee is in default, or (b) amount Lessor may spend or become obligated to spend, or for the compensation of Lessor for any losses incurred, by reason of Lessee's default (including, but not limited to, any damage or deficiency arising in connection with the reletting of the Premises). If any portion of the security deposit is so used or applied, then within three (3) business days after Lessor gives written notice to Lessee of such use or application, Lessee shall deposit with Lessor cash in an amount sufficient to restore the security deposit to the original amount, and Lessee's failure to do so shall constitute an Event of Default under this Lease. If Lessor transfers the security deposit to any purchaser or other transferee of Lessor's interest in this Lease, then Lessee shall look only to such purchaser or transferee for the return of the security deposit, and Lessor shall be released from all liability to Lessee for the return of such security deposit. Lessee shall not pledge, mortgage, assign or transfer the security deposit or any interest therein.

IN WITNESS WHEREOF, the parties have executed these presents in duplicate the day and year first above written.

LESSOR

PERKINS LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT A

Legal Description

EXHIBIT B

1. Assumption of Obligations Under Lease. The Lessee does hereby rent and sublease from Lessor that certain piece and tract of land described in Exhibit A, attached hereto and incorporated herein by reference subject to the following terms, conditions, and stipulations:

a. Lessee, as part of the consideration herein, assumes and agrees to perform each and every act, covenant, and duty required of Lessor by the terms, conditions, and stipulations of the Lease attached as Exhibit "C" and incorporated herein and made a part hereof by reference thereto, with the single exception of the rental amount, which will be paid to the owner directly by Perkins LLC (Lessor). Lessee further acknowledges that the Lease itself is governed by various Federal, State and Local rules, regulations, status, and ordinances, the failure to comply with which would adversely affect the Lease and the status of Perkins LLC as tenant therein. Therefore, Lessee agrees to comply with any and all required acts or refrain from such acts as may be promulgated and enacted by such governmental authority and Lessee further agrees to indemnify and save harmless Lessor, its successors and/or assigns, for any loss or damage arising out of Lessee's failure to do so.

b. It is therefore acknowledged by Lessee that Lessor has only a usufruct with regard to the above and that Lessee's interest shall be subject to the terms of the Lease as set forth in Exhibit C. Lessee and Lessor covenant and agree that Lessor shall not be held liable to Lessee for any damages caused by a breach by Lessor, its heirs and/or assigns, of the Lease as set forth in Exhibit C.

EXHIBIT C

UNDERLYING LEASE

EXHIBIT D

[INVENTORY OF EQUIPMENT AND SIGNS WILL BE INSERTED HERE IF APPLICABLE]

SUBLEASE

THIS SUBLEASE AGREEMENT ("Sublease") is made and effective as of _____, 20__ (the "Effective Date"), by and between **PERKINS LLC**, a Delaware limited liability company ("Sublandlord"), and **[_____]**, a [_____] ("Subtenant").

RECITALS

A. _____, a _____ ("Master Landlord"), and Sublandlord, as tenant, entered into that certain Master Lease Agreement dated _____, 20__ [_____] ("Master Lease") covering the Property legally described in the Master Lease and located at _____ (the "Premises"). A copy of the Master Lease is attached as Exhibit A hereto and incorporated herein.

B. Subtenant desires to sublet from Sublandlord the entirety of the Premises (the "Sublease Premises") and Sublandlord desires to sublease the Sublease Premises to Subtenant on the terms, covenants and conditions contained in this Sublease.

C. Capitalized terms not defined herein shall have the same meaning as set forth in the Master Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and promises of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant agree as follows:

1. **Sublease**.

Upon and subject to the terms, covenants and conditions hereinafter set forth, Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, the Sublease Premises. The Sublease shall at all times be subject and subordinate to the Master Lease.

2. **Term; Franchisor Requirements.**

2.1 The term of this Sublease ("Term") shall commence on the Effective Date and, unless sooner terminated as provided herein, shall terminate upon the earlier of (i) [_____], (ii) the expiration of the Term of the Master Lease, or (iii) the termination of the Master Lease for any reason ("Termination Date"). Subtenant shall have the right to extend the Term for [_____] ("Extension Option") on the same terms and conditions set forth herein; provided, however, the Extension Options remain subject to Sublandlord exercising its extension options pursuant to the Master Lease. Subtenant shall exercise the Extension Option by delivering written notice to Sublandlord of its election to extend the Term pursuant to the Extension Option at least six (6) months prior to the Termination Date.

2.2 In addition to the requirements set forth in this Sublease, Subtenant, in its use, occupancy and maintenance of the Sublease Property, shall comply with all requirements of that certain Franchise Agreement dated as of [_____] by and between Sublandlord, as franchisor ("Franchisor"), and Subtenant, as franchisee (the "Franchise Agreement"). Subtenant shall not sell, assign, pledge, hypothecate or otherwise transfer the Franchise Agreement, or any rights or obligations thereunder, without Sublandlord's prior written consent which may be withheld in Sublandlord's sole discretion. Any default under any agreement with Sublandlord, any default under the Franchise Agreement, or any attempted sale,

assignment, pledge, hypothecation or transfer of the Franchise Agreement by Subtenant shall be an Event of Default hereunder and shall be voidable at the sole option of Sublandlord, and any consent to the foregoing given by Sublandlord hereunder shall not be deemed a consent to any subsequent sale, assignment, pledge, hypothecation or transfer.

2.3 Subtenant disclaims, repudiates, and denies any ownership, right, title or interest in and to any Logos, Service Marks, or Trademarks that are now or hereafter become the property of Franchisor.

3. **Rent; Additional Rent**.

3.1 Subtenant agrees to pay Sublandlord as initial Rent ("Rent") for the Sublease Premises in the amount of [_____] and No/100 Dollars [($_____)] per annum. Such Rent shall be paid on or before the first day of each month during the Term hereof in equal monthly installments of [_____] and No/100 Dollars [($_____)]. Rent shall increase by [_____] percent [(__%)] annually, over the Rent payable during the immediately preceding Lease Year.

3.2 In the event that Subtenant shall fail to pay any installation of Rent within ten (10) days after the date on which such payment is due, Subtenant shall pay to Sublandlord a late charge equal to five percent (5%) of the installment or amount due in order to compensate Sublandlord for the extra administrative expenses incurred. Rent that is more than ten (10) days past due shall bear interest at the Default Rate (as defined in the Master Lease), from that date until paid.

3.3 In addition to Rent, Subtenant agrees to pay all costs, expenses and obligations of every kind and nature whatsoever relating to the Sublease Premises (even if an obligation relating to the Sublease Premises is, pursuant to any applicable legal requirements or pursuant to a recorded agreement, the obligation of the fee owner of the Sublease Premises) and all such obligations shall be performed and paid by Subtenant, including without limitation, common area maintenance charges, if any, related to the Sublease Premises. Subtenant shall perform all of its obligations under this Sublease at its sole cost and expense. Subtenant hereby acknowledges and agrees that Rent due hereunder shall be absolutely net, without deduction, set off or abatement.

3.4 Subtenant shall pay all bills for water, fuel, light, heat or power for Sublease Premises or used by Subtenant in connection therewith. If Sublandlord pays directly to providers and Subtenant reimburses Sublandlord, and Sublandlord does not pay the same, Subtenant may, but shall not be required to, pay the same and such payments shall be deducted from the rental of Premises. Sublandlord warrants that as of the Effective Date all utilities for serving the building are in good condition and adequate for Subtenant's use.

3.5 Subtenant shall pay, or at Sublandlord's option, reimburse Master Landlord or Sublandlord, as the case may be, for the payment by Master Landlord or Sublandlord of, all taxes, assessments, and other governmental charges, whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing the Property or by others, subsequently created or otherwise, and any other taxes and assessments levied or assessed against the Property (together, "Taxes"). If Subtenant pays the Taxes directly, Subtenant shall pay all Taxes before the date they become delinquent and shall provide to Sublandlord written tax receipts evidencing payment of the Taxes at least ten (10) days prior to the date such Taxes become delinquent. If Sublandlord elects to pay the Taxes and have Subtenant reimburse Sublandlord for those Taxes, Subtenant shall pay to Sublandlord on the same day as installments of Rent are due, as Additional Rent under this Sublease, one-twelfth (1/12th) of the amount of Taxes estimated by Sublandlord to become due with respect to the Property for that year. On or before January 31 of each year, Sublandlord shall submit a statement to Subtenant for the actual amount of Taxes due for the previous year, less amounts already paid by Subtenant, and (a) if there is an underpayment by Subtenant,

Subtenant shall pay such amount within fifteen (15) days after receipt of such statement thereof, or (b) if there is an overpayment by Subtenant, Sublandlord shall credit against Rent or refund to Subtenant, at Subtenant's option, the difference, if any, of the Taxes paid by Subtenant and the amount of actual Taxes for that year. Sublandlord shall promptly provide Subtenant with each real property tax bill that Sublandlord receives from and after the Effective Date at least thirty-five days before the date that payment to the taxing authority is due. Sublandlord shall pay the last tax bill issued during the Term if such tax bill covers a period of time following the expiration or earlier termination of the Term and Subtenant shall reimburse Sublandlord for its share thereof, prorated on a daily basis. Subtenant shall have the right to challenge, at Subtenant's sole expense, the Taxes, and Sublandlord agrees to provide, whatever assistance or cooperation that Subtenant may reasonably require, including Sublandlord agreement to sign all necessary instruments in connection with such application or appeal. Notwithstanding anything to the contrary contained herein, Taxes shall not include: (a) any inheritance, estate, succession, transfer, gift, franchise, or capital stock tax; (b) any gross or net income taxes; or (c) any excise taxes imposed upon Master Landlord or Sublandlord based upon gross or net rentals or other income received by it.

4. **Incorporation of Master Lease By Reference; Assumption**.

4.1 Subtenant acknowledges that it has read the Master Lease and is fully familiar with the terms and conditions thereof. All of the paragraphs of the Master Lease are incorporated into this Sublease as if fully set forth in this Sublease. With respect to the Sublease Premises, the term "Sublandlord" as used therein shall refer to "Sublandlord" hereunder, the term "Subtenant" as used therein shall refer to "Subtenant" hereunder, the term "Lease" as used therein shall refer to this Sublease and the term "Property or Properties" as used therein shall refer to the Sublease Premises described herein. Except as specified in this Sublease and specifically provided in Section 2.1 and Section 3.1, (a) this Sublease is subject to all of the terms of the Master Lease and (b) if any provisions of this Sublease expressly conflict with any portion of the Master Lease as incorporated herein, the terms of the Master Lease shall govern. Subtenant shall assume and perform for the benefit of Sublandlord and Master Landlord all of Sublandlord's obligations under the Master Lease to the extent that such provisions are applicable to the Sublease Premises.

4.2 This Sublease shall at all times during the Term remain subject and subordinate to the Master Lease and to all modifications, amendments and extensions of the Master Lease.

4.3 Anything contained in this Section 4 or elsewhere in this Sublease to the contrary notwithstanding, Subtenant shall have no right to exercise any renewal of the Master Lease unless otherwise agreed to in writing by the Master Landlord.

4.4 At any time and on reasonable prior written notice to Subtenant, Sublandlord may elect to require Subtenant to perform Subtenant's obligations under this Sublease directly to Master Landlord, in which event Subtenant shall send to Sublandlord from time to time copies of all notices and other communications it shall send to and receive from Master Landlord. In addition, at any time and with reasonable notice to Sublandlord, Subtenant may elect to perform Subtenant's obligations under the Sublease, and Sublandlord's obligations under the Master Lease, directly to Master Landlord. Subtenant shall not do or permit to be done anything which would constitute a violation or breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Master Landlord. If the Master Lease terminates, this Sublease shall terminate and the parties shall be relieved from all liabilities and obligations under this Sublease arising subsequent to such termination, except as specified in the Master Lease or which, by their nature, survive such termination. For purposes of certainty, the parties acknowledge that Subtenant's right to possess and occupy the Sublease Premises under this Sublease will terminate upon the termination of the Master Lease.

5. **Acceptance of Sublease Premises "As Is".**

The Sublease Premises shall be delivered to Subtenant in "As Is and With All Faults" condition and without any representations and warranties with respect thereto by Sublandlord, its agents, officers, directors or employees. Sublandlord and its agents, employees, officers and directors have made no representations or promises with respect to the Sublease Premises. The taking of possession of any portion of the Sublease Premises by Subtenant shall be conclusive evidence that Subtenant accepts the same "As Is and with All Faults" and that the Sublease Premises are suited for the use intended by Subtenant and are in good and satisfactory condition at the time such possession was taken. Notwithstanding anything to the contrary contained herein, Subtenant acknowledges and affirms its continuing repair and maintenance obligations pursuant to that certain Lease Agreement dated [_____] by and between Sublandlord, as landlord, and Subtenant, as tenant.

6. **Defaults and Remedies; Holdover**.

6.1 Upon any default by Subtenant under this Sublease or under the Master Lease, Sublandlord shall have all rights and remedies available at law or in equity, including, without limitation, the rights and remedies available to Master Landlord as described in the Master Lease.

6.2 Any holdover by Subtenant of any portion of the Sublease Premises beyond the scheduled Termination Date shall result in the payment of rent equal to the holdover rent and any other sums payable by Sublandlord pursuant to the Master Lease. Notwithstanding the foregoing, Subtenant shall have no right to holdover any portion of the Sublease Premises.

6.3 In the event of a non-monetary default by Subtenant under the Sublease, Subtenant shall have the same notice and cure rights provided for in the Master Lease as Sublandlord would have for a similar default under the Master Lease.

6.4 Sublandlord shall promptly notify Subtenant in writing of any default by either Sublandlord or Master Landlord under the terms and conditions of the Master Lease.

7. **Alterations; Repairs & Maintenance**.

7.1 Alterations. In the event Subtenant desires to make any improvements or alterations to the Sublease Premises which, if made by Sublandlord, would require the consent of Master Landlord under the Master Lease, prior to making any such alterations Subtenant shall obtain the prior written consent of Master Landlord pursuant to the terms of the Master Lease, with a copy of the Master Landlord's written consent provided to Sublandlord prior to the commencement of any such improvements or alterations.

7.2 Maintenance. In addition to all maintenance and repair obligations of the Sublandlord under the Master Lease, Subtenant shall, at its sole cost and expense, be responsible for:

(a) keeping all of the building, structures and improvements erected on the Sublease Premises in good order and repair, free from actual or constructive waste, including without limitation, the roof and the HVAC and other electrical and mechanical systems;

(b) the repair or reconstruction of any building, structures or improvements erected on the Sublease Premises damaged or destroyed by a casualty;

(c) making all necessary structural, non-structural, exterior and interior repairs and replacements to any building, structures or improvements erected on the Sublease Premises;

(d) operating, remodeling, updating and modernizing the Sublease Premises in accordance with those standards adopted from time to time on a system-wide basis, including but not limited to the standard required from time to time by a Franchisor;

(e) the repair of all electric fixtures and plumbing fixtures, and all machinery and equipment that it utilizes for its operations located within the interior of the Sublease Premises including direct or indirect quarterly maintenance of grease traps, provided, however, if Subtenant chooses, in its sole right and discretion, to replace any items of equipment or signage instead of repair, any replacement equipment or signage shall be property of Sublandlord if obtained by Subtenant; and

(f) paying all operating costs of the Sublease Premises in the ordinary course of business. Subtenant waives any right to require Sublandlord to maintain, repair or rebuild all or any part of the Sublease Premises or make repairs at the expense of Sublandlord pursuant to any legal requirements at any time in effect.

8. **Subtenant's Insurance**.

8.1 Subtenant, at its sole cost and expense, shall maintain or cause to be maintained from and after the Effective Date and throughout the Term, the insurance required to be carried by Sublandlord under the Master Lease with respect to the Sublease Premises and shall comply with all requirements for insurance set forth in the Master Lease**.**

8.2 Subtenant hereby waives on behalf of itself and on behalf of its insurers any and all rights of recovery against Sublandlord, Master Landlord and the officers, employees, agents and representatives of Sublandlord or Master Landlord on account of loss or damage occasioned to Subtenant or its property or the properties of others under its control caused by fire or any of the extended coverage risks described hereunder to the extent that such loss or damage is insured under any insurance policy in force at the time of such loss or damage or required to be carried hereunder. If necessary for its effectiveness, Subtenant shall give notice to its insurance carrier of the foregoing waiver of subrogation. Sublandlord hereby waives on behalf of itself and on behalf of its insurers any and all rights of recovery against Subtenant and its officers, employees, agents and representatives on account of damage to the Sublandlord or its property or the properties of others under its control caused by fire or any of the extended coverage risks described herein to the extent that such loss or damage is insured under any insurance policy in force at the time of such loss or damage or required to be carried hereunder.

9. **Notices**.

If at any time after the execution of this Sublease, it shall be required or become necessary or convenient for one of the parties hereto to serve any notice demand or communication upon the party, such notice, demand or communication shall be in writing, signed by the party serving the same, deposited in registered or certified United States Mail, return receipt requested, postage prepaid or a nationally recognized overnight courier and:

If to Sublandlord: Perkins LLC
Attn: Legal Dept.
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328
(770) 325-1300

If to Master Landlord: _____
_____
_____
_____
_____

If to Subtenant: _____
_____
_____
_____
Attention: _____

or such addresses as may hereafter be designated by either party in writing. Any such notices shall be sent in accordance with the Master Lease.

10. **Sublet; Assignment**. Subtenant may not transfer or assign this Sublease, or any right or interest hereunder or further sublet the Sublease Premises or any part thereof without first obtaining the prior written consent and approval of the Sublandlord. Sublandlord shall be permitted to assign its interest in the Master Lease and this Sublease in accordance with the Master Lease.

11. **General Provisions**

11.1 Entire Agreement. This Sublease contains all of the agreements of the parties, and there are no verbal or other agreements which modify or affect this Sublease. This Sublease supersedes any and all prior agreements made or executed by or on behalf of the parties hereto regarding the Sublease Premises and sets forth obligations concerning the Sublease Premises.

11.2 Terms and Headings. The words "Sublandlord" and "Subtenant" include the plural as well as the singular, and words used in any gender include all genders. The titles to sections of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part hereof. Capitalized terms used in this Sublease without definition which are defined in the Master Lease shall have the same meanings given to such terms in the Master Lease.

11.3 Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Sublease shall inure to and be binding upon Sublandlord and Subtenant and their respective successors and assigns.

11.4 Brokers. Subtenant represents and warrants to Sublandlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees with respect to the negotiation, execution or delivery of this Sublease and shall indemnify, defend and hold harmless Sublandlord and Master Landlord against any loss, cost, liability or expense incurred by Sublandlord or Master Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or asserted to have been made by or on behalf of Subtenant. Sublandlord represents and warrants to Subtenant that it has not engaged any broker, finder or other person who would be entitled to any commission or fees, with respect to the negotiation, execution or delivery of

this Sublease and shall indemnify, defend and hold harmless Subtenant against any loss, cost, liability or expense incurred by Subtenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Sublandlord.

11.5 Severability. Any provision of this Sublease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

11.6 Force Majeure. Except as may be otherwise specifically provided herein, time periods for either party's performance under any provisions of this Sublease not involving the payment of money or rent shall be extended for periods of time during which said party's performance is prevented due to circumstances beyond the party's control, including, without limitation, strikes, embargoes, governmental regulations, acts of God, war or other strife.

11.7 Examination of Lease. Submission of this instrument for examination or signature by Subtenant does not constitute a reservation of or option to lease, and it is not effective as a lease or otherwise unless and until (a) the execution by and delivery to both Sublandlord and Subtenant, and (b) the Master Landlord consents hereto as provided above.

11.8 Recording. Neither Sublandlord nor Subtenant shall record this Sublease nor any memorandum hereof without the written consent of the other and the Master Landlord.

11.9 Applicable Laws. This Sublease shall be governed by and construed pursuant to the laws of the state provided in the Master Lease.

11.10 Time is of the essence of this Sublease.

11.11 Survival of Obligations. All provisions of this Sublease which require the payment of money or the delivery of property after the termination of this Sublease or require Subtenant to indemnify, defend or hold Sublandlord and/or Master Landlord harmless or require Sublandlord to indemnify, defend or hold Subtenant harmless shall survive the termination of this Sublease.

11.12 Appendices and Riders. The following appendices and riders are attached hereto and by this reference made a part of this Sublease:

EXHIBIT A Master Lease

[*SIGNATURE PAGES TO FOLLOW*]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first above written.

SUBLANDLORD:

PERKINS LLC, a Delaware limited liability company

By: _____
Name: Michael Abt
Title: Chief Executive Officer

SUBTENANT:

_____

By: _____
Name: _____
Title: _____

EXHIBIT A

MASTER LEASE

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, the legal entity identified as Assignor on the signature page of this Collateral Assignment of Lease, ("**Assignor**") hereby assigns, transfers and sets over unto PERKINS LLC, a Delaware limited liability company ("**Assignee**") all of Assignor's right, title and interest as tenant in, to and under those certain leases, identified on Attachment 1 attached hereto (the "**Lease**") with lessor ("**Lessor**") respecting premises being more particularly described on Exhibit A, attached hereto ("**Premises**"). This Agreement is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of Lease unless Assignee shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder. Any possession of the Premises by Assignee shall be deemed to be under a month-to-month tenancy and Assignee shall not be deemed to have assumed any obligations of Assignor, except for the payment of the monthly rental payments set forth in the Lease during such period of occupancy by Assignee.

1. General Terms.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the Premises demised thereby.

Upon a default by Assignor under the Lease or under the Franchise Agreement for a Perkins Unit between Assignee and Assignor (the "**Franchise Agreement**"), or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement or financing for the Franchised Business, or in the event the Franchise Agreement is not renewed, expires or is terminated for any reason, or after the Lease is not renewed, expires or is terminated for any reason (with term remaining), or in the event that Assignor does not notify Assignee in writing at least six (6) months prior to the expiration of the Franchise Agreement of Assignor's intent to renew the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor represents and warrants to Assignee that the Lease is for a term which, with renewal options exercisable by Assignor, are coterminous the initial term and any renewal terms of the Franchise Agreement.

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the term of the right to operate the Franchise Agreement and renewals, if any, of Assignor's rights to operate a Perkins Unit, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

2. Terms Applicable when Lease is with Affiliated Lessor. The following terms and conditions apply only if the Lessor is, or becomes an Affiliated Lessor (as defined below).

If Lessor is or becomes the same as or under common control with or affiliated with Assignor or its owners and/or members (an "**Affiliated Lessor**"), the Affiliated Lessor under the afore described Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by Affiliated Lessor of written notice thereof in accordance with Section 2(a) above;

(c) Consents to this Collateral Assignment and agrees that if Assignee (or an affiliate of Assignee designated by Assignee) shall take possession of the Premises demised by the Lease and confirms to Affiliated Lessor the assumption of the Lease by Assignee (or, if applicable, an affiliate of Assignee) as tenant thereunder, Affiliated Lessor shall recognize Assignee (or, if applicable, an affiliate of Assignee) as tenant under the Lease;

(d) Agrees that Assignee (or Assignee's designated affiliate) without the consent of Affiliated Lessor may further assign or sublet the Lease to a person, firm or corporation who is a Perkins franchise owner, or to an affiliate of Assignee;

(e) Agrees that if Assignee exercises its right for Assignee, or an affiliate of Assignee, to become the tenant on the Premises pursuant to Section 2(c) hereof, and does not further assign or sublet the lease pursuant to Section 2(d) hereof, Assignee (or, if applicable, Assignee's designated affiliate) each of the following terms shall apply:

(i) The rent payable by Assignee to the Affiliated Lessor for the Premises will be fair market value rent, provided that in no event will the rent exceed eight percent (8%) of Net Sales (as defined in the Franchise Agreement) per month based on the average monthly Net Sales of the Unit operated by Assignor during the previous twelve (12) months (and to the extent the rent otherwise to be charged exceeds the fair market value, then Assignor shall be responsible for payment of the amount in excess the fair market value). If Affiliated Lessor and Assignee (or, if applicable, Assignee's designated affiliate) have not agreed upon a fair market value for rent within ten (10) days after notice by Assignee of its exercise of its rights to become a tenant of the Premises, then the fair market value for rent will be determined according to Section 2(e)(iv) below.

(ii) Assignee shall have the continuing option during the term of the Lease and renewals thereof, if any, to purchase Affiliated Lessor's interest in the Premises, including without limitation the building and land constituting the Premises, at fair market value purchase price. If Affiliated Lessor and Assignee have not agreed upon a fair market value within thirty (30) days after notice by Assignee of its preliminary intent to purchase, then the fair market value purchase price will be determined according to the terms of Section 2(e)(iv) below. Within ten (10) days after Assignee has been notified of fair market value purchase price (once determined pursuant to Section 2(e)(iv)), Assignee may exercise its option to purchase by notice to Affiliated Lessor, for cash or upon terms agreed upon, with closing to be held no sooner than fifteen (15) days from the date Assignee notified Affiliated Lessor that it is prepared to proceed with the closing and no later than ninety (90) days thereafter; otherwise such option shall expire.

(iii) Assignor and Affiliated Lessor further agree that if Assignee designates an affiliate to exercise Assignee's right under Sections 2(e)(i) or 2(e)(ii) above, the terms of this Section shall apply with respect to such affiliate as if Assignee were directly exercising such right.

(iv) For a period of up to seven (7) days of the expiration of the time period specified above to mutually agree upon (as applicable) the fair market value purchase price or fair market value rent, Affiliated Lessor and Assignee will attempt to mutually agree upon an appraiser to determine such fair market value. If Affiliated Lessor and Assignee do not mutually appoint an appraiser within that seven (7) day period, Assignee, within seven (7) days thereafter, shall notify Affiliated Lessor of the names of two appraisers or firms having the capacity to perform or engage others to perform appraisals of the Premises for determining, as applicable, the fair market value for purchase or rent. Affiliated Lessor shall select, within seven (7) days after such notification by Assignee, one of such appraisers or firms to be responsible for determining the applicable fair market value; otherwise, Assignee shall select one such appraiser or firm to be responsible for determining the applicable fair market value and such appraiser's or firm's decision shall be binding. Each party shall divide equally the cost of any appraiser or firm.

IN WITNESS WHEREOF Assignor has signed, and delivered the within Collateral Assignment of Lease this the date written below.

For Perkins® Restaurant Unit Number: _____

ASSIGNOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

ASSIGNEE
PERKINS LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY IS INSERTED HERE

ATTACHMENT 1
SCHEDULE OF LEASE

1. Lease dated _____ by and between LANDLORD NAME, a STATE LANDLORD_ENTITY, as Lessor and FRANCHISEE NAME, as Lessee.

ATTACHMENT 2
CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the afore described Lease hereby:

(a) Consents to the foregoing Collateral Assignment and agrees that if Assignee (or an affiliate of Assignee designated by Assignee) shall take possession of the Premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee (or, if applicable, an affiliate of Assignee) as tenant thereunder, Lessor shall recognize Assignee (or, if applicable, an affiliate of Assignee) as tenant under the Lease;

(b) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(c) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within twenty (20) days after delivery by Lessor of written notice thereof in accordance with Section (b) above;

(d) Agrees that Assignee (or Assignee's designated affiliate) without the consent of Lessor may further assign or sublet the Lease to a person, firm or corporation who is a Perkins franchise owner, or to an affiliate of Assignee;

(e) Agrees that if Assignee exercises its right for Assignee, or an affiliate of Assignee, to become the tenant on the Premises pursuant to Section (a) hereof, and does not further assign or sublet the lease pursuant to Section (d) hereof, Assignee (or, if applicable, Assignee's designated affiliate) each of the following terms shall apply:

(i) Assignee shall have the continuing option during the term of the Lease and renewals thereof, if any, to purchase Lessor's interest in the Premises, including without limitation the building and land constituting the Premises, at fair market value purchase price. If Lessor and Assignee have not agreed upon a fair market value within thirty (30) days after notice by Assignee of its preliminary intent to purchase, then the fair market value purchase price will be determined according to the terms of Section (e)(iii) below. Within ten (10) days after Assignee has been notified of fair market value purchase price (once determined pursuant to Section (e)(iii)), Assignee may exercise its option to purchase by notice to Lessor, for cash or upon terms agreed upon, with closing to be held no sooner than fifteen (15) days from the date Assignee notified Lessor that it is prepared to proceed with the closing and no later than ninety (90) days thereafter; otherwise such option shall expire.

(ii) Assignor and Lessor further agree that if Assignee designates an affiliate to exercise Assignee's right under Sections (e)(i) above, the terms of this Section shall apply with respect to such affiliate as if Assignee were directly exercising such right.

(iii) For a period of up to seven (7) days of the expiration of the time period specified above to mutually agree upon (as applicable) the fair market value purchase price, Lessor and Assignee will attempt to mutually agree upon an appraiser to determine such fair market value. If Lessor and Assignee do not mutually appoint an appraiser within that seven (7) day period, Assignee, within seven (7) days thereafter, shall notify Lessor of the names of two appraisers or firms having the capacity to perform or engage others to perform appraisals of the Premises for determining, as applicable, the fair market value for purchase. Lessor shall select, within seven (7)

days after such notification by Assignee, one of such appraisers or firms to be responsible for determining the applicable fair market value; otherwise, Assignee shall select one such appraiser or firm to be responsible for determining the applicable fair market value and such appraiser's or firm's decision shall be binding. Each party shall divide equally the cost of any appraiser or firm.

(f) Represents and warrants that the Lease is for a term which, with renewal options exercisable by Assignor, are coterminous the initial term and any renewal terms of the Franchise Agreement.

IN WITNESS WHEREOF Lessor and Assignee have signed delivered the within Collateral Assignment of Lease as of the date written below.

For Perkins® Restaurant Unit Number: _____

LESSOR
LANDLORD NAME, a
STATELANDLORD_ENTITY

By:_____
LANDLORD SIGNATORY, LANDLORD
SIGNATORY TITLE

By:_____

ASSIGNEE
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

Date: _____

STATE OF GEORGIA UNIT NUMBER ____

COUNTY OF FULTON UNIT CITY, STATE

MONTH, YEAR $_____

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned FRANCHISEE NAME, a STATE ENTITY TYPE, and FRANCHISEE SIGNATORY1, an individual resident of STATE, each individually, and jointly and severally promises to pay to the order of PERKINS LLC ("**Holder**") the principal sum of AMOUNT and 00/100 Dollars ($##,###.##) plus interest from MONTH DAY, YEAR at AMOUNT percent (##%) per annum until paid for a total amount of $###,###.##. The undersigned hereby agree(s) to pay the total amount $###,###.## in _____ (_____) [Note: number of payments] equal, consecutive monthly installments of $_____ each, on the first day of each month, commencing on MONTH, DAY, YEAR.

All installments of principal and interest are payable at the offices of Perkins LLC at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia, 30328 or at such other place as the Holder hereof may designate in writing, in lawful money of the United States of America.

Upon the occurrence of any event of Default (as defined below), the payee or Holder may at its option, without notice or demand, accelerate the loan and call the entire loan due and payable should any payment be past due for a period of ten (10) days or more. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent Default. The undersigned further agree(s) to pay a late charge of five percent (5%) of any amount that is not paid within five (5) days after when due, plus all costs of collection, including fifteen percent (15%) attorneys' fees if collected by law or through an attorney-at-law.

Any of the following events shall constitute an event of default ("Default"): (1) for any reason, any of said payments due under this Note are not made promptly on the date due; and (2) the maker of this Note, or any of the maker's owners, affiliates and/or subsidiaries, default on any other agreement with Holder, or any affiliate or parent corporation of Holder, or any lender to market relating to your "Perkins" franchised business, including, without limitation, any franchise agreement, sign lease, equipment lease, premises lease, or financing document, and such default is not cured in accordance with the terms of such other agreement. A Default under this Note shall also constitute a Default under any other agreements between Holder and maker.

Each of us, whether principal, surety, endorser, or other party hereto, hereby severally waives and renounces, each for himself and family, any and all homestead or exemption rights either of us may have under or by virtue of the Constitution or Laws of Georgia, any other state, or the United States, as against this debt or any renewal thereof; and the undersigned, as well as all sureties, endorsers, guarantors, or other parties to this Note, jointly and severally transfer, convey and assign to the payee or holder hereof, a sufficient amount of any homestead or exemption that may be allowed to the undersigned, or either of them, including such homestead or exemption as may be set apart in bankruptcy, to pay the Note in full, with all costs of collection, and the undersigned hereby directs the Trustee in Bankruptcy, to pay the Note in full, with all costs of collection, and the undersigned hereby directs the Trustee in Bankruptcy having possession of such homestead or exemption, to deliver to the holder of this Note a sufficient amount of property or money set apart as exempt to pay off the indebtedness evidenced hereby.

The makers and endorsers hereof each further waive(s) demand, notice of demand, protest, notice of protest and nonpayment, and presentment for payment. Each of us further agree(s) that this Note or any installment may be renewed or extended and any security may be released or substituted without notice to us and without affecting our liability. This loan is for business and commercial purposes only. There is no pre-payment penalty.

In no event shall the amount of interest due or payable hereunder exceed the maximum rate of interest allowed by applicable law, and in the event any such payment is inadvertently paid by the undersigned or inadvertently received by the Holder, then such excess sum shall be credited as a payment of principal, unless the undersigned elects to have such excess sum returned to it forthwith. It is the express intent hereof that the undersigned not pay and the Holder not receive, directly or indirectly, in any manner whatsoever interest in excess of that which may be legally paid by the undersigned under applicable law.

In the event any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Perkins LLC or other holder hereof, not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

The covenants and agreements herein contained shall bind and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

(SIGNATURES FOLLOW ON NEXT PAGE)

Given under the hand of each party.

FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

and

_____
FRANCHISEE SIGNATORY1, Individually

NON-DISTURBANCE, SUBORDINATION AND ATTORNMENT AGREEMENT

This Agreement, made and entered into as of _____, by and among the entity identified on the "Mortgagee" signature page of this Agreement (hereinafter known as "**Mortgagee**"), the individual or legal entity franchisee identified on the "Tenant" signature page of this Agreement (hereinafter known as "**Tenant**"), the entity identified on the "Landlord" signature page of this Agreement (hereinafter known as "**Landlord**"), and PERKINS LLC, a Delaware limited liability company (hereinafter known as "**Optionee**").

WITNESSETH:

WHEREAS, Landlord and Tenant desire to enter into a Lease Agreement (known as "**Lease**") covering the real property on the legal description attached hereto as Exhibit A; and

WHEREAS, Mortgagee holds a security interest in said real property; and

WHEREAS, Optionee has certain rights and interest in said real property and may, under certain conditions, succeed Tenant hereunder; and

WHEREAS, Tenant and Optionee will not complete this transaction and subordinate their respective interest to Mortgagee in the absence of the execution of this Agreement;

NOW THEREFORE, the parties hereto, for and in consideration of the promises herein contained, the covenants expressed, for the purpose of inducing Tenant to complete its Lease with Landlord; and for and in consideration of Ten ($10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby covenant and agree as follows:

1. DEFINITIONS.

"Landlord" as used in this Agreement shall include the Landlord, its heirs, representatives, assigns, and successors in title to Premises.

"Optionee" as used in this Agreement shall include Perkins LLC, its successors and assigns, or an affiliate of Perkins LLC as Perkins LLC may designate.

"Tenant" as used in this Agreement shall include the Tenant, its heirs and representatives, and if the Lease shall be validly assigned or sublet, shall include successors and assigns of the Tenant.

Landlord and Tenant shall be deemed to include male and female, singular and plural, individuals, corporations, partnership, or other artificial entities, as the context so requires.

2. NON-DISTURBANCE. So long as no event of default on the part of the Tenant under the Lease shall exist which would entitle Landlord to terminate the Lease, or if such an event of default shall exist, so long as Tenant's time to cure same shall not have expired (a) Mortgagee will not at any time join Tenant as a party defendant in any action or proceeding to foreclose the security interest or any extension, renewal, consolidation or replacement of same, unless such joinder is a prerequisite to the institution or prosecution of any such action or proceeding, and (b) the term of the Lease shall not be terminated or modified in any respect whatsoever, Tenant's right of possession to the demised premises and its other rights arising out of the Lease will all be fully recognized and protected by Mortgagee and shall not be disturbed,

cancelled, terminated or otherwise affected by reason of the security interest or any action or proceeding instituted by Mortgagee to foreclose the security interest or any extension, renewal, consolidation or replacement of the same, irrespective of whether Tenant shall have joined in any such action or proceeding.

3. PURCHASE OPTION. So long as no event of default on the part of the Tenant under the Lease shall exist which would entitle Landlord to terminate the Lease, or if such an event of default shall exist, so long as Tenant's time to cure same shall not have expired the purchase option rights of Tenant will be fully recognized and protected by Mortgagee and shall not be disturbed, cancelled, terminated or otherwise affected by reason of the security interest or any action or proceeding instituted by Mortgagee to foreclose the security interest or any extension, renewal, consolidation or replacement of the same, irrespective of whether Tenant shall have joined in any such action or proceeding.

4. ATTORNMENT. In the event that Mortgagee takes possession of the Entire Premises, either as the result of foreclosure of the security interest or accepting a deed to the Entire Premises in lieu of foreclosure, or otherwise, or the Entire Premises shall be purchased at such foreclosure by a third party, Tenant shall attorn to Mortgagee or such third party as its landlord under the Lease and Mortgagee or such third party will recognize and accept Tenant as its tenant thereunder, whereupon, the Lease shall continue in full force and effect as direct lease between Mortgagee or such third party and Tenant for the full term thereof, together with all extensions and renewals thereof, and Mortgagee or such third party shall thereafter assume and perform all of Landlord's obligations, as Landlord under the Lease with the same force and effect as if Mortgagee or such third party were originally named therein as Landlord; provided, however, that if conflicting claims should be made to the rent payable under the Lease, Tenant shall have the right to institute an interpleader suit for the purpose of determining who is entitled to payment of such rent and to pay the rent in accordance with the judicial determination rendered in such proceeding.

5. SUBORDINATION. Subject to and upon all the terms and conditions set forth in this Agreement, Tenant hereby subordinates its right, title and interest by virtue of the Lease to the right, title and interest of Mortgagee by virtue of the security interest and all renewals and extensions thereof.

6. DEFAULT OF LANDLORD TO TENANT. Tenant agrees to concurrently furnish Mortgagee by certified mail with copies of all notices and demands served by Tenant upon Landlord. Tenant further agrees that with respect to any notice of default served upon Landlord, if Landlord shall have failed to cure such default within the time provided for therein, then Mortgagee shall have an additional sixty (60) days within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be necessary if within such sixty (60) days Mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event the Lease shall not be terminated while such remedies are being so diligently pursued.

7. DEFAULT OF LANDLORD TO MORTGAGEE. Landlord agrees that the rent payable under the Lease shall be paid directly by Tenant to Mortgagee upon the occurrence of a default by Landlord under the security deed, deed of trust or mortgage. After notice is given by Mortgagee to Tenant that the rent under the Lease shall be paid to Mortgagee, Tenant shall pay to Mortgagee (or in accordance with the directions of Mortgagee), all rent and other sums then due and thereafter to become due to Landlord under the Lease; subject, however, to the terms of payment under the Lease and to the rights of Tenant under the Lease. Tenant shall have no responsibility to ascertain whether or not such demand by Mortgagee is permitted under the Security Deed. Landlord hereby waives any claim or demand it may now or hereafter have against Tenant by reason of such payment to Mortgagee. Landlord agrees that any payment made to

Mortgagee by Tenant pursuant to the terms of this Paragraph shall discharge the obligations of Tenant, under the Lease or otherwise, to make such payment to Landlord.

8. MORTGAGEE AS SUCCESSOR IN INTEREST. In the event that Mortgagee shall succeed to the interest of Landlord under the Lease, Mortgagee shall not be:

liable for any act or omission of Landlord; or

liable for the return of any security deposit; or

subject to any offsets or defenses which Tenant might have against Landlord; or

bound by any rent or additional rent which Tenant might have paid for more than the current month to Landlord; or

bound by any amendment or modification of the Lease made without its consent.

9. POSITION OF PERKINS LLC. This Agreement shall inure to the benefit of Perkins LLC, its successors and assigns, in the event it should ever become the Tenant on said real property.

10. CAPTIONS. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Agreement, nor in any way affect this Agreement.

11. NOTICE. If at any time after the execution of this Agreement, it shall be required or become necessary or convenient for one of the parties hereto to serve any notice demand or communication upon the party, such notice, demand or communication shall be in writing, signed by the party serving the same, deposited in registered or certified United States Mail, return receipt requested, postage prepaid, or by a reputable commercial overnight carrier that provides a receipt and;

if intended for **Landlord**, shall be addressed to:

LANDLORD NAME
LANDLORD STREET ADDRESS
LANDLORD CITY, STATE 00000
(123) 123-1234

if intended for **Tenant**, shall be addressed to:

FRANCHISEE NAME
FRANCHISEE STREET ADDRESS FOR NOTICES
FRANCHISEE CITY, STATE 00000
(555) 555-5555

if intended for **Mortgagee**, shall be addressed to:

LENDER NAME
LENDER STREET ADDRESS
LENDER CITY, STATE 00000
(111) 111-1111

if intended for **Optionee** shall be addressed to:

PERKINS LLC
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328
(770) 325-1300

or, to such other addresses as any party may have furnished to the other in writing as a place for service of notice.

12. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with regard to the subordination of the Lease and the interest of Tenant thereunder to the lien or charge in favor of Mortgagee pursuant to security deed, deed of trust, mortgage or UCC-1 Financing Statement, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect. No failure of any party to exercise any power given such party hereunder, or to insist upon strict compliance by any other party of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of such party's right to demand exact compliance with the terms hereof.

13. AMENDMENTS. No term or provision of this Agreement shall be modified or amended except in writing and signed by the party against whom enforcement of any such modification or amendment is sought. This Agreement shall not be modified by the parties without the express written consent of Perkins, LLC.

14. SEVERABILITY. If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

15. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of STATE.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each individual party hereto has caused his or her hand to be affixed and each corporate, partnership or other legal entity hereto have caused its duly authorized officers, partners, or agents to execute to this instrument on the day and year first above written.

TENANT

FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

STATE OF _____

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared **FRANCHISEE SIGNATORY 1 and FRANCHISEE SIGNATORY 2** and known to me to be the persons who as **President and Secretary or Members for LLC** respectively of **FRANCHISEE NAME, A STATE FRANCHISE_ENTITY**, which executed the foregoing instrument, signed the same, and acknowledge to me that they do so sign said instrument in the name and upon behalf of said **FRANCHISEE_ENTITY** as such officers respectively; that the said **FRANCHISEE_ENTITY**; and that they were duly authorized thereunto by its board of directors**.**

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, _____, this _____.

My commission expires:

_____ _____
NOTARY PUBLIC

[NOTARY SEAL]

LANDLORD

LANDLORD NAME,
a STATE LANDLORD_ENTITY

By:_____
LANDLORD SIGNATORY, LANDLORD SIGNATORY TITLE

By:_____

STATE OF _____

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared **LANDLORD SIGNATORY** and known to me to be the persons who as **LANDLORD SIGNATORY TITLE** of, a **STATE_LANDLORD_ENTITY**, the company which executed the foregoing instrument, signed the same, and acknowledge to me that they do so sign said instrument in the name and upon behalf of said **LANDLORD_ ENTITY** as such **LANDLORD SIGNATORY TITLE**; that the same is his/her free act and deed as such **LANDLORD SIGNATORY TITLE**, and the free act and deed of said **LANDLORD_ENTITY**: and that he/she was duly authorized thereunto to do so.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, _____, this _____.

My commission expires:

_____ _____
NOTARY PUBLIC

[NOTARY SEAL]

MORTGAGEE

LENDER NAME,
a STATE LENDER_ENTITY

By:_____
LENDER SIGNATORY, LENDER SIGNATORY TITLE

By:_____

STATE OF _____

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared **LENDER SIGNATORY** and known to me to be the persons who LENDER SIGNATORY TITLE OF LENDER NAME a STATE LENDER_ENTITY, the company which executed the foregoing instrument, signed the same, and acknowledge to me that they do so sign said instrument in the name and upon behalf of said **LENDER_ENTITY** as such LENDER SIGNATORY TITLE; that the same is his/her free act and deed as such LENDER SIGNATORY TITLE, and the free act and deed of said LENDER_ENTITY; and that he/she was duly authorized thereunto to do so.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, _____ this _____.

My commission expires:

_____ _____
NOTARY PUBLIC

[NOTARY SEAL]

OPTIONEE

PERKINS LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared _____ and known to me to be the person who, as _____, of PERKINS LLC, a Delaware limited liability company the corporation which executed the foregoing instrument, signed the same, and acknowledge to me that he/she did so sign said instrument in the name and upon behalf of said corporation as such officer; that the same is his/her free act and deed as such officer, and the free and corporate act and deed of said corporation; and that he/she was duly authorized thereunto by its board of directors.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, _____ this _____.

My commission expires:

_____ _____
NOTARY PUBLIC

[NOTARY SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY IS INSERTED HERE

ADDENDUM TO PERKINS FRANCHISE AGREEMENT
FOR A NON-TRADITIONAL UNIT

This ADDENDUM (the "**Addendum**" or "**Non-Traditional Unit Addendum**") is made and entered into as of the Effective Date set forth on the signature page by and between Perkins LLC, a Delaware limited liability company located at 5901-B Peachtree Dunwoody Road NE, Suite 450, Sandy Springs, Georgia ("**Company**), and the legal entity identified on the signature page ("**Operator**").

WHEREAS, Company and Operator are parties to a franchise agreement (the "**Franchise Agreement**") under which Company granted Operator the right to operate the Unit at the Premises, and Operator and Company have agreed that Operator will own and operate the Unit as a "Non-Traditional Unit," as that term is defined below. As a Non-Traditional Unit, certain provisions of the Franchise Agreement will not be applicable to Operator's operation of the Unit and certain other provisions need to be added to the Franchise Agreement to govern Operator's operation of the Unit.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Type of Unit. Section 1 of the Agreement is amended by adding the following:

   "**Non-Traditional Unit**" will mean a Unit that is a food truck and other mobile unit, or is located within, or in conjunction with, another primary business that is operated by the franchisee, or is located in a multi-branded facility where other branded and/or non-branded restaurants share common space. The primary business or multi-branded facility that is operated in conjunction with the Unit, or within which the Unit is located, is referred to as the "**Host Facility**." Host Facilities and non-traditional venues where a Non-Traditional Unit may be operated include convenience stores, airports, train stations, public transit stations, cruise ship ports, turnpikes (and other travel related facilities), government facilities, office complexes, high-rise apartment buildings, senior living facilities, department stores, retail stores, hospitals, stadiums, sport complexes and other arenas, casinos, military establishments, college and university food service facilities, hotels, amusement and theme parks, theater and other entertainment centers, Indian reservations, national or state/local parks, public beaches, convention and conference centers, factories, penal institutions, other locations, venues and addresses where the primary activity conducted in such location, venues and addresses is other than the retail sale of food prepared for immediate consumption, and venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and other similar environments.

2. Grant of Franchise. Section 2(a) of the Agreement is deleted and replaced by adding the following:

   (a) Right to Utilize Perkins System. Subject to all of the terms and conditions of this Agreement and the Non-Traditional Unit Addendum, Company hereby licenses to Operator the non-exclusive right, and Operator agrees to undertake the obligation, to operate one Franchised Business as a Non-Traditional Unit (hereinafter, the "**Unit**"), solely at the specific location set forth in Exhibit B of this Agreement (the "**Premises**"), which Premises are located within the Host Facility approved by Company. No "Territory" is assigned to the Unit under Section 2(c) of this Agreement or otherwise.

   Operator may not sell any products or services under the Marks other than those Company expressly authorize for sale at the Unit. However, no provision of this Agreement or the Non-Traditional Unit Addendum shall prohibit Operator or a third party from continuing to own and operate the Host Facility or prevent Operator or any third-party operator of the Host Facility from selling other products at the Host Facility, other than within the Premises, that do not bear the Marks.

Company acknowledges that Operator or a third party operates the Host Facility, and that, except as otherwise set forth in the Non-Traditional Unit Addendum, Operator or the third-party operator of the Host Facility may sell or authorize others to sell other food products at the Host Facility.

3. Initial Term. Section 3(a) of the Agreement is deleted and replaced by adding the following:

(a) Initial Term. Except as provided herein, the initial term of this Agreement ("**Initial Term**") shall commence on the Effective Date, and unless sooner terminated in accordance with the provisions hereof, shall expire ten (10) years from the Effective Date or as otherwise set forth on Exhibit B hereof if a predetermined date. Notwithstanding the foregoing, Operator may terminate this Agreement without penalty, upon the following events: (1) if the underlying food service management contract ("**Food Service Contract**") that permits Operator to operate the Unit is terminated without fault of Operator, and provided that the Food Service Contract is not controlled by the Operator directly or indirectly; (2) Operator provides Company with written notification evidencing termination from the Host Facility holding the Food Service Contract; and (3) Company obtains confirmation, to its satisfaction, from the Host Facility that the circumstances of the termination are consistent with the requirements of this paragraph. If these conditions are satisfied, then this Agreement and the Non-Traditional Unit Addendum shall terminate on the same date that the Food Service Contract terminates or expires. In all cases, as a condition of Company's acceptance of Operator's termination, Operator shall sign a mutual termination and release agreement in a form provided by Company and comply with all Post-Term Period obligations. If Operator ceases operations of the Unit without complying with all termination criteria, all rights and remedies shall remain available to Company, including liquidated damages.

4. Royalty Fee. Section 5(b) of the Agreement is amended by adding the following:

Notwithstanding the foregoing, if: (a) beverages cannot be ordered at the Unit; or (b) Operator's point of sale system cannot allocate to Net Sales beverages ordered at the Unit, Operator shall pay a royalty fee in the amount of five and three-quarters percent (5.75%) of the Net Sales of the Franchised Business.

5. Net Sales. Section 5(e) of the Agreement is amended by adding the following:

For clarity, Company acknowledges and agrees that customers at the Premises may pay for certain items using meal plan options approved by the Host Facility, and that pursuant to the Food Service Contract, Operator may receive less than the full retail value of the products sold from the Unit. Company agrees that Net Sales shall include only the amount that Operator receives as payment for the products sold from the Premises, even if such amount is less than the retail value.

Company acknowledges that Operator or the third-party operator of the Host Facility may operate or license others to operate other food operations at the Host Facility and some of the sales from such operations may be recorded on the cash register or point of sale system used at the Unit. Company acknowledges that no Royalty or Marketing Contribution will be due and payable to Company with respect to such non-Perkins sales. Operator and any third-party operator of the Host Facility must use all reasonable efforts to indicate to customers that such other operations are not being conducted under, or in association with, the Marks.

Operator agrees to pay Royalties and Marketing Contributions on the sale of any products which bear the Marks, whether sold at the Unit or elsewhere within the Host Facility. For example, if Company develops a logoed ham product, such as a baked ham, and Operator sells such product in the Premises of the Unit or elsewhere in the Host Facility, then Operator will pay Company the Royalty and Marketing Contribution on the sale of such products.

6. Advertising Contributions. Section 5(h) of the Agreement is amended by deleting "three percent (3.0%)" and replacing it with "one percent (1.0%)."

7. Documents Regarding Leasing, Purchase, or Construction. Section 7(a) of the Agreement is amended by adding the following:

Operator and Company acknowledge that the standard design specifications of a traditional Unit must be revised by Operator to incorporate the Unit into the space available within the Host Facility, subject to Company's approval. Operator will hire an architect or contractor, or use Operator's own employees if properly certified and acceptable to Company, to prepare and submit to Company a proposed layout, equipment list and décor plan for the Unit as a Non-Traditional Unit within the Host Facility. Upon Company's approval of the layout, equipment list and décor plan for the Unit, Operator will construct, build out and equip the Unit in accordance with the plans and specifications approved by Company.

8. Fixtures, Equipment, Supplies and Signs. Section 7(c) of the Agreement is amended by adding the following:

Operator acknowledges that the results and potential success of Non-Traditional Units is often directly related to the availability of seating for its customers. Accordingly, Operator agrees that, where reasonably possible, Operator will install seating at the Unit, as reasonably approved by Company. If Company determines that there is insufficient space within the Unit to install seating, Operator and Company will work together to design stand up counters and/or other reasonable alternatives for the Unit.

9. Completion of Construction and Commencement of Operations. Section 7(d) of the Agreement are revised as follows:

A. Section 7(d) is amended by deleting the second sentence in the first paragraph and replacing it with the following:

Operator shall open the Franchised Business within one (1) year from the effective date of this Agreement (the applicable deadline for opening the Franchised Business is the "**Opening Deadline**").

B. Section 7(d)(i) is deleted and replaced by adding the following:

(i) Operator acknowledges that Company has the right to terminate this Agreement if the Franchised Business is not open to the public by the Opening Deadline unless Operator has been granted an extension in accordance with Section 7(d)(ii) below.

10. Training Program. Section 7(i) of the Agreement is amended by adding the following:

Operator acknowledges and agrees that Company may, but is not required to, offer a training program for managers of Non-Traditional Units when Company deems necessary. This training program may be offered if Operator is a large institutional franchisee operating its own training program to instruct managers how to operate Non-Traditional Units. If offered, the class will be in lieu of traditional Initial Training as described in the Agreement.

11. Hours of Operation of Unit. Section 7(l) of the Agreement is amended by adding the following:

Operator and Company will establish reasonable hours of operation for the Unit as approved by Company in writing following Company's determination that: (i) Operator is in compliance with the

Agreement; and (ii) the objective characteristics of the Host Facility and/or its trade area require Company to adjust the hours of operation.

12. Technology, POS, and Communication and Information Systems. Section 7(u) of the Agreement is amended by adding the following:

Notwithstanding the foregoing terms, Company will consent to Operator using the existing cash registers at the Unit if all of the following conditions are satisfied: (i) the existing equipment can furnish the information required under this Agreement; (ii) the Host Facility requires that some or all sales from the Unit must be recorded using the same type of cash register that is used to record sales from other operations at the Host Facility; and (iii) Company is able to confirm the following to Company's satisfaction: (1) the Host Facility cash register is capable of segregating the sales from the Unit from other sales; (2) the Host Facility cash register is capable of generating sufficient information to enable Operator to submit all reports Operator is required to submit; and (3) all of Company's access, inspection and audit rights (including real-time electronic access) under the Agreement shall apply to all sales recorded on such Host Facility cash register, including all sales other than the Unit's sales.

13. Signage. Section 7(aa) of the Agreement is amended by adding the following:

Company acknowledges that the installation of exterior signage is subject to applicable law, which may affect the ability to install exterior signage. Company will work with Operator to develop interior and exterior signage that Company determines is necessary for the Unit within the Host Facility. Operator agrees to display the maximum amount of signage which is permitted by law and feasible under agreements governing the operation of the Unit within the Host Facility. All signage for the Unit shall be of a size at least equal to the signage for any other businesses that Operator and/or its affiliates operate at the Host Facility. If Company objects to any sign, logo or advertising media of any kind used in connection with the Unit at the Premises, Operator shall not display that sign, logo or advertising.

14. Local Advertising Requirement. Section 8(a)(vii) is deleted in its entirety.

15. Covenants. Section 12 of the Agreement is amended by adding the following:

During the term of this Agreement, neither Operator nor any third-party operator of the Host Facility will display or sell any type of food product that is similar to those that are sold at the Unit. Except as specifically set forth in this Agreement and the Non-Traditional Unit Addendum, neither Operator nor any third-party operator of the Host Facility will be restricted or prohibited from providing any product or service at the Host Facility or otherwise operating the Host Facility in the manner Operator or they deem necessary; provided however, the conduct of the business of the Host Facility does not detrimentally affect or impair the good will of the Marks or the Perkins System.

16. Covenants. Section 12(c)(iv) is amended by adding the following:

If Operator and the owners of the Host Facility are under common control and ownership, or if Operator is a food service operator for multiple Host Facilities, then notwithstanding the foregoing, Operator may own and operate other branded businesses which engage in selling similar products, and the restrictions of this Section 12(c)(iv) regarding a "Competitive Business" will only apply to locations within the same Host Facility.

17. Transfer. Section 13 of the Agreement is amended by adding the following:

If Operator desires to sell the Unit only, Company's right of first refusal will apply. In the event the Unit is instead sold in connection with the sale of the Host Facility: (i) Company's right of first refusal will not apply; and (ii) Operator agrees to allocate a reasonable portion of the purchase price being paid for the Host Facility to the Unit.

18. Indemnification. Section 18(a) of the Agreement is amended by adding the following:

Operator's indemnification obligations under this Section 18(a) shall include any claim arising out of, resulting from or connected with the operation by Operator or its affiliates of any of the other businesses at the Host Facility.

19. Addendum and Entire Agreement. This Addendum and the Agreement constitute the entire agreement and understanding between Operator and Company regarding the terms and conditions under which Operator will own and operate the Unit. If there is any conflict between this Addendum and the Agreement, the terms of this Addendum shall control. Any provision of the Agreement which is in direct conflict with this Addendum shall be deemed amended to the extent necessary to conform the Agreement to this Addendum, whether such provision of the Agreement is specifically referred to in this Addendum. Any term not specifically defined in this Addendum shall have the meaning given to it in the Agreement. Except as amended by this Addendum, the Agreement remains in full force and effect in accordance with its terms. This Addendum may be signed in counterparts, signature pages may be exchanged by facsimile and any other electronic transmission (including PDF), and each such counterpart, when taken together with all other identical copies of this Addendum also signed in counterpart, shall be considered as one complete agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year written below.

For Perkins® Restaurant Unit Number: _____
Operated as a Non-Traditional Unit at the following Host Facility: _____
Effective Date of this Addendum (to be completed by Company)**: _____**

Perkins LLC
a Delaware limited liability company

By:
Name:
Title:

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]
By:
FRANCHISEE SIGNATORY1, TITLE

By:
FRANCHISEE SIGNATORY2, TITLE

ADDENDUM TO FRANCHISE AGREEMENT
(new form of Franchise Agreement)

THIS ADDENDUM ("Addendum") is made and entered into as of the Effective Date set forth on the signature page by and between Perkins LLC, a Delaware limited liability company located at 5901-B Peachtree Dunwoody Road NE, Suite 450, Sandy Springs, Georgia ("Perkins"), and the legal entity identified on the signature page ("Operator").

Perkins and Operator are parties to a franchise agreement (the "Franchise Agreement") under which, among other things, Perkins granted to Operator the right to operate a Perkins Restaurant at the location identified on the signature page (the "Unit") and to use the Perkins restaurant operating system and certain trademarks, service marks and tradenames in relation to the operation of the Unit.

Perkins and Virtual Dining Concepts ("VDC") agreed to a Master Services Agreement (the "MSA") under which Perkins may permit franchisees to prepare and package orders received from the VDC platform for one or more brands identified by Perkins and VDC (each an "Authorized VDC Program"). Operator desires to participate at the Unit in the Authorized VDC Program(s) that will be identified in an agreement by VDC and Operator (each Authorized VDC Program in which Operator will participate is referred to in this Addendum as a "VDC License Program") and which are identified on the signature page of this Addendum.

Terms of the Agreement

1. Perkins grants to Operator its consent, subject to strict compliance with the terms and conditions contained herein, for Operator to participate in the VDC License Program. Perkins may, in its sole and absolute discretion, for any reason or no reason, immediately rescind its consent and immediately terminate this Addendum by providing written notice of such rescission to Operator. Operator warrants and represents that it meets, and will maintain, strict compliance with all criteria required for Perkins' consent to Operator's participation in the VDC License Program, including but not limited to full and complete compliance with every term and condition of the Franchise Agreement, and all other criteria required by Perkins and VDC.

2. Operator agrees that it will also maintain all requirements and standards regarding the Unit and will not permit its participation in the VDC License Program to have an adverse impact on the operation of the Unit as a Perkins Restaurant under the Franchise Agreement. Operator will ensure it is compliant with each and every term of the Franchise Agreement. Operator understands and agrees that its relationship with VDC is separate and distinct from its relationship with Perkins. Perkins and VDC are unrelated, unaffiliated entities and Perkins is only providing its limited consent under this Addendum. VDC has represented and warranted to Perkins the VDC License Program is not a franchise relationship, and that Operator is entering into a standard contractual relationship directly with VDC.

3. Operator will enter a separate agreement with VDC, which will use the standard form accepted by Perkins for System franchisee participation and which will be attached as Exhibit A at the time this Addendum is signed, under which the duties, rights and obligations of the parties thereto will be defined (the "VDC Agreement"). The VDC Agreement will in no or any event will have a longer term than the Franchise Agreement. For clarity, if the Franchise Agreement expires, and Operator wishes to renew its Franchise Agreement with Perkins, Operator must enter into a new VDC Agreement subject to then current terms and conditions which may vary and differ from the terms contained herein.

4. Any sales made under the VDC Agreement, regardless of definition or name, constitute Net Sales, as defined in Section 5.(e) of the Franchise Agreement; accordingly, Operator will pay, or ensure, authorize or otherwise execute all documents necessary to facilitate payment, to Perkins royalties at the rate of four percent (4%) in accordance with Section 5.(b) of the Franchise Agreement on all sales made under or pursuant to the VDC Agreement, provided, however, the rate may be adjusted by Perkins to the rate as provided under the Franchise Agreement upon sixty (60) days' prior written notice; furthermore, Operator will report all such sales in accordance with Section 11.(b) of the Franchise Agreement. Operator is not, however, required to make advertising contributions under Section 5.(h) of the Franchise Agreement for the Net Sales derived from the VDC License Program.

5. Operator acknowledges that participation in the VDC License Program under the VDC Agreement may require (i) additional or different insurance coverage than is required under the Franchise Agreement and that it will obtain

and maintain all such coverage; and (ii) additional or different permits or licenses and agrees to obtain all required permits and licenses prior to providing goods or services under the VDC License Program.

6. Operator desires to participate in the VDC License Program, and has freely and voluntarily entered into this Addendum, to obligate Operator under this Addendum and the VDC Agreement. Perkins has not made any representation, warranty, or otherwise disseminated or shared any financial information related to the VDC License Program. Perkins specifically disavows any representations related to the VDC License Program which has not been tested long-term, and Operator agrees that its performance under the VDC Agreement is dependent on a number of factors, which may be unique to Operator or unknown. By this consent for participation, Perkins makes no warranty or representation that Operator's participation in the VDC License Program will be profitable. Further, in order to participate in the VDC License Program, Operator may be required to make an additional investment subject to the terms of the VDC Agreement; provided, however that if the Unit is newly developed under the Agreement, it is not expected to require additional capital investment in order to begin its participation. Operator agrees and understands Perkins will not provide advice, assistance, contributions, or operational support for the VDC License Program.
7. Operator's default of the VDC Agreement will constitute a default of the Franchise Agreement under Section 14.(c)(vii) and this Addendum and a default under this Addendum is a default of the Franchise Agreement.
8. In the event the VDC Agreement terminates, for any reason whatsoever, Operator agrees to immediately notify Perkins, in writing and advise Perkins of the reason for such termination. In the event (i) the MSA between Perkins and VDC terminates; or (ii) upon expiration, renewal, transfer, or assignment of the Franchise Agreement; or (iii) any attempted assignment of this Addendum, this Addendum and the consent hereunder will automatically terminate.

Except as amended and modified herein, all other terms and conditions of the Franchise Agreement remain in full force and effect, including but not limited to the Operator's indemnification obligations to Perkins under Section18.(a) of the Franchise Agreement for Operator's obligations at the Premises.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year written below.

For Perkins® Restaurant Unit Number: _____

Unit Address: _____

Authorized VDC Program(s) selected by Operator: _____

Effective Date of this Addendum (to be completed by Perkins)**: _____**

PERKINS LLC,
a Delaware limited liability company

By:_____

Name:_____

Title:_____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

NEW PRODUCT LINE AND PROGRAM ADDENDUM

THIS ADDENDUM ("Addendum") is made and entered into as of the Effective Date set forth on the signature page by and between Perkins LLC ("Company") and the legal entity identified on the signature page ("Operator").

WHEREAS, Company and Operator are parties to a franchise agreement ("Agreement") for the restaurant at the location identified on the signature page of this Addendum ("Unit") under and pursuant to which Company granted to Operator the right to operate a Perkins Unit and to use the Perkins Unit operating system and certain trademarks, service marks and tradenames in relation to the operation of the Unit;

WHEREAS, VBE LLC, which is an affiliate of Company, has developed a new product line that is sold under a distinctive and proprietary program ("Program") and trademarks and service marks separate and apart from the existing Perkins System and Perkins Marks only via third-party order applications and delivery aggregators (the "New Product Line");

WHEREAS, through an agreement with VBE LLC, Company has the right, and wishes, to offer to Operator the opportunity to sell the New Product Line from its Unit via the Program as a supplement to the restaurant activities already licensed by Company to Operator under the Agreement, and Operator desires to participate in the Program through its Unit; and

WHEREAS, Company and Operator desire to supplement certain provisions of the Agreement to address Operator's participation in the Program upon the terms and conditions set forth in this Addendum.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals and Capitalized Terms. The recitals set forth above are hereby made a part of this Addendum. Capitalized terms used in this Addendum shall have the meanings ascribed to such terms in the Agreement unless otherwise expressly defined herein. The term "Parties"shall be deemed to mean, collectively, Company and Operator, and the term "Party" shall be deemed to mean, individually, Company or Operator.

2. Program. The Program being offered to Operator is described in Schedule 1, attached hereto. Operator acknowledges and agrees that Operator's participation in the Program and sale of the New Product Line is subject to the terms and conditions of the Agreement except to the extent that such terms are modified by this Addendum, including Schedule 1. In no way limiting the foregoing and for clarity, all terms and obligations in the Agreement regarding the "Perkins System" and "System" will apply to the Program, and all terms and obligations in the Agreement regarding the "Licensed Marks" will apply to the Program Marks (as defined below).

3. License to New Product Line, Program and Program Marks. Company herebygrants Operator a non-exclusive and limited license to Participate in the Program and to use the marks specified in Schedule 2 (the "Program Marks") (all of which may be modified as provided in this Addendum) for the Term, solely to prepare, promote and sell the New Product Line as set forth in this Addendum. Operator will not use the Program or the Program Marks in any manner except as permitted by the terms of this Addendum, for the purposes established by the terms of this Addendum, and in accordance with all applicable laws, and any product or brand guidelines provided to Operator by Company relating to the New Product Line, Program and the Program Marks. Operator will only use the Program Marks, in connection with the Program unless authorized by Company in writing.

4. Operator's Participation in the Program. Operator acknowledges that participation in the Program is not mandatory, and Operator has chosen voluntarily to participate in the Program in connection with its operation of the Unit under the Agreement. Operator agrees that its participation in the Program and license under this Addendum is limited to operating from the Unit. By executing this Addendum, Operator confirms its agreement to

participate in the Program on the terms and conditions provided for herein. Operator agrees to comply with the specifications, standards and terms related to suppliers and supplies in the Agreement, the Confidential Operation Manual and as Company prescribes in writing for the Program and New Product Line. Operator agrees to strictly comply with the specifications, standards and terms for participation described in Schedule 1, which Company may modify from time to time.

Further, Company's consent for Operator to participate in the Program is subject to Operator's strict compliance with the terms and conditions contained herein. Operator warrants and represents that it currently meets, and will maintain during this Addendum, strict compliance with all criteria required by Operator for participation in the Program, including, but not limited to, full and complete compliance with every term and condition of the Agreement, and all other criteria required by Company. Operator agrees that it will also maintain all requirements and standards regarding the Unit and will not permit its activities in the Program to have an adverse impact on the operation of the Unit under the Agreement.

5. Modifications. Operator acknowledges and agrees that from time-to-time hereafter Company may change or modify the New Product Line, Program, or Program Marks as Company deems appropriate, including to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the Program may be required from time to time to preserve and enhance public image of the Program and operations of Company. Company's changes to the Program may include the adoption and use of new or modified products or services and/or new techniques and methodologies relating to the Program, and/or new trademarks, service marks and copyrighted materials. Operator will, upon reasonable notice, accept, implement, use, display and participate in the Program changes in the Program, as if they were part of this Addendum at the time of execution hereof, at Operator's sole expense. Additionally, Company reserves the right, at its option, to vary the standards throughout the Program, as well as the services and assistance that Company may provide to some operators based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Company deems to be important to the operators' participation in the Program. Operator shall have no recourse against Company on account of any variation to other operators and shall not be entitled to require Company to provide Operator with a like or similar variation hereunder.

6. Term of Program Participation. This Addendum will be effective as of the date hereof and continue until terminated by Company or Operator as provided herein (the "Term"). This Addendum in no or any event will have a longer term than the Agreement. For clarity, if the Agreement expires, and Operator wishes to renew its Agreement with Company and (in connection with the renewal of the Agreement) also wishes to continue to participate in the Program, Operator must enter into a new Addendum that will be subject to Company's then-current terms and conditions relating to the New Product Line and Program, which may vary and differ from the terms contained in this Addendum. Upon expiration, renewal, transfer, or assignment of the Agreement; or any attempted assignment of this Addendum, this Addendum and Company's consent hereunder will automatically terminate.

7. Termination by Company. Operator acknowledges and agrees that Company has the right to: (i) discontinue or modify the Program at any time and/or (ii) terminate Operator's participation in the Program any time at Company's sole discretion, by giving Operator sixty (60) days prior written notice; provided, however, that if the Agreement is terminated, this Addendum and all rights of Operator hereunder will terminate effective immediately upon the termination of the Agreement. (For clarity, a termination of this Addendum is not necessarily a termination of the Agreement, but a termination of the Agreement will result in the termination of this Addendum.) Notwithstanding the foregoing, Company may immediately suspend Operator's participation in the Program and sale of the New Product Line in the event of any material issue with respect to health, safety, or Company's reputation, in the Company's sole and absolute discretion. A default by Operator under this Addendum will constitute a default of the Agreement; and a default by Operator under the Agreement is a default of this Addendum.

8. Termination by Operator. Operator may elect to discontinue its participation in the Program for any reason by giving Company ninety (90) days' prior written notice.

9. Effect of Termination by Either Party. Upon discontinuation of the Program and/or termination of Operator's participation in the Program, this Addendum will be terminated, and Operator must immediately cease using the Program, Program Marks and offering and selling the New Product Line in any manner.

10. Confidentiality; Publicity. All material and information supplied hereunder as the result of the Program contemplated by this Addendum, including the terms and conditions of Schedule 1, and any information pertaining to the Program that Company may provide (including information concerning platform fees, aggregator fees, commission rates, marketing plans, operating procedures,business plans, financial results) whether or not designated as "confidential" or "proprietary" are deemed to be Confidential Information and are subject to the obligations set forth in the Agreement with respect to Confidential Information. Operator will not publicly disclose or promote that Company's affiliate is the owner of the New Product Line, the Program Marks or that the New Product Line is made in, delivered from, or is in any way associated with, Unit, unless agreed upon in writing by Company, except with respect to disclosures necessary for operation of the delivery services contemplated by the Addendum (and Company may require that all delivery service providers be expressly advised of the confidentiality regarding the relationships among Company, Operator and the Program and the associated Program Marks) and as expressly authorized by Company in writing. Operator's use of the Program Marks is strictly limited to the under the terms and conditions of this Addendum, and Operator is prohibited from using or referring to the Program Marks in any manner not expressly authorized in writing by Company.

Further, in order to participate in the Program, Operator may be required to make an additional investment subject to the terms of this Addendum; provided, however that if the Unit is newly developed under the Agreement, it is not expected to require additional capital investment in order to begin its participation.

11. Operator's Acknowledgement and Obligations. The Program is in development and may include certain new equipment, food, logos, configurations, systems, and/or technology solutions (including, without limitation, hardware, and software); provided, however that if the Unit is newly developed under the Agreement, it is not expected to require additional capital investment. The actual costs, expenses, and financial and operational impact of the Program and the required components may vary as the Program evolves and may vary between operators based on a variety of factors, including, but not limited to, when the Unit was developed, the equipment and computer and technology systems in place at the Unit, the number of products being offered, etc. Participation in the Program entails financial, operational and other risks that Operator agrees to and hereby does assume. Operator agrees that its performance under this Addendum is dependent on a number of factors, which may be unique to Operator or unknown. There is no assurance or guarantee as to the profitability or success of participation in the Program, and by consenting to Operator's participation, Company is not making any representation of any kind in this regard.

Operator agrees that: (i) Operator's participation in the Program will be in strict conformity with the Agreement, the Confidential Operation Manual, and other specifications, standards and terms Company prescribes in relation thereto; (ii) Operator will fully implement all of the equipment and operational components necessary for participation in the Program (or provide Company with notice that Operator elects to terminate its participation pursuant to the terms of this Addendum); (iii) any proposed deviation from Company's prescribed standards and specifications must be submitted in advance to Company for its review and written approval, which approval may be withheld in Company's sole discretion, and in the event that Company does not respond, such submission shall be deemed not approved; (iv) Operator understands that failure to comply with Company's prescribed specifications, standards and terms without Company's prior written approval may result in a default under this Addendum and/or the Agreement, and may disqualify Operator from further participation in the Program, in addition to any other rights or remedies Company has under the Agreement or this Addendum; and (v) Operator is solely responsible for any and all costs associated with participating in the Program and implementing, installing, maintaining and repairing all required equipment, systems, technology solutions, and other components thereof.

12. No Territory Rights. Operator acknowledges that its rights under this Addendum are non-exclusive, and Operator will have no territorial rights or protection with respect to the New Product Line or the Program.

13. Indemnification. Operator is solely responsible for and indemnifies and holds Company and its officers, directors, officers, employees, representatives, agents, attorneys and shareholders harmless against any and all losses, claims, costs, expenses (including attorneys' fees), damages and liabilities, directly or indirectly, arising out or from or related to Operator's participation in the Program. Except as amended and modified herein, all other terms and conditions of the Agreement remain in full force and effect, including, but not limited to, the Operator's indemnification obligations to Company under the Agreement.

14. Other Material Terms. This Addendum supplements but does not otherwise modify the terms of the Agreement. Collectively, this Addendum and the Agreement constitute the entire agreement between the Parties as to the Program and for any terms not addressed in this Addendum, the provisions of the Agreement will apply and control, (including, without limitation, provisions regarding the Confidential Operation Manual, indemnification, inspections, proprietary rights, confidentiality, dispute resolution and damage limitations). The Agreement will continue to govern Operator's operation of the Unit, including its participation in the Program. There are no other agreements as to the Program, either oral or written. This Addendum will inure to the benefit of and be binding upon the Parties hereto and theirrespective heirs, executors, legal representatives, successors, successors-in-title and assigns. This Addendum may be modified only by a written agreement signed by the Parties. The terms of this Addendum have been examined, reviewed, negotiated, and revised by counsel for each Party, or each Party has had the full and complete opportunity to retain counsel, and no implication will be drawn against any Party by virtue of the preparation and drafting of this Addendum. This Addendum may be signed in counterparts with the same force and effect as if all required signatures were contained in a single, original instrument. Signed facsimile and electronic copies of this Agreement will legally bind the Parties to the same extent as original documents. Operator covenants and agrees that Operator will execute such other and further instruments and documents as Company may reasonably request in order to effectuate and carry out the intent of this Addendum.

15. Release. If either (a) this Addendum is signed after Operator was already operating under the Agreement, or (b) this Addendum was signed at the same time as the Agreement, but neither are for the first franchise between Operator (and its affiliates) and Company (and its affiliates), then Operator agrees to the following:

Operator, its shareholders, members, and principals, on behalf of itself and its affiliates, and each of their respective successors and assigns, hereby releases and forever discharges Company and its parents and affiliates, and each of their respective successors, shareholders, representatives, members, assigns, agents,employees, officers and directors (the "Company Released Parties"), of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, known or unknown, vested or contingent, which Operator now owns or holds or has at any time heretofore owned or held, or may at any time own or hold against the Company Released Parties arising prior to and including the Effective Date, arising under or relating to the Unit, the Agreement and this Addendum, and/or the relationship created thereby or the termination thereof. This release will survive expirationor termination of the Agreement and is in addition to any other release or similar agreement in the Agreement or other agreement between Company and Operator. With regard to any acts or omissions covered under this release, Operator agrees not to commence any action, lawsuit, or legal proceeding, or file any charge or complaint with any federal, state, or local agency, against the Company Released Parties. The release provided in this section does not release any claims arising from representations made in Company's Franchise Disclosure Document and its exhibits (collectively, the "FDD") or otherwise impair or affect any claims arising after the date of this Addendum.

16. Acknowledgement. By signing this Addendum, Operator confirms that Operator received and reviewed the FDD relating to its Perkins Restaurant franchise, which includes a description of the Program and New Product Line and the option, without any requirement, for Operator to participate in the Program in connection with its franchise rights for the Unit.

17. Headings. Section and subsection headings in this Addendum are included for convenience of reference only and will not constitute a part of this Addendum for any other purpose or be given any substantive effect.

IN WITNESS WHEREOF, the Parties have duly signed and executed this Addendum as of the day and year written below.

For Perkins® Restaurant Unit Number: _____
Unit Address: _____
Effective Date of this Addendum (to be completed by Company): _____

COMPANY
PERKINS LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Schedule 1 to New Product Line and Program Addendum
to Perkins Franchise Agreement

1. Technology Requirements. Prior to participation in the Program, Operator must meet and maintain the technological requirements specified by Company that are necessary to participate in the Program. These technological requirements include, among other things, the requirement that your technology directly integrate with the Grubhub, DoorDash, or Uber Eats delivery food aggregators or such other delivery service provider(s) selected by Company ("Aggregator(s)"). Operator will pay the fee payable to the Aggregators for such integration.

2. Delivery Provider/Commission Acknowledgement. The Program is only available to guests through a designated Aggregator. By choosing to participate in the Program, Operator agrees that it will exclusively utilize the Aggregator Company designates (including enrollment in such Aggregator's online subscription services to offer the guests). Company is in the process of negotiating commission rates set forth below on behalf of itself and its operators for the Program ("Commission Rates") which may vary and change based on demand of an Aggregator's services, availability of Aggregators in a service area, and other similar factors. By signing the Addendum, Operator hereby consents to Company's activation of Operator's participation in the Program on the designated Aggregator. Operator will address any and all issues regarding accounting, functionality or performance directly with the Aggregator's support services center and acknowledges and agrees that Company will not be financially liable for any problems, delays or other disruptive occurrences with an Aggregator that may arise through Operator's participation in the Program, including, but not limited to, refunds as a result of internet outages, interruptions or driver failures.

Orders under the Program placed by Company's customers on the Aggregator ("Orders") will simultaneously be transmitted to Operator for preparation and packaging. The Aggregator will pick up completed Orders from the Unit and deliver the Orders to the customers. Operator shall not accept orders under the Program from any channel, person or entity other than through the Aggregator. Operator shall not allow for consumption of Orders at the Unit.

3. Manual; Brand Standards. Operator will continue to follow the brand and operating standards as promulgated in the Confidential Operation Manual and acknowledges that such standards will apply to the New Product Line. Operator will comply with any additional protocols related to the New Product Line (including, but not limited to, recipes, pricing, packaging, and marketing) communicated in writing to Operator by Company as may be supplemented by Company from time-to-time. For the avoidance of doubt, Operator may not offer the New Product Line for sale from or in the Unit without Company's prior written consent, including pick-up or to-go options. Company reserves the right to change how the New Product Line may be sold at Company's sole option. Operator acknowledges pricing of the New Product Line is subject to the terms of the Agreement.

4. Administration Fee. Deleted.

5. Weekly Fees. Any sales made under this Addendum, regardless of definition or name, constitute Net Sales, as defined in Section 5(e) of the Agreement; accordingly, Operator will pay, or ensure, authorize or otherwise execute all documents necessary to facilitate payment, to Company for continuing weekly royalty equal to four and three-fourths percent (4.75%) of Net Sales and advertising contribution to the Fund equal to three percent (3%) of Net Sales, in accordance with the Agreement on all sales made under or pursuant to this Addendum; furthermore, Operator will report all such sales in accordance with Section 11.(b) of the Agreement. For the avoidance of doubt and notwithstanding anything to the contrary in the definition of Net Sales in the Agreement, Operator acknowledges that no commissions or delivery fees may be deducted from Net Sales.

6. Advertising/Marketing Requirements. Operator is not permitted to create any advertisements or marketing programs without Company's prior written consent. Operator will be required to participate in any advertising, marketing and other promotions that Company designates for the New Product Line, which may include free delivery or other incentives on such terms as Company may establish.

7. Other Fees. Company reserves the right to charge additional fees from time to time upon thirty (30) days' written notice to Operator for development of initiatives to support the Program (such as development of a website).

8. Other Terms. Operator acknowledges that participation in the Program under this Addendum may require (i) additional or different insurance coverage than is required under the Agreement and that it will obtain and maintain all such coverage; and (ii) additional or different permits or licenses and agrees to obtain all required permits and licenses prior to providing goods or services under the Program.

Operator acknowledges and agrees that any data Company may provide from the designated Aggregator to Operator, whether provided in raw form or processed by Company, is provided to Operator without representation or warranty as to accuracy or completeness and Company is not responsible for any inaccuracies or misstatements.

Company will not be responsible for resolving any accounting, data or information technology issues Operator may have with the Aggregator nor will Company be required to work with the Aggregator to resolve any such issues on behalf of Operator.

Schedule 2

Program Marks

PAPA CORAZÓN'S QUESADILLAS	Registration No. 6,926,326 Registration Date: December 13, 2022

CONSENT TO THE SERVICE OF BEER AND WINE

This Consent to the Service of Beer and Wine (the "Consent") is entered into as of _____ (the "Consent Date") between _____ ("Operator") and Perkins LLC ("Company"). Operator and Company are also parties to a license or franchise agreement (the "Agreement") for the Perkins Unit located at _____ ("Unit").

Operator has requested that Company consent to Operator's service of beer and wine (the "Beverages") in or from the Unit.

Notwithstanding the second sentence of Section 7(j) of the Agreement, Company hereby consents to Operator's service of the Beverages in or from the Unit subject to the following terms and conditions:

1. Term. The consent to serve the Beverages in or from the Unit shall continue for the term of the Agreement, subject to the terms of this Consent.

2. Termination. Company may revoke and terminate this Consent immediately and Operator agrees to immediately discontinue service of the Beverages if:

a. Operator breaches any term or condition, material or non-material, of this Consent or the Agreement in any manner whatsoever.

b. The Unit fails to achieve an inspection score of at least 80% in any inspection conducted by Company.

c. Company determines, in its sole right and absolute discretion, for any reason or no reason, that this Consent or the service of the Beverages in or from the Unit is not in the best interest of Company or the Perkins System.

3. Legal Compliance; Sale and Service. Operator shall comply with all federal, state and local statutes, laws, rules, regulations and ordinances related to the sale and service of the Beverages during all times that the sale and service of such Beverages are offered at or from the Unit. In all cases, sales of the Beverages shall be made by and through personnel properly trained in the service thereof, who are permitted by law to offer, sell, prepare and serve such Beverages. Operator hereby grants Company's representatives the right, but not the obligation, both with and without notice, to inspect and copy any books, records and documents relating to Beverages service and sales. To the extent Company incorporates into its Confidential Operations Manual any service or other standards related in any manner whatsoever to the Beverages, Operator agrees to conform to those standards. Company is not responsible in any way to Operator, its employees, guests, or customers, for any liability relating to the Service of Beverages and Operator fully indemnifies Company in accordance with the Agreement.

4. Expenses and Licenses. Operator is responsible for all expenses associated with the sale of the Beverages, including but not limited to the cost of obtaining necessary licenses, equipment, training, equipment installation, insurance, product, local advertising and promotion, and any and all other related costs. Any license from any federal, state or local authority authorizing the sale of the Beverages must be issued in Operator's name. No trademark, trade name, name or logo proprietary to Company, including the "Perkins" name, may be used to obtain any such license. Company shall not be identified as the applicant or the party responsible for adhering to the requirements of such license. Upon receipt of the license, Operator shall forward a copy to Company's Legal Department.

5. Advertising. All advertising materials, including the manner of advertising, related to the Beverages must be submitted to Company and shall not be used until approved in writing by Company, however such approval shall not indicate or suggest that such materials comply with federal, state and local statutes,

laws, rules, regulations and ordinances which compliance is Operator's sole responsibility.

6. Insurance and Indemnification. Operator agrees to obtain, at its expense, liquor liability ("dram shop") insurance, on an occurrence basis, with a single limit coverage for personal and bodily injury, including death and loss of means of support, and property damage of at least $3,000,000 for each occurrence during the term of this Consent. Such insurance policy shall be written by a reputable insurance carrier rated "A+" or better by Alfred M. Best and Co., Inc. Such insurance policy shall provide for thirty (30) days prior written notice to Company of any material modification, cancellation or expiration of such policy. Company shall be named as an additional insured under all such policies of insurance, and certificates of insurance (on standard "Accord" format). Proof of the insurance must be received by Company prior to commencement of the service of the Beverages under this Consent. ln addition, Operator agrees to indemnify, defend and hold Company and its parent companies, affiliates, subsidiaries, employees, officers, members, managers and agents harmless from and against any and all claims and obligations of any nature, including court costs and legal fees, arising out of or having any connection with the purchase, possession, distribution, promotion, offer, sale, delivery or consumption of the Beverages, including but not limited to claims by third parties and federal, state and local licensing and regulatory authorities.

7. Relationship to Agreement. Operator understands and agrees that the obligations undertaken by Operator under this Consent are in addition to and not in lieu of those contained in the Agreement, which obligations continue to apply. Operator understands and agrees that any breach by Operator of this Consent may, at Company's option, constitute a breach of the Agreement.

8. Revenues generated by the service of the Beverages under this Consent shall be "Net Sales" or "Gross Sales," as the case may be, for purposes of the Agreement.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT B

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:

CALIFORNIA 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: (899) 275-2677 www.dfpi.ca.gov and Ask.DFPI@dfpi.ca.gov	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8285
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT C

AGENTS FOR SERVICE OF PROCESS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA 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: (899) 275-2677 www.dfpi.ca.gov and Ask.DFPI@dfpi.ca.gov	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** 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
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT D

LIST OF FRANCHISE OWNERS AND FORMER FRANCHISEES

LIST OF FRANCHISE OWNERS

The following lists the names, addresses and telephone numbers of Perkins Standard Unit franchisees in the Perkins System as of May 2, 2023.

1 Indicates that this franchisee participates in the Papa Corazón's LPL.
2 Indicates that this franchisee participates in a VDC Virtual Product Offering.
* Indicates that the franchisee also signed an area/market development agreement for multiple units, and that this Unit was open under that area/market development agreement.

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
Donald L. Houseworth 2012 Irrevocable Trust	3826	1121 E Main St	Blytheville	AR	72315-0000	(870) 763-6797
Rick Griffith Enterprises, Inc. [1] [2]	2448	2250 Highway 95	Bullhead City	AZ	86442-0000	(928) 763-1960
CyHawk Hospitality, Inc.	2554	2222 West Eisenhower Blvd	Loveland	CO	80537-0000	(970) 663-1944
CyHawk Hospitality, Inc.	2555	2051 N. Main	Longmont	CO	80501-1406	(303) 772-1410
CyHawk Hospitality, Inc.	2654	3295 E. Platte Avenue	Colorado Springs	CO	80909	(719) 633-8962
Seravalli, Ltd	3664	700 Capital Trail	Newark	DE	19711-0000	(302) 737-3500
Roxanne Restaurants, LLC [1] [2]	1037.1	9202 S Federal Highway	Port St. Lucie	FL	34952	(772) 337-0617
WMW RC Holdings LLC	1230.1	6425 University Boulevard	Winter Park	FL	32792	(407) 679-6798
Loompy, LC [2]	2364	8200 N. Wickham Rd	Viera	FL	32940-7991	(321) 752-5200
Tamiami Trail Restaurant, LLC	2382	4335 Tamiami Trail E	Naples	FL	34112-6719	(239) 775-8200
Northcott Company	2420	5921 Fruitville Rd.	Sarasota	FL	34232-0000	(941) 342-6655
Pine Ridge Restaurant LLC	2472	3585 Pine Ridge Road	Naples	FL	34109	(239) 596-0700
Estero Restaurant, LLC	2557	20320 Grande Oak Shoppes Blvd	Estero	FL	33928	(239) 498-8773
K & R Invesco, LLC [2]	2656	701 E. State Route 434	Winter Springs	FL	32708	(407) 542-7976
P1218 LLC [2]	2666	17080 Highway 441	Mt Dora	FL	32757-0000	(352) 735-5191
P1218 LLC [2]	2668	6825 W. Newberry Road	Gainesville	FL	32605-4314	(352) 331-0388
Clearwater Gulf To Bay, LLC	3550	2626 Gulf To Bay Blvd	Clearwater	FL	33759-3901	(727) 799-2019
Northcott Company	3628	6023 14th Street W	Bradenton	FL	34207-4105	(941) 755-2658
Northcott Company	3652	1331 South 41 Bypass	Venice	FL	34292-0000	(941) 497-1154

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
P1218 LLC [2]	3891	4685 Commercial Way	Spring Hill	FL	34606-1923	(352) 596-2223
Blue Heron Enterprises, Inc.	2446	3A Gateway Blvd. S.	Savannah	GA	31419-0000	(912) 961-0424
CyHawk Hospitality, Inc.	2484	5925 Gordon Drive	Sioux City	IA	51106-0000	(712) 274-6839
KRMM Hospitality, LLC	2613	2400 N. Avenue	Milford	IA	51351	(712) 338-4060
CyHawk Hospitality, Inc.	2637	511 South 32nd Street	Fort Dodge	IA	50501	(515) 302-8031
CyHawk Hospitality, Inc.	2639	4045 Hammond Avenue	Waterloo	IA	50701	(319) 888-4309
CyHawk Hospitality, Inc.	2644	714 SE Oralabor Road	Ankeny	IA	50021	(515) 965-6800
CyHawk Hospitality, Inc.	2650	2621 Adventureland Dr.	Altoona	IA	50009	(515) 957-9900
CyHawk Hospitality, Inc.	3859	501 Gordon Drive	Sioux City	IA	51101-1705	(712) 277-4765
Twin Falls Family Restaurant, Inc.	2357.1	1564 Blue Lakes Boulevard N.	Twin Falls	ID	83301	(208) 736-8417
Potato Cakes, Inc.	3841	2000 Channing Way	Idaho Falls	ID	83404-8032	(208) 529-9955
Burley Inn, Inc. [2]	3892	800 N Overland Avenue	Burley	ID	83318-3442	(208) 678-1304
Elobbe's, Inc. [2]	2370	423 S Dixie Hwy	South Bend	IN	46637-3323	(574) 272-0655
R. J. Ebbole Restaurants, Inc. [2]	2413	107 Northpointe Blvd.	Elkhart	IN	46514-6716	(574) 264-2541
P-Noblesville, Inc. [2]	2483	250 Noble Creek Drive	Noblesville	IN	46060-0000	(317) 776-2800
P Hamilton, Inc.	2648	13316 Tegler Drive	Noblesville	IN	46060	(317) 773-8210
GLS Associates, LLC [2]	3315	5033 Scatterfield Rd	Anderson	IN	46013-2913	(765) 642-2332
Mid-America Hospitality, LLC [1]	2406	1720 SW Wanamaker Rd	Topeka	KS	66604-3813	(785) 273-0300
CyHawk Hospitality, Inc.	2645	3050 Riffel Drive	Salina	KS	67401	(785) 404-2150
CyHawk Hospitality, Inc.	2651	2000 E. Santa Fe	Gardner	KS	660030	(913) 884-4700
Great Bend Hospitality, LC [2]	3819	2920 10th St.	Great Bend	KS	67530-4260	(620) 792-4386
DGE Partnership LP [2]	3868	1711 W 23rd Street	Lawrence	KS	66046-2745	(785) 842-9040
Market Square Services, Inc.	2576	24584 Garrett Highway	McHenry	MD	21541	(301) 387-5800
Stonington Restaurants, LLC	3714	2340 10th Street	Menominee	MI	49858-2002	(906) 863-1565
KRMM Hospitality, LLC	2410.1	201 16th Street NE	Little Falls	MN	56345-3389	(320) 632-5610
QFS of Minnesota, Inc.	2441.1	333 Western Ave.	Faribault	MN	55021-5647	(507) 332-7997
KRMM Hospitality	2468	908 E Main Street	Marshall	MN	56258-0000	(507) 532-7381
E&R Services of Northfield, Inc.	2604	1401 Riverview Drive	Northfield	MN	55057	(507) 645-4830

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
Sartell Foods wholly owned subsidiary of JLC Foods Corporation, Inc. [2]	2609	2291 Conneticut Avenue	Sartell	MN	56377	(320) 258-0213
KRMM Hospitality, LLC	2670	1790 Madison Avenue	Mankato	MN	56001	(507) 385-1595
Torgerson Properties, Inc.	3744	812 Withers Harbor D	Red Wing	MN	55066-2090	(651) 385-0783
Torgerson Properties Limited Partnership	3817	701 17th Ave	Austin	MN	55912-1839	(507) 433-6720
JLC Foods Corporation, Inc. [2]	3845	956 1/2 Mankoto Avenue	Winona	MN	55987-4869	(507) 452-1618
JLC Foods Corporation, Inc. [2]	3876	801 Central Avenue	Buffalo	MN	55313-1757	(763) 682-5085
KRMM Hospitality, LLC	3895.1	18838 Dodge St NW	Elk River	MN	55330-0000	(763) 441-5066
D & S Development, Inc.	4305	2502 London Road	Duluth	MN	55811-2222	(218) 728-3619
JLC Food Systems, Inc.	4309	30 Park Avenue	St Cloud	MN	56301-3711	(320) 253-0300
D & S Development, Inc.	4310	4005 W Michigan St.	Duluth	MN	55807-2708	(218) 628-1038
Northcott Company	4311	1120 Paul Bunyan Dr.	Bemidji	MN	56601-4122	(218) 751-7850
JR Restaurants of Vadnais Heights, LLC [2]	4312	1045 County Road E	Vadnais Heights	MN	55110-5162	(651) 426-1643
D & S Development, Inc.	4322	Big Lake Drive and Highway 33	Cloquet	MN	55720-0000	(218) 879-8380
Northcott Company	4325	1445 Darling Dr.	Worthington	MN	56187-1712	(507) 372-7761
Daigle Enterprises, Inc.	4326	2050 Frontage Rd W B	Stillwater	MN	55082-0194	(651) 430-1033
KRMM Hospitality, LLC	4331	2645 South Hwy 71	Willmar	MN	56201-4217	(320) 235-5957
4332 New Ulm, LLC	4332.1	1727 S Broadway	New Ulm	MN	56073-3751	(507) 354-6688
Torgerson Properties Limited Partnership	4335	I-90 & Hwy 15	Fairmont	MN	56031-0922	(507) 238-4500
CyHawk Hospitality, Inc.	2641	3939 S Bolger Drive	Independence	MO	64055	(816) 478-0444
Yellowstone Cakes, Inc.	3636	765 South 20th St We	Billings	MT	59102-6463	(406) 656-6640
Rimrock Cakes, Inc.	3696	825 N 27th Street	Billings	MT	59101-1116	(406) 248-8320
Double "O" of Butte, Inc.	3801	2900 Harrison Avenue	Butte	MT	59701-3693	(406) 494-2490
O B Enterprises, Inc.	3842	1305 S Columbia Road	Grand Forks	ND	58201-4011	(701) 746-0493
Magic City Cakes, Inc.	4333	405 20th Ave SW	Minot	ND	58701-6434	(701) 838-2020
Northcott Company [2]	2480	106 Wilmar Street	Grand Island	NE	68803-0000	(308) 384-7060
Scottsbluff Family Pancakes, I [2]	2523	303 Highway 26 West	Scottsbluff	NE	69361	(308) 635-2035

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
CyHawk Hospitality, Inc.	2643	1229 Omaha Avenue	Norfolk	NE	68701	(402) 371-0777
CyHawk Hospitality, Inc.	2652	3709 Osborne Drive West	Hastings	NE	68901	(402) 834-3580
CyHawk Hospitality, Inc.	2662	2545 Abbott Plaza	Omaha	NE	68110	(402) 933-3311
CyHawk Hospitality, Inc.	2672	7301 Husker Circle	Lincoln	NE	68504	(402)937-7042
Northcott Company [2]	3797	2302 South Jeffers Street	North Platte	NE	69101-9696	(308) 534-7375
Northcott Company [2]	3823	609 Second Avenue Street	Kearney	NE	68848-0038	(308) 234-7375
Pites, Inc. [2]	2353	1380 State Route 36	Hazlet	NJ	77301-0000	(732) 739-4600
AuClair Corp	2361	1009 St. Georges Avenue	Colonia	NJ	07095-0000	(732) 634-7112
MSPN, LLC	2588	286 Route 18	East Brunswick	NJ	08816-1905	(732) 698-1811
113 South Main Street, Inc.	2607	113 South Main Street	Forked River	NJ	8731	(609) 242-3193
Independent Restaurant Group	2614	50 Princeton Hightstown Road	East Windsor	NJ	8520	(609) 443-0722
A & A Food Systems, Inc. [2]	2481	1421 Route 300	Newburgh	NY	12550-0000	(845) 566-4045
A & A Food Systems, Inc. [2]	2535	1576 Route 9, Unit 11	Wappingers Falls	NY	12590	(845) 296-1575
Christopher's Restaurant, Inc. [2]	2602	411 Route 3	Plattsburgh	NY	12901	(518) 561-6222
Lady Jane Hotels, Inc.	2628	2 Locust Avenue	Cortland	NY	13045	(607) 753-8084
Phoenix Management Systems, LLC	3531	2728 West State Street	Olean	NY	14760-1827	(716) 373-3610
Jampaan Corp	3890	1409 Hylan Blvd.	Staten Island	NY	10305-0000	(718) 979-9180
Eight K's Enterprises, Inc. [2]	2376	1955 Michigan Street	Sidney	OH	45365-9075	(937) 492-3131
Phoenix Management Systems, LLC	2474	1953 Niles-Cortland Road	Warren	OH	44484-0000	(330) 505-1166
Outer Limits, Inc.	2493	1503 Traveler's Point	Avon	OH	44011-0000	(440) 934-3663
Venture Foods, Inc. [2]	2509	130 W. Streetsboro, Unit 1	Hudson	OH	44236-0000	(330) 655-1665
Cedar Fair, L.P.	2635	1 Cedar Point Drive	Sandusky	OH	44870	(419) 627-2344
Phoenix Management Systems, LLC	3382	658 US Route 250 E	Ashland	OH	44805-9754	(419) 496-0008
Micalo, Inc.	3414	1197 Mt Vernon Avenue	Marion	OH	43302-5698	(740) 389-5200
Candlestick Foods, Inc. [2]	3426	700 Mentor Avenue	Painesville	OH	44077-2590	(440) 354-6644
Phoenix Management Systems, LLC	3495	3870 Elm Road NE	Warren	OH	44483-2648	(330) 372-6660

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
K Investments Limited	3508	175 Byers Road	Miamisburg	OH	45342-3612	(937) 866-2799
K Investments Limited	3650	7108 Hamilton Avenue	Cincinnati	OH	45231-5219	(513) 728-2170
K Investments Limited	3661	1235 South Main Street	Englewood	OH	45322-2822	(937) 836-2726
Phoenix Management Systems, LLC	3670	804 Boardman-Poland	Youngstown	OH	44512-5115	(330) 758-9416
K Investments Limited	3697	5579 St Rt 741	Kings Mills (Mason)	OH	45040-0000	(513) 398-0096
Phoenix Management Systems, LLC	3709	7175 Engle Road	Middleburg Heights	OH	44130-3426	(440) 234-7393
K Investments Limited	3791	745 Nilles Road	Fairfield	OH	45014-3603	(513) 939-1819
Phoenix Management Systems, LLC	3794	5550 Interstate Blvd Rt 46	Austintown	OH	44515-1166	(330) 544-2282
K Investments Limited	2363	859 York Rd.	Gettysburg	PA	17325-7501	(717) 337-1923
K Investments Limited	2365	300 Eisenhower Drive	Hanover	PA	17331-0000	(717) 630-2990
K Investments Limited	2389	1394 N. Susquehanna Trail	Selinsgrove	PA	17870-0000	(570) 743-8181
K Investments Limited	2390	7 Erford Rd.	Lemoyne	PA	17011-0000	(717) 763-0595
Seravalli Restaurants Five, Inc.	2409	1681 Grant Ave.	Philadelphia	PA	19115-3149	(215) 676-4077
K Investments Limited	2411	346 Meadow Lane	Danville	PA	17821-0030	(570) 275-1529
Williamsport Restaurant Co Inc	2419	160 Via Bella St.	Williamsport	PA	17701-6517	(570) 323-4114
K Investments Limited	2425	1215 Main Street	Stroudsburg	PA	18360-1392	(570) 421-6263
RBT Reality Associates, LLC [2]	2431	7833 Linglestown Road	Harrisburg	PA	17112-0000	(717) 545-5650
K Investments Limited	2439	3300 Pleasant Valley Blvd.	Altoona	PA	16602-0000	(814) 941-2100
K Investments Limited	2505	3267 Route 940	Mt. Pocono	PA	18344	(570) 839-0300
K Investments Limited	2570	615 State Route 6 E	Tunkhannock	PA	18657	(570) 996-0157
A & A Food Systems Inc. [2]	2582	5163 Millford Road	East Stroudsburg	PA	18301	(570) 223-0600
Seravalli Restaurants Two, Inc.	2599	705 York Road	Warminster	PA	19874	(215) 441-8010
K Investments Limited	2610	4319 Swamp Road	Doylestown	PA	18901	(215) 348-2133
K Investments Limited	2623	3214 Hamilton Blvd.	Allentown	PA	18103-4596	(610) 820-5767
K Investments Limited	2626	3940 Nazareth Pike	Bethlehem	PA	18017-1145	(610) 868-1411
K Investments Limited	2630	205 West 3rd Street	Bethlehem	PA	18015	(610) 867-0262

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
K Investments Limited	2631	3400 Lehigh Street	Allentown	PA	18103-7039	(610) 965-5241
K Investments Limited	2642	96 Dorsett Heights Drive	Mansfield	PA	16933	(570) 662-2546
K Investments Limited	2647	525 Benner Pike	State College	PA	16801	(814) 237-0307
Phoenix Management Systems, LLC	3346	78 Perkins Road	Clarion	PA	16214-0000	(814) 226-4410
Phoenix Management Systems, LLC	3456	207 Plum Street	Edinboro	PA	16412	(814) 250-0622
Phoenix Management Systems, LLC	3458	4334 Buffalo Road	Erie	PA	16510-2114	(814) 898-1212
Phoenix Management Systems, LLC	3459	4403 Peach Street	Erie	PA	16509-1317	(814) 864-0497
Phoenix Management Systems, LLC	3466	1871 Oakland Avenue	Indiana	PA	15701-3361	(724) 463-0400
C.P.R., Inc.	3540	954 Gap Newport Pike	Avondale	PA	19311-0547	(610) 268-3513
Jaggi Dynasty, Inc.	3566	1289 East DuBois Avenue	Du Bois	PA	15801-0000	(814) 371-6500
Phoenix Management Systems, LLC	3604	18276 Conneaut Lake Road	Meadville	PA	16335-3758	(814) 336-6000
K Investments Limited	3699	23 Ricky Avenue	Bloomsburg	PA	17815-8317	(570) 784-1140
K Investments Limited	3716	50 State Route 93	Hazleton	PA	18202-9801	(570) 455-0313
K Investments Limited	3762	340 International Dr.	Lewisburg	PA	17837-1334	(570) 523-7733
A & A Food Sytems Inc. [2]	3815	103 Westfall Town Drive	Matamoras	PA	18336-0000	(570) 491-4341
Three-O-Nine Associates, Inc.	3863	1085 Wilkes-Barre Township Blvd	Wilkes-Barre	PA	18702-9999	(570) 823-7264
K Investments Limited	3883	1324 Lincoln Hwy E	Chambersburg	PA	17201-3083	(717) 263-1112
Three-O-Nine Associates, Inc.	3885	1130 Ravine St.	Scranton (Dickson City)	PA	18508-1356	(570) 963-1115
K Investments Limited	3894	505 Galleria Drive	Johnstown	PA	15904-8901	(814) 262-0266
C.P.R., Inc.	3897	706 Lansdowne Ave.	Drexel Hill	PA	19026-1511	(610) 622-4531
Dwight's of SC, Inc. [2]	2574	1700 Old Trolley Road	Summerville	SC	29485-8278	(843) 875-8680
KRMM Hospitality, LLC	2325	2604 W 41st Street	Sioux Falls	SD	57105-6101	(605) 339-1310
Riverwinds, Inc.	2627	217 East Hustan Avenue	Fort Pierre	SD	57532	(605) 223-2470
Northcott Company	2655	1300 North Elk Vale Rd	Rapid City	SD	57703	(605) 348-4301
CyHawk Hospitality, Inc.	2659	2216 Broadway St.	Yankton	SD	57078	(605) 260-8962
CyHawk Hospitality, Inc.	2663	5835 East Arrowhead Place	Sioux Falls	SD	57110	(605)271-4896

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
JB Enterprises, Inc.	3625	2205 E 6th Street	Brookings	SD	57006-0000	(605) 692-4400
Northcott Company	3641	1715 North Lacrosse Street	Rapid City	SD	57701-0705	(605) 341-3810
JB Enterprises, Inc.	3825	3400 Gateway Blvd	Sioux Falls	SD	57106-1556	(605) 361-7543
Queen City Family Pancakes, Inc. [2]	3834	2301 Colorado Blvd.	Spearfish	SD	57783-0000	(605) 642-8535
JB Enterprises, Inc.	3856	1301 South Burr	Mitchell	SD	57301-4758	(605) 990-3646
Watertown Family Pancakes, Inc.[2]	3884	600 9th Ave SE	Watertown	SD	57201-0000	(605) 882-3700
Northcott Company	4313	2305 Mount Rushmore Road	Rapid City	SD	57701-5337	(605) 341-5225
Northcott Company [2]	2395	4618 Fort Henry Drive	Kingsport	TN	37663-2617	(423) 239-4225
L&E Management Company [1]	2436	999 Vann Drive	Jackson	TN	38503-2093	(731) 661-9224
L & E Management Company, Inc.	2524	5112 Park Avenue	Memphis	TN	38117-0000	(901) 682-2777
L&E Management Company	3829	1340 So. Germantown Parkway	Germantown	TN	38138-2226	(901) 759-5938
Karestco, Inc.	3830	501 Patriot Drive	Dandridge	TN	37725-0945	(865) 397-8903
Status Hospitality MGMT, LLC	4604	230 North Admiral Byrd Road	Salt Lake City	UT	84116-0000	(801) 355-4488
Northcott Company	3881	201 Bristol East Road	Bristol	VA	24201-5500	(276) 669-7737
Haberkraft, Inc.	2315	1504 Hwy 97	Ellensburg	WA	98926-9329	(509) 925-4662
Riverpoint Family Restaurant Inc.	3813	12 East Olive Avenue	Spokane	WA	99202-0000	(509) 747-9111
C&H Foodservice of Arbor Vitae, Inc.	2362	I-94 & Hwy 21	Tomah	WI	54660-0000	(608) 374-0550
Northcott Company	2475	2311 8th Street S.	Wisconsin Rapids	WI	54494-5268	(715) 423-4443
RBS Foods, LLC [2]	2600	1040 Pearson Drive	Hudson	WI	54016	(715) 386-9441
D & S Development, Inc.	3543	103 E 2nd Street	Superior	WI	54880-3005	(715) 392-8544
41 Food Company	3606	2005 W 9th Ave	Oshkosh	WI	54901-0000	(920) 233-6074
Northcott Company	3630	143 Division Street	Stevens Point	WI	54481-1150	(715) 341-5044
Telumi Inc.	3632	1398 East Green Bay	Shawano	WI	54166-0462	(715) 524-2900
TJ Food Service, LLC [2]	3738	1720 North Broadway	Menomonie	WI	54751-0000	(715) 235-2234
Northcott Company	3768	4525 Calumet Avenue	Manitowoc	WI	54220-0000	(920) 684-8003
Northcott Company	3812	2306 East Mason Street	Green Bay	WI	54302-0000	(920) 468-1688
K Investments Limited	2564	680 National Road	Wheeling	WV	26003	(304) 232-5772
K Investments Limited	2579	105 N. Lafayette Avenue	Moundsville	WV	26041	(304) 845-2290

Franchisee Name	Unit #	Address	City	State	Zip	Unit Phone Number
Sugarland Enterprises, Inc. [2]	2621	204 S. 30th Street	Laramie	WY	82073	(307) 721-3800
Sugarland Enterprises, Inc. [2]	3849	4710 East Second St.	Casper	WY	82609-0000	(307) 265-7339
CyHawk Hospitality, Inc.	3860.1	1730 Dell Range Boulevard	Cheyenne	WY	82009	(307) 634-7577
Sugarland Enterprises, Inc. [2]	4321	1373 Coffeen Ave	Sheridan	WY	82801-7028	(307) 674-9336
Sugarland Enterprises, Inc. [2]	4327	2510 South Douglas	Gillette	WY	82718-6441	(307) 682-6887
Canada						
Dixon International Hospitality, Inc.	2415	600 Dixon Road	Toronto	ONT	M9W 1J1	(416) 240-9741
1401 Paris Sudbury hospitality, Inc.	2586	1401 Paris Street	Sudbury	ONT	P3E 3B6	(705) 522-3220
2554301 Ontario, Inc.	2606	1097 Kingston Road	Pickering	ONT	LiV 1B5	(905) 492-1745
Hampton Restaurants of Niagara	3838	4800 Bender Hill Avenue	Niagara Falls	ONT	L2E 6W7	(905) 371-8688
1019491 Ontario LTD.	3867	89 Meadowvale Drive	St Catharines	ONT	L2N 3Z8	(905) 935-4522
Canadian Diners LP	3878	1130 St Laurent Blvd	Ottawa	ONT	K1K 3B6	(613) 747-9190
101173049 Saskatchewan ltd.	2581	1800 Prince of Wales Drive	Regina	SAS	S4Z 1A4	(306) 790-2111

Franchisees with Signed Franchise Agreements or Development Agreements but Units Not Yet Open as of May 2, 2023

* Indicates that the franchisee has signed an area/market development agreement for multiple units, and that this Unit is to be developed under that area/market development agreement.

Franchisee Name	Unit #	Contact Address	City	State	Zip Code	Contact Number
John Brotzman	4607	16235 Gold Creek Drive	Monument	CO	80132	334-796-1056
Roxanne Restaurants, LLC (**for unit in Florida)	4606	1950 W. Plumb Lane	Reno**	NV**	89509	775-848-5123
Ohio Valley Hospitality, LLC	4610	4501 Eastgate Blvd	Cincinnati	OH	45245	513-364-3449
CyHawk Hospitality, Inc. (**for unit in Nebraska)	4337	1271 NE Highway 99W, Suite 504	McMinnville**	OR**	97128	605-777-2125

PERKINS LLC – COMPANY OWNED RESTAURANTS

The following lists the Perkins Restaurants that Perkins owns and operated as of May 2, 2023.

1 Indicates that this franchisee participates in the Papa Corazón's LPL.
2 Indicates that this franchisee participates in a VDC Virtual Product Offering.

	Unit Number	Address	City	State	Zip
Perkins LLC [1 2]	1129	215 West Highway 436	Altamonte Springs	FL	32714-4201
Perkins LLC [1 2]	1080	989 West Orange Blossom Trail	Apopka	FL	32712
Perkins LLC [1 2]	1280	150 E Van Fleet Dr	Bartow	FL	33830
Perkins LLC [1 2]	1251	1551 Del Prado Boulevard S.	Cape Coral	FL	33990
Perkins LLC [1 2]	1038	1405 N. Woodland Blvd.	DeLand	FL	32720-2212
Perkins LLC [1 2]	1140	13620 N Cleveland Avenue	Ft Myers	FL	33903-4307
Perkins LLC [1 2]	1245	14801 S Tamiami Trail	Ft Myers	FL	33912
Perkins LLC [1]	1132	5170 W Irlo Bronson Hwy	Kissimmee	FL	34746-5346
Perkins LLC [1]	1133	7451 W Irlo Bronson Hwy	Kissimmee	FL	34747-1722
Perkins LLC [2]	1242	905 Bichara Blvd	Lady Lake	FL	32159
Perkins LLC [2]	1049	27811 US Route 27	Leesburg	FL	34748
Perkins LLC [1 2]	1203	2700 Lee Blvd	Lehigh Acres	FL	33971-1418
Perkins LLC [1 2]	1066	6001 S. Salford Blvd	North Port	FL	34287
Perkins LLC [1 2]	1226	1286 Saxon Blvd.	Orange City	FL	32763-8463
Perkins LLC	1134	6813 Sand Lake Rd	Orlando	FL	32819-9302
Perkins LLC [1 2]	1249	1700 Tamiami Trail	Port Charlotte	FL	33948
Perkins LLC [1 2]	1025	325 S Duff Ave.	Ames	IA	50010-6643
Perkins LLC [1 2]	1088	3300 Agency Rd	Burlington	IA	52601-1966
Perkins LLC [1 2]	1003	3310 Southgate Court SW	Cedar Rapids	IA	52404-5413
Perkins LLC [1]	1175	315 Collins Road NE	Cedar Rapids	IA	52402-3118
Perkins LLC [2]	1065	1207 North 25th Street	Clear Lake	IA	50428-0602
Perkins LLC [2]	1014	819 1st Ave	Coralville	IA	52241-2105
Perkins LLC [1 2]	1028	2000 SW McKinley Ave.	Des Moines	IA	50315-4463
Perkins LLC [1 2]	1033	2425 E Euclid Ave.	Des Moines	IA	50317-3657
Perkins LLC [1 2]	1057	4601 Merle Hay Rd.	Des Moines	IA	50322-1962
Perkins LLC [1 2]	1102	8601 Hickman Road	Des Moines	IA	50322-4323
Perkins LLC [1]	1115	2785 Plaza Drive	Dubuque	IA	52003
Perkins LLC [2]	1043	3102 South Center Street	Marshalltown	IA	50158-4712
Perkins LLC [1 2]	1052	2201 4th St SW	Mason City	IA	50401-4606
Perkins LLC [2]	1096	1505 W 19th St S	Newton	IA	50208-6004

	Unit Number	Address	City	State	Zip
Perkins LLC [1]	1233	1224 Jordan Creek Parkway	West Des Moines	IA	50266-5825
Perkins LLC 1 [2]	1114	2999 N Monroe St.	Decatur	IL	62526-3265
Perkins LLC [1 2]	1185	1850 N. Henderson Street	Galesburg	IL	61401-1323
Perkins LLC [1 2]	1177	1810 W War Memorial Dr	Peoria	IL	61614-6728
Perkins LLC [1]	1202	1214 West University Ave	Urbana	IL	61801-2338
Perkins LLC [2]	1022	2215 E Main Street	Albert Lea	MN	56007-3922
Perkins LLC [2]	1061	4920 Hwy 29 S	Alexandria	MN	56308-2905
Perkins LLC [1]	1060	7620 150th St W	Apple Valley	MN	55124-7188
Perkins LLC [1 2]	1097	12545 Ulysses St. NE	Blaine	MN	55434-4861
Perkins LLC [1]	1002	8324 Lyndale Ave South	Bloomington	MN	55420-2263
Perkins LLC [1 2]	1059	4201 W 78th St.	Bloomington	MN	55435-5488
Perkins LLC [2]	1159	623 W Washington Street	Brainerd	MN	56401-2930
Perkins LLC [1]	1223	8585 Aspen Lane N	Brooklyn Park	MN	55445-1842
Perkins LLC [1 2]	1290	Chaska Commons 184 Pioneer Trl	Chaska	MN	55318
Perkins LLC [1 2]	1019	5420 W Broadway Avenue	Crystal	MN	55428-3506
Perkins LLC [1 2]	1184	1345 Town Centre Drive	Eagan	MN	55123-2309
Perkins LLC [2]	1031	623 Frontier Drive	Fergus Falls	MN	56537-1025
Perkins LLC [1 2]	1258	1155 West Broadway	Forest Lake	MN	55025-1416
Perkins LLC [1 2]	1041	7520 University Ave NE	Fridley	MN	55432-2614
Perkins LLC [1 2]	1071	6920 Wayzata Blvd.	Golden Valley	MN	55426-1718
Perkins LLC [2]	1008	1206 Vermillion Street	Hastings	MN	55033-2847
Perkins LLC [1 2]	1221	17387 Kenyon Avenue	Lakeville	MN	55044
Perkins LLC [1]	1116	11801 73rd Ave N	Maple Grove	MN	55369-5596
Perkins LLC [1]	1051	2009 County Road D E	Maplewood	MN	55109-5313
Perkins LLC [1 2]	1006	11300 Highway 7	Minnetonka	MN	55305-6916
Perkins LLC [1 2]	1055	700 Pine Street	Monticello	MN	55362-8575
Perkins LLC [1]	1018	696 W County Rd D	New Brighton	MN	55112-3518
Perkins LLC [1 2]	1220	1200 Interstate Hwy 35	Owatonna	MN	55060-0587
Perkins LLC [1]	1021	2945 Empire Ln N	Plymouth	MN	55447-5316
Perkins LLC [1 2]	1216	1818 S. Broadway	Rochester	MN	55904
Perkins LLC [1 2]	1084	1495 County Road B West	Roseville	MN	55113
Perkins LLC [1 2]	1087	6292 North Oak St.	Gladstone	MO	64118-2234
Perkins LLC [1 2]	1196	1722 Jefferson Street	Jefferson City	MO	65109-2011
Perkins LLC [1 2]	1164	1001 S E Hamblen Road	Lee's Summit	MO	64081-2937
Perkins LLC [1 2]	1074	3901 Frederick Avenue	Saint Joseph	MO	64506-3022

	Unit Number	Address	City	State	Zip
Perkins LLC [1] [2]	1201	1100 South Limit Ave	Sedalia	MO	65301-3655
Perkins LLC [1]	1083	1100 Interstate Avenue	Bismarck	ND	58501-0553
Perkins LLC [1]	1174	100 E Bismarck Expressway	Bismarck	ND	58504-6334
Perkins LLC [1] [2]	1026	1220 36th St S	Fargo	ND	58103-2210
Perkins LLC [1] [2]	1204	2125 N 14th St	Ponca City	OK	74601-1830
Perkins LLC [1]	1269	960 W. Poplar Avenue	Collierville	TN	38017-2546
Perkins LLC [1] [2]	1118	3455 Poplar Avenue	Memphis	TN	38111-4654
Perkins LLC [1] [2]	1046	2975 W College Ave	Appleton	WI	54914-2912
Perkins LLC [1]	1238	3030 East College Ave.	Appleton	WI	54915
Perkins LLC [2]	1012	N6209 Oasis Rd.	Black River Falls	WI	54615
Perkins LLC [1]	1029	2025 Highland Avenue	Eau Claire	WI	54701-4316
Perkins LLC [1] [2]	1042	100 N Military Ave.	Green Bay	WI	54303-3202
Perkins LLC [1] [2]	1048	1410 Damon Rd	Madison	WI	53713-2354
Perkins LLC [1]	1099	4863 Hayes Rd.	Madison	WI	53704-3260
Perkins LLC [1] [2]	1069	1200 N Central Avenue	Marshfield	WI	54449-1505
Perkins LLC [1] [2]	1225	9428 Highway 16	Onalaska	WI	54650-8540

FORMER FRANCHISEES

The following lists the names, city and state, and current business telephone numbers or if unknown, the last known home telephone) of Perkins Standard Unit franchisees that had a franchise terminated, cancelled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under its Franchise Agreement during Perkins' most recently completed fiscal which ended May 3, 2023. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Former Franchisees of Units that Ceased Operating:

Franchisee Name	Unit #	City	State	Phone Number
Terminations				
C&H FoodService of Arbor vitae	2403	Woodruff	WI	(715) 356-9155
Oak Ridge Development Company	3381	Alliance	OH	(330) 821-9600
Non-Renewal				
K Investments Limited	3660	Columbus	OH	(614) 870-7744
Ceased Operations				
Lorine Twedt	2313	Great Falls	MT	(406) 453_2411
Helena Cakes, LLC	2432	Helena	MT	(406) 442-5757
C&H Food Service, INC.	2578	Hayward	WI	(651) 766-6703
Canada: (none)				

Former Franchisees of Units that Perkins Reacquired:

Franchisee Name	Unit #	City	State	Phone Number
None				

Former Franchisees Transferred Franchised Unit:

Franchisee Name	Unit #	City	State	Phone Number
QFS of Minnesota, Inc.	2441	Faribault	MN	(507) 332-7997
2554301 Ontario, Inc.	2357.02606	Pickering	Ontario	(905) 492-1745
Pat Holmes Enterprises, Inc.	4332	New Ulm	MN	(507) 354-6688

EXHIBIT E

FINANCIAL STATEMENTS

PERKINS, LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

MAY 2, 2023 AND MAY 3, 2022

PERKINS, LLC AND SUBSIDIARY

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May 2, 2023 and May 3, 2022

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Frazier & Deeter
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Perkins, LLC and Subsidiary
Atlanta, Georgia

Opinion

We have audited the consolidated financial statements of Perkins, LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of May 2, 2023 and May 3, 2022, and the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Perkins, LLC and Subsidiary as of May 2, 2023 and May 3, 2022, and the results of their operations and their 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers during fiscal year 2023 due to the adoption of the practical expedient set forth in Financial Accounting Standards Board Accounting Standards Codification Topic 606: *Revenue from Contracts with Customers* related to pre-opening services.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company adopted new accounting guidance Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*, effective May 4, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Other Information Included in the Franchise Disclosure Document

Management is responsible for the other information included in the the Franchise Disclosure Document. The other information comprises the operational information such as marketing, financial, and operational data but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Frazier & Deeter, LLC

August 16, 2023

PERKINS, LLC AND SUBSIDIARY

Consolidated Balance Sheets
(In Thousands)

Assets

	May 2, 2023	*May 3, 2022*
Current Assets:		
Cash	$ 17,503	$ 17,029
Franchisees receivables, net of allowance for doubtful accounts of $164 and $2,242, respectively	2,120	1,459
Credit card and delivery service receivables	811	533
Due from related parties	2,202	1,577
Inventories	1,668	1,623
Prepaid expenses and other current assets	2,445	2,672
Total current assets	26,749	24,893
Property and equipment, net of accumulated depreciation of $6,774 and $4,628, respectively	29,763	25,528
Other assets:		
Operating lease right-of-use assets	83,568	-
Goodwill, net of accumulated amortization of $97 and $64, respectively	224	257
Intangibles, net of impairment of $429 and $429 and accumulated amortization of $3,101 and $2,222, respectively	23,905	24,784
Other assets	478	492
Total other assets	108,175	25,533
Total Assets	$ 164,687	$ 75,954

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Balance Sheets - Continued
(In Thousands)

Liabilities and Member's Equity

	May 2, 2023	*May 3, 2022*
Current Liabilities:		
Accounts payable	$ 3,320	$ 3,847
Accrued expenses	7,358	10,375
Due to related parties	2,417	1,975
Franchisee deposits	30	55
Franchise advertising contribution, net	9,798	9,174
Current portion of long-term debt	25,594	2,625
Current portion of operating lease liabilities	8,334	-
Total current liabilities	56,851	28,051
Long-term debt, net of current portion and unamortized deferred financing costs of $0 and $340, respectively	-	26,129
Operating lease liabilities, net of current portion	78,147	-
Deferred supplier incentive fund	1,730	2,558
Other liabilities	1,547	3,900
Total liabilities	138,275	60,638
Commitments		
Member's equity	26,412	15,316
Total Liabilities and Member's Equity	$ 164,687	$ 75,954

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Operations
(In Thousands)

	May 2, 2023	*May 3, 2022*
Revenues:		
Revenues	$ 191,479	$ 190,901
Marketing fund revenues	11,470	11,047
Total revenues	202,949	201,948
Cost and expenses:		
Cost of food and supplies	56,753	53,111
Selling, general, and administrative expenses	116,318	115,662
Marketing fund expenses	16,495	16,164
Loss on sale of property and equipment	-	115
Depreciation and amortization	3,182	2,972
Total cost and expenses	192,748	188,024
Operating income	10,201	13,924
Other income (expense):		
Other expense	(262)	(308)
Gain (loss) on casualty loss	2,104	(144)
Gain on lease termination	1,723	-
Interest expense	(2,670)	(2,207)
Net income	$ 11,096	$ 11,265

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Member's Equity

For the Years Ended May 2, 2023 and May 3, 2022
(In Thousands)

Member's equity - April 27, 2021, as previously stated	$	3,462
Change in accounting principle, Note 1		589
Member's equity - April 27, 2021, as adjusted		4,051
Net income		11,265
Member's equity - May 3, 2022		15,316
Net income		11,096
Member's equity - May 2, 2023	$	26,412

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Cash Flows
(In Thousands)

Increase in Cash	For the Years Ended May 2, 2023	May 3, 2022
Cash flows from operating activities:		
Net income	$ 11,096	$ 11,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,182	2,972
Amortization of deferred loan costs	340	503
Bad debt recovery	(395)	(157)
Loss on sale of property and equipment	-	259
Gain on lease termination	(1,723)	-
Non-cash operating lease expense	761	-
Changes in assets and liabilities:		
Franchisees receivables	(266)	418
Credit card and delivery receivables	(278)	58
Due from related parties	(625)	(1,567)
Inventories	(45)	(125)
Prepaid expenses and other current assets	227	(1,143)
Other assets	14	197
Accounts payable	(918)	(2,188)
Accrued expenses	(3,017)	2,216
Due to related parties	442	(5,980)
Franchisee deposits	(25)	(335)
Franchise advertising contributions, net	624	2,824
Deferred supplier incentive fund	(828)	(474)
Other liabilities	(201)	1,736
Net cash provided by operating activities	8,365	10,479
Cash flows from investing activities:		
Proceeds from lease termination	2,350	647
Purchase of property and equipment	(6,741)	(4,946)
Net cash used in investing activities	(4,391)	(4,299)
Cash flows from financing activities:		
Repayment of senior debt borrowing	(3,500)	(3,281)
Net cash used in financing activities	(3,500)	(3,281)
Net increase in cash	474	2,899
Cash, beginning of year	17,029	14,130
Cash, end of year	$ 17,503	$ 17,029
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 2,323	$ 1,838

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Cash Flows - Continued
(In Thousands)

Supplemental Disclosure of Noncash Investing and Financing Transactions:

As of May 2, 2023, the Company has acquired property and equipment totaling $391,000 included within accounts payable.

On May 4, 2022, the Company adopted ASC Topic 842, Leases, and recognized right of use assets of $93,326,454, net of deferred rent of $2,151,774 and operating lease liabilities of $95,478,228.

See notes to consolidated financial statements.

Note 1 - Description of business and summary of significant accounting policies:

Perkins LLC (the Company or Perkins) was formed on October 16, 2019, to acquire certain assets of the franchise Perkins. The Perkins brand consists of family dining restaurants and bakeries. The Company is a wholly-owned subsidiary of Ascent Hospitality Management f/k/a EH Franchising Intermediateco, LLC. Unaudited system sales, including franchise locations and Company-owned locations, aggregated approximately $542,377,000 and $534,201,000 for the years ended May 2, 2023 and May 3, 2022, respectively. There were 81 and 82 Company-owned stores as of May 2, 2023 and May 3, 2022, respectively. There were 191 and 197 franchise stores as of May 2, 2023 and May 3, 2022, respectively.

PR&B Marketing Fund LLC (Marketing Fund) is an advertising cooperative required to be joined by Perkins LLC's company-owned and franchised restaurants.

Basis of consolidation

The accompanying consolidated financial statements include the accounts of Perkins and the Marketing Fund. All significant intercompany transactions have been eliminated in consolidation.

Basis of presentation

The Company has adopted the FASB Codification, which is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by nongovernmental entities. All of the Codification's content carries the same level of authority.

Use of estimates in the preparation of consolidated financial statements

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 and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating cycle

The Company's fiscal year is the 52- or 53-week period ending the Tuesday nearest to the final day of April. The years ended May 2, 2023 and May 3, 2022 included 52 and 53 weeks, respectively.

Note 1 - Description of business and summary of significant accounting policies - continued:

Cash

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. As of May 2, 2023, the Company had approximately $17,675,697 in excess of FDIC-insured limits. The Company has not experienced any losses in such accounts.

Receivables and credit policies

Accounts receivables are uncollateralized franchisee obligations due under normal trade terms requiring payment within 15 days from the invoice date. Franchisee account balances not paid within payment terms are considered delinquent and may include interest.

The Company carries accounts receivable at amounts deemed to be collectible by management. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Accounts are written off when the account is determined to be uncollectible. Recoveries are recognized in the period they are received. The ultimate collectibility of the accounts receivable may differ from that estimated by management. As of May 2, 2023 and May 3, 2022, the Company has recorded an allowance for doubtful accounts of $164,000 and $2,242,000, respectively.

The Company periodically offers loans to individual franchisees. These notes accrue interest with an average effective rate of 8.8%, and are due on various dates through December 2027. Amounts due to the Company under notes at May 2, 2023 and May 3, 2022, totaled $60,000 and $68,000, respectively, and are included in other assets in the accompanying consolidated balance sheets.

Inventories

Inventories are valued at the lower of cost or net realizable value, with cost determined by applying the first-in, first-out valuation method.

Property and equipment

Property and equipment are recorded at cost. Depreciation of property and equipment are provided using the straight-line method over the following estimated useful lives:

Building and leasehold improvements	Shorter of 3 - 10 years or life of lease
Equipment	3 - 8 years

Note 1 - Description of business and summary of significant accounting policies - continued:

Property and equipment - continued

Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized. The cost of properties sold or otherwise disposed of, and the accumulated depreciation thereon is eliminated from the property and reserve accounts, and gains and losses are reflected in the consolidated statements of operations.

The Company reviews annually, or more frequently if circumstances require, the lives and depreciation methods assigned to long lived assets, such as property and equipment. The Company reviews long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable (based on estimates of future undiscounted cash flows). In the event of impairment, the asset is written down to its fair value.

Goodwill and intangible assets

Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company amortizes goodwill on a straight-line basis over 10 years. The Company will test goodwill when a triggering event occurs that indicates that the fair value of the Company may be below its carrying amount. When a triggering event occurs, an entity has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the entity must perform the quantitative test to compare the entity's fair value to its carrying amount, including goodwill, with an impairment loss, if any, representing the excess of the Company's carrying amount to its fair value (limited to the carrying amount of goodwill of the Company).

Intangible assets principally include trade names and franchise agreements. Intangible assets of the Company have been recorded at their estimated fair value based upon the valuation on the date of acquisition. Trade names are considered to have an indefinite life and are not subject to amortization. The franchise agreements are being amortized based upon estimated underlying cash flows, which approximates the straight-line method over the average remaining life of the franchise agreements of nine years. If impairment is indicated, the Company assesses recoverability of amortizable intangibles from future operations using undiscounted cash flows derived from the lowest appropriate asset groupings. Impairments, if indicated, are recognized in operating results to the extent that the carrying value exceeds fair value, which is generally determined based on the net present value of estimated future cash flows or market data for comparable companies.

Note 1 - Description of business and summary of significant accounting policies - continued:

Revenue recognition

The Company recognizes revenue under ASC Topic 606, "Revenue from Contracts with Customers" (ASC Topic 606). ASC Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most previous revenue recognition guidance, including industry-specific guidance. ASC Topic 606 outlines a five-step process for revenue recognition that focuses on transfer of control and also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenues and cash flows from contracts with customers. Major provisions of ASC Topic 606 including determining which goods and services are distinct and represent separate performance obligations, how variable consideration is recognized, and how revenue should be recognized at a point in time or over time.

In May 2022, the Company adopted ASU 2021-02, Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. The practical expedient allows private companies to recognize initial franchise fees when all material services or conditions relating to the sale of the franchise have been substantially performed or satisfied by the Company, which is generally when a new franchise restaurant is opened. Accordingly, the Company's adoption of Subtopic 952-606 required full retrospective application and impacted the Company's accounting for initial fees charged to franchisees. As a result, the Company increased the opening balance of consolidated member's equity as of April 27, 2021 by $589,000.

Deferred franchise fees at May 2, 2023 and May 3, 2022 represent fees billed or collected from franchisees related to unopened restaurants and are included as a component of franchisee deposits on the consolidated balance sheets.

Restaurant revenues are recognized at the time of sale to the customer. Royalties and termination fees are recognized as revenue when they are earned pursuant to the franchise agreement. The Company provides services related to marketing to franchisees that are distinct from the franchise agreement because they do not require integration with other services the Company provides. The Company has determined that it is the principal in these arrangements. Accordingly, the related revenue is presented on a gross basis on the consolidated statements of operations. Marketing revenues are based on a percent of sales and are recognized at the time the underlying sales occur.

Vendor discounts

The Company has certain agreements with vendors that generally provide discounts to the Company on purchases. Such discounts are accrued when related purchases are received and are classified as a reduction of product cost.

Note 1 - Description of business and summary of significant accounting policies - continued:

Sales taxes

Sales taxes collected from customers are excluded from revenue. The obligation is included in accrued expenses until the taxes are remitted to the appropriate taxing authorities.

Franchisee deposits

Franchisee deposits are comprised of security deposits and monies received in advance for future franchise location openings. Security deposits are refundable upon expiration of a franchise agreement or serve as collateral for amounts unpaid by the franchisee. Franchisee deposits for future franchise locations are recognized as revenue when a new franchise restaurant is opened.

Advertising and marketing fund

The Company expenses all advertising costs as incurred for Company-owned stores. Advertising costs, exclusive of amounts expended by the Marketing Fund, were $933,000 and $784,000 for the years ended May 2, 2023 and May 3, 2022, respectively.

The Company-owned and franchised restaurants are required to contribute to the Marketing Fund based on a percentage of sales. The Company-owned stores contributed $5,025,000 to the fund and the franchisees contributed $11,470,000 for the year ended May 2, 2023. The Company-owned stores contributed $5,117,000 to the fund and the franchisees contributed $11,047,000 for the year ended May 3, 2022. The objective of the fund is to pool the resources of the Company and its franchisees for advertising purposes and to promote the Perkins brand in accordance with the advertising policy. The liability, franchise advertising contributions, net, reflects marketing revenues received in excess of marketing expenses paid into the fund as of May 2, 2023 and May 3, 2022.

Income taxes

Perkins and the Marketing Fund were formed as limited liability companies and are treated as partnerships for federal income tax purposes. As such, no provision or credit has been made in the accompanying consolidated financial statements for federal or state income taxes, as the member includes the profits or losses in their tax return.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authority, based on the technical merits of the position. All federal and state income tax positions taken or

Note 1 - Description of business and summary of significant accounting policies - continued:

Income taxes - continued

anticipated to be taken in the income tax returns are attributable to the member and not to the entity. As of May 2, 2023, there are no known items which would result in a material accrual related to where the Company has federal or state attributable tax positions.

Deferred financing costs

Deferred financing costs represent costs incurred in obtaining debt financing. These costs are recorded as a reduction on long-term debt and amortized on a straight-line basis over the term of the related debt. Amortization of the deferred loan costs on a straight-line basis does not differ materially from using the effective interest method. Amortization expense related to deferred financing costs was $340,000 and $503,000 for the years ended May 2, 2023 and May 3, 2022, respectively, which is included as a component of interest expense in the consolidated statements of operations.

Reclassifications

Certain amounts previously reported within the Company's consolidated statements of operations have been reclassified to conform to the current year presentation. These reclassifications had no impact on the Company's previously reported consolidated net income.

Adoption of Accounting Standard Codification 842 - Leases

As discussed in Note 8 to the financial statements, effective May 4, 2022, the Company adopted Accounting Standard Codification 842 - Leases (Topic 842) using the modified retrospective method.

Subsequent events

The Company has evaluated subsequent events through August 16, 2023, which is the date these consolidated financial statement was available to be issued. All subsequent events, if any, requiring recognition as of May 2, 2023, have been incorporated into these consolidated financial statements.

Note 2 - Goodwill and intangible assets:

Goodwill and intangible assets as of May 2, 2023 and May 3, 2022 are summarized as follows (in thousands):

	May 2, 2023				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Value	Weighted-Average Amortization Period
Goodwill	$ 321	$ 97	$ -	$ 224	10 years
Franchise agreements	8,006	3,101	-	4,905	9 years
Trademarks	19,429	-	429	19,000	Indefinite
Balance, May 2, 2023	$ 27,756	$ 3,198	$ 429	$ 24,129	

	May 3, 2022				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Value	Weighted-Average Amortization Period
Goodwill	$ 321	$ 64	$ -	$ 257	10 years
Franchise agreements	8,006	2,222	-	5,784	9 years
Trademarks	19,429	-	429	19,000	Indefinite
Balance, May 3, 2022	$ 27,756	$ 2,286	$ 429	$ 25,041	

Aggregate amortization expense for amortizing goodwill and intangible assets for the years ended May 2, 2023 and May 3, 2022 was $912,000 and $924,000, respectively.

Future expected amortization expense for amortizing goodwill and intangible assets are as follows at May 2, 2023 (in thousands):

Fiscal Year:	
2024	$ 922
2025	922
2026	922
2027	922
2028	922
Thereafter	519
	$ 5,129

Note 3 - Property and equipment:

Property and equipment as of May 2, 2023 and May 3, 2022 is comprised of the following (in thousands):

	2023	2022
Building	$ 903	$ -
Leasehold improvements	20,237	18,793
Equipment	11,124	10,165
Construction-in-progress	4,273	1,205
	36,537	30,163
Less: Accumulated depreciation and amortization	(6,774)	(4,629)
Net property, and equipment	$ 29,763	$ 25,528

Depreciation expense totaled $2,270,000 and $2,048,000 for the years ended May 2, 2023 and May 3, 2022, respectively.

Note 4 - Long-term debt:

In conjunction with the formation of Perkins, LLC on October 22, 2019, the Company borrowed a total of $35,000,000 under a long-term loan agreement. The loan matures on January 31, 2023 and bears interest at LIBOR or the Base Rate plus the applicable margin at the time of the borrowing (effective rate of 10.09% as of May 2, 2023). Principal payments are required to be paid on a quarterly basis beginning in November 2019. These quarterly payments require principal repayment of 1.25% of the borrowed amount through February 2021. Beginning May 2021, quarterly principal payments increase to 1.875% of the borrowed amount and end with a balloon payment on January 31, 2023. Borrowings under the facilities are collateralized by substantially all assets of the Company. As of May 2, 2023 and May 3, 2022, the loan had an outstanding balance of $25,594,000 and $29,094,000, respectively. On July 1, 2022, the fifth amendment extended the maturity date to October 31, 2023.

The loan agreement requires that in the event the Company received certain proceeds related to the disposal of assets, such proceeds must be used to prepay the loan balance. Additionally, the loan is to be repaid in the event of the sale of the Company or an initial public offering, as defined. The loan agreement (i) contains restrictions on the payment of dividends, the amount of capital expenditures, and share repurchases and (ii) requires the maintenance of certain financial covenants computed on a quarterly basis. The loan agreement is collateralized by substantially all assets of the Company.

Note 4 - Long-term debt - continued:

On October 13, 2020, the fourth amendment and waiver to the loan agreement was executed which waived the existing events of default, including violations of restrictive and financial covenants, failure to timely file unaudited and audited consolidated financial statements, and failure to deliver a compliance certificate and calculation of Excess Cash Flow, as defined. The amendment also added required prepayments of Development Loans and other amounts upon consummation of certain Sales and Leaseback Transactions, as defined in the agreement. The amendment also revised the lease-adjusted leverage ratio and the fixed-charge coverage ratio and waived the calculation of these covenants until July 20, 2021. The agreement also added additional monthly financial covenants for minimum EBITDA and Minimum Liquidity, as defined in the agreement, that took effect on November 10, 2020. Lastly, the amendment added additional restrictive covenants during the Amendment Period, as defined in the agreement.

Note 5 - Transactions with related parties:

Huddle House, Inc. (HH) performs administrative services for the Company. HH charges a monthly fee to the Company for these services based upon the percentage of total revenues generated between each company. The fees are included in selling, general, and administrative expenses on the consolidated statements of operations and totaled approximately $9,033,000 and $7,846,000 for the years ended May 2, 2023 and May 3, 2022, respectively.

A reconciliation of the amounts "due to" and "due from" related parties as of May 2, 2023 and May 3, 2022 are as follows:

	May 2, 2023	
Description	Due From Related Parties	Due to Related Parties
Huddle House	$ 2,111,000	$ -
Huddle House Marketing Fund, Inc.	-	1,281,000
PCSF LLC	-	1,136,000
Employees	91,000	-
Total	$ 2,202,000	$ 2,417,000

Note 5 - Transactions with related parties - continued:

	May 3, 2022	
Description	Due From Related Parties	Due to Related Parties
Huddle House	$ 1,530,000	$ -
Huddle House Marketing Fund, Inc.	-	847,000
PCSF LLC	-	1,128,000
Employees	47,000	-
Total	$ 1,577,000	$ 1,975,000

Note 6 - Deferred supplier incentive fund:

From time to time, the Company enters into incentive agreements with vendors to sell the vendor's products at all Perkins' locations. For the period from October 16, 2019 to April 28, 2020, the Company entered into an incentive contract whereby the Company was advanced $5,018,000. The Company received an additional $647,000 and $686,450 in advances under this contract during the years ended May 2, 2023 and May 3, 2022, respectively. The deferred contract liability is recognized as revenue based upon volume of products sold at all Perkins locations. During the years ended May 2, 2023 and May 3, 2022 the Company recognized $2,086,000 and $1,781,000, respectively, of revenue of which $1,475,000 and $1,160,450 related to amortization of the advance. For the years ended May 2, 2023 and May 3, 2022, $553,000 and $448,000, respectively of the supplier incentive was allocated to the Marketing Fund and is included in revenue on the marketing fund. As of May 2, 2023 and May 3, 2022, the deferred supplier incentive fund totaled $1,730,000 and $2,558,000, respectively.

Note 7 - Gain on casualty loss:

During the year ended May 3, 2022, Perkins recognized a casualty loss of $144,000 on two Company-owned stores for fire damage. During the year ended May 3, 2022, Perkins removed property and equipment with a net book value of $608,000 and received insurance proceeds related to the fire damage of $464,000. During the year ended May 2, 2023, the Company received additional insurance proceeds related to the fire damage of $2,104,000.

Note 8 - Commitments and contingencies:

Operating leases

Effective May 4, 2022, the Company changed its accounting method for leases as a result of implementing FASB ASC 842 (ASC 842), using the modified retrospective method. As such, the Company recognized operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated balance sheet. Prior period consolidated financial statements were not adjusted under the new standard and therefore, those amounts are not presented below. The Company elected not to apply the recognition requirements to short-term leases, not to separate non-lease components from lease components, and elected the transition provisions available for existing contracts, which allowed the Company to carryforward its historical assessments of (1) whether contracts are or contain a lease, (2) lease classification, and (3) initial direct costs.

ROU assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the net present value of fixed lease payments over the lease term. The Company's lease term includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option. ROU assets also include any advance lease payments made and are net of any lease incentives. The Company adopted a practical expedient available to nonpublic entities. As a result, the Company utilized a risk-free discount rate, considering a comparable period with the lease term, based on the information available at commencement date in determining the present value of lease payments.

The Company leases land, property and equipment under various non-cancelable operating and finance lease agreements and contain various renewal options. As of December 31, 2022, the weighted-average remaining term option for operating leases is 12.85 years and the weighted-average discount rate is 3.15%.

The components of lease expense are as follows:

Fixed operating lease expense	$ 9,014
Variable lease expense	3,512
Total operating lease expense	$ 12,526

Note 8 - Commitments and contingencies - continued:

Operating leases - continued

The future minimum lease payments under non-cancelable operating agreements at May 2, 2023, are as follows:

Fiscal Year:	
2024	$ 10,910
2025	11,750
2026	11,419
2027	11,226
2028	9,327
Thereafter	48,689
Undiscounted cash flows	103,321
Less: imputed interest	(16,840)
Present value of lease liabilities	$ 86,481

During the year ended May 3, 2022, the Company recognized a gain on lease termination of $1,723,000 for two of its company-owned stores who terminated their lease agreements. The Company removed property and equipment with a net book value of $627,000 and received proceeds totaling $2,350,000.

Legal matters

The Company is involved in certain litigation and claims in the ordinary course of business. In management's opinion, the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

PERKINS, LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

MAY 3, 2022 AND APRIL 27, 2021

PERKINS, LLC AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Perkins, LLC and Subsidiary
Atlanta, Georgia

Opinion

We have audited the consolidated financial statements of Perkins, LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of May 3, 2022 and April 27, 2021, and the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Perkins, LLC and Subsidiary as of May 3, 2022 and April 27, 2021, and the results of their operations and their 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Frazier & Deeter, LLC

August 11, 2022

PERKINS, LLC AND SUBSIDIARY

Consolidated Balance Sheets
(In Thousands)

Assets

	May 3, 2022	*April 27, 2021*
Current Assets:		
Cash	$ 17,029	$ 14,130
Franchisees receivables, net of allowance for doubtful accounts of $2,242 and $2,404, respectively	1,459	1,720
Credit card and delivery service receivables	533	591
Due from related parties	1,577	10
Inventories	1,623	1,498
Prepaid expenses and other current assets	2,672	1,529
Total current assets	24,893	19,478
Property and equipment, net of accumulated depreciation of $4,628 and $2,706, respectively	25,528	23,671
Other assets:		
Goodwill, net of accumulated amortization of $64 and $32, respectively	257	289
Intangibles, net of impairment of $429 and $429 and accumulated amortization of $2,222 and $1,330, respectively	24,784	25,676
Other assets	492	689
Total other assets	25,533	26,654
Total Assets	$ 75,954	$ 69,803

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Balance Sheets - Continued
(In Thousands)

Liabilities and Member's Equity

	May 3, 2022	*April 27, 2021*
Current Liabilities:		
Accounts payable	$ 3,847	$ 6,170
Accrued expenses	10,375	8,159
Due to related parties	1,975	7,955
Franchisee deposits	55	390
Franchise advertising contribution, net	9,174	6,350
Deferred franchise fees, current	86	86
Current portion of long-term debt	2,625	2,625
Total current liabilities	28,137	31,735
Long-term debt, net of current portion and unamortized deferred financing costs of $340 and $843, respectively	26,129	28,907
Deferred supplier incentive fund	2,558	3,032
Deferred franchise fees, net of current portion	564	503
Other liabilities	3,900	2,164
Total liabilities	61,288	66,341
Commitments		
Member's equity	14,666	3,462
Total Liabilities and Member's Equity	$ 75,954	$ 69,803

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Operations
(In Thousands)

	May 3, 2022	*April 27, 2021*
Revenues:		
Revenues	$ 190,840	$ 139,063
Marketing fund revenues	11,047	7,856
Total revenues	201,887	146,919
Cost and expenses:		
Cost of food, supplies, rental, and equipment sales	53,111	41,116
Selling, general, and administrative expenses	115,662	95,843
Marketing fund expenses	16,164	11,684
Depreciation and amortization	2,972	2,778
Loss (gain) on sale of property and equipment	259	(26)
Total cost and expenses	188,168	151,395
Operating income (loss)	13,719	(4,476)
Other expense:		
Other expense	(308)	(91)
Interest expense	(2,207)	(2,669)
Net income (loss)	$ 11,204	$ (7,236)

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Member's Equity

For the Years Ended May 3, 2022 and April 27, 2021
(In Thousands)

Member's equity - April 28, 2020	$	11,379
Impact of ASC Topic 606 Adoption		(681)
Net loss		(7,236)
Member's equity - April 27, 2021		3,462
Net income		11,204
Member's equity - May 3, 2022	$	14,666

See notes to consolidated financial statements.

PERKINS, LLC AND SUBSIDIARY

Consolidated Statements of Cash Flows
(In Thousands)

Increase in Cash	*May 3, 2022*	*April 27, 2021*
Cash flows from operating activities:		
Net income (loss)	$ 11,204	$ (7,236)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,972	2,778
Amortization of deferred loan costs	503	477
Bad debt recovery	(157)	-
Loss (gain) on sale of property and equipment	259	(26)
Deferred franchise fees	61	(92)
Changes in assets and liabilities:		
Franchisees receivables	418	(379)
Credit card and delivery receivables	58	(348)
Due from related parties	(1,567)	48
Inventories	(125)	(155)
Prepaid expenses and other current assets	(1,143)	(1,181)
Other assets	197	30
Accounts payable	(2,188)	2,671
Accrued expenses	2,216	3,094
Due to related parties	(5,980)	862
Franchisee deposits	(335)	107
Franchise advertising contributions, net	2,824	6,350
Deferred supplier incentive fund	(474)	(1,025)
Other liabilities	1,736	1,254
Net cash provided by operating activities	10,479	7,229
Cash flows from investing activities:		
Proceeds from the sale of property and equipment	647	1,045
Purchase of property and equipment	(4,946)	(1,866)
Net cash used in investing activities	(4,299)	(821)
Cash flows from financing activities:		
Repayment of senior debt borrowing	(3,281)	(2,625)
Net cash used in financing activities	(3,281)	(2,625)
Net increase in cash	2,899	3,783
Cash, beginning of year	14,130	10,347
Cash, end of year	$ 17,029	$ 14,130
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 1,838	$ 2,160

Supplemental Disclosure of Noncash Investing and Financing Transactions:

As of April 27, 2021, the Company has acquired property and equipment totaling $135,000 included within accounts payable.

See notes to consolidated financial statements.

Note 1 - Description of business and summary of significant accounting policies:

Perkins LLC (the Company or Perkins) was formed on October 16, 2019, to acquire certain assets of the franchise Perkins. The Perkins brand consists of family dining restaurants and bakeries. The Company is a wholly-owned subsidiary of Ascent Hospitality Management f/k/a EH Franchising Intermediateco, LLC. Unaudited system sales, including franchise locations and Company-owned locations, aggregated approximately $534,201,000 and $373,770,000 for the years ended May 3, 2022 and April 27, 2021, respectively. There were 82 and 85 Company-owned stores as of May 3, 2022 and April 27, 2021, respectively. There were 197 and 205 franchise stores as of May 3, 2022 and April 27, 2021, respectively.

As of April 29, 2020, the Company consolidated the balances and results of operations of PR&B Marketing Fund LLC (Marketing Fund), an advertising cooperative required to be joined by Perkins LLC's company-owned and franchised restaurants. Prior to April 29, 2020, the Marketing Fund was not consolidated by the Company.

Basis of consolidation

The accompanying consolidated financial statements include the accounts of Perkins and the Marketing Fund for the years ended May 3, 2022 and April 27, 2021. All significant intercompany transactions have been eliminated in consolidation.

Basis of presentation

The Company has adopted the FASB Codification, which is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by nongovernmental entities. All of the Codification's content carries the same level of authority.

Use of estimates in the preparation of consolidated financial statements

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 and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating cycle

The Company's fiscal year is the 52- or 53-week period ending the Tuesday nearest to the final day of April. The year ended May 3, 2022 included 53 weeks and the year ended April 27, 2021 included 52 weeks.

Note 1 - Description of business and summary of significant accounting policies - continued:

Receivables and credit policies

Accounts receivables are uncollateralized franchisee obligations due under normal trade terms requiring payment within 15 days from the invoice date. Franchisee account balances not paid within payment terms are considered delinquent and may include interest.

The Company carries accounts receivable at amounts deemed to be collectible by management. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Accounts are written off when the account is determined to be uncollectible. Recoveries are recognized in the period they are received. The ultimate collectibility of the accounts receivable may differ from that estimated by management. As of May 3, 2022 and April 27, 2021, the Company has recorded an allowance for doubtful accounts of $2,242,000 and $2,404,000, respectively.

The Company periodically offers loans to individual franchisees. These notes accrue interest with an average effective rate of 8.8%, and are due on various dates through December 2027. Amounts due to the Company under notes at May 3, 2022 and April 27, 2021, totaled $68,000 and $205,000, respectively, and are included in other assets in the accompanying consolidated balance sheets.

Inventories

Inventories are valued at the lower of cost or net realizable value, with cost determined by applying the first-in, first-out valuation method.

Property and equipment

Property and equipment are recorded at cost. Depreciation of property and equipment are provided using the straight-line method over the following estimated useful lives:

Leasehold improvements	Shorter of 3 - 10 years or life of lease
Equipment	3 - 10 years

Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized. The cost of properties sold or otherwise disposed of, and the accumulated depreciation thereon is eliminated from the property and reserve accounts, and gains and losses are reflected in the consolidated statements of operations.

Note 1 - Description of business and summary of significant accounting policies - continued:

Property and equipment - continued

The Company reviews annually, or more frequently if circumstances require, the lives and depreciation methods assigned to long lived assets, such as property and equipment. The Company reviews long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable (based on estimates of future undiscounted cash flows). In the event of impairment, the asset is written down to its fair value. No impairments were recognized for the years ended May 3, 2022 and April 27, 2021.

Goodwill and intangible assets

Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company amortizes goodwill on a straight-line basis over 10 years. The Company will test goodwill when a triggering event occurs that indicates that the fair value of the Company may be below its carrying amount. When a triggering event occurs, an entity has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the entity must perform the quantitative test to compare the entity's fair value to its carrying amount, including goodwill, with an impairment loss, if any, representing the excess of the Company's carrying amount to its fair value (limited to the carrying amount of goodwill of the Company).

Intangible assets principally include trade names and franchise agreements. Intangible assets of the Company have been recorded at their estimated fair value based upon the valuation on the date of acquisition. Trade names are considered to have an indefinite life and are not subject to amortization. The franchise agreements are being amortized based upon estimated underlying cash flows, which approximates the straight-line method over the average remaining life of the franchise agreements of nine years. If impairment is indicated, the Company assesses recoverability of amortizable intangibles from future operations using undiscounted cash flows derived from the lowest appropriate asset groupings. Impairments, if indicated, are recognized in operating results to the extent that the carrying value exceeds fair value, which is generally determined based on the net present value of estimated future cash flows or market data for comparable companies. There was no impairment recognized for the years ended May 3, 2022 and April 27, 2021.

Note 1 - Description of business and summary of significant accounting policies - continued:

Revenue recognition

On April 29, 2020, the Company adopted ASC Topic 606, "Revenue from Contracts with Customers" (ASC Topic 606). ASC Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most previous revenue recognition guidance, including industry-specific guidance. ASC Topic 606 outlines a five-step process for revenue recognition that focuses on transfer of control and also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenues and cash flows from contracts with customers. Major provisions of ASC Topic 606 including determining which goods and services are distinct and represent separate performance obligations, how variable consideration is recognized, and how revenue should be recognized at a point in time or over time.

The Company adopted ASC Topic 606 using the modified retrospective approach, and accordingly the new guidance was applied retrospectively to franchise fees and the Marketing Fund. Franchise fees were previously recorded at the point in time when the franchisee location began operations. Under ASC Topic 606, franchise fees are recognized as the Company satisfies the performance obligation over the franchise term, which generally range from 10 to 20 years. As a result, the Company decreased the opening balance of consolidated members' equity as of April 29, 2020 by $681,000. Also as a result of the adoption of ASC Topic 606, the Company is required to consolidate the marketing fund and present advertising fund income and related marketing expenses on their income statement on a gross basis. There was no impact to opening consolidated member's equity deficit as of April 29, 2020 resulting from the consolidation of the Marketing Fund.

Restaurant revenues are recognized at time of sale to the customer. Royalties and termination fees are recognized as revenue when they are earned pursuant to the franchise agreement. The Company provides services related to marketing to franchisees that are distinct from the franchise agreement because they do not require integration with other services the Company provides. The Company has determined that it is the principal in these arrangements. Accordingly, the related revenue is presented on a gross basis on the consolidated statements of operations. Marketing revenues are based on a percent of sales and are recognized at the time the underlying sales occur.

Vendor discounts

The Company has certain agreements with vendors that generally provide discounts to the Company on purchases. Such discounts are accrued when related purchases are received and are classified as a reduction of product cost.

Note 1 - Description of business and summary of significant accounting policies - continued:

Sales taxes

Sales taxes collected from customers are excluded from revenue. The obligation is included in accrued expenses until the taxes are remitted to the appropriate taxing authorities.

Franchisee deposits

Franchisee deposits are comprised of security deposits and monies received in advance for future franchise location openings. Security deposits are refundable upon expiration of a franchise agreement or serve as collateral for amounts unpaid by the franchisee. Franchisee deposits for future franchise locations are recognized as revenue over the term of the franchise agreement.

Advertising and marketing fund

The Company expenses all advertising costs as incurred. Advertising costs, exclusive of amounts expended by the Marketing Fund, were $784,000 and $783,000 for the years ended May 3, 2022 and April 27, 2021, respectively.

The Company-owned and franchised restaurants are required to contribute to the Marketing Fund based on a percentage of sales. The objective of the fund is to pool the resources of the Company and its franchisees for advertising purposes and to promote the Perkins brand in accordance with the advertising policy. The liability, franchise advertising contributions, net, reflects marketing revenues received in excess of marketing expenses paid into the fund as of May 3, 2022.

The Company-owned and franchised restaurants are required to accept gift cards sold by its affiliate, PCSF LLC. The gift card contain no expiration dates or inactivity fees and are paid by PCSF LLC to the applicable franchisee or corporate owned store upon redemption. Revenue is not recognized by the Company on gift card redemptions at franchisees and corporate owned stores recognize revenue on these transaction at the time the gift card is redeemed. The estimated gift card liability recorded by PCSF LLC as of May3, 2022 and April 27, 2021 was $1,849,000 and $1,724,000, respectively.

Income taxes

Perkins and the Marketing Fund were formed as limited liability companies and are treated as partnerships for federal income tax purposes. As such, no provision or credit has been made in the accompanying consolidated financial statements for federal or state income taxes, as the member includes the profits or losses in their tax return.

Note 1 - Description of business and summary of significant accounting policies - continued:

Income taxes - continued

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authority, based on the technical merits of the position. All federal and state income tax positions taken or anticipated to be taken in the income tax returns are attributable to the member and not to the entity. As of May 3, 2022, there are no known items which would result in a material accrual related to where the Company has federal or state attributable tax positions.

Deferred financing costs

Deferred loan cost include financing cost incurred for obtaining new debt for Perkins. These costs are being capitalized as a reduction of the related debt and will be amortized using the straight-line method over the term of the related debt. As of May 3, 2022 and April 27, 2021, the Company had deferred financing costs totaling $1,564,000 and accumulated amortization of $1,224,000 and $721,000, respectively.

Subsequent events

The Company has evaluated subsequent events through July 21, 2022, which is the date these consolidated financial statement was available to be issued. All subsequent events, if any, requiring recognition as of May 3, 2022, have been incorporated into these consolidated financial statements.

Note 2 - New accounting pronouncements:

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842): Amendments to the FASB Accounting Standards Codification (Update 2016-02), which requires an entity to recognize lease assets and lease liabilities on the balance sheet and to disclose key qualitative and quantitative information about the entity's leasing arrangements. This update is effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. A modified retrospective approach is required. Upon adoption of this new standard, the Company will recognize significant right of use assets and lease obligation liabilities on the consolidated balance sheets as a result of its operating lease obligations. Operating lease expense will still be recognized on a straight-line basis over the remaining life of the lease. The Company is currently evaluating the effect that ASU 2016-02 will have on the consolidated financial statements and related disclosures.

Note 3 - Goodwill and intangible assets:

Goodwill and intangible assets as of May 3, 2022 and April 27, 2021 are summarized as follows (in thousands):

	May 3, 2022				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Value	Weighted-Average Amortization Period
Goodwill	$ 321	$ 64	$ -	$ 257	10 years
Franchise agreements	8,006	2,222	-	5,784	9 years
Trademarks	19,429	-	429	19,000	Indefinite
Balance, May 3, 2022	$ 27,756	$ 2,286	$ 429	$ 25,041	

	April 27, 2021				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Value	Weighted-Average Amortization Period
Goodwill	$ 321	$ 32	$ -	$ 289	10 years
Franchise agreements	8,006	1,330	-	6,676	9 years
Trademarks	19,429	-	429	19,000	Indefinite
Balance, April 27, 2021	$ 27,756	$ 1,362	$ 429	$ 25,965	

Aggregate amortization expense for amortizing goodwill and intangible assets for the years ended May 3, 2022 and April 27, 2021 was $924,000 and $917,000, respectively.

Future expected amortization expense for amortizing goodwill and intangible assets are as follows at May 3, 2022 (in thousands):

Fiscal Year:	
2023	$ 922
2024	922
2025	922
2026	922
2027	922
Thereafter	1,431
	$ 6,041

Note 4 - Property and equipment:

Property and equipment as of May 3, 2022 and April 27, 2021 is comprised of the following (in thousands):

	2022	2021
Leasehold improvements	$ 18,790	$ 17,448
Equipment	10,161	8,929
Construction-in-progress	1,205	-
	30,156	26,377
Less: Accumulated depreciation and amortization	(4,628)	(2,706)
Net property, and equipment	$ 25,528	$ 23,671

Depreciation expense totaled $2,048,000 and $1,861,000 for the years ended May 3, 2022 and April 27, 2021, respectively.

Note 5 - Long-term debt:

In conjunction with the formation of Perkins, LLC on October 22, 2019, the Company borrowed a total of $35,000,000 under a long-term loan agreement. The loan matures on January 31, 2023 and bears interest at LIBOR or the Base Rate plus the applicable margin at the time of the borrowing (effective rate of 5.3% as of May 3, 2022). Principal payments are required to be paid on a quarterly basis beginning in November 2019. These quarterly payments require principal repayment of 1.25% of the borrowed amount through February 2021. Beginning May 2021, quarterly principal payments increase to 1.875% of the borrowed amount and end with a balloon payment on January 31, 2023. Borrowings under the facilities are collateralized by substantially all assets of the Company. As of May 3, 2022 and April 27, 2021, the loan had an outstanding balance of $29,094,000 and $32,375,000, respectively. On July 1, 2022, the fifth amendment extended the maturity date to October 31, 2023.

The loan agreement requires that in the event the Company received certain proceeds related to the disposal of assets, such proceeds must be used to prepay the loan balance. Additionally, the loan is to be repaid in the event of the sale of the Company or an initial public offering, as defined. The loan agreement (i) contains restrictions on the payment of dividends, the amount of capital expenditures, and share repurchases and (ii) requires the maintenance of certain financial covenants computed on a quarterly basis. The loan agreement is collateralized by substantially all assets of the Company.

Note 5 - Long-term debt - continued:

On October 13, 2020, the fourth amendment and waiver to the loan agreement was executed which waived the existing events of default, including violations of restrictive and financial covenants, failure to timely file unaudited and audited consolidated financial statements, and failure to deliver a compliance certificate and calculation of Excess Cash Flow, as defined. The amendment also added required prepayments of Development Loans and other amounts upon consummation of certain Sales and Leaseback Transactions, as defined in the agreement. The amendment also revised the lease-adjusted leverage ratio and the fixed-charge coverage ratio and waived the calculation of these covenants until July 20, 2021. The agreement also added additional monthly financial covenants for minimum EBITDA and Minimum Liquidity, as defined in the agreement, that took effect on November 10, 2020. Lastly, the amendment added additional restrictive covenants during the Amendment Period, as defined in the agreement.

Note 6 - Transactions with related parties:

Huddle House, Inc. (HH) performs administrative services for the Company. HH charges a monthly fee to the Company for these services based upon the percentage of total revenues generated between each company. The fees are included in selling, general, and administrative expenses on the consolidated statements of operations and totaled approximately $7,846,000 and $7,203,000 for the years ended May 3, 2022 and April 27, 2021, respectively.

A reconciliation of the amounts "due to" and "due from" related parties as of May 3, 2022 and April 27, 2021 are as follows:

May 3, 2022		
Description	Due From Related Parties	Due to Related Parties
Huddle House	$ 1,530,000	$ -
Huddle House Marketing Fund, Inc.	-	847,000
PCSF LLC	-	1,128,000
Employees	47,000	-
Total	$ 1,577,000	$ 1,975,000

Note 6 - Transactions with related parties - continued:

	April 27, 2021	
Description	Due From Related Parties	Due to Related Parties
Huddle House	$ -	$ 6,229,000
Huddle House Marketing Fund, Inc.	-	364,000
PCSF LLC	-	1,362,000
Employees	10,000	-
Total	$ 10,000	$ 7,955,000

Note 7 - Deferred supplier incentive fund:

From time to time, the Company enters into incentive agreements with vendors to sell the vendor's products at all Perkins' locations. For the period from October 16, 2019 to April 28, 2020, the Company entered into an incentive contract whereby the Company was advanced $5,018,000. The Company received an additional $686,450 and $214,230 in advances under this contract during the years ended May 3, 2022 and April 27, 2021, respectively. The deferred contract liability is recognized as revenue based upon volume of products sold at all Perkins locations. During the years ended May 3, 2022 and April 27, 2021 the Company recognized $1,781,000 and $1,822,000, respectively, of the advance, which is included in revenue in the consolidated statements of operations. For the years ended May 3, 2022 and April 27, 2021, $448,000 and $491,000, respectively of the supplier incentive was allocated to the Marketing Fund and is included in revenue on the marketing fund. As of May 3, 2022 and April 27, 2021, the deferred supplier incentive fund totaled $2,558,000 and $3,032,000, respectively.

Note 8 - Commitments and contingencies:

Operating leases

The majority of the Perkins restaurant leases have an initial term of 20 years. The leases generally provide for 2 or 4 renewal periods of 5 years each. Contingent rents are generally amounts due as a result of sales in excess of amounts stipulated in certain restaurant leases and are included in rent expense as they are incurred. Future minimum payments related to non-cancelable leases that have initial or remaining lease terms in excess of 1 year as of May 3, 2022 were as follows:

Fiscal Year:	
2023	$ 11,060,859
2024	10,963,607
2025	10,604,647
2026	10,095,306
2027	9,791,274
Thereafter	57,925,822
	$ 110,441,515

Legal matters

The Company is involved in certain litigation and claims in the ordinary course of business. In management's opinion, the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

EXHIBIT F

TABLE OF CONTENTS TO ONLINE LEARNING SYSTEM

Learning Program	Content
Bake	4 courses
Bus Training	1 course
Certified Trainer	4 courses, 1 e-workbook
Cook	9 Courses
TeamworX	6 Courses
Net-Chef	25 Courses
Development	2 Courses
Dish Training	1 Course
GM	4 Courses, 1 workbook
Host	5 Courses
Managers	16 Courses, 2 Workbooks
Menu Training	14 Courses
Prep	3 Courses
Safety and Food Safety	6 Courses
Server	10 Courses
Shift Leadership	10 Courses, 2 e-workbooks

All Learning Programs includes course content, position tests, and skills validation checklists

ADDITIONAL MATERIALS

Menu Tour

Menu Explosion and Point of Work Posters

Shift Standards Manual, which contains 32 pages

Operations Manual, which contains 90 pages

Topic	Pages	Total Pages
About this Manual	1	1
Organizational Objectives	2	1
Hours of Operation ……....	3	1
Image	4	2
Training Materials	6	1
Training Overview: LMS and University of Perkins	7	2
Perkins Advisory Council	9	1
Remodel Standards	10	1
Event Guidelines and Holidays	11	1
Public Relations | Donations	12	1
Perkins Management Structure	13	2
Manager Priorities	15	1

Decision Making	16	1
Manager Schedules	17	1
Managing Priorities and Time | Rally Board	18	1
Perkins Promise and Quality Circles	19	2
Quality Assurance (QA)	21	1
Manager Office Organization	22	4
Perkins Cleaning System	27	1
Health Department	28	2
Security and Loss Prevention	30	1
Safety	31	1
Opening and Closing Procedures	32	2
Supply Chain Management	34	2
Managing Food	36	11
Managing Service	47	12
Sales	59	1
Bakery and Retail Management - Bakery by Perkins	60	1
Marketing	61	6
Accounting	67	9
Payment Card Industry Data Security Standard	76	1
Profit & Loss Statement	77	2
Business Review	79	1
Labor Cost Management	80	5
Direct Operating Expense (DOE) Management	85	3
Repair and Maintenance	86	1

MENU RECIPE BINDER

Table of Contents (2 pages)

Topic		Pages	Total Pages
Menu Promo	Varies with promotional menu offerings	1-14	16
TAB 1	Beverages & Desserts	1-15	16
TAB 2	Biscuit Breakfasts, Skillets & Omelets	1-12	13
TAB 3	Fresh Cracked Classics & Great Plates	1-14	15
TAB 4	Griddle Greats	1-17	18
TAB 5	Hearty Extras & Sides	1-37	38
TAB 6	Starters, Soups & Salads	1-16	17
TAB 7	Burgers, Melts, Sandwiches	1-18	19
TAB 8	Dinners	1-17	18
TAB 9	55+	1-13	14
TAB 10	Kids	1-14	15
	TOTAL PAGES IN MANUAL		**20**

PREP RECIPE BINDER

Topic		Pages	Total Pages
Prep Promo	Varies with promotional menu offerings	1-6	6
	Prep		176
	TOTAL PAGES IN MANUAL		**182**

BAKE RECIPE BINDER

Topic		Pages	Total Pages
Bake Promo	Varies with promotional menu offerings	1-6	6
TAB 1	Bakery		87
	TOTAL PAGES IN MANUAL		**93**

EXHIBIT G

PERKINS LLC
FRANCHISEE QUESTIONNAIRE

As you know, Perkins LLC ("Perkins") and you are preparing to enter into a Franchise Agreement and/or Market Development Agreement (as indicated in response to question #4 below) for the establishment and operation of one or more Perkins franchised businesses. Please review each of the following questions and statements carefully and provide honest and complete responses to each.*

1. I had my first face-to-face meeting with a representative of Perkins on _____, 20__.

2. Have you received the Perkins Franchise Disclosure Document ("FDD") that was provided to you?

   Yes _____ No _____

3. Did you sign a receipt for the FDD indicating the date you received it?

   Yes _____ No _____

4. At this time, you are entering into a (check as applicable):

   ☐ Franchise Agreement. If so, have you received a fully completed copy (other than signatures) of the Franchise Agreement and each attached addendum and/or related agreement?

   Yes _____ No _____

   ☐ Market Development Agreement. If so, have you received a fully completed copy (other than signatures) of the Market Development Agreement and each attached addendum and/or related agreement?

   Yes _____ No _____

5. Do you understand that the success or failure of your Perkins franchised business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, labor and supply costs, lease terms and other economic and business factors?

   Yes _____ No _____

6. Has any employee or other person speaking on behalf of Perkins made any statement or promise concerning the revenues, profits or operating costs of a Perkins franchised business operated by Perkins or its franchisees that is contrary to the information contained in the FDD?

   Yes _____ No _____

7. Has any employee or other person speaking on behalf of Perkins made any statement or promise regarding the amount of money you may earn in operating, or the likelihood of success you may achieve in operating, the franchised business that is contrary to the information contained in the FDD?

   Yes _____ No _____

8. Has any employee or other person speaking on behalf of Perkins made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Perkins will furnish to you that is contrary to, or different from, the information contained in the FDD?

   Yes _____ No _____

9. If you are entering into "Franchise Agreement", please answer the following (if not, and instead you are entering into a Market Development Agreement, please skip to Question 10):

   A. Have you entered into any binding agreement with Perkins concerning the purchase of this franchise prior to today (this does not refer to a Market Development Agreement signed with Perkins for the development of multiple franchises)?

      Yes _____ No _____

   B. Have you paid any money to Perkins concerning the purchase of this franchise prior to today (this is not referring to any development fees paid under a Market Development Agreement signed with Perkins)?

      Yes _____ No _____

10. If you are entering into "Market Development Agreement", please answer the following (if not, please go to Question 11):

   A. Have you entered into any binding agreement with Perkins concerning the purchase of the development rights prior to today?

      Yes _____ No _____

   B. Have you paid any money to Perkins concerning the purchase of the development rights prior to today?

      Yes _____ No _____

11. If you have answered "Yes" to any one of questions 6-11, 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 6-11, please leave the following lines blank.

_____

_____

_____

_____

_____

_____

_____

12. I signed (check as applicable):

☐ Franchise Agreement (and addenda, if any) on _____, 20__, and I acknowledge that no agreement or addendum is effective until signed and dated by Perkins.

☐ Market Development Agreement (and addenda, if any) on _____, 20__, and I acknowledge that no agreement or addendum is effective until signed and dated by Perkins.

* * *

Please understand that your responses to these questions are important to us and that we will rely on them.

This Questionnaire is only meant to confirm whether certain facts are true. Nothing in this Questionnaire is meant to be a waiver of any rights that you have under any law. None of the questions and none of your answers disclaim or negate any of any information that Perkins has provided in its Disclosure Document.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

APPLICANT

_____

_____, 20__

**This Questionnaire does not apply to franchises for certain states as indicated in the State Specific Disclosure Addenda (which are included in Exhibit H of Perkins' disclosure document).*

EXHIBIT H

STATE SPECIFIC DISCLOSURE ADDENDA

California Disclosure Addendum

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Franchise Disclosure Document for Perkins LLC in connection with the offer and sale of franchisees for use in the State of California shall be amended to include the following:

1. Our website, www.perkinsrestaurants.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

2. 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.

3. 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.

4. YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).

5. In Item 3, "Litigation," is amended by the addition of the following paragraphs:

Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

6. Item 5 "Initial Franchise Fees" is amended by the addition of the following:

The California Department of Financial Protection and Innovation requires that all initial fees paid to Perkins LLC by the franchisee be held in escrow until Perkins LLC has completed its pre-opening obligations to the franchisee. The escrow agreement between Perkins LLC and Coast to Coast Escrow Services, Inc., an independent licensed Escrow Company, through an account at Pacific Premier Bank, as the Escrow Agent, is on file at the California Department of Financial Protection and Innovation.

7. Item 6, "Other Fees" is amended by the addition of the following paragraph in the row titled "Late Fees and Interest of Overdue Payments":

The maximum interest rate allowed in California is 10% per annum for some loans.

8. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs at the conclusion of the Item:

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

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchisee. This provision may not be enforceable under California law.

The Franchise Agreement contains a provision that may be interpreted as a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires that litigation be conducted in Atlanta, Georgia. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

The Franchise Agreement and Market Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

9. The financial performance representations in Item 19 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Perkins Franchised Business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

10. The following language is added to Item 22:

The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of California.

The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of California.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's

investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Illinois Disclosure Addendum

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44 the Disclosure Document for Perkins LLC for use in the State of Illinois is amended as follows:

1. The "Summary" section of Item 17 (w), entitled Choice of Law, is amended by adding the following language:

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

2. The following language is added to the end of **Item 17**, "Renewal, Termination, Transfer, and Dispute Resolution":

> "Sec. 705/4 of the Illinois Franchise Disclosure Act provides that 'any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void, provided that a franchise agreement may provide for arbitration in a forum outside of this state [Illinois].'"
>
> The Franchisee's rights upon non-renewal may be affected by Section 20 of the Illinois Franchise Disclosure Act of 1987. If the Franchisor refuses to renew the Franchise Agreement, the Franchisor will compensate the Franchisee if (and to the extent) such compensation is required under Section 20 of the Illinois Franchise Disclosure Act of 1987.
>
> Conditions under which the Franchise Agreement can be terminated may be affected by Section 19 of the Illinois Franchise Disclosure Act of 1987.
>
> 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. The following language is added to Item 22:

> The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of Illinois.
>
> The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of Illinois.

4. Each section of this Addendum will be effective only to the extent (for that section) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (without reference to this Addendum).

Indiana Disclosure

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, the Franchise Disclosure Document for Perkins LLC for use in the State of Indiana shall be amended as follows:

1. Item 8, "Restrictions on Sources of Products and Services," shall be amended by the addition of the following language:

> Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you.

2. Item 12, "Territory," shall be amended by the addition of the following section:

> We will not compete unfairly with you within a reasonable area.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following sections at the end of the Item:

> The Indiana Deceptive Franchise Practices Act requires that any release executed by a Franchisee or transferor must not include any claims arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act.
>
> The Indiana Deceptive Franchise Practices Act requires that Indiana law govern any cause of action which arises under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act.

4. No release language set forth in the Disclosure Document or the Franchise Agreement shall relieve us or any other person directly or indirectly form liability imposed by the laws concerning franchising of the State of Indiana.

5. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum to the Disclosure Document.

Maryland Disclosure Addendum

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the Franchise Disclosure Document for Perkins LLC for use in the State of Maryland is amended as follows:

1. The Securities Commissioner of the State of Maryland requires that all initial fees paid to Perkins LLC by the franchisee be held in Escrow until Perkins LLC has completed its pre-opening obligations to the franchisee. The escrow agreement between Perkins LLC and EagleBank, as the Escrow Agent, is on file at the Maryland Securities Division.

2. The following language is added to the end of **Item 17**, "Renewal, Termination, Transfer and Dispute Resolution":

> "The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law. See **Exhibit MD-1** below for additional information regarding the release.
>
> The Franchise Agreement permits you to sue only in the jurisdiction in which we maintain our principal place of business, except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, and for those claims, you may file suit in Maryland.
>
> The Franchise Agreement and Market Development Agreement provide for termination upon bankruptcy of the franchisee. This provision may not be enforceable under the U.S. Bankruptcy Code (11 U.S.C. Section 101, *et seq*.).
>
> Notwithstanding any provision of the Franchise Agreement or Market Development Agreement to the contrary, any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be commenced within three (3) years from the grant of the franchise or such action shall be barred.
>
> Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023, issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to provide the following legend: "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."

3. The following language is added to Item 22:

The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of Maryland.

The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of Maryland.

4. Each provision of this addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this addendum to the Disclosure Document.

Michigan Disclosure Addendum

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 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION

DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

* * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE
670 G. MENNEN WILLIAMS BUILDING
LANSING, MICHIGAN 48913

Minnesota Disclosure Addendum

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for Perkins LLC for use in the State of Minnesota shall be amended to include the following:

1. Item 13, "Trademarks," shall be amended by the addition of the following paragraph at the end of the Item:

> Pursuant to Minnesota Stat. Sec. 80C.12 (Subd. 1(g)), we are required to protect any rights which you have to use our Licensed Marks.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs:

> With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a licensee be given 90 days' notice of termination with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the license not be unreasonably withheld.
>
> Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.
>
> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. The Franchise Agreement contains a provision that may be interpreted as a liquidated damages clause under Minnesota law. Certain liquidated damages clauses are unenforceable.

4. No release language set forth in the Franchise Agreement shall relieve us or any other person directly or indirectly from liability imposed by the laws concerning franchising in the State of Minnesota.

5. The following language is added to Item 22:

> The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of Minnesota.

The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of Minnesota.

6. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the Disclosure Document.

New York Disclosure Addendum

ADDITIONAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISEE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE 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 PROSPECTUS. 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 PROSPECTUS.

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Franchise Disclosure Document for Perkins LLC for use in the State of New York shall be amended as follows:

1. Item 3, "Litigation," shall be supplemented by the addition of the following at the beginning of the Item:

> Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchisees under our trademark, 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.
>
> Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchisees under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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.
>
> Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchisees under our trademark, 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 franchisee as a real estate broker or sales agent.

Other than those actions described below, no litigation is required to be disclosed in this Disclosure Document.

2. Item 4, "Bankruptcy" shall be deleted in its entirety, and the following Item 4 shall be substituted in lieu thereof:

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting "d", "j", "w" and the following new "d", "j", "w" shall be substituted in lieu thereof:

Provision	Selection in Franchise Agreement	Summary
d. Termination by you	None	Pursuant to New York General Business Law, the Franchisee may terminate the Agreement upon any grounds available by law.
j. Assignment of contract by us	13(a)	No assignment will be made except to an assignee who, in Franchisor's judgment, is willing and able to assume the Franchisor's obligation under the Franchise Agreement.
w. Choice of law	22(a)	The foregoing choice of law should not be considered as a waiver of any right conferred upon the Franchisor or the Franchisee by the General Business Law of the State of New York, Article 33.

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchisee will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. Modifications that we make to our Manuals as permitted by the Franchise Agreement will not impose an unreasonable economic burden on you.

6. Provisions of general releases are mentioned in this Disclosure Document and specified in the Franchise Agreement. These releases are limited by the following: all rights enjoyed by you and any cause of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and regulations issued under this law shall remain in force, it being the intent that the non-waiver provisions of the General Business Law of the State of New York, Sections 687.4 and 687.5 be satisfied.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

North Dakota Disclosure Addendum

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for Perkins LLC shall be amended by the addition of the following language:

1. The North Dakota Securities Commissioner requires that all initial fees paid to Perkins LLC by the franchisee be held in Escrow until Perkins LLC has completed its pre-opening obligations to the franchisee. The escrow agreement between Perkins LLC and EagleBank, as the Escrow Agent, is on file at the North Dakota Securities Commissioner.

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.

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-1 through 51-19-17, are met independently without reference to this Addendum to the Disclosure Document.

Rhode Island Disclosure Addendum

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the Franchise Disclosure Document for Perkins LLC for use in the State of Rhode Island shall be amended as follows:

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

> § 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 Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum to the Disclosure Document.

Virginia Disclosure Addendum

In recognition of the requirements of the Virginia Retail Franchising Act, Virginia Code, Title 13.1, Chapter 8, §§ 13.1-557 through 13.1-574, the Franchise Disclosure Document for Perkins LLC (the "**FDD**") for use in the State of Virginia shall be amended as follows:

1. Item 17.h. is amended by the addition of the following statements:

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

2. The following language is added to Item 22:

   The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of Virginia.

   The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of Virginia.

3. This Addendum to the FDD shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum to the FDD.

Washington Disclosure Addendum

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 to 19.100.940, the Franchise Disclosure Document for Perkins LLC in connection with the offer and sale of franchisees for use in the State of Washington shall be amended to include the following:

1. Item 5, "Initial Fees" is amended by the addition of the following paragraph:

> The State of Washington, Department of Financial Institutions, Securities Division has required that (1) the Initial Franchise Fee due under the Franchise Agreement, and (2) if you sign a Market Development Agreement, the Development Fees for the Perkins Restaurants you agree to develop under the Market Development Agreement, be held in escrow until Perkins LLC has completed its pre-opening obligations to the franchisee and the franchisee is opened for business. If you also sign a Market Development Agreement, the Development Fees will be released from escrow on a per Restaurant basis, with the portion of the Development Fee attributed to each Perkins Restaurant released upon the opening of that Perkins Restaurant. The escrow agreement between Perkins LLC and EagleBank, as the Escrow Agent, is on file at Washington's Department of Financial Institutions, Securities Division.

2. Item 5, "Initial Fees," is amended by the addition of the following at the end of the paragraph "Existing Franchisee Referral Program":

> Franchisees who receive financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

3. Item 6, "Other Fees," is amended by the addition of the following under "Transfer Fees":

> Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer or offering materials.
>
> Additionally, any fees payable to Perkins for Perkins to review any proposed offering of stock or partnership interests in the franchisee will be limited to Perkins' actual costs in in reviewing the proposed offering materials.

4. In Item 17 "Renewal, Termination, Transfer and Dispute Resolution," row (d) "Termination by You" for the Franchise Agreement chart and the Market Development chart are amended by adding the following:

> Franchisees may terminate the Franchise Agreement under any grounds permitted by law. Developers may terminate the Market Development Agreement under any grounds permitted by law.

5. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by the addition of the following paragraphs at the conclusion of the Item:

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

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

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

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

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

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

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

6. The following language is added to Item 22:

The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of Washington.

The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of Washington.

7. Each provision of this addendum to the Disclosure Document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this addendum to the Disclosure Document. The Washington Franchise Investment Protection Act is located at Wash. Rev. Code §§ 19.100.010 to RCW 19.100.940.

EXHIBIT I

STATE-SPECIFIC AGREEMENT AMENDMENTS

California Franchise Agreement Amendment

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the parties to the attached Perkins LLC Franchise Agreement (the "Agreement") agree as follows:

1. **Section 5(a)** of the Agreement, under the heading "Initial Franchise Fee," shall be amended by the addition of the following language:

> The California Department of Financial Protection and Innovation requires that all initial fees paid to Company by Operator be held in escrow until Company has completed its pre-opening obligations under this Agreement to Operator. The escrow agreement between Company and Coast to Coast Escrow Services, Inc., an independent licensed Escrow Company, through an account at Pacific Premier Bank, as the Escrow Agent, is on file at the California Department of Financial Protection and Innovation.

2. If any of the provisions of the Agreement concerning termination and non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U.S.C. §101, et seq.) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

3. The Agreement requires that it be governed by Georgia law. This requirement may be unenforceable under California law.

4. Franchisee must sign a general release if Franchisee renews or transfers Franchisee's franchise. California Corporations Code 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

5. Franchisee and Franchisor agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier.

6. **Sections 24(a) through 24(e)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect

7. **Section 24(f)** of the Agreement, under the heading "Entire Agreement" shall be amended by deleting the last sentence of the section.

8. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern.

9. Each provision of this amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law and California Franchise Relations Act are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

California Market Development Agreement Amendment

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the parties to the attached Perkins LLC Market Development Agreement (the "Agreement") agree as follows:

1. **Section 3.a** of the Agreement, under the heading "Development Fees," shall be amended by the addition of the following language:

> The California Department of Financial Protection and Innovation requires that the Development Fees paid to Company by Developer be held in escrow until Company has completed its pre-opening obligations under this Agreement to Developer and Developer opens its first Perkins Restaurant to be developed under this Agreement. The escrow agreement between Company and Coast to Coast Escrow Services, Inc., an independent licensed Escrow Company, through an account at Pacific Premier Bank, as the Escrow Agent, is on file at the California Department of Financial Protection and Innovation.

2. If any of the provisions of the Agreement concerning termination and non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U.S.C. §101, et seq.) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

3. The Agreement requires that it be governed by Georgia law. This requirement may be unenforceable under California law.

4. Franchisee must sign a general release if Franchisee renews or transfers Franchisee's franchise. California Corporations Code 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

5. Franchisee and Franchisor agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier.

6. **Sections 16(a)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

7. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern.

8. Each provision of this amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law and California Franchise Relations Act are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Market Development Agreement Amendment on the same date as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Illinois Franchise Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Perkins LLC Franchise Agreement (the "**Agreement**") agree as follows:

1. The following new Section 3(d) is added to the existing **Section 3** of the Agreement, under the heading "Term":

> (d) If any of the provisions of this Section 3 are inconsistent with Section 20 of the Illinois Franchise Disclosure Act, the provisions of the Act will apply. If Company refuses to renew this Agreement, Company will compensate Operator if (and to the extent) compensation is required under Section 20 of the Illinois Franchise Disclosure Act.

2. The following new **Section 14(e)** will be added to **Section 14** of the Agreement, under the heading "Default and Termination":

> (e) If any of the provisions of this Section 14 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply.

3. **Section 22(a)** of the Agreement, under the heading "Governing Law," is deleted and replaced by the following new Section 22(a):

> (a) Choice of Law. This Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws of the state of Illinois, which laws shall prevail in the event of any conflict; provided, however, (i) any provision not enforceable under Illinois law shall be construed in accordance with the laws of the State(s) where such restriction(s) is(are) to apply, (ii) any Illinois law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (iii) the laws of the state in which the Premises are located shall apply to the construction and enforcement of the obligations set forth in Sections 7(cc) and 12(b) hereof, without regard to its conflicts of laws.

4. The following language is added to the end of **Section 22(b)** of the Agreement, under the heading "Governing Law":

> Operator and Company agree that the preceding limitations of this Section 22(b) will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void."

5. The following new **Section 22(d)** is added to **Section 22** of the Agreement, under the heading "Governing Law":

> (d) Nothing contained in this Section or elsewhere in this Agreement will constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act are met).

6. **Sections 24(a) through 24(e)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

7. Each section of this Amendment will be effective only to the extent (for that section) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (without reference to this Amendment).

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Franchise Agreement Amendment on the same day as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Illinois Market Development Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Perkins LLC Market Development Agreement the "**Agreement**") agree as follows:

1. The following new **Section 8(c)** is added to **Section 8** of the Agreement, under the heading "Termination":

> (c) If any of the provisions of this Section 8 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then said Illinois law shall apply.

2. **Section 15(d)** of the Agreement, under the heading "Miscellaneous Provisions," is replaced by the following new Section 15(d):

> (d) Choice of Law. This Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws of the state of Illinois, which laws shall prevail in the event of any conflict; provided, however, (i) any provision not enforceable under Illinois law shall be construed in accordance with the laws of the State(s) where such restriction(s) is(are) to apply, and (ii) any Illinois law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

3. The following new language is added to the end of **Section 15(e)** of the Agreement, under the heading "Miscellaneous Provisions":

> Developer and Company agree that the preceding limitations of this Section 15(e) will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void."

4. The following new **Section 15(m)** is added to **Section 15** of the Agreement, under the heading "Miscellaneous Provisions":

> m. Nothing in this Section or elsewhere in this Market Development Agreement will constitute a condition, stipulation or provision purporting to bind any person to waive compliance with any provision of the Illinois Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met).

5. **Sections 16(a)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

6. Each section of this Amendment will be effective only to the extent (for that section) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (without reference to this Amendment).

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Market Development Agreement Amendment on the same day as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Maryland Amendment to Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the parties to the attached Perkins LLC Franchise Agreement (the "**Agreement**") agree as follows:

1. **Section 5(a)** of the Agreement, under the heading "Initial Franchise Fee," shall be amended by the addition of the following language:

> The Securities Commissioner of the State of Maryland requires that all initial fees paid to Company by Operator be held in escrow until Company has completed its pre-opening obligations under this Agreement to Operator. The escrow agreement between Company and EagleBank, as the Escrow Agent, is on file at the Maryland Securities Division.

2. **Section 13(c)(vi)** of the Agreement, under the heading "Transfer and Assignment," shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> (vi) That any transferor shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company, its parent, subsidiaries, affiliates and their respective officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement; excluding only such claims as the transferor may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233);

3. **Sections 22(b)(ii)** and **(iii)** of the Agreement, under the heading "Governing Law," shall be supplemented by the addition of the following language at the end of each of those Sections:

> Operator and Company agree that the preceding limitations of this Section 22(b) regarding jurisdiction and venue of actions shall not apply with respect to claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233), which may be brought in Maryland.

4. **Section 22(b)(v)** of the Agreement, under the heading "Governing Law," shall be deleted in their entirety, and shall have no force or effect; and the following Section (v) shall be substituted in lieu thereof:

> (v) Any and all claims and actions arising out of or relating to this Agreement, the relationship of Operator and Company (or Company's affiliates), or Operator's operation of the Franchised Business, brought by either party hereto against the other shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred; except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) shall be commenced within three (3) years from the grant of the franchise.

5. The Franchise is amended to include the following:

Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023 (the "Interpretive Opinion"), issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to include the following statement in their franchise agreements: "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."

Accordingly, (a) Sections 24(a) through 24(e) of this Agreement are deleted in their entirety and shall have no force or effect, and (b) any other statement, questionnaire, or acknowledgment in this Agreement that is not permitted under the Interpretive Opinion is deleted in its entirety and shall have no force or effect.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Maryland Market Development Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the parties to the attached Perkins LLC Market Development Agreement (the "**Agreement**") agree as follows:

1. **Section 3(a)** of the Agreement, under the heading "Development Fees," shall be amended by the addition of the following language:

> The Securities Commissioner of the State of Maryland requires that the Development Fees paid to Company by Developer be held in escrow until Company has completed its pre-opening obligations under this Agreement to Developer and Developer opens its first Perkins Restaurant to be developed under this Agreement. The escrow agreement between Company and EagleBank, as the Escrow Agent, is on file at the Maryland Securities Division.

2. **Sections 15(e)(ii) and (iii)** of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the addition of the language at the end of each of those Sections:

> Developer and Company agree that the preceding limitations of this Section regarding jurisdiction and venue of actions shall not apply with respect to claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233), which may be brought in Maryland.

3. **Section 15(e)(v)** of the Agreement, under the heading "Miscellaneous Provisions" shall be deleted in its entirety, and shall have no force or effect; and the following shall be substituted in lieu thereof:

> (v) Time for Claims and Waivers. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Company (or Company's affiliates), or Developer's development of Huddle House Restaurants under this Agreement, brought by either party hereto against the other shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred; except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) shall be commenced within three (3) years from the grant of the franchise.

4. The Agreement is amended to include the following:

> Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023 (the "Interpretive Opinion"), issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to include the following statement in their franchise agreements: "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."

Accordingly, (a) Section 16(a) of this Agreement is deleted in its entirety and shall have no force or effect, and (b) any other statement, questionnaire, or acknowledgment in this Agreement that is not permitted under the Interpretive Opinion is deleted in its entirety and shall have no force or effect.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Market Development Agreement Amendment on the same date as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Minnesota Franchise Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Perkins LLC Franchise Agreement (the "**Agreement**") agree as follows:

1. **Section 6** of the Agreement, under the heading "Licensed Marks," shall be amended by the addition of the following new **Section 6(f)**:

> (f) Pursuant to Minnesota Stat. Sec. 80C.12 (Subd. 1(g)), Company is required to protect any rights Franchisee may have to Company's Licensed Marks.

2. **Section 13(c)(vi)** of the Agreement, under the heading "Consent by Company to Proposed Transfer," shall be deleted in its entirety and shall have no force or effect, and the following Section 13(c)(vi) shall be inserted in lieu thereof:

> (vi) The transferor shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company and its officers, directors, shareholders and employees, in their corporate and individual capacities, excluding only such claims as the transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

3. **Section 13** of the Agreement, under the heading "Consent by Company to Proposed Transfer," shall be supplemented by the addition of the following new **Section 13(c)(xii)**:

> (xii) Minnesota law provides franchisees with certain transfer rights. In sum, Minn. Stat. § 80C.14 (Subd. 5) currently requires that consent to the transfer of the franchise may not be unreasonably withheld.

4. **Section 14** of the Agreement, under the heading "Default and Termination," shall be supplemented by the following new **Section 14(f)**:

> (f) Minnesota law provides franchisees with certain termination rights. In sum, Minn. Stat. § 80C.14 (Subd. 3) currently requires, 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.

5. **Section 22** of the Agreement, under the heading "Governing Law", shall be supplemented by the following **Section 22(d)**, which shall be considered an integral part of the Agreement:

> (d) Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Notwithstanding **Section 22(b)(v)**, under the heading "Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers", in the event that a claim is brought pursuant to Minn. Stat. § 80C.17, that claim must be commenced no more than three (3) years after the cause of action accrues, pursuant to Minn. Stat. § 80C.17 (Subd. 5).

7. **Sections 24(a) through 24(e)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

8. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Minnesota Market Development Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Perkins LLC Market Development Agreement (the "**Agreement**") agree as follows:

1. **Section 13** of the Agreement, shall be supplemented by the addition of the following new **Section 13(f)**:

> (f) Minnesota law provides franchisees with certain transfer rights. In sum, Minn. Stat. § 80C.14 (Subd. 5) currently requires that consent to the transfer of the franchise may not be unreasonably withheld.

2. **Section 8** of the Agreement, under the heading "Termination," shall be supplemented by the following new **Section 8(c)**:

> (c) Minnesota law provides franchisees with certain termination rights. In sum, Minn. Stat. § 80C.14 (Subd. 3) currently requires, 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.

3. **Section 15** of the Agreement, under the heading "Miscellaneous Provisions", shall be supplemented by the following **Section 15(m)**, which shall be considered an integral part of the Agreement:

> (m) Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Notwithstanding **Section 15.e(v)** of this Agreement, under the heading "Miscellaneous Provisions", in the event that a claim is brought pursuant to Minn. Stat. § 80C.17, that claim must be commenced no more than three (3) years after the cause of action accrues, pursuant to Minn. Stat. § 80C.17 (Subd. 5).

5. **Sections 16(a)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

6. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Market Development Agreement Amendment on the same date as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

New York Franchise Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Perkins LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 13(c)(vi), under the heading "Transfer and Assignment," shall be deleted in its entirety, and shall have no force or effect; and the following shall be substituted in lieu thereof:

> (vi) The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 20 of the Agreement, under the heading "Enforcement," shall be supplemented by the addition of the following to Section 20:

> (d) Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

3. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchisee will be opening in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

New York Market Development Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Perkins LLC Market Development Agreement (the "**Agreement**") agree as follows:

1. Section 15 of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the addition of the following to Section 15:

> (m) Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

2. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchisee will be opening in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Market Development Agreement Amendment on the same date as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

North Dakota Franchise Agreement Amendment

In recognition of the requirements of North Dakota Law and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Perkins LLC Franchise Agreement (the "**Agreement**") agree as follows:

1. **Section 5(a)** of the Agreement, under the heading "Initial Franchise Fee," shall be amended by the addition of the following language:

> The North Dakota Securities Commissioner requires that all initial fees paid to Company by Operator be held in escrow until Company has completed its pre-opening obligations under this Agreement to Operator. The escrow agreement between Company and EagleBank, as the Escrow Agent, is on file at the North Dakota Securities Commissioner.

2. The Agreement shall be amended by the addition of the following **Section 24**:

> 24. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):
>
> A. Restrictive Covenants: Any provision (i.e., Section 12) which discloses 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. Restriction on Forum: Any provision (i.e., Section 22) requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
>
> C. Liquidated Damages and Termination Penalties: Any provision (i.e., Sections 12(d)(ii) and 14(c)) requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
>
> D. Applicable Laws: Any provision (i.e., Section 22) which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
>
> E. Waiver of Trial by Jury: Any provision (i.e., Section 22(b)(iv)) requiring North Dakota franchisees to consent to the waiver of a trial by jury.
>
> F. Waiver of Exemplary and Punitive Damages: Any provision (i.e., Section 22(b)(vi)) requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
>
> G. General Release: Any provision (i.e., Section 13) requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

3. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Franchise Agreement Amendment on the same day as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

North Dakota Market Development Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Perkins LLC Market Development Agreement the "**Agreement**") agree as follows:

1. **Section 3(a)** of the Agreement, under the heading "Development Fees," shall be amended by the addition of the following language:

> The North Dakota Securities Commissioner requires that all Development Fees paid to Company by Developer be held in escrow until Company has completed its pre-opening obligations under this Agreement to Developer and Developer opens its first Perkins Restaurant to be developed under this Agreement. The escrow agreement between Company and EagleBank, as the Escrow Agent, is on file at the North Dakota Securities Commissioner.

2. The Agreement shall be amended by the addition of the following **Section 17**:

> 17. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):
>
> A. Situs of Arbitration Proceedings: Any provision (i.e., Section 15) requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
>
> B. Restriction on Forum: Any provision (i.e., Section 15) requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
>
> C. Liquidated Damages and Termination Penalties: Any provision (i.e., Sections 5(c)(v) and 6(c)(iii)) requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
>
> D. Applicable Laws: Any provision (i.e., Section 15) which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
>
> E. Waiver of Trial by Jury: Any provision (i.e., Section 15(iv)) requiring North Dakota franchisees to consent to the waiver of a trial by jury.
>
> F. Waiver of Exemplary and Punitive Damages: Any provision (i.e., Section 15(vi)) requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

3. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Franchise Agreement Amendment on the same day as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Rhode Island Franchise Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Perkins LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 13 of the Agreement contains a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Rhode Island Franchise Investment Act.

2. This Agreement requires that it be governed by Georgia law. To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under § 19-28.1-14.

3. Section 22(b)(ii) of the Agreement, under the heading "Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers," will be amended by the addition of the following, which will be considered an integral part of this Agreement:

> § 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."

4. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier.

5. Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

6. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Rhode Island Market Development Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Perkins LLC Market Development Agreement (the "Agreement") agree as follows:

1. This Agreement requires that it be governed by Georgia law. To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under § 19-28.1-14.

2. Section 15 of the Agreement, under the heading "Miscellaneous Provisions," will be amended by the addition of the following, which will be considered an integral part of this Agreement:

> § 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. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier.

4. Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

5. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment Market Development Agreement Addendum on the same date as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Virginia Amendment to the Franchise Agreement

In recognition of the requirements of the Virginia Retail Franchising Act, the parties to the attached Perkins LLC Franchise Agreement (the "Agreement") agree as follows:

1. **Sections 24(a) through 24(e)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

2. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern.

3. Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Virginia Retail Franchising Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Virginia Amendment to the Development Agreement

In recognition of the requirements of the Virginia Retail Franchising Act, the parties to the attached Perkins LLC Market Development Agreement (the "Agreement") agree as follows:

1. **Section 16(a)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

2. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern.

3. Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Virginia Retail Franchising Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia Development Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Washington Amendment to Franchise Agreement
Franchise Questionnaire and Related Agreements

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached Perkins LLC Franchise Agreement (the "Agreement") agree as follows:

1. **Section 5(a)** of the Agreement, under the heading "Initial Franchise Fee," shall be amended by the addition of the following language:

> The State of Washington, Department of Financial Institutions, Securities Division requires that all initial fees paid to Company by Operator be held in escrow until Company has completed its pre-opening obligations under this Agreement to Operator and Operator has opened the Franchised Business. The escrow agreement between Company and EagleBank, as the Escrow Agent, is on file at the Washington Department of Financial Institutions, Securities Division.

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

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

4. 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.

5. 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.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. Additionally, any fees payable to Company under Section 13(i) for review by Company of any proposed offering of stock or partnership interests in the franchisee will be limited to Company's actual costs in in reviewing the proposed offering materials.

7. 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.

8. 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.

9. In **Section 14(d)** of the Franchise Agreement, the first sentence is deleted and replaced with the following:

Upon termination of this Agreement by Company due to an event of default, Operator shall pay the Company upon demand, as liquidated damages and not as a penalty and to compensate the Company for damages caused by such termination, the greater of the following: (a) the sum of Three Hundred Thousand Dollars ($300,000); or (b) an amount equal to three (3) years of estimated weekly royalty fees, which shall be calculated by Company by using the average weekly royalty fees due by Operator during the preceding twenty-four (24) full months (or, if Operator has been operating the Unit for a shorter period, then for the full months that Operator operated the Unit).

10. **Sections 24(a) through 24(e)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

11. This amendment will apply only if the Washington Franchise Investment Protection Act, Wash. Rev. Code Chapter 19.100, would apply independently without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Washington Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

Washington Amendment to Market Development Agreement
Franchise Questionnaire and Related Agreements

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached Perkins LLC Market Development Agreement (the "Agreement") agree as follows:

1. **Section 3(a)** of the Agreement, under the heading "Development Fees," shall be amended by the addition of the following language:

> The State of Washington, Department of Financial Institutions, Securities Division requires that all Development Fee payable to Company by Operator for each Perkins Restaurant that Developer agrees to develop under this Agreement be held in escrow until the time that Company has fulfilled its initial pre-opening obligations for each such business and Developer opens that Perkins Restaurant. The escrow agreement between Company and EagleBank, as the Escrow Agent, is on file at the Washington Department of Financial Institutions, Securities Division.

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

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

4. 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.

5. 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.

6. Transfer fees, including any fees to review materials for an offering of stock or partnership interests in the developer, are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. 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.

8. 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.

9. **Sections 16(a)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

10. This amendment will apply only if the Washington Franchise Investment Protection Act, Wash. Rev. Code Chapter 19.100, would apply independently without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Washington Amendment to the Market Development Agreement on the same date as the Market Development Agreement was executed.

COMPANY
PERKINS LLC,
a Delaware limited liability company

By:_____

Name: _____

Title: _____

OPERATOR
FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By: _____
FRANCHISEE SIGNATORY1, TITLE

By: _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT J

SAMPLE GENERAL RELEASE LANGUAGE

Franchisee [Developer], its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Perkins LLC, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any or all members of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise [Development] Agreement, the relationship created by the Franchise [Development] Agreement, or the development, ownership, or operation of the Perkins Restaurant. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise [Development] Agreement or the Perkins Restaurant. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein.

For Washington franchisees, the general release language is amended by the addition of the following:

"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."

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:

STATES	EFFECTIVE DATE
California	PENDING
Illinois	PENDING
Indiana	PENDING
Maryland	PENDING
Michigan	PENDING
Minnesota	PENDING
New York	PENDING
North Dakota	PENDING
Rhode Island	PENDING
South Dakota	PENDING
Virginia	PENDING
Washington	PENDING
Wisconsin	PENDING

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

EXHIBIT K
RECEIPTS

ITEM 23 -- RECEIPT

(to be retained by Prospective Franchisee)

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 Perkins LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that Perkins LLC gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Perkins LLC gives you this Disclosure Document at least 10 days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Perkins LLC 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 your state agency (identified on **Exhibit B**).

The franchisor is Perkins LLC, 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328. Its telephone number is (770) 325-1300.

Issuance Date: August 20, 2023.

The franchise seller for this offering is Peter Ortiz, Chief Development Officer, whose address is 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328, and telephone number is (770) 325-1300. Additional franchise sellers involved in this franchise offering are listed on the attached page (if applicable).

Perkins LLC authorizes the agencies identified on **Exhibit B** to receive service of process for it in the particular state.

I have received a Disclosure Document dated August 20, 2023 that included the following Exhibits and other Attachments:

Exhibit A – Perkins Standard Contracts
Exhibit B – List of Agents for Service of Process
Exhibit C – List of State Administrators
Exhibit D – List of Franchise Owners and Former Franchisees
Exhibit E – Financial Statements
Exhibit F – Table of Contents to Manual
Exhibit G – Franchisee Questionnaire
Exhibit H – State-Specific Disclosure Addenda
Exhibit I – State-Specific Agreement Amendments
Exhibit J – Sample General Release Language
State Effective Dates
Exhibit K – Receipts

Signature:_____ Date FDD Received:_____

Printed Name:_____

Title/Position:_____

Address: _____

_____

Company Name (if applicable): _____

THIS COPY TO BE RETAINED BY PROSPECTIVE FRANCHISEE

ITEM 23 -- RECEIPT

(to be returned to COMPANY)

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 Perkins LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that Perkins LLC gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Perkins LLC gives you this Disclosure Document at least 10 days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Perkins LLC 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 your state agency (identified on **Exhibit B**).

The franchisor is Perkins LLC, 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328. Its telephone number is (770) 325-1300.

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I have received a Disclosure Document dated August 20, 2023 that included the following Exhibits and other Attachments:

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Exhibit H – State-Specific Disclosure Addenda
Exhibit I – State-Specific Agreement Amendments
Exhibit J – Sample General Release Language
State Effective Dates
Exhibit K – Receipts

Signature:_____ Date FDD Received:_____

Printed Name:_____

Title/Position:_____

Address: _____

_____

Company Name (if applicable): _____

RETURN THIS RECEIPT TO:
Perkins LLC
5901B Peachtree Dunwoody Rd., Ste. 450
Sandy Springs, GA 30328